



101 Constitution Avenue, NW  
Washington, DC 20080  
www.washingtongas.com

Direct: (202) 624-6722  
Fax: (202) 624-6789

January 8, 2018

**Via Electronic Filing and Overnight Delivery**

David J. Collins  
Executive Secretary  
Maryland Public Service Commission  
6 St. Paul Street, 16<sup>th</sup> Floor  
Baltimore, MD 21202

**Re: Reduction in Natural Gas Base Distribution Rates to Flow Through Reduction  
in Federal Income Taxes from Tax Cuts and Jobs Act of 2017**

Dear Mr. Collins:

The purpose of this letter is to advise the Maryland Public Service Commission that Washington Gas Light Company ("Washington Gas" or "Company") plans to make a filing, on or before January 12, 2018, to reduce its current natural gas distribution rates in order to flow through to its Maryland customers the reduction in federal income taxes resulting from the Tax Cuts and Jobs Act of 2017 ("the Act"). The Act, which was signed into law on December 22, 2017, reduced the federal corporate income tax rate from 35% to 21% effective January 1, 2018. Washington Gas is currently in the process of finalizing its calculation of the estimated impact of the change in the federal corporate income tax rate on its revenue requirement in Maryland, including the impact of changes in tax rates on the Company's accumulated deferred income tax (ADIT) balances. A preliminary estimate indicates an annual reduction in rates in Maryland in the amount of \$13 million.

Washington Gas's filing will request authority to implement the reduced base rates for meter readings on and after January 29, 2018, the first meter-read day of its February 2018 billing cycle. In order to implement the new lower rates, the Company will request waiver of the 30-day notice requirement for a proposed change in rates under Public Utilities Article § 4-203. Washington Gas also will request that its filing be considered at the Commission's January 24, 2018 Administrative Meeting.

Please let me know if you have any questions related to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to be "JD", is written over the printed name and title.

John C. Dodge  
Associate General Counsel

cc: Robert H. Erwin, General Counsel  
Leslie M. Romine, Staff Counsel  
Paula M. Carmody, People's Counsel