

## Distribution Rate Increase Takes Effect February 20, 2008 for Residential Customers

The District of Columbia Public Service Commission has approved an increase in Pepco's distribution rates effective with service rendered on and after February 20, 2008. The average monthly bill for the typical residential customer who uses 750 kilowatt-hours per month will increase 2.27 percent or \$1.74 under the new rates. The distribution rates for customers who participate in the Residential Aid Discount (RAD) program will not increase and will remain capped until August 2009.

For customers on the "Residential" and "Residential All Electric Service" rate schedules, the Public Service Commission eliminated the minimum monthly charge on the first 30 kilowatt-hours. The Commission replaced the minimum charge with a monthly Customer Charge of \$2. The Customer Charge is designed to have a modest bill impact and give customers a more accurate price signal on the cost to provide distribution service.

The Commission also approved the addition of a Residential Aid Discount surcharge as a separate item on customer bills to pay for the RAD program. This program funds a discount for low-income customers. In the past the surcharge was included in the distribution rates.

The new distribution rates are listed in the chart below and include current Standard Offer Service rates for transmission and generation services. Customers who have selected an alternative electricity supplier are subject only to the distribution service charges listed below, modified as appropriate by application of the Billing Credit. New Standard Offer Service rates will be announced in an insert with June bills.

The following chart compares rates between summer and winter periods for several different residential rate schedule categories. The change to summer rates begins with the billing month of June 2008. Your rate schedule appears in the "Meter Summary" portion of your bill.

The Public Space Occupancy Surcharge has been updated and will decrease from 0.219 cents to 0.161 cents per kilowatt-hour, effective with meters read on and after March 1, 2008. Pepco pays the surcharge to the District of Columbia for use of public space for electric facilities.

RATE SCHEDULE	SUMMER Billing Months (June-October)	WINTER Billing Months (November-May)
<b>RESIDENTIAL "R"</b> - available to single-family homes, individually metered units in multi-family buildings and to many master-metered apartments.		
Distribution Service Charges		
Customer Charge	\$ 2.00 per month	\$ 2.00 per month
First 400 kilowatt-hours	0.945¢ per kwhr	0.945¢ per kwhr
In excess of 400 kilowatt-hours	2.796¢ per kwhr	1.942¢ per kwhr
Delivery Tax*	0.700¢ per kwhr	0.700¢ per kwhr
Public Space Occupancy Surcharge*	0.161¢ per kwhr	0.161¢ per kwhr
Reliable Energy Trust Fund*	0.111¢ per kwhr	0.111¢ per kwhr
Residential Aid Discount Surcharge	0.005¢ per kwhr	0.005¢ per kwhr
Administrative Credit*	-0.30968¢ per kwhr	-0.30968¢ per kwhr
Transmission Service Charges		
Minimum Charge (including first 30 kwhr or fraction thereof of consumption)	\$ 0.12 per month	\$ 0.12 per month
In excess of 30 kilowatt-hours	0.413¢ per kwhr	0.413¢ per kwhr
Generation Service Charges		
Minimum Charge (including first 30 kwhr or fraction thereof of consumption)	\$ 2.72 per month	\$ 2.55 per month
In excess of 30 kilowatt-hours	9.071¢ per kwhr	8.512¢ per kwhr
Procurement Cost Adjustment**		
<b>RESIDENTIAL ALL ELECTRIC SERVICE "AE"</b> - available where electricity is the only source of energy for space heating, or the primary source with use of an add-on heat pump, or solar space heating that is supplemented by electric space heating.		
Distribution Service Charges		
Customer Charge	\$ 2.00 per month	\$ 2.00 per month
First 400 kilowatt-hours	0.945¢ per kwhr	0.945¢ per kwhr
In excess of 400 kilowatt-hours	2.796¢ per kwhr	1.552¢ per kwhr
Delivery Tax*	0.700¢ per kwhr	0.700¢ per kwhr
Public Space Occupancy Surcharge*	0.161¢ per kwhr	0.161¢ per kwhr
Reliable Energy Trust Fund*	0.111¢ per kwhr	0.111¢ per kwhr
Residential Aid Discount Surcharge	0.005¢ per kwhr	0.005¢ per kwhr
Administrative Credit*	-0.30968¢ per kwhr	-0.30968¢ per kwhr
Transmission Service Charges		
Minimum Charge (including first 30 kwhr or fraction thereof of consumption)	\$ 0.12 per month	\$ 0.12 per month
In excess of 30 kilowatt-hours	0.413¢ per kwhr	0.413¢ per kwhr
Generation Service Charges		
Minimum Charge (including first 30 kwhr or fraction thereof of consumption)	\$ 2.73 per month	\$ 2.59 per month
In excess of 30 kilowatt-hours	9.102¢ per kwhr	8.626¢ per kwhr
Procurement Cost Adjustment**		



**RESIDENTIAL AID DISCOUNT - STANDARD - RIDER "RAD"** - available to customers for 18 months after certification of eligibility by the Government of the District of Columbia for participation in the Low-Income Home Energy Assistance Program (LIHEAP).

Distribution Service Charges		
Minimum Charge (including first 30 kwhr or fraction thereof of consumption)	\$ 0.19 per month	\$ 0.19 per month
Next 370 kilowatt-hours	0.151¢ per kwhr	0.578¢ per kwhr
In excess of 400 kilowatt-hours	2.850¢ per kwhr	1.947¢ per kwhr
Delivery Tax*	0.700¢ per kwhr	0.700¢ per kwhr
Public Space Occupancy Surcharge*	0.161¢ per kwhr	0.161¢ per kwhr
Administrative Credit*	-0.30968¢ per kwhr	- 0.30968¢ per kwhr
Transmission Service Charges		
Minimum Charge (including first 30 kwhr or fraction thereof of consumption)	\$ 0.05 per month	\$ 0.05 per month
Next 370 kilowatt-hours	0.079¢ per kwhr	0.257¢ per kwhr
In excess of 400 kilowatt-hours	0.413¢ per kwhr	0.413¢ per kwhr
Generation Service Charges		
Minimum Charge (including first 30 kwhr or fraction thereof of consumption)	\$ 1.17 per month	\$ 1.20 per month
Next 370 kilowatt-hours	2.713¢ per kwhr	3.893¢ per kwhr
In excess of 400 kilowatt-hours	9.109¢ per kwhr	7.457¢ per kwhr
Procurement Cost Adjustment**		

**RESIDENTIAL AID DISCOUNT - ALL ELECTRIC - RIDER "RAD-AE"** - available to customers for 18 months after certification of eligibility by the Government of the District of Columbia for participation in the Low-Income Home Energy Assistance Program (LIHEAP).

Distribution Service Charges		
Minimum Charge (including first 30 kwhr or fraction thereof of consumption)	\$ 0.19 per month	\$ 0.19 per month
Next 370 kilowatt-hours	0.188¢ per kwhr	0.188¢ per kwhr
401-700 kilowatt-hours	2.040¢ per kwhr	0.770¢ per kwhr
In excess of 700 kilowatt-hours	2.850¢ per kwhr	1.557¢ per kwhr
Delivery Tax*	0.700¢ per kwhr	0.700¢ per kwhr
Public Space Occupancy Surcharge*	0.161¢ per kwhr	0.161¢ per kwhr
Administrative Credit*	-0.30968¢ per kwhr	- 0.30968¢ per kwhr
Transmission Service Charges		
Minimum Charge (including first 30 kwhr or fraction thereof of consumption)	\$ 0.05 per month	\$ 0.05 per month
Next 370 kilowatt-hours	0.094¢ per kwhr	0.094¢ per kwhr
401 - 700 kilowatt-hours	0.279¢ per kwhr	0.192¢ per kwhr
In excess of 700 kilowatt-hours	0.413¢ per kwhr	0.413¢ per kwhr
Generation Service Charges		
Minimum Charge (including first 30 kwhr or fraction thereof of consumption)	\$ 1.20 per month	\$ 1.19 per month
Next 370 kilowatt-hours	2.863¢ per kwhr	2.860¢ per kwhr
401 - 700 kilowatt-hours	7.688¢ per kwhr	4.374¢ per kwhr
In excess of 700 kilowatt-hours	9.087¢ per kwhr	6.415¢ per kwhr
Procurement Cost Adjustment**		

**TIME METERED RESIDENTIAL SERVICE "R-TM"** - this schedule is mandatory for residential customers who have qualified for residential time-of-use rates (TOU) and includes single-family homes or individually metered units in multi-family buildings.

Distribution Service Charges		
Customer Charge	\$ 9.09 per month	\$ 9.09 per month
Kilowatt-hour Charge	3.717¢ per kwhr	3.717¢ per kwhr
Delivery Tax*	0.700¢ per kwhr	0.700¢ per kwhr
Public Space Occupancy Surcharge*	0.161¢ per kwhr	0.161¢ per kwhr
Reliable Energy Trust Fund*	0.111¢ per kwhr	0.111¢ per kwhr
Residential Aid Discount Surcharge	0.005¢ per kwhr	0.005¢ per kwhr
Administrative Credit*	-0.30968¢ per kwhr	- 0.30968¢ per kwhr
Transmission Service Charges		
Kilowatt-hour Charge	0.426¢ per kwhr	0.426¢ per kwhr
Generation Service Charges		
On Peak Kilowatt-hour Charge	10.927¢ per kwhr	9.220¢ per kwhr
Intermediate Kilowatt-hour Charge	9.227¢ per kwhr	8.864¢ per kwhr
Off Peak Kilowatt-hour Charge	8.309¢ per kwhr	8.157¢ per kwhr
Procurement Cost Adjustment**		

\*Subject to change periodically.

\*\* Rate changes monthly. See [www.pepco.com](http://www.pepco.com).

Billing Credit - A monthly billing credit in the amount of \$0.62 will be applied to the bill of each customer receiving a consolidated bill from an alternative supplier for services provided both by Pepco and by the alternative supplier.

Customer Charge replaces the Minimum Charge for the first 30 kwhr.

For customers on "R-TM" rate schedule, off-peak costs are the lowest.