



A PHI Company

Pepco Files Application to Increase Distribution Rates

On July 8, 2011 Pepco filed an application with the District of Columbia Public Service Commission to increase existing distribution service rates and charges in the District of Columbia by \$42.1 million.

The proposed changes in distribution rates are as follows:

| Rate Schedule | Current Rates | | Proposed Rates | |
|--|---------------|----------------|---|----------------|
| | Summer | Winter | Summer | Winter |
| GS Non-Demand (GS ND) | | | | |
| Customer Charge | \$15.72 | \$15.72 | \$18.36 | \$18.36 |
| Kilowatthour Charge | \$0.04412 | \$0.03657 | \$0.03835 | \$0.03179 |
| GS Low Voltage (GS LV) | | | | |
| Customer Charge | \$15.76 | \$15.76 | \$15.76 | \$15.76 |
| Kilowatthour Charge | | | | |
| First 6,000 kilowatthours | \$0.04594 | \$0.03810 | \$0.04219 | \$0.03352 |
| Additional kilowatthours | \$0.02891 | \$0.01873 | \$0.04219 | \$0.03352 |
| Kilowatt Charge | | | | |
| First 25 kilowatts | \$ – | \$ – | \$3.62 | \$3.60 |
| Additional kilowatts | \$7.73 | \$7.68 | \$3.62 | \$3.60 |
| GS Primary (GS 3A) | | | | |
| Customer Charge | \$15.69 | \$15.69 | \$15.69 | \$15.69 |
| Kilowatthour Charge | | | | |
| First 6,000 kilowatthours | \$0.04102 | \$0.03400 | \$0.03513 | \$0.02648 |
| Additional kilowatthours | \$ 0.02580 | \$0.01668 | \$0.03513 | \$0.02648 |
| Kilowatt Charge | | | | |
| First 25 kilowatts | \$ – | \$ – | \$5.15 | \$5.11 |
| Additional kilowatts | \$8.08 | \$8.03 | \$5.15 | \$5.11 |
| Temporary | | | | |
| Customer Charge | \$15.72 | \$15.72 | \$18.36 | \$18.36 |
| Kilowatthour Charge | \$0.06408 | \$0.05216 | \$0.06841 | \$0.05569 |
| GT - Low Voltage (GT LV) | | | | |
| Customer Charge | \$152.73 | \$152.73 | \$178.80 | \$178.80 |
| Kilowatthour Charge | \$0.01101 | \$0.01101 | \$0.01234 | \$0.01234 |
| Kilowatt Charge | \$6.25 | \$6.25 | \$7.17 | \$7.17 |
| GT - Primary (GT 3A) | | | | |
| Customer Charge | \$73.11 | \$73.11 | \$69.21 | \$69.21 |
| Kilowatthour Charge | \$0.00692 | \$0.00692 | \$0.00683 | \$0.00683 |
| Kilowatt Charge | \$4.20 | \$4.20 | \$4.49 | \$4.49 |
| GT - High Voltage (GT 3B) | | | | |
| Customer Charge | \$77.89 | \$77.89 | \$20.32 | \$20.32 |
| Kilowatthour Charge | \$0.00032 | \$0.00032 | \$0.00000 | \$0.00000 |
| Kilowatt Charge | \$0.87 | \$0.87 | \$1.28 | \$1.28 |
| Rapid Transit (RT) | | | | |
| Customer Charge | \$113.07 | \$113.07 | \$32.68 | \$32.68 |
| Kilowatthour Charge | \$0.00825 | \$0.00825 | \$0.00000 | \$0.00000 |
| Kilowatt Charge | \$3.84 | \$3.84 | \$7.87 | \$7.87 |
| Street Lighting (SL) | | | | |
| Standard Night Burning | \$0.00223 | \$0.00223 | The rate design for SL and TS is changed. The rates are shown below. | |
| 24-Hour Burning | \$0.00400 | \$0.00400 | | |
| Traffic Signals (TS) | | | | |
| | \$0.00400 | \$0.00400 | | |
| Customer Charge | | | \$10.22 | \$0.22 |
| Per Lamp Charge | | | \$0.63398 | \$0.63398 |
| Telecommunications Network (TN) | | | | |
| Customer Charge w/ Meter | \$16.20 | \$16.20 | \$13.22 | \$13.22 |
| Customer Charge w/o Meter | \$6.63 | \$6.63 | \$5.41 | \$5.41 |
| Kilowatthour Charge | \$0.01878 | \$0.01878 | \$0.01533 | \$0.01533 |
| Street Light Maintenance | | | | |
| Overhead (SSL OH) | Fixed | O&M | Fixed | O&M |
| Incandescent w/o globe | \$2.098 | \$0.033 | \$2.280 | \$0.036 |
| Incandescent w/ globe | \$3.069 | \$0.728 | \$3.335 | \$0.791 |
| Mercury Vapor 175 Watt | \$6.555 | \$0.649 | \$7.124 | \$0.705 |
| Mercury Vapor 250 Watt | \$7.490 | \$0.658 | \$8.140 | \$0.715 |
| Metal Halide 400 Watt | \$25.380 | \$1.061 | \$27.581 | \$1.153 |
| Underground (SSL UG) | | | | |
| Incandescent w/globe | \$29.512 | \$1.334 | \$32.072 | \$1.450 |
| Mercury Vapor 250 Watt | \$29.767 | \$1.199 | \$32.349 | \$1.303 |
| Mercury Vapor 400 Watt | \$34.907 | \$1.489 | \$37.935 | \$1.618 |
| HPS 150 Watt | \$26.102 | \$0.978 | \$28.366 | \$1.063 |
| Metal Halide 100 Watt | \$22.491 | \$0.880 | \$24.442 | \$0.956 |
| Metal Halide 175 Watt | \$25.380 | \$1.061 | \$27.581 | \$1.153 |
| Metal Halide 400 Watt | \$25.380 | \$1.061 | \$27.581 | \$1.153 |

Pepco proposes a new Rider “RIM” – Reliability Investment Recovery Mechanism – to recover costs for capital infrastructure investments related to maintaining or enhancing reliability of the Company’s distribution system.

Pepco is also proposing a new rate design for SL and TS which consists of a Customer Charge and a Charge per Lamp which will replace the existing cents per kilowatt-hour charge.

If granted in full, the average monthly effects of the proposed rates will be:

| Rate Schedule* | Monthly Usage kWh | Monthly Increase Distribution Bill Only | | Monthly Increase for Standard Offer Service Customers' Total Bill** | |
|---|----------------------|--|--------|---|-------|
| | | \$ | % | \$ | % |
| GS Non-Demand (GS ND) | 1,259 | (3.90) | (4.8) | (3.90) | (1.9) |
| GS Low Voltage (GS LV) | 10,617 | 41.86 | 7.5 | 41.86 | 2.6 |
| GS Primary (GS 3A) | 18,037 | 82.00 | 9.8 | 82.00 | 2.7 |
| Temporary | 7,226 | 30.56 | 5.9 | 30.56 | 2.5 |
| GT – Low Voltage (GT LV) | 153,114 | 564.60 | 10.0 | 564.60 | 2.8 |
| GT – Primary (GT 3A) | 1,639,249 | 807.31 | 1.9 | 807.31 | 0.4 |
| GT - High Voltage (GT 3B) | 18,913,945 | 5682.39 | 2.6 | 5682.39 | 0.2 |
| Rapid Transit (RT) | 274,813 | 433.10 | 5.4 | N/A | N/A |
| Street Lighting (SL) *** and Traffic Signals (TS) combined *** | NA | 27,375.00 | 59.9 | 27,375.00 | 3.2 |
| Telecommunications Network (TN) | 904 | (6.10) | (18.4) | (6.10) | (3.8) |
| Street Lighting Maintenance (SSL OH and SSL UG) *** | N/A | 4,037.58 | 8.7 | 4,037.58 | 8.7 |

* The effect of the proposed rates on any particular customer is dependent upon the actual usage of the customer. Increases shown are for customers with the average monthly usage.

** Standard Offer Service customers purchase their electricity from PEPCO. For those customers who purchase their electricity from competitive suppliers (i.e., suppliers other than PEPCO), the dollar amounts and percentages in the Total Bill column are not applicable.

*** The Street Lighting and Traffic Signal increases shown refer to the total class. The Telecommunications Network (TN) increase is calculated based on the present General Service Non-Demand rates under which these customers are currently served and the proposed revised Schedule TN that would be applicable to these customers with larger telecommunications network devices.

Pepco is proposing to keep the RAD rates at the current level.

Pepco's rate filing is available for inspection at the Public Service Commission's Office of the Commission Secretary, 1333 "H" Street, NW., 2nd Floor – West Tower, between 9 a.m. and 5:30 p.m., Monday through Friday. Copies of the application can be purchased at the Commission at a cost of \$0.10 per page, actual reproduction cost. Pepco's rate filing also may be inspected at the following public libraries:

| Ward | Name and Address |
|--------|---|
| Main | Martin Luther King Memorial Library 9th & "G" Streets, NW |
| Ward 1 | Mount Pleasant Library 3162 Mt. Pleasant Street, NW |
| Ward 2 | Southwest Library 900 Wesley Place, SW |
| Ward 3 | Cleveland Park Library 3310 Connecticut Avenue, NW |
| Ward 4 | Petworth Library 4200 Kansas Avenue, NW |
| Ward 5 | Woodridge Library 1801 Hamlin Street, NE |
| Ward 6 | Southeast Library 403 7th Street, SE |
| Ward 7 | Capitol View Library 5001 Central Avenue, SE |
| Ward 8 | Washington-Highlands Library 4037 South Capitol Street, SW |