

Lower SOS Rates Partially Offset Increase in Montgomery County Energy Tax

MONTGOMERY COUNTY ENERGY TAX

On May 19, 2010, Montgomery County approved an increase in the Energy Tax. Pepco is required remit the total revenue to the county. The new tax rate took effect May 20, 2010.

NEW SOS RATES

The increase in the Energy Tax will be partially offset by a decrease in Pepco's Standard Offer Service (SOS) rates that take effect June 1, 2010. If you have not chosen an alternative electricity supplier, you are on Standard Offer Service and Pepco buys electricity for you, charging you rates approved by the Maryland Public Service Commission.

See the separate bill insert with information on our Home Energy Savings Programs that can help offset the increase in the Energy Tax even more.

COMBINED BILL IMPACT

Effective with energy used on and after May 20, 2010, the Montgomery County Energy Tax will increase from \$0.0053396 to \$0.0225868 per kilowatt-hour. For the typical residential customer who uses 1,000 kilowatt-hours of electricity per month, the monthly summer bill will increase \$17.25, or from \$175.21 to \$192.46 per month.

However, SOS rates for summer and winter will decrease with energy used on and after June 1, 2010. The combined effect of the Energy Tax increase described above and the SOS rate decrease means the summer monthly bill for the typical residential customer who uses 1,000 kilowatt-hours per month will increase by about 4.5 percent or \$7.80.

The Energy Tax will adjust again on July 1, 2010 and be in effect through June 30, 2012. At press time, all information necessary to calculate the second phase of the energy tax rate adjustment was not available. Pepco will communicate that new rate, which is expected to decrease, in a separate correspondence.

The proposed new SOS rates are based on market prices obtained through a competitive bidding process overseen by the Public Service Commission.

On the reverse are the new residential SOS supply rates which take effect on June 1. To help you evaluate offers if you choose to shop for an alternative electricity supplier, the "price to compare" for "Generation and Transmission Services" for the average residential customer is 11.07 cents per kilowatt-hour. This is an average and your "price to compare" could be lower or higher.

Eff. June 1, 2009

Eff. Oct. 1, 2009

Eff. June 1, 2010

Eff. Oct. 1, 2010

Residential - Schedule "R"

Generation Services (SOS supply)

First 800 kilowatt-hours	\$0.12787 per kwh	\$0.11579 per kwh	\$0.11842 per kWh	\$0.09885 per kWh
In excess of 800 kilowatt-hours	\$0.12787 per kwh	\$0.11579 per kwh	\$0.11842 per kWh	\$0.09885 per kWh
Procurement Cost Adj.	www.pepco.com for monthly rate			

Summer
(June-Oct.)

Winter
(Nov.-May)

Billing Months:

Transmission Services

First 800 kilowatt-hours	\$0.00348 per kwh		\$0.00348 per kwh	
In excess of 800 kwh	\$0.00348 per kwh		\$0.00348 per kwh	
Gross Receipts Tax	2.0408% applied to transmission bill			

Distribution Services

Customer Charge	\$6.79 per month		\$6.79 per month	
First 800 kwh	\$0.03183 per kWh		\$0.01992 per kWh	
In excess of 800 kwh	\$0.03183 per kWh		\$0.01531 per kWh	

Bill Stabilization Adj. (BSA) www.pepco.com for monthly rate

EmPower Maryland Charge \$0.001870 per kWh

Administrative Credit www.pepco.com for monthly rate

Time Metered Residential - Schedule "RTM"

Generation

On-Peak	\$0.13956 per kwh	\$0.11935 per kwh	\$0.13354 per kwh	\$0.10302 per kWh
Intermediate	\$0.12770 per kwh	\$0.11749 per kwh	\$0.11738 per kwh	\$0.10167 per kWh
Off-Peak	\$0.11840 per kwh	\$0.11162 per kwh	\$0.10708 per kwh	\$0.09544 per kWh
Procurement Cost Adj.	www.pepco.com/md-rates for monthly rate			

Summer
(June-Oct.)

Winter
(Nov.-May)

Billing Months:

Transmission

All kwh	\$0.00344 per kwh		\$0.00344 per kwh	
Gross Receipts Tax	2.0408% applied to transmission bill			

Distribution Service

Customer Charge	\$14.04 per month		\$14.04 per month	
All kwh	\$ 0.01723 per kwh		\$0.01723 per kwh	

Bill Stabilization Adjustment (BSA) www.pepco.com/md-rates for monthly rate

EmPower Maryland Charge \$0.001870 per kwh \$0.001870 per kwh

Administrative Credit www.pepco.com/md-rates for monthly rate

Delivery Tax www.pepco.com/md-rates for monthly rate

MD Environmental Surcharge www.pepco.com/md-rates for monthly rate

Montgomery County Surcharge or www.pepco.com/md-rates for monthly rate

Prince George's County Surcharge www.pepco.com/md-rates for monthly rate

Universal Service Charge \$ 0.37 per account

Gross Receipts Tax 2.0408% applied to distribution bill excluding the GPC, and the Montgomery or Prince George's County Surcharge