

## Frequently Asked Questions

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### How does the multi-year plan process benefit customers?

Multi-year plans align strategic priorities among the utility, customers, regulators and stakeholders to develop a stronger, smarter and cleaner energy future. Here are a few ways customers benefit from this process:

- **Transparency:** In a multi-year plan, we inform the public and regulators of what we plan to do on our system ahead of time, rather than letting them know what we have accomplished after the work is complete. In addition, the Public Service Commission will review what we accomplish vs. what we committed to ensure that our customers receive what they were promised and are paying for.
- **Improvements to service:** Including enhancements to the safety, reliability, security, resiliency, and environmental attributes of the energy grid, and an improvement in the overall customer experience.
- **Predictability:** Customers know how and when their rates will be affected earlier in the filing process. They also know that regulators and other stakeholders have reviewed the utility’s planned work, ensuring it modernizes the energy delivery system and improves the customer experience. The utility also has funding certainty for a set period, strengthening the company’s ability to modernize and secure its infrastructure.
- **Stability:** Pepco will recover funds for the work we do while we do it, rather than after the fact. This provides utilities with more flexibility, which can improve planning and allow for more timely innovation to meet the changing needs of customers.

Most importantly, customers also benefit from the work outlined in the plan, which details improvements for several years to come. Benefits include support for a climate ready grid that will enable cleaner energy programs and technologies that further support the District’s leading climate goals and projects that will enhance the resiliency, reliability and security of the local energy grid. This builds on past investments that have led to record levels of service reliability in the District.

### How does a multi-year plan increase transparency and accountability?

Transparency and accountability are at the core of this proposal. Under this proposal, Pepco will provide spending plans up front to the PSC and stakeholders for them to review and approve. The PSC reviews the work accomplished compared to what was originally planned in order to ensure that customers receive the benefits they are paying for.

### How does “Climate Ready Pathway DC” multi-year plan support efforts to address climate change?

At Pepco and at our parent company, Exelon, we recognize it is our responsibility to do our part to reduce emissions and prepare for a future impacted by climate change. Utility infrastructure faces both new challenges and new opportunities. For example, severe weather impacts energy systems and the move to electrify more infrastructure, like transportation, and add more renewable energy requires a climate ready grid. Multi-year planning helps prioritize investments in a power system that is cleaner, reliable, and resilient, while also maintaining a focus on affordability, equity, and customer value so that all communities can share in the benefits of high-quality service, cleaner air, and cleaner energy.

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## Does the “Climate Ready Pathway DC” multi-year plan help the District’s economy?

Yes; covering the years 2024 through 2026, the plan details investments Pepco will make in the local energy grid and in programs that will help enable the transition to a cleaner energy future. These investments will inject more than \$580 million into the local economy and support more than 3,800 full-time equivalent jobs, as well as \$26 million in tax revenue as calculated by NERA Economic Consulting group, who completed assessment of the company’s economic impact over the years 2022–2026.



## How will the plan impact customer bills?

Throughout this multi-year process, we are determined to minimize future impacts to customer bills while directly enabling clean energy progress across every community, leaving no customer behind in this transition.

If Pepco’s Climate Ready Pathway DC plan is approved by the PSC as submitted, it would result in an average monthly increase of \$6.13 for the typical District of Columbia residential electric customer’s bill over the three-year period of the multi-year plan. Based on these adjustments the typical residential customer bill will increase from \$97.06 to \$114.66 throughout the duration of the plan.

## Are Pepco rates automatically approved for three years, with no opportunity to change?

No. The PSC has oversight of Pepco under the proposed plan, reviewing what work is accomplished compared to what was committed to hold the utility accountable.

## Does this filing approach guarantee utility profits?

No. Through the regulatory process, all interested parties will have the opportunity to review and question the plan before Pepco begins the work, providing transparency and stability. The PSC continues to have full authority to determine the appropriate costs and prudent investments to be built into rates. Other stakeholders such as PSC staff and OPC retain their ability to review and question Pepco’s spending.

## What are the next steps in this process?

Before plans are implemented, customers and regulators have the opportunity to provide input on the investments outlined in the plan. In the coming months, interested parties will be able to provide their feedback through public hearings and an open comment period overseen by the PSC. This collaborative process holds Pepco accountable to completing the work that is outlined in the company’s plan and approved by the PSC.