

DISTRICT OF COLUMBIA NOTICE OF PROPOSED BASE RATE INCREASE

Overview

On June 30, we filed an application for a rate increase with the Public Service Commission of the District of Columbia (PSC). The bulk of the requested increase is to recover the costs of reliability and infrastructure upgrades that have reduced the number and length of power outages, while delivering improved service to our customers in the District. It has been more than three years since we last requested a rate increase from the PSC.

Under the proposed rate increase, the bill for the typical residential customer in the District would increase by \$4.36 per month. With this increase, the average monthly residential bill will still be lower than it was five years ago due to lower electricity supply costs. Average monthly bill impacts for non-residential customers are shown on the following page.

As part of our merger commitments, Exelon will contribute \$25.6 million to Pepco customers in the District to offset the proposed increase. In our rate application, we have proposed that the entire \$25.6 million be applied to residential and master metered apartment customers. If approved, these customers will not see an increase in their distribution rates until at least January 2019, assuming the new rates take effect in July 2017.

During the past three years, we have invested more than \$658 million to strengthen and modernize the District's electric distribution system. As a result, our reliability performance in the District exceeded PSC service standards from 2013 to 2015. Compared with 2011, customers last year experienced 42 percent fewer power outages and 33 percent shorter outages. In addition, under the terms of the merger, we are committed to making even more improvements to reliability between now and 2020.

Our full rate filing can be viewed at pepco.com or on the PSC's website at dcpsc.org.



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If approved in full, the average monthly effects of the proposed rates in the first year will be as follows:

Rate Schedule*	Average Monthly Kilowatt (kWh) Usage	Monthly Increase Distribution Bill Only		Monthly Increase for Standard Offer Service Customers Total Bill**	
		\$	%	\$	%
Residential - Standard (R)	664	4.35	21.0	4.35	5.4
Residential - All Electric (AE)	690	4.33	20.2	4.33	5.2
Residential Time-of-Use (RTM)	3,595	51.65	30.0	51.65	10.3
GS Non-Demand (GS ND)	1,508	2.47	3.5	2.47	1.3
GS Low Voltage (GS LV)	9,817	69.20	12.4	69.20	4.8
GS Primary (GS 3A)	21,089	166.84	28.2	166.84	6.7
Temporary	5,780	11.81	3.1	11.81	1.4
GT – Low Voltage (GT LV)	130,701	1,536.25	34.4	1,536.25	9.5
GT – Primary (GT 3A)	1,378,221	9,101.80	37.3	9,101.38	5.9
GT - High Voltage (GT 3B)	18,226,209	12,999.12	28.6	12,999.12	0.6
Rapid Transit (RT)	NA	135,577.19	25.2	135,577.19	NA
Street Lighting (SL) ***	NA	21,760.56	53.1	21,760.56	NA
Traffic Signals (TS) ***	NA	4,638.90	24.2	4,638.90	N/A
Telecommunications Network (TN)	454	0.00	0	0.00	0
Street Lighting Maintenance (SSL OH and SSL UG) ***	NA	4,261.92	7.7	4,261.92	7.7

* 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.



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