

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

(A) Rate Schedule	(B) Average Usage (kWh)*	(C) Dollar Increase of Underground Project Charge	(D) Dollar Increase of Underground Rider	(E) Total Dollar Increase	(F) Total Bill Increase Percentage **
R	643	\$0.12	\$0.87	\$0.99	1.21%
MMA	487	\$0.07	\$0.53	\$0.60	0.99%
GS ND	1306	\$0.48	\$3.64	\$4.13	2.39%
T	7,481	\$2.77	\$20.87	\$23.64	2.23%
GS LV	10,395	\$7.17	\$54.26	\$61.43	4.18%
GS 3A	20,475	\$12.08	\$90.91	\$102.99	3.93%
GT LV	124,129	\$60.82	\$453.07	\$513.89	3.28%
GT 3A	1,325,843	\$371.24	\$2,837.30	\$3,208.54	2.39%
GT 3B	12,025,895	\$360.78	\$3,006.47	\$3,367.25	0.22%
RT***	24,928,230	\$6,979.90	\$52,100.00	\$59,079.90	N/A
SL/TS***	6,797,252	\$1,291.48	\$9,923.99	\$11,215.47	N/A
TN	416	\$0.07	\$0.57	\$0.64	0.99%

* 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 percentages shown in column (F) are not applicable.

*** The kWh amounts shown in column (B) and the dollar amounts shown in columns (C), (D), and (E) for Rapid Transit Service (RT), Street Lighting Service (SL), and Traffic Signal Service (TS) represent totals and not averages for those classes.

Additional information regarding the DC PLUG initiative can be found at dcpluginfo.com.

A complete copy of Pepco's application for the DC PLUG initiative and related filings can be viewed on the Commission's web site under Formal Case No. 1145.

Visit www.dcpsc.org/edocket/searchdockets.asp.

District of Columbia Power Line Undergrounding (DC PLUG) Initiative



Important information about the DC PLUG initiative and proposed surcharges.



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About the Initiative

The District of Columbia Power Line Undergrounding (DC PLUG) initiative is a multi-year program focused on the underground placement of up to 30 of the most vulnerable power distribution lines. The initiative – a unique partnership between Pepco and the District of Columbia Department of Transportation (DDOT) – moves portions of the distribution system underground, providing protection from high winds, ice and snow storms, and falling trees. In the face of increasingly severe storms, the DC PLUG initiative is expected to significantly reduce customer interruptions that occurred on the overhead primary mainline and lateral feeders selected to be placed underground and improve the total system reliability performance.

Pepco and DDOT have filed with the District of Columbia Public Service Commission (Commission) an application for approval to underground certain electric distribution feeders in the District of Columbia and an application for a financing order (Joint Application) as part of the DC PLUG initiative. Even though only a select number of feeders will be placed underground, the DC PLUG initiative will bring benefits for all District of Columbia customers, including improved overall electric service reliability and resiliency. Benefits will include reduced outages and faster restoration. The initiative brings economic benefits, with a commitment to using District contractors, helping us energize the diverse, local communities where we live and work.



How will the DC PLUG initiative be funded?

The DC PLUG initiative is expected to extend for a period of seven to ten years at a total cost of approximately \$500 million and requires a unique financing arrangement in which the District, DDOT, and Pepco contribute a portion of the total financing. The funds will be obtained through a combination of Pepco's traditional funding of debt and equity for \$250 million, \$187.5 million through a charge the District imposes on Pepco that is recovered from customers, and up to \$62.5 million in DDOT improvement funds. Should the Commission approve the plan, all but the DDOT improvement funds will be recovered on customer bills. Pepco will collect the funds from all distribution customers, excluding low-income customers served under Pepco's Residential Aid Discount Rider.

If approved, the initial surcharge rates for the first year for each Rate Schedule will be:

(A) Rate Schedule	(B) Underground Project Charge Per Kilowatt Hour (kWh)	(C) Underground Rider Charge Per Kilowatt Hour (kWh)	(D) Total Surcharge Per Kilowatt Hour (kWh)
R	\$0.00018	\$0.00136	\$0.00154
MMA	\$0.00015	\$0.00109	\$0.00124
GS ND	\$0.00037	\$0.00279	\$0.00316
T	\$0.00037	\$0.00279	\$0.00316
GS LV	\$0.00069	\$0.00522	\$0.00591
GS 3A	\$0.00059	\$0.00444	\$0.00503
GT LV	\$0.00049	\$0.00365	\$0.00414
GT 3A	\$0.00028	\$0.00214	\$0.00242
GT 3B	\$0.00003	\$0.00025	\$0.00028
RT	\$0.00028	\$0.00209	\$0.00237
SL/TS	\$0.00019	\$0.00146	\$0.00165
TN	\$0.00018	\$0.00137	\$0.00155