



Public Service Commission of the District of Columbia
1325 G Street, N.W., Suite 800
Washington, D.C. 20005
202-626-5120
www.dcpssc.org

Press Release

For Immediate Release: July 24, 2017

Contact: Kellie Armstead Didigu, kdidigu@psc.dc.gov

Office: 202-626-5124

DC PSC Reduces Pepco's Rate Increase and Provides Rate Relief

(Washington, D.C.) Today the Public Service Commission of the District of Columbia (Commission) denies Pepco's requested \$77.49 million increase and reduces it by 52% to \$36.888 million. The Commission also reduces Pepco's requested return on equity from 10.6% to 9.5%. This would normally result in a \$2.09 increase to the typical D.C. Residential Customer bill. However, the Commission has decided to use funds from the \$25.6 million Customer Base Rate Credit (CBRC) obtained as a benefit in the Pepco/Exelon Merger to temporarily reduce the bill increase to zero for the Residential Class and the Master Meter Class (Apartment Building customers) for up to two years. The Commission will open a separate proceeding within 30 days to explore targeting the use of CBRC funds to offset future rate increases for the District's most vulnerable populations: senior citizens and disabled persons.

None of the increases approved in this Order will affect low income District ratepayers who are enrolled in the Commission's Residential Aid Discount (RAD) program. RAD customers will continue to receive distribution services for free due to the surcharge imposed on all other customers. And this case involves only the cost and rates for distribution services, and only that portion of a customer's distribution bill is under the jurisdiction of the Commission.

The Commission concluded that the authorized increase will allow Pepco to support its operating expenses and to recover its prudent capital investments. This is the first increase in distribution rates approved by the Commission for Pepco since 2014. Since that time, Pepco has invested approximately \$341 million in infrastructure programs to improve its service and reliability. These investments were largely made to meet the increasingly stringent standards ordered by the Commission for reliability and resilience.

Pepco must file revised rate schedules, together with supporting tables, by no later than August 8, 2017. Rates authorized in this Order are to become effective on August 15, 2017, at 12:01 A.M., unless otherwise ordered by the Commission.

A copy of the order will be available on the Commission website.

For further information about [Formal Case No. 1139](#), *In the Matter of the Application of the Potomac Electric Power Company to Increase Existing Retail Rates and Charges for Electric Distribution Services*, please visit the DCPSC's website at <http://dcpssc.org>.

The Public Service Commission of the District of Columbia is an independent agency established by Congress in 1913 to regulate electric, natural gas, and telecommunications companies in the District of Columbia.