

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1325 G STREET, N.W., SUITE 800
WASHINGTON, D.C. 20005**

PUBLIC NOTICE

August 31, 2015

FORMAL CASE NO. 1017, IN THE MATTER OF THE DEVELOPMENT AND DESIGNATION OF STANDARD OFFER SERVICE IN THE DISTRICT OF COLUMBIA

The Public Service Commission of the District of Columbia (“Commission”) hereby gives notice that on July 31, 2015, the Potomac Electric Power Company (“Pepco” or “Company”) filed, on behalf of the Standard Offer Service (“SOS”) Working Group, the proposed Wholesale Full Requirements Service Agreement (“WFRSA”) and Request for Proposals (“RFP”) for the 2015-2016 SOS Solicitation pursuant to 15 DCMR § 4101.3.¹

Each year by August 1, Pepco is required to file a WFRSA and RFP for the upcoming SOS solicitation.² Prior to that submission, the Company convenes the SOS Working Group to consider whether and to what extent the WFRSA and RFP should be revised or updated. In its submission, Pepco states that the SOS Working Group identified a number of substantive proposed changes to the 2015 RFP and WFRSA.³

Section 3.1 of the 2015 RFP, Overview of Eligibility, has been revised to explicitly state the minimum credit rating by which the applicant or its guarantor’s unsecured senior long-term debt must be rated by Standard & Poor’s Ratings Group, Fitch Investor Services, or Moody’s Investor Services. Pepco explains that this change also provides support to the applicant in executing its responsibility to immediately notify the Company if a credit downgrade event occurs subsequent to their submittal of original credit documents as required by Section 3.5 of the RFP, Submittal of Credit Application and Financial Information. Section 3.1 of the RFP has been further revised by deleting the requirement that the applicant be registered with NERC/Reliability First Corporation as a Purchase Selling Entity. Pepco states that this change is in accordance with the Federal Energy Regulatory Commission’s order in Docket No. RR15-4-00 issued on March 19, 2015.⁴

¹ 15 DCMR § 4101.3 (2015).

² *Id.*

³ *Formal Case No. 1017, In the Matter of the Development and Designation of Standard Offer Service in the District of Columbia*, Standard Offer Service Working Group’s Proposed Wholesale Full Requirements Service Agreement and Request for Proposals for the 2015 to 2016 SOS Solicitation, filed July 31, 2015.

⁴ *Id.*

Article 4.7 of the WFRSA, PJM Settlement, has been revised to adhere to PJM's new residual zonal pricing implementation. In addition, Pepco explains that references to "Accelerated Payments" are deleted in the WFRSA; they are not applicable because the Company currently conducts both weekly and monthly PJM settlements. Also, the SOS Working Group proposes the following three changes to the 2015 WFRSA to reflect PJM's implementation of a new Billing Line Item Transfer ("BLIT") application as a replacement of the old Declaration of Authority process effective June 1, 2015:

- Article 4.10 is revised to reflect BLIT in accordance with the new process;
- Exhibit E is revised to reflect the BLIT to Pepco; and
- Exhibits I and I-1, Declaration of Authority, are deleted.⁵

In addition, Pepco notes that the SOS Working Group had one non-consensus issue. The SOS Working Group could not come to an agreement regarding a proposal to allow eligibility to a potential bidder when it or its guarantor is not rated by a credit agency by submitting the credit rating of the issuer of its bond or letter of credit. The proposal was supported by one supplier.⁶

Pepco explains that it does not support issuing eligibility to a potential bidder based on the credit rating of an entity that may or may not issue a bond or a letter of credit. The Company argues that the requirement of an applicant to submit their credit rating allows Pepco to ascertain if a potential supplier is financially capable of providing wholesale full requirements electric power supply. The Company contends that, without this requirement, there is potential risk to Pepco's customers. In addition, Pepco believes this proposal would require changes to the Commission's SOS rules which would require a rulemaking procedure.⁷

The proposed WFRSA and RFP are available on the Commission's website at www.dcpsec.org/edocket/searchdockets.asp and at the Office of the Commission Secretary, 1325 G Street, N.W., Suite 800, between the hours of 9:00 a.m. and 5:30 p.m., Monday through Friday. Copies of the WFRSA and RFP can be purchased at the Office of the Commission Secretary at the cost of fifteen cents (\$0.15) per page, actual reproduction cost.

Any person desiring to comment on the proposed WFRSA and RFP shall file comments no later than seven calendar days from the date of this notice. Written comments should be sent to Brinda Westbrook-Sedgwick, Commission Secretary, Public Service Commission of the District of Columbia, 1325 G Street, N.W., Suite 800, Washington, D.C. 20005, or filed electronically on the Commission's website at www.dcpsec.org.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*