

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET, N.W., SUITE 200, WEST TOWER
WASHINGTON, D.C. 20005**

PUBLIC NOTICE

**FORMAL CASE NO. 1076, IN THE MATTER OF THE APPLICATION OF THE
POTOMAC ELECTRIC POWER COMPANY FOR AUTHORITY TO
INCREASE EXISTING RETAIL RATES AND CHARGES FOR ELECTRIC
DISTRIBUTION SERVICE**

The Public Service Commission of the District of Columbia (“Commission”) hereby gives notice, pursuant to D.C. Code Sections 34-901 and 34-909, that on May 22, 2009, the Potomac Electric Power Company (“Pepco”) filed an Application requesting authority to increase existing distribution service rates and charges for electric service in the District of Columbia by \$51.7 million, representing an increase of approximately 13.9% in Pepco’s distribution revenues. The requested rates are designed to collect \$425 million in total distribution revenues. Pepco requests authority to earn an 8.88% rate of return, including a return on common equity of 11.50%.

The proposed changes in distribution rates are as follows:

<u>Rate Schedule</u>	<u>Current Rates</u>		<u>Proposed Rates</u>	
	<u>Summer</u>	<u>Winter</u>	<u>Summer</u>	<u>Winter</u>
Residential - Standard (R)				
Customer Charge	\$ 2.00	\$ 2.00	\$ 2.93	\$ 2.93
First 400 kilowatthours	\$ 0.00945	\$ 0.00945	\$ 0.01385	\$ 0.01385
In Excess of 400 kilowatthours	\$ 0.02796	\$ 0.01942	\$ 0.04098	\$ 0.02846
Residential - All Electric (AE)				
Customer Charge	\$ 2.00	\$ 2.00	\$ 3.10	\$ 3.10
First 400 kilowatthours	\$ 0.00945	\$ 0.00945	\$ 0.01467	\$ 0.01467
In Excess of 400 kilowatthours	\$ 0.02796	\$ 0.01552	\$ 0.04339	\$ 0.02408
Residential Time-of-Use (RTM)				
Customer Charge	\$ 9.09	\$ 9.09	\$ 11.17	\$ 11.17
Kilowatthour Charge	\$ 0.03717	\$ 0.03717	\$ 0.04566	\$ 0.04566

<u>Rate Schedule</u>	<u>Current Rates</u>		<u>Proposed Rates</u>	
	<u>Summer</u>	<u>Winter</u>	<u>Summer</u>	<u>Winter</u>
GS Non-Demand (GS ND)				
Customer Charge	\$ 14.96	\$ 14.96	\$ 17.06	\$ 17.06
Kilowatthour Charge	\$ 0.04199	\$ 0.03481	\$ 0.04787	\$ 0.03969
GS Low Voltage (GS LV)				
Customer Charge	\$ 14.96	\$ 14.96	\$ 17.10	\$ 17.10
Kilowatthour Charge				
First 6,000 kilowatthours	\$ 0.04373	\$ 0.03626	\$ 0.04986	\$ 0.04134
Additional kilowatthours	\$ 0.02752	\$ 0.01783	\$ 0.03138	\$ 0.02033
Kilowatt Charge				
First 25 kilowatts	\$ -	\$ -	\$ -	\$ -
Additional kilowatts	\$ 7.36	\$ 7.31	\$ 8.39	\$ 8.33
GS Primary (GS 3A)				
Customer Charge	\$ 14.93	\$ 14.93	\$ 17.02	\$ 17.02
Kilowatthour Charge				
First 6,000 kilowatthours	\$ 0.03904	\$ 0.03236	\$ 0.04451	\$ 0.03690
Additional kilowatthours	\$ 0.02456	\$ 0.01588	\$ 0.02800	\$ 0.01811
Kilowatt Charge				
First 25 kilowatts	\$ -	\$ -	\$ -	\$ -
Additional kilowatts	\$ 7.69	\$ 7.64	\$ 8.77	\$ 8.71
Temporary				
Customer Charge	\$ 14.96	\$ 14.96	\$ 17.06	\$ 17.06
Kilowatthour Charge	\$ 0.06099	\$ 0.04965	\$ 0.06954	\$ 0.05661
GT - Low Voltage (GT LV)				
Customer Charge	\$ 138.82	\$ 138.82	\$ 166.31	\$ 166.31
Kilowatthour Charge	\$ 0.01010	\$ 0.01010	\$ 0.01202	\$ 0.01202
Kilowatt Charge	\$ 5.73	\$ 5.73	\$ 6.82	\$ 6.82
GT - Primary (GT 3A)				
Customer Charge	\$ 73.44	\$ 73.44	\$ 79.62	\$ 79.62
Kilowatthour Charge	\$ 0.00696	\$ 0.00696	\$ 0.00754	\$ 0.00754
Kilowatt Charge	\$ 4.24	\$ 4.24	\$ 4.57	\$ 4.57
GT - High Voltage (GT 3B)				
Customer Charge	\$ 61.78	\$ 61.78	\$ 85.08	\$ 85.08
Kilowatthour Charge	\$ 0.00025	\$ 0.00025	\$ 0.00034	\$ 0.00034
Kilowatt Charge	\$ 0.69	\$ 0.69	\$ 0.95	\$ 0.95
Rapid Transit (RT)				
Customer Charge	\$ 109.74	\$ 109.74	\$ 123.43	\$ 123.43
Kilowatthour Charge	\$ 0.00800	\$ 0.00800	\$ 0.00899	\$ 0.00899
Kilowatt Charge	\$ 3.73	\$ 3.73	\$ 4.20	\$ 4.20

<u>Rate Schedule</u>	<u>Current Rates</u>		<u>Proposed Rates</u>	
	<u>Summer</u>	<u>Winter</u>	<u>Summer</u>	<u>Winter</u>
Street Lighting (SL)				
Standard Night Burning	\$ 0.00189	\$ 0.00189	\$ 0.00589	\$ 0.00589
24-Hour Burning	\$ 0.00339	\$ 0.00339	\$ 0.01057	\$ 0.01057
Traffic Signals (TS)	\$ 0.00339	\$ 0.00339	\$ 0.01057	\$ 0.01057
Telecommunications Network (TN)				
Customer Charge w/ Meter	\$ 15.16	\$ 15.16	\$ 16.66	\$ 16.66
Customer Charge w/o Meter	\$ 6.20	\$ 6.20	\$ 6.81	\$ 6.81
Kilowatthour Charge	\$ 0.01757	\$ 0.01757	\$ 0.01931	\$ 0.01931
Street Light Maintenance				
	<u>Fixed</u>	<u>O&M</u>	<u>Fixed</u>	<u>O&M</u>
Overhead (SSL OH)				
Incandescent w/o globe	\$ 1.778	\$ 0.028	\$ 1.903	\$ 0.030
Incandescent w/ globe	\$ 2.601	\$ 0.617	\$ 2.783	\$ 0.660
Mercury Vapor 175 Watt	\$ 5.556	\$ 0.550	\$ 5.945	\$ 0.589
Mercury Vapor 250 Watt	\$ 6.349	\$ 0.558	\$ 6.794	\$ 0.597
Metal Halide 400 Watt	\$ 21.513	\$ 0.899	\$ 23.021	\$ 0.962
Underground (SSL UG)				
Incandescent w/globe	\$ 25.015	\$ 1.131	\$ 26.768	\$ 1.210
Mercury Vapor 250 Watt	\$ 25.231	\$ 1.016	\$ 26.999	\$ 1.087
Mercury Vapor 400 Watt	\$ 29.588	\$ 1.262	\$ 31.662	\$ 1.350
HPS 150 Watt	\$ 22.125	\$ 0.829	\$ 23.676	\$ 0.887
Metal Halide 100 Watt	\$ 19.064	\$ 0.746	\$ 20.400	\$ 0.798
Metal Halide 175 Watt	\$ 21.513	\$ 0.899	\$ 23.021	\$ 0.962
Metal Halide 400 Watt	\$ 21.513	\$ 0.899	\$ 23.021	\$ 0.962

Pepco proposes a temporary one-year revision to Rider “RADS” – Residential Aid Discount Surcharge to recover the amount undercollected by the former RETF Rider. The proposal includes a new Rider “VM” – Volatility Mitigation Surcharge – to reflect changes in certain volatile expenses. Pepco also proposes to replace the current Standby Rider with a new Schedule “GT-3A-S”.

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

<u>Rate Schedule*</u>	<u>Average Monthly Usage</u>	<u>Monthly Increase Distribution Bill Only</u>		<u>Monthly Increase for Standard Offer Service Customers Total Bill**</u>	
		<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Residential - Standard (R)	641	5.26	29.3	5.26	6.0
Residential - All Electric (AE)	786	7.59	34.7	7.59	6.9
Residential Time-of-Use (RTM)	4,047	36.44	18.1	36.44	5.4
GS Non-Demand (GS ND)	1,311	9.05	11.3	9.05	4.0
GS Low Voltage (GS LV)	10,839	61.35	10.9	61.35	3.2
GS Primary (GS 3A)	16,344	82.49	10.6	82.49	2.5
Temporary	4,947	39.81	11.6	39.81	4.6
GT – Low Voltage (GT LV)	160,736	744.86	12.8	744.86	2.9
GT – Primary (GT 3A)	1,605,310	1,991.28	4.6	1,991.28	0.8
GT – Primary Standby (GT 3A S)	776,404	7,546.44	18.2	7,546.44	5.4
GT - High Voltage (GT 3B)	22,045,859	10,700.79	3.7	10,700.79	0.3
Rapid Transit (RT)	275,230	613.29	7.7	N/A	N/A
Street Lighting (SL) ***	6,477,583	25,910.33	28.9	25,910.33	3.7
Traffic Signals (TS) ***	879,414	6,314.19	46.7	6,314.19	4.9
Telecommunications Network (TN)	297	2.02	8.4	2.02	3.2
Street Lighting Maintenance (SSL OH and SSL UG) ***	N/A	2,765.42	7.0	2,765.42	7.0

* 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.

Pepco is proposing to keep the RAD rates at the current level.

Pepco's rate filing is available for inspection at the Public Service Commission's Office of the Commission Secretary, 1333 "H" Street, NW, 2nd Floor – West Tower between the hours of 9:00 a.m. and 5:30 p.m., Monday through Friday. Copies of the Application can be purchased at the Commission at a cost of \$0.10 per page, actual reproduction cost. Pepco's rate filing may also be inspected at the following public libraries:

Ward	Name and Address
Main	Martin Luther King Memorial Library 9 th & “G” Streets, NW
Ward 1	Mount Pleasant Library 16 th & Lamont Street, NW
Ward 2	Southwest Library Wesley Place & “K” Street, SW
Ward 3	Cleveland Park Library Connecticut Avenue & Macomb Street, NW
Ward 4	Petworth Library Georgia Avenue & Upshur Street, NW
Ward 5	Woodridge Library Rhode Island Avenue & 18 th Street, NE
Ward 6	Southeast Library 7 th & “D” Streets, SE
Ward 7	Capitol View Library Central Avenue & 50 th Street, SE
Ward 8	Washington-Highlands Library Atlantic Street & South Capitol Terrace, SW

Any person desiring to intervene in the proceeding shall file a petition to intervene with the Commission no later than **June 19, 2009**. All petitions shall conform to the requirements of the Commission’s Rules of Practice and Procedure as set forth in Chapter 1, Section 106 of Title 15 of the District of Columbia Municipal Regulations (15 DCMR § 106). All written comments and petitions for intervention should be sent to Ms. Dorothy Wideman, Commission Secretary, Public Service Commission of the District of Columbia, 1333 “H” Street, NW 2nd Floor, West Tower, Washington, D.C. 20005.

Pursuant to 15 DCMR § 121, the Commission will hold a Prehearing Conference in this proceeding at **10:00 a.m.** on **July 2, 2009** in the Commission’s Hearing Room, Columbia, 1333 “H” Street, NW 7th Floor, East Tower, Washington, D.C. 20005. Participants shall be prepared to discuss proposed issues and procedural schedules.