DCPSC Announces Lower Standard Offer Service Rates for Electric Customers

A 5.3 percent average decrease for residential customers and 4.3 percent for small commercial customers

(Washington, D.C.) The Public Service Commission of the District of Columbia (Commission) has announced that, beginning June 1, 2018, the cost of electricity supply will decrease for District customers who purchase electricity through the default provider, called Standard Offer Service (SOS). SOS is the default electricity service for customers who have not chosen to purchase electricity from a licensed competitive electric provider. The Commission has designated Pepco as the current provider for SOS service. Pursuant to Commission rules and oversight, Pepco purchases electricity for SOS customers through power supply contracts in an annual auction. The lower electricity rates are the result of a competitive auction for electricity supply held in December 2017 and January 2018. The Commission approved the results of this auction in Formal Case No. 1017, Order No. 19289 issued March 7, 2018.

A consumer’s bill for electricity service consists of three cost components – generation, transmission, and distribution – plus various surcharges and taxes. On average, the rate for SOS (which consists of the generation and transmission price) for a residential SOS customer will decrease by about $2.74 per month for the average user of 644 kWh (kilowatt hour) per month. The residential SOS customer’s rate during the summer will decrease from 7.7 cents per kWh to 7.2 cents per kWh, while the winter rate will decrease from 8.2 cents per kWh to 7.9 cents per kWh. On average, the rate for small commercial SOS customers will decrease about $5.59 per month for the average user of 1,763 kWh per month. Overall, residential customers will be subject to an average SOS rate decrease of 5.3 percent, while small commercial SOS customers will be subject to an average rate decrease of 4.3 percent.

In addition to SOS, residential and commercial customers may choose from over 30 licensed competitive electricity suppliers in the District of Columbia. For more information on SOS or the customer choice program for competitive electric suppliers, please visit the Commission at www.dcpsc.org or call the Commission’s Office of Consumer Services at 202-626-5120.