

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

PUBLIC NOTICE

**FORMAL CASE NO. 1156, APPLICATION OF POTOMAC ELECTRIC POWER COMPANY FOR AUTHORITY TO IMPLEMENT A MULTIYEAR RATE PLAN 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 30, 2019, Potomac Electric Power Company (“Pepco”) filed an Application requesting authority to increase existing distribution rates by \$162 million through the implementation of a Multiyear Rate Plan (“MRP”) for the years 2020 through 2022. Pepco requests authority to earn an 7.81% rate of return, including a return on common equity of 10.30%. Pepco represents that its application would translate to an increase in distribution rates of approximately \$8.57 in 2020, \$3.69 in 2021, and \$3.19 in 2022 for a typical residential customer who uses 692 kWh per month.

Should the Commission reject Pepco’s MRP, Pepco’s Application request authority to increase existing distribution rates by \$88.6 million using the test period ending June 30, 2019 that includes six months of actual data and six months of forecasted data, which would translate to an increase in distribution rates of approximately \$9.55 for a typical residential customer who uses 692 kWh per month.

The proposed changes in distribution rates for the MRP if the Commission were to fully grant Pepco’s MRP proposal are estimated to be as follows:

	Present	Proposed RY1	Proposed RY2	Proposed RY3
<b>Residential</b>				
Customer	\$ 15.09	\$ 18.56	\$ 20.18	\$ 21.60
	\$ 15.09	\$ 18.56	\$ 20.18	\$ 21.60
<b>Winter</b>				
1st 400 kwh	\$ 0.00800	\$ 0.01288	\$ 0.01495	\$ 0.01691
Excess of 400 kwh	\$ 0.01594	\$ 0.02630	\$ 0.03064	\$ 0.03471
<b>Summer</b>				
1st 400 kwh	\$ 0.00800	\$ 0.01288	\$ 0.01495	\$ 0.01691
Excess of 400 kwh	\$ 0.02283	\$ 0.03541	\$ 0.04094	\$ 0.04612
<b>MMA</b>				
Customer	\$ 11.84	\$ 13.91	\$ 14.90	\$ 15.79
	\$ 11.84	\$ 13.91	\$ 14.90	\$ 15.79
<b>Winter</b>				
1st 400 kwh	\$ 0.00891	\$ 0.00912	\$ 0.00988	\$ 0.01050
Excess of 400 kwh	\$ 0.01774	\$ 0.01654	\$ 0.01782	\$ 0.01884
<b>Summer</b>				
1st 400 kwh	\$ 0.00891	\$ 0.00912	\$ 0.00988	\$ 0.01050
Excess of 400 kwh	\$ 0.02542	\$ 0.03003	\$ 0.03282	\$ 0.03523
<b>OSLV ND</b>				
Customer	\$ 27.42	\$ 32.10	\$ 34.33	\$ 36.33
Summer kWh	\$ 0.04173	\$ 0.04851	\$ 0.05237	\$ 0.05594
Winter kWh	\$ 0.03266	\$ 0.04231	\$ 0.04564	\$ 0.04878
<b>OS LVD</b>				
Customer	\$ 35.17	\$ 38.76	\$ 38.76	\$ 38.76
kWh	\$ 8.06	\$ 9.43	\$ 10.10	\$ 10.66
Summer kWh	\$ 0.02807	\$ 0.03460	\$ 0.03819	\$ 0.04174
Winter kWh	\$ 0.02127	\$ 0.02595	\$ 0.02859	\$ 0.03124
<b>OS 3A (OS HV)</b>				
Customer	\$ 89.41	\$ 89.41	\$ 89.41	\$ 89.41
kWh	\$ 10.82	\$ 10.82	\$ 10.82	\$ 10.82
Summer kWh	\$ 0.02054	\$ 0.01907	\$ 0.01987	\$ 0.02063
Winter kWh	\$ 0.01476	\$ 0.01240	\$ 0.01289	\$ 0.01338

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	Present	Proposed RY1	Proposed RY2	Proposed RY3
<b>T</b>				
Customer	\$ 27.42	\$ 32.10	\$ 34.33	\$ 36.33
Summer kWh	\$ 0.06223	\$ 0.05741	\$ 0.06209	\$ 0.06642
Winter kWh	\$ 0.04853	\$ 0.06308	\$ 0.06824	\$ 0.07309
<b>GT LV</b>				
Customer	\$ 456.76	\$ 940.60	\$ 1,424.44	\$ 1,908.28
Summer kWh	\$ 0.00958	\$ 0.01449	\$ 0.01601	\$ 0.01747
Winter kWh	\$ 0.00958	\$ 0.01550	\$ 0.01711	\$ 0.01867
kW	\$ 11.88	\$ 13.77	\$ 14.47	\$ 15.07
<b>MGT LV</b>				
Customer	\$ 456.76	\$ 237.00	\$ 237.00	\$ 237.00
Summer kWh	\$ 0.00958	\$ 0.01482	\$ 0.01675	\$ 0.01865
Winter kWh	\$ 0.00958	\$ 0.01482	\$ 0.01673	\$ 0.01863
kW	\$ 11.88	\$ 15.17	\$ 16.26	\$ 17.24
<b>GT 3A (GS HV Other)</b>				
Customer	\$ 187.64	\$ 197.49	\$ 197.49	\$ 197.49
Summer kWh	\$ 0.00454	\$ 0.00526	\$ 0.00606	\$ 0.00685
Winter kWh	\$ 0.00453	\$ 0.00486	\$ 0.00558	\$ 0.00631
kW	\$ 8.86	\$ 10.27	\$ 10.96	\$ 11.58
<b>GT 3B (GS HV 69kV)</b>				
Customer	\$ 423.38	\$ 311.66	\$ 311.66	\$ 311.66
kWh				
kW Summer	\$ 1.79	\$ 1.84	\$ 1.95	\$ 2.05
kW Winter	\$ 1.92	\$ 2.23	\$ 2.37	\$ 2.50
<b>RT (Metro)</b>				
Customer	\$ 6,216.22	\$ 7,203.15	\$ 7,673.12	\$ 8,096.09
<b>SL-E</b>				
Customer - Metered Accounts	\$ 17.19	\$ 19.85	\$ 22.51	\$ 25.17
Customer - Unmetered Accounts	\$ 14.70	\$ 16.97	\$ 19.26	\$ 21.62
kWh	\$ 0.00615	\$ 0.00867	\$ 0.00972	\$ 0.01065
<b>OL LED</b>				
Customer	\$ 8.76	\$ 8.76	\$ 8.76	\$ 8.76
kWh	\$ 0.00895	\$ 0.00895	\$ 0.00895	\$ 0.00895
<b>TS</b>				
Customer	\$ 8.03	\$ 4.26	\$ 4.26	\$ 4.26
kWh	\$ 0.02203	\$ 0.02775	\$ 0.02934	\$ 0.03077
<b>SL-S</b>				
Fixed - OVERHEAD INCANDESCENT Without GLOBE	\$ 2.492	\$ 3.128	\$ 3.453	\$ 3.745
Fixed - OVERHEAD INCANDESCENT With GLOBE	\$ 3.639	\$ 4.568	\$ 5.042	\$ 5.468
Fixed - OVERHEAD MERCURY VAPOR 175 WATT	\$ 7.756	\$ 9.735	\$ 10.746	\$ 11.655
Fixed - OVERHEAD MERCURY VAPOR 250 WATT	\$ 8.861	\$ 11.122	\$ 12.277	\$ 13.316
Fixed - OVERHEAD METAL HALIDE 400 WATT	\$ 29.990	\$ 37.643	\$ 41.550	\$ 45.067
Fixed - UNDERGROUND INCANDESCENT With GLOBE	\$ 34.870	\$ 43.768	\$ 48.311	\$ 52.400
Fixed - UNDERGROUND MERCURY VAPOR 250 WATT	\$ 35.171	\$ 44.146	\$ 48.728	\$ 52.852
Fixed - UNDERGROUND MERCURY VAPOR 400 WATT	\$ 41.242	\$ 51.766	\$ 57.139	\$ 61.975
Fixed - UNDERGROUND HIGH PRESSURE SODIUM 150 WATT	\$ 30.843	\$ 38.714	\$ 42.732	\$ 46.348
Fixed - UNDERGROUND METAL HALIDE 100 WATT	\$ 26.578	\$ 33.360	\$ 36.823	\$ 39.939
Fixed - UNDERGROUND METAL HALIDE 175 WATT	\$ 29.990	\$ 37.643	\$ 41.550	\$ 45.067
Fixed - UNDERGROUND METAL HALIDE 400 WATT	\$ 29.990	\$ 37.643	\$ 41.550	\$ 45.067
O&M - OVERHEAD INCANDESCENT Without GLOBE	\$ 0.039	\$ 0.049	\$ 0.064	\$ 0.069
O&M - OVERHEAD INCANDESCENT With GLOBE	\$ 0.860	\$ 1.079	\$ 1.192	\$ 1.292
O&M - OVERHEAD MERCURY VAPOR 175 WATT	\$ 0.767	\$ 0.963	\$ 1.063	\$ 1.153
O&M - OVERHEAD MERCURY VAPOR 250 WATT	\$ 0.777	\$ 0.975	\$ 1.077	\$ 1.168
O&M - OVERHEAD METAL HALIDE 400 WATT	\$ 1.253	\$ 1.573	\$ 1.736	\$ 1.883
O&M - UNDERGROUND INCANDESCENT With GLOBE	\$ 1.576	\$ 1.978	\$ 2.183	\$ 2.368
<b>TN</b>				
Customer	\$ 15.43	\$ 15.43	\$ 15.43	\$ 15.43
Summer kWh	\$ 0.01288	\$ 0.01200	\$ 0.01165	\$ 0.01132
Winter kWh	\$ 0.01288	\$ 0.01200	\$ 0.01165	\$ 0.01132
O&M - UNDERGROUND METAL HALIDE 175 WATT	\$ 1.253	\$ 1.573	\$ 1.736	\$ 1.883
O&M - UNDERGROUND METAL HALIDE 400 WATT	\$ 1.253	\$ 1.573	\$ 1.736	\$ 1.883

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

**Multiyear Rate Plan - Rate Year 1**

<u>Rate Schedule**</u>	<u>Average Monthly Usage</u>	<u>Monthly Bill Change (Distribution Only)*</u>		<u>Monthly Increase for Standard Offer Service Customers (Total Bill)*</u>	
		<u>Percent Change</u>	<u>Dollar Amount</u>	<u>Percent Change</u>	<u>Dollar Amount</u>
		Residential Service	692	26.50%	\$ 8.57
Master Metered Apartment Service	463	12.15%	\$ 2.57	4.71%	\$ 2.57
General Service – Non-Demand	1,104	13.44%	\$ 11.39	7.17%	\$ 11.39
Temporary Service	7,176	10.00%	\$ 51.20	5.19%	\$ 51.20
General Service – Low Voltage	10,260	15.14%	\$ 104.44	7.19%	\$ 104.44
General Service - Primary Service	17,850	-0.04%	\$ (0.42)	-0.01%	\$ (0.42)
Time Metered Medium General Service – Low Voltage	77,115	13.12%	\$ 625.11	5.92%	\$ 625.11
Time Metered General Service – Low Voltage	567,240	12.36%	\$ 4,047.72	5.37%	\$ 4,047.72
Time Metered General Service – Primary Service	1,256,904	10.14%	\$ 4,643.55	3.43%	\$ 4,643.55
Time Metered General Service – High Voltage	15,954,659	2.99%	\$ 7,240.96	0.42%	\$ 7,240.96
Rapid Transit Service	287,006	9.88%	\$ 986.93	2.67%	\$ 986.93
Street Lighting Service	236,044	12.52%	\$ 598.19	3.10%	\$ 598.19
Traffic Signal Service	290,611	17.10%	\$ 1,657.11	5.77%	\$ 1,657.11
Telecommunications Network Service	416	-2.14%	\$ (0.37)	-0.83%	\$ (0.37)

\* The effect of the proposed rates on any particular customer is dependent upon the actual usage of the customer.

Changes shown are for customers with average monthly usage per the Company's Application.

\*\* OL LED is not modeled separately as there are currently no customers on this rate.

**Multiyear Rate Plan - Rate Year 2**

<u>Rate Schedule**</u>	<u>Average Monthly Usage</u>	<u>Monthly Bill Change (Distribution Only)*</u>		<u>Monthly Increase for Standard Offer Service Customers (Total Bill)*</u>	
		<u>Percent Change</u>	<u>Dollar Amount</u>	<u>Percent Change</u>	<u>Dollar Amount</u>
		Residential Service	692	8.96%	\$ 3.69
Master Metered Apartment Service	463	6.78%	\$ 1.60	2.81%	\$ 1.60
General Service – Non-Demand	1,104	2.91%	\$ 2.90	1.67%	\$ 2.90
Temporary Service	7,176	6.71%	\$ 37.80	3.64%	\$ 37.80
General Service – Low Voltage	10,260	6.68%	\$ 53.06	3.41%	\$ 53.06
General Service - Primary Service	17,850	3.36%	\$ 34.98	1.24%	\$ 34.98
Time Metered Medium General Service – Low Voltage	77,115	1.94%	\$ 109.26	0.96%	\$ 109.26
Time Metered General Service – Low Voltage	567,240	-0.67%	\$ (263.07)	-0.32%	\$ (263.07)
Time Metered General Service – Primary Service	1,256,904	5.10%	\$ 2,581.23	1.84%	\$ 2,581.23
Time Metered General Service – High Voltage	15,954,659	1.71%	\$ 4,259.26	0.25%	\$ 4,259.26
Rapid Transit Service	287,006	4.28%	\$ 469.97	1.24%	\$ 469.97
Street Lighting Service	236,044	4.63%	\$ 248.66	1.25%	\$ 248.66
Traffic Signal Service	290,611	4.08%	\$ 462.94	1.53%	\$ 462.94
Telecommunications Network Service	416	-0.87%	\$ (0.15)	-0.33%	\$ (0.15)

\* The effect of the proposed rates on any particular customer is dependent upon the actual usage of the customer.

Changes shown are for customers with average monthly usage per the Company's Application.

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**Multiyear Rate Plan - Rate Year 3**

<u>Rate Schedule**</u>	<u>Average Monthly Usage</u>	<u>Monthly Bill Change (Distribution Only)*</u>		<u>Monthly Increase for Standard Offer Service Customers (Total Bill)*</u>	
		<u>Percent Change</u>	<u>Dollar Amount</u>	<u>Percent Change</u>	<u>Dollar Amount</u>
Residential Service	692	7.09%	\$ 3.19	3.34%	\$ 3.19
Master Metered Apartment Service	463	5.29%	\$ 1.33	2.27%	\$ 1.33
General Service – Non-Demand	1,104	1.69%	\$ 1.80	1.00%	\$ 1.80
Temporary Service	7,176	5.86%	\$ 35.22	3.27%	\$ 35.22
General Service – Low Voltage	10,260	5.83%	\$ 49.43	3.07%	\$ 49.43
General Service - Primary Service	17,850	2.24%	\$ 23.82	0.84%	\$ 23.82
Time Metered Medium General Service – Low Voltage	77,115	0.59%	\$ 35.87	0.30%	\$ 35.87
Time Metered General Service – Low Voltage	567,240	-1.93%	\$ (812.75)	-0.96%	\$ (812.75)
Time Metered General Service – Primary Service	1,256,904	3.62%	\$ 1,950.39	1.36%	\$ 1,950.39
Time Metered General Service – High Voltage	15,954,659	1.28%	\$ 3,249.43	0.19%	\$ 3,249.43
Rapid Transit Service	287,006	3.70%	\$ 422.97	1.10%	\$ 422.97
Street Lighting Service	236,044	3.98%	\$ 223.64	1.11%	\$ 223.64
Traffic Signal Service	290,611	3.51%	\$ 415.14	1.35%	\$ 415.14
Telecommunications Network Service	416	-0.83%	\$ (0.14)	-0.32%	\$ (0.14)

\* The effect of the proposed rates on any particular customer is dependent upon the actual usage of the customer.

Changes shown are for customers with average monthly usage per the Company's Application.

\*\* OL LED is not modeled separately as there are currently no customers on this rate.

Pepco's rate filing is available for inspection at the Public Service Commission's Office of the Commission Secretary, 1325 "G" Street, NW, Suite 800, Washington, D.C. 20005 between the hours of 9:00 a.m. and 5:30 p.m., Monday through Friday. Pepco's Application can be reviewed on the Commission's website at [www.dcpsc.org](http://www.dcpsc.org). Once at the website, open the "eDocket" tab, click on "Search database" and input "FC 1156" as the case number and "1" as the item number. Pepco's rate filing may also be inspected at the following public libraries:

- |             |   |
|-------------|---|
| <b>Ward</b> | <b>Name and Address</b>   |
| Main        | Martin Luther King Memorial Library 9 <sup>th</sup> & "G" Streets, NW – closed for renovation |
|             | Interim Service at 1990 K St. N.W.  |
| Ward 1      | Mount Pleasant Library<br>16 <sup>th</sup> & Lamont Street, NW                                |
| Ward 2      | Southwest Library<br>Wesley Place & "K" Street, SW  |
| Ward 3      | Cleveland Park Library<br>Connecticut Avenue & Macomb Street, NW                              |
| Ward 4      | Petworth Library  |



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Georgia Avenue & Upshur Street, NW

Ward 5 Woodridge Library  
Rhode Island Avenue & 18<sup>th</sup> Street, NE

Ward 6 Southeast Library  
7<sup>th</sup> & "D" Streets, SE

Ward 7 Capitol View Library  
Central Avenue & 50<sup>th</sup> Street, SE

Ward 8 Washington-Highlands Library  
Atlantic Street & South Capitol Terrace, SW

By Order No. 19956, the Commission directed that any person desiring to intervene in the proceeding shall file a petition to intervene with the Commission no later than June 19, 2019, with any oppositions to be filed by June 24, 2019. 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 petitions for intervention and any written comments on Pepco's Application should be sent to Ms. Brinda Westbrook-Sedgwick, Commission Secretary, Public Service Commission of the District of Columbia, 1325 "G" Street, NW 8<sup>th</sup> Floor, Washington, D.C. 20005.

Pursuant to 15 DCMR § 129, the Commission will hold a Status Conference in this proceeding at **10:00 a.m. on June 28, 2019** in the Commission's Hearing Room, 1325 "G" Street, NW 8<sup>th</sup> Floor, Washington, D.C. 20005. Parties shall be prepared to discuss proposed issues and procedural schedules and any other preliminary matters including whether the Application should be separated into two cases, one addressing a traditional rate case, and the other addressing an MRP and performance-based rate plan.