PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

NOTICE OF PROPOSED TARIFF

PEPPOR-2026-01, PEPCO PURCHASE OF RECEIVABLES

1. The Public Service Commission of the District of Columbia (Commission) hereby gives notice, pursuant to Section 34-802 of the District of Columbia Official Code and in accordance with Section 2-505 of the District of Columbia Official Code,[1] of its intent to act upon the tariff filing of the Potomac Electric Power Company (Pepco or Company) revising the Purchase of Receivables (POR) tariff and Supplier Discount Rate in not less than thirty (30) days from the date of publication of this Notice of Proposed Tariff (NOPT) in the *D.C. Register*.[2]

2. On June 12, 2026, the Commission issued Order No. 22883 directing Pepco to amortize the residential POR bad debt expenses over a period of three years and to accrue interest on the amortized balance at the most recently approved weighted average cost of capital.[3] On July 27, 2026, Pepco filed a tariff proposing to amend the POR Supplier Discount Rate pursuant to Order No. 22883.[4] This POR Supplier Discount Rate Update represents Pepco's most current POR Supplier Discount Rate true-up and is derived based on POR activity from January 2024 through December 2025. Pepco's POR Supplier Discount Rate Update modifies the Company's Electric Supplier Coordination Tariff (Electric Supplier—P.S.C. of D.C. No. 1).

3. Attachment A of the POR Supplier Discount Rate Update sets forth the language of the Supplier Tariff, Schedule 3. It describes in detail the components and derivation of the POR Supplier Discount Rates, including the proposed Discount Factors.[5] Pepco's Update proposes to amend the following pages:[6]

ELECTRICITY SUPPLIER COORDINATION TARIFF, P.S.C. of D.C. No.1
(Former) Twelfth Revised Page No. i
Twelfth Revised Page No. ii
Twelfth Revised Page No. iii
Twelfth Revised Page No. iv
Seventh Revised Page No. 41

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[1] D.C. Official Code § 34-802 and § 2-505.

[2] *PEPPOR-2026-01, Pepco Purchase of Receivables* ("*PEPPOR-2026-01*"), Potomac Electric Power Company's Purchase of Receivable Supplier Discount Rate Update ("POR Supplier Discount Rate Update"), filed July 27, 2026.

[3] *PEPPOR-2026-01,* Order No. 22883, rel. June 12, 2026.

[4] *PEPPOR-2026-01*, POR Supplier Discount Rate Update.

[5] *PEPPOR-2026-01*, POR Supplier Discount Rate Update at Attachment A.

[6] *PEPPOR-2026-01*, POR Supplier Discount Rate Update at Attachment A, Pepco Redline Version.

Seventh Revised Page No. 42

(New) Thirteenth Revised Page No. i
Thirteenth Revised Page No. ii
Thirteenth Revised Page No. iii
Thirteenth Revised Page No. iv
Eighth Revised Page No. 41
Eighth Revised Page No. 42

4. Pepco proposes to apply a discount rate on the receivables associated with Residential customers of 5.8954% on Schedules R and MMA. The discount rate for Small Commercial customers (Schedules GS-LV-ND, T, SL, TS, and OL-LED) and for Large Commercial customers (Schedules GS-LV, GS-3A, MGT-LV, GT-LV, GT-3A, GT-3B, and RT) remains at 0.0000%.[7]

5. Pepco explains in Attachment B through Attachment D of the POR Supplier Discount Rate Update how the Discount Rates are derived using the POR data for the period January 2024 through December 2025. Pepco states that Attachment B of the Update is a summary showing the results of the Write-Offs, including Reinstatements, and Late Payment Revenues expressed as a percentage of Third-Party Supplier Revenues for Residential Customers served under Schedules R and MMA, Small Commercial customers served under Schedules GS-LV-ND, T, SL, TS, TN and OL-LED, and Large Commercial customers served under Schedules GS-LV, GS-3A, MGT-LV, GT-LV, GT-3A, GT-3B, and RT.[8]

6. In Order No. 16916,[9] the Commission approved a Risk Component to be included in the Discount Rate. In the same Order, the Commission allowed for a Cash Working Capital adjustment. Pepco states that the Commission directed in that Order that both the Risk Component and Cash Working Capital adjustment be set to zero and that they may not be changed without the Commission's written authorization.[10] Pepco provides that the Risk Component and the Cash Working Capital adjustment are therefore set to zero. The POR Supplier Discount Rate Update shows that the Interest and Reconciliation Factors are added to arrive at the Discount Rates for each of the three rate classes described above.

7. Attachment C1 lists from January 2024 through December 2024, and Attachment C2 lists from January 2025 through December 2025, by month and by customer type, Electric

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[7] *PEPPOR-2026-01*, POR Supplier Discount Rate Update at Attachment A, Eighth Revised Page Nos. 41 and 42.

[8] *PEPPOR-2026-01*, POR Supplier Discount Rate at Attachment B.

[9] *Formal Case No. 1085*, *In the Matter of the Investigation of a Purchase of Receivables Program in the District of Columbia* ("*Formal Case No. 1085*"), Order No. 16916, rel. September 20, 2012 ("Order No. 16916"), ¶ 32.

[10] *Formal Case No. 1085*, Order No. 16916, ¶ 34.

Revenues Billed, less POR Discounts, Net Electric Revenues Billed, Late Payment Revenues, and Write-Offs, net of Reinstatements. The interest is calculated based on the cumulative Over/(Under) Collection of POR Discounts less Write-Offs, plus Late Fee Revenues at 7.17% per Order No. 20755.[11]

8. Attachment D provides the detailed calculation by customer type for the Reconciliation and Interest Factor. Pepco explains that the Reconciliation factor is derived by first adding the POR Discounts less Write-Offs, plus Late Fee Revenues and Interest Expense, less Amortization of Program Cost. Attachment D shows that the net Over/(Under) Collection is then divided by the Electric Revenues billed for January 2025 through December 2025 to arrive at the Reconciliation factor. The Interest Factor is derived by dividing the Interest listed on Attachment C2 by the Electric Revenues billed for January 2025 through December 2025.

10. Pepco states that the Program Development and Operation Costs are fully amortized, and therefore, Attachments E through G have been omitted from its POR Supplier Discount Rate Update filing.[12]

11. Any person interested in commenting on the subject matter of this POR Supplier Discount Rate Update may submit written comments not later than thirty (30) days after publication of this Notice in the *D.C. Register* addressed 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, and sent electronically on the Commission's website at https://edocket.dcpsc.org/public/public_comments. Copies of the proposed tariff may be obtained by visiting the Commission's website at www.dcpsc.org. Once at the website, open the "eDocket" tab, click on "Search Current Dockets," and input "PEPPOR-2024-01" as the case number. Copies may also be purchased at cost by contacting the Commission Secretary at the address provided above. Persons with questions concerning this NOPT should call (202) 626-5150 or send an email to psc-commissionsecretary@dc.gov. After the comment period has expired, the Commission will take final action on the tariff.

A TRUE COPY: **BY DIRECTION OF THE COMMISSION:**

CHIEF CLERK: **BRINDA WESTBROOK-SEDGWICK**
COMMISSION SECRETARY

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[11] *Formal Case No. 1156, In the Matter of the Application of Potomac Electric Power Company for Authority to Implement a Multiyear Rate Plan for Electric Distribution Service in the District of Columbia,* Order No. 20775, rel. June 8, 2021.

[12] *PEPPOR-2026-01*, POR Supplier Discount Rate at 2.