

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET, N.W., 2nd FLOOR, WEST TOWER
WASHINGTON, D.C. 20005**

ORDER

February 26, 2015

**FORMAL CASE NO. 1017, IN THE MATTER OF THE DEVELOPMENT AND
DESIGNATION OF STANDARD OFFER SERVICE IN THE DISTRICT OF
COLUMBIA, Order No. 17810**

1. On January 23, 2015, the Potomac Electric Power Company (“Pepco”) filed its proposed retail rates, including the administrative charges, for Standard Offer Service (“SOS”) for the period June 1, 2015 to May 31, 2016. That rate filing consisted of a cover letter and five (5) attachments – Attachment A (Retail Rate Schedules for SOS), Attachment B (the work papers supporting the generation rates), Attachment C (the work papers showing the average dollar and percentage increase for each rate class), Attachment D (the detailed calculation and explanation of the Administrative Charge and the true-up calculation), and Attachment E (the calculation of the proposed RAD and RAD-AE rates).¹

2. After reviewing the documents, Commission staff advised Pepco that Attachments A, B, D and E appeared to contain errors. On February 4, 2015, Pepco corrected its filing by replacing Attachments A, B, and E in their entirety, and pages 1, 2, and pages 8 through 10 of Attachment D. Attachment C was not revised.² No comments have been filed with regard to Pepco’s January 23 and February 4, 2015 rate filings. The Commission has reviewed the SOS rate filings, as revised, and conclude that the revised rates are consistent with the winning bids received at the annual auction held on December 8, 2014 and January 5, 2015 for the eleventh round of SOS bidding. The Commission, therefore, approves Pepco’s proposed retail rates, including the administrative charges, for SOS.

3. A consumer’s bill for electricity service consists of three cost components – generation, transmission, and distribution. Pepco purchases generation for SOS customers through power supply contracts in an annual auction. The rates that Pepco filed with the Commission on January 23, as revised on February 4, 2015 reflect the prices in the power supply contracts awarded in the auction held on December 8, 2014 and January 5, 2015. On average, the cost of generation for a residential standard SOS customer will increase by 5.8% or about \$2.79 per month for the average user of 638 kwh/month. The residential SOS customers’ summer price to compare rate (i.e., the

¹ *Formal Case No. 1017, In the Matter of the Development and Designation of Standard Offer Service in the District of Columbia (“Formal Case No. 1017”),* Potomac Electric Power Company’s Retail Rates for Standard Offer Service, filed Jan. 23, 2015.

² *Formal Case No. 1017, Revised Attachments A, B, pages 1, 2, 8(a) and 8(b), 9, and 10 of D, and E, filed Feb. 4, 2015.*

price of generation plus transmission) will increase from 8.3 cents per kwh to 8.6 cents per kwh while their winter price to compare rate will increase from 8.2 cents per kwh to 8.7 cents per kwh. On average, the cost of generation for small commercial SOS customers will increase by 3.9% or about \$5.56 per month for the average user of 1,905 kwh/month. The small commercial SOS customers' summer price to compare rate will increase from 8.0 cents per kwh to 8.3 cents per kwh while their winter price to compare rate will increase from 7.9 cents per kwh to 8.2 cents per kwh. On average, the cost of generation for large commercial customers SOS customers will increase by 21.3% or about \$1,223.00 per month for the average user of 82,808 kwh/month. The large commercial SOS customers' summer price to compare rate will increase from 7.5 cents per kwh to 8.9 cents per kwh while their winter price to compare rate will increase from 7.3 cents per kwh to 8.9 cents per kwh.

THEREFORE, IT IS ORDERED THAT:

4. The Potomac Electric Power Company's proposed retail rates filed January 23, 2015 as revised February 4, 2015, including the administrative charges, for Standard Offer Service are hereby **APPROVED**; and

5. The Potomac Electric Power Company shall file a revised tariff setting forth the new retail rates, including the administrative charges, for Standard Offer Service within seven (7) calendar days of the date of this Order.³

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:



CHIEF CLERK:

**BRINDA WESTBROOK- SEDGWICK
COMMISSION SECRETARY**

³ See 15 DCMR 4103.3 (2009).