

Public Service Commission of the District of Columbia

450 5TH STREET, N.W.
WASHINGTON, D.C. 20001
(202) 626-5100



IN REPLY REFER TO:

June 14, 1993

Letter to the Editor
The Washington Post
1150 15th Street, N.W.
Washington, DC 20071

Dear Editor:

On February 1, 1993, the District of Columbia Public Service Commission (PSC) issued a landmark energy conservation order, which places PEPCO somewhere among the top three electric companies in the United States for its planned achievements. Through some two hundred specific PSC mandates, PEPCO will save enough energy through the year 2006 to avoid constructing four large new power plants of 450 megawatts each. Avoiding this construction saves ratepayers \$2 billion. With this order, we literally doubled PEPCO's conservation efforts.

Rudolph A. Pyatt, a Washington Post Staff Writer, has taken a dim view of this accomplishment (June 10, 1993). Establishing himself as the Ross Perot of utility regulation, he reasoned that the PSC's order evidently is not working because PEPCO has filed for a \$72.6 million rate increase.

Rudy, it's just not as simple as that. No, our February order may not immediately gratify. What the PSC, the D.C. Office of the People's Counsel, and PEPCO are doing is fundamentally changing the way our society and business community use energy. Fully 60 percent of the new energy resources that would otherwise be needed will be met through conservation. The vast majority of the saved energy, 93 percent, will be derived from the commercial sector, where our "least cost planning" process produces a \$5 return for each dollar expended for the two largest programs.

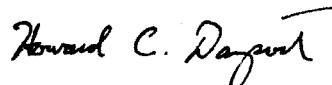
Mr. Pyatt states that, "The numbers still don't add up for customers." However, the D.C. Public Service Commission has been one of the nation's most progressive commissions for many years in its conservation efforts. If Mr. Pyatt would look at the numbers, he would find that PEPCO's residential electricity rates are the very lowest of any electric utility in any major city up and down

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the East coast. The District's gas and telephone rates are also very competitive.

Our electricity rates can stay low only if all of us -- business, government, residents, and the media -- preach and practice energy conservation. We would certainly welcome the opportunity to share with Mr. Pyatt the benefit/cost analyses which have been conducted on these energy conservation programs. They will show that, although these programs are not free, they are a cost effective and efficient means for all classes of ratepayers to minimize their utility bills.

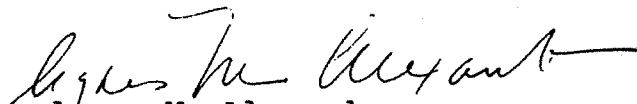
Sincerely,



Howard C. Davenport
Chairman



Edward M. Meyers
Commissioner



Agnes M. Alexander
Commissioner

cc: Rudolph J. Pyatt, Jr.
Staff Writer