

## Distribution Rates for Residential Customers Increase Effective April 16, 2014; Standard Offer Service Rates Decrease Effective June 1, 2014

Pepco's Standard offer Service (SOS) supply rates for District of Columbia residential customers will decrease June 1, 2014. If you have not chosen an alternative electricity supplier, you are on Standard Offer Service and Pepco buys electricity for you, charging you rates approved by the District of Columbia Public Service Commission. The cost of Standard Offer Service supply is shown in the "Generation Services" and "Transmission Services" portions of your electric bill.

The new rates are based on market prices obtained through a competitive bidding process overseen by the Public Service Commission. The average monthly bill for residential customers is expected to decrease 11% or \$10.25 under the new rates. Under Generation Service Charges, the Administrative Charge that was previously included in the kwh rate is listed separately.

To learn more about Standard Offer Service, visit [www.pepco.com](http://www.pepco.com) and read the District of Columbia Customer Choice section of our site. The website also has information on conservation ideas and low-income customer assistance programs. Information is also available by calling 202-833-7500, between 8 a.m. and 7 p.m., Monday through Friday.

Listed in the chart below are the new Standard Offer Service rates including a comparison of summer and winter rates. Please note that summer rates take effect with the billing month of June. Pepco, as with many other utilities, charges different rates for electricity use in the summer (June-October) than it does in the winter (Nov-May). Customers who have selected an alternative electricity supplier are subject only to the Distribution Services charges below, modified as appropriate by the application of the Bill Credit/Surcharge.

To help current SOS customers evaluate offers from alternative electricity suppliers, your bill contains the "price to compare" for "Generation and Transmission Services."

In addition, Pepco's distribution rates increased effective April 16, 2014. Under the new residential rate, the average residential customer's bill will increase by \$3.75. However, combined with the SOS rate decrease listed above, the average bill for residential customers will decrease by about \$6.00.

| RATE SCHEDULE  | Summer Billing Months<br>(June–October) | Winter Billing Months<br>(November–May) |
|--|---|---|
| <b>RESIDENTIAL "R"</b> – available to single-family homes, individually metered units in multi-family buildings and to many master-metered apartments.   |   |   |
| Distribution Service Charges   |   |   |
| Customer charge – residential  | \$13.00 per month                       | \$13.00 per month                       |
| Customer charge – master-metered apartments  | \$10.25 per month                       | \$10.25 per month                       |
| First 400 kwh  | \$0.00759 per kwh                       | \$0.00759 per kwh                       |
| In excess of 400 kwh   | \$0.02166 per kwh                       | \$0.01512 per kwh                       |
| Delivery Tax   | \$0.0070 per kwh                        | \$0.0070 per kwh                        |
| Public Space Occupancy Surcharge   | \$0.00205 per kwh                       | \$0.00205 per kwh                       |
| Residential Aid Discount Surcharge   | \$0.000294 per kwh                      | \$0.000294 per kwh                      |
| Administrative Credit  | pepco.com for monthly rate              |   |
| Sustainable Energy Trust Fund  | \$0.00150 per kwh                       | \$0.00150 per kwh                       |
| Energy Assistance Trust Fund   | \$0.0000607 per kwh                     | \$0.0000607 per kwh                     |
| Bill Stabilization Adjustment  | pepco.com for monthly rate              |   |
| Transmission Service Charges   |   |   |
| Minimum charge*  | \$0.12 per month                        | \$0.12 per month                        |
| In excess of 30 kwh  | \$0.00685 per kwh                       | \$0.00685 per kwh                       |
| Generation Service Charges   |   |   |
| Minimum charge *   | \$2.28 per month                        | \$2.25 per month                        |
| In excess of 30 kwh  | \$0.07207 per kwh                       | \$0.07104 per kwh                       |
| Administrative Charge  | \$0.00400 per kwh                       | \$0.00400 per kwh                       |
| Procurement Cost Adjustment  | pepco.com for monthly rate              |   |
| * Minimum charge includes the first 30 kwh or fraction thereof of consumption.   |   |   |
| <b>RESIDENTIAL ALL ELECTRIC SERVICE "AE"</b> – available where electricity is the only source of energy for space heating, or the primary source with use of an add-on heat pump, or solar space heating that is supplemented by electric space heating. |   |   |
| Distribution Service Charges   |   |   |
| Customer charge – residential  | \$13.00 per month                       | \$13.00 per month                       |
| Customer charge – master-metered apartments  | \$10.25 per month                       | \$10.25 per month                       |
| First 400 kwh  | \$0.00824 per kwh                       | \$0.00824 per kwh                       |
| In excess of 400 kwh   | \$0.02398 per kwh                       | \$0.01341 per kwh                       |
| Delivery Tax   | \$0.0070 per kwh                        | \$0.0070 per kwh                        |
| Public Space Occupancy Surcharge   | \$0.00205 per kwh                       | \$0.00205 per kwh                       |
| Residential Aid Discount Surcharge   | \$0.000294 per kwh                      | \$0.000294 per kwh                      |
| Administrative Credit  | pepco.com for monthly rate              |   |
| Sustainable Energy Trust Fund  | \$0.00150 per kwh                       | \$0.00150 per kwh                       |
| Energy Assistance Trust Fund   | \$0.0000607 per kwh                     | \$0.0000607 per kwh                     |
| Bill Stabilization Adjustment  | pepco.com for monthly rate              |   |
| Transmission Service Charges   |   |   |
| Minimum charge *   | \$0.12 per month                        | \$0.12 per month                        |
| In excess of 30 kwh  | \$0.00493 per kwh                       | \$0.00493 per kwh                       |
| Generation Service Charges   |   |   |
| Minimum charge*  | \$2.26 per month                        | \$2.20 per month                        |
| In excess of 30 kwh  | \$0.07135 per kwh                       | \$0.06932 per kwh                       |
| Administrative Charge  | \$0.00400 per kwh                       | \$0.00400 per kwh                       |
| Procurement Cost Adjustment  | pepco.com for monthly rate              |   |
| * Minimum charge includes the first 30 kwh or fraction thereof of consumption.   |   |   |

RATE SCHEDULE

**Summer Billing Months**    **Winter Billing Months**  
 (June–October)                      (November–May)

**RESIDENTIAL AID DISCOUNT — STANDARD — RIDER “RAD”** – available to customers for 18 months after certification of eligibility by the Government of the District of Columbia for participation in the Low-Income Home Energy Assistance Program (LIHEAP).

|                                  |                            |                   |
|----------------------------------|----------------------------|-------------------|
| Distribution Service Charges     |                            |                   |
| Customer Charge                  | \$8.85 per month           | \$8.85 per month  |
| First 400 kwh                    | \$0.00759 per kwh          | \$0.00759 per kwh |
| In excess of 400 kwh             | \$0.02166 per kwh          | \$0.01512 per kwh |
| Delivery Tax                     | \$0.0070 per kwh           | \$0.0070 per kwh  |
| Public Space Occupancy Surcharge | \$0.00205 per kwh          | \$0.00205 per kwh |
| Administrative Credit            | pepco.com for monthly rate |                   |
| Bill Stabilization Adjustment    | pepco.com for monthly rate |                   |
| Transmission Service Charges     |                            |                   |
| Minimum charge *                 | \$0.05 per month           | \$0.05 per month  |
| Next 370 kwh                     | \$0.00611 per kwh          | \$0.00789 per kwh |
| In excess of 400 kwh             | \$0.00945 per kwh          | \$0.00945 per kwh |
| Generation Service Charges       |                            |                   |
| Minimum charge *                 | \$0.72 per month           | \$0.87 per month  |
| Next 370 kwh                     | \$0.00791 per kwh          | \$0.02402 per kwh |
| Over 400 kwh                     | \$0.07187 per kwh          | \$0.05961 per kwh |
| Administrative Charge            | \$0.00400 per kwh          | \$0.00400 per kwh |

\* Minimum charge includes the first 30 kwh or fraction thereof of consumption.

**RESIDENTIAL AID DISCOUNT — ALL ELECTRIC — RIDER “RAD-AE”** – available to customers for 18 months after certification of eligibility by the Government of the District of Columbia for participation in the Low-Income Home Energy Assistance Program (LIHEAP).

|                                  |                            |                   |
|----------------------------------|----------------------------|-------------------|
| Distribution Service Charges     |                            |                   |
| Customer Charge                  | \$8.85 per month           | \$8.85 per month  |
| First 400 kwh                    | \$0.00303 per kwh          | \$0.00303 per kwh |
| In excess of 400 kwh             | \$0.02390 per kwh          | \$0.01337 per kwh |
| Delivery Tax                     | \$0.0070 per kwh           | \$0.0070 per kwh  |
| Public Space Occupancy Surcharge | \$0.00205 per kwh          | \$0.00205 per kwh |
| Administrative Credit            | pepco.com for monthly rate |                   |
| Bill Stabilization Adjustment    | pepco.com for monthly rate |                   |
| Transmission Service Charges     |                            |                   |
| Minimum charge*                  | \$0.05 per month           | \$0.05 per month  |
| Next 370 kwh                     | \$0.00384 per kwh          | \$0.00384 per kwh |
| 401 – 700 kwh                    | \$0.00565 per kwh          | \$0.00478 per kwh |
| In excess of 700 kwh             | \$0.00699 per kwh          | \$0.00699 per kwh |
| Generation Service Charges       |                            |                   |
| Minimum charge*                  | \$0.73 per month           | \$0.79 per month  |
| Next 370 kwh                     | \$0.00904 per kwh          | \$0.01128 per kwh |
| 401 – 700 kwh                    | \$0.05729 per kwh          | \$0.02642 per kwh |
| Over 700 kwh                     | \$0.07128 per kwh          | \$0.04683 per kwh |
| Administrative Charge            | \$0.00400 per kwh          | \$0.00400 per kwh |

\* Minimum charge includes the first 30 kwh or fraction thereof of consumption.

**TIME METERED RESIDENTIAL SERVICE “R-TM”** – this schedule is for residential customers who have qualified for residential time-of-use rates (TOU) and includes single-family homes or individually metered units in multi-family buildings. Customers using less than 2,500 kwh in each of the five summer months can elect to be served on Schedule R or AE as applicable.

|                                    |                            |                     |
|------------------------------------|----------------------------|---------------------|
| Distribution Service Charges       |                            |                     |
| Customer Charge                    | \$17.52 per month          | \$17.52 per month   |
| All kwh                            | \$0.04299 per kwh          | \$0.04299 per kwh   |
| Delivery Tax                       | \$0.0070 per kwh           | \$0.0070 per kwh    |
| Public Space Occupancy Surcharge   | \$0.00205 per kwh          | \$0.00205 per kwh   |
| Residential Aid Discount Surcharge | \$0.000294 per kwh         | \$0.000294 per kwh  |
| Administrative Credit              | pepco.com for monthly rate |                     |
| Sustainable Energy Trust Fund      | \$0.00150 per kwh          | \$0.00150 per kwh   |
| Energy Assistance Trust Fund       | \$0.0000607 per kwh        | \$0.0000607 per kwh |
| Bill Stabilization Adjustment      | pepco.com for monthly rate |                     |
| Transmission Service Charges       |                            |                     |
| All kWh                            | \$0.00580 per kwh          | \$0.00580 per kwh   |
| Generation Service Charges         |                            |                     |
| On-Peak                            | \$0.07759 per kwh          | \$0.07227 per kwh   |
| Intermediate                       | \$0.07178 per kwh          | \$0.07157 per kwh   |
| Off-Peak                           | \$0.06925 per kwh          | \$0.07011 per kwh   |
| Administrative Charge              | \$0.00400 per kwh          | \$0.00400 per kwh   |