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District of Columbia

Public Service Commission

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Fact Sheet:

The Public Service Commission is an independent agency established by Congress in 1913 to regulate electric, natural gas, and telephone companies in the District of Columbia. The Commission is comprised of three members; a Chairperson and two Commissioners. Each member is appointed to a four-year term by the Mayor and confirmed by the DC Council.

DC Commission Opens Formal Case on Pepco's Request to Increase Distribution Service Rates

The Public Service Commission of the District of Columbia ("Commission") opened Formal Case No. 1076 for the purpose of considering Pepco's May 22nd proposal to increase distribution service rates in the District. In its filing, Pepco requests authority to raise distribution service rates by \$51.7 million to reflect rising costs required to provide customers with safe and reliable electric service, and to help pay for the higher cost of capital, operations and maintenance expenses, and capital expenditures to ensure the continued reliability of the distribution infrastructure.

These and other related issues in the case will be evaluated thoroughly as the Commission conducts a litigated proceeding on all aspects of Pepco's proposal. All interested parties who intervene in the proceeding, including the DC Office of People's Counsel ("OPC"), will be able to file initial and rebuttal testimony and briefs on Pepco's proposal and cross examine other parties' witnesses. The Commission will hold both formal evidentiary and community hearings in order to develop a full and complete public record before a decision is rendered.

As shown on customers' bills, distribution service rates are separate from generation (energy production) and transmission rates. Pepco is the sole distributor of electric power to homes and businesses; therefore, the Commission sets Pepco's distribution rates in a rate case. Pepco's proposal seeks an increase of nearly 6.1% in residential customers' overall monthly bills. The typical bill for a Standard Offer Service ("SOS") residential customer who does not choose an electric generation supplier using 750 kilowatt-hours of electricity per month would increase by about \$6.00.

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Pepco's proposal also includes:

1. a surcharge mechanism to recover pension, other post-employment benefits ("OPEB") and uncollectible expenses;
2. cost recovery for certain investment in advanced metering infrastructure ("AMI"); and
3. a new depreciation study filed on December 30, 2008.

Pepco requests that new rates become effective in the first quarter of 2010.

Pepco's entire filing, which is docketed in Formal Case No. 1076, is available via the eDocket feature on the Commission website at www.dcpsc.org. The file size is approximately 41 MB, therefore download times may vary according to your Internet connection speed.

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