



# **AOBA Utility and Energy Market Update DC, Maryland, and Virginia March 17, 2016**

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# AOBA Utility & Energy Market Update Agenda

## I. Competitive Energy and Market Update

## II. Washington Gas Light Company (WGL)

- A. WG DC – Formal Case No. 1137, filed February 26, 2016
- B. WG Pipeline Replacement in DC, Formal Case Nos. 1093 & 1115 – Revised Surcharge Rates *Update*
- C. WG MD Case No. 9335 – Updated Surcharge Rates effective Jan. 1, 2016 , *Update*
- D. WG VA – Save Rider, *Update*
- E. Interruptible Service Tariff Changes, DC, MD, and VA – New Tariffs in Effect

## III. Dominion Virginia Power Briefing

- A. Biennial Review & Customer Rate Credits
- B. SB 1349 & Constitutional Challenges
- C. Rate Rider Update

## IV. Potomac Electric Power Company (Pepco) - Update

- A. Pepco Rate Case Horizon – DC and MD
- B. Surcharge Rates – DC and MD
  - A. Pepco DC Formal Case No. 1116 & 1121 -Undergrounding of Pepco's Distribution Service - Update
  - B. Empower MD, Energy Taxes, & Grid Resiliency Charge - Update
- C. Pepco Exelon Proposed Merger, Formal Case No. 1119 & Case No. 9361 – Update

## V. Maryland General Assembly - Update

## VI. Capacity Performance Charges – IMPORTANT REMINDER: New rates in effect

June 1, 2016

## VII. DC Water Rate Update

March 17, 2016

# Washington Gas Light Company District of Columbia

# Washington Gas

## District of Columbia – FC No. 1137 <sup>1</sup>

- On February 26, 2016, WG filed its application for authority to increase existing rates and charges for gas service for customers in the District
- **WG is requesting an increase in the Company's weather-normalized annual revenue of \$17.4 million**
  - Of the \$17.4 million revenue increase request, \$4.5 million represents costs associated with system upgrades previously approved by the PSC that are currently paid by customers in surcharges (PROJECTpipes, FC 1115 & mechanical coupling, FC 1027)
  - The requested rates are designed to collect ~\$171.7 million in total annual revenues.
- **WG is requesting an opportunity to earn an overall ROR of 8.23% including a ROE of 10.25%**
- **WG requests the new rates be implemented by February 1, 2017**

<sup>1</sup> The Application for Washington Gas Light Company for Authority to increase exist rates and charges for gas service, page 1 & 3, February 26, 2016  
March 17, 2016

# Washington Gas

## District of Columbia – FC No. 1137 <sup>1</sup>

- **WG is proposing to increase Customer Charges for all classes by 25%**
- **WG is also proposing a new rate design for Group Metered Apartment (GMA) customers**
  - The current rate design allows for C&I and GMA customers to be billed on the same rate schedule which reflected the same charges
  - FC No. 1137 proposes a separate rate schedule for C & I and GMA Customers
    - C&I customers would be billed under Schedules 2 (delivery) & 2A (sales)
    - GMA customers would be billed under Schedules 2B (delivery) & 2C (sales)
- **WG is also proposing a Revenue Normalization Adjustment (RNA)**
  - The RNA is a billing adjustment which would calculate a credit or a charge to monthly distribution charges for firm customers based on the difference between the actual revenue received by WG and the level of revenue the Company is allowed to collect, based on this rate case.
  - The RNA is similar to Pepco's Bill Stabilization Adjustment (BSA).
- **WG is also proposing to fund research and development (R&D) programs**
  - R&D programs would be managed by the Gas Technology Institute

<sup>1</sup> The Application for Washington Gas Light Company for Authority to increase exist rates and charges for gas service, page 4 & 6, February 26, 2016

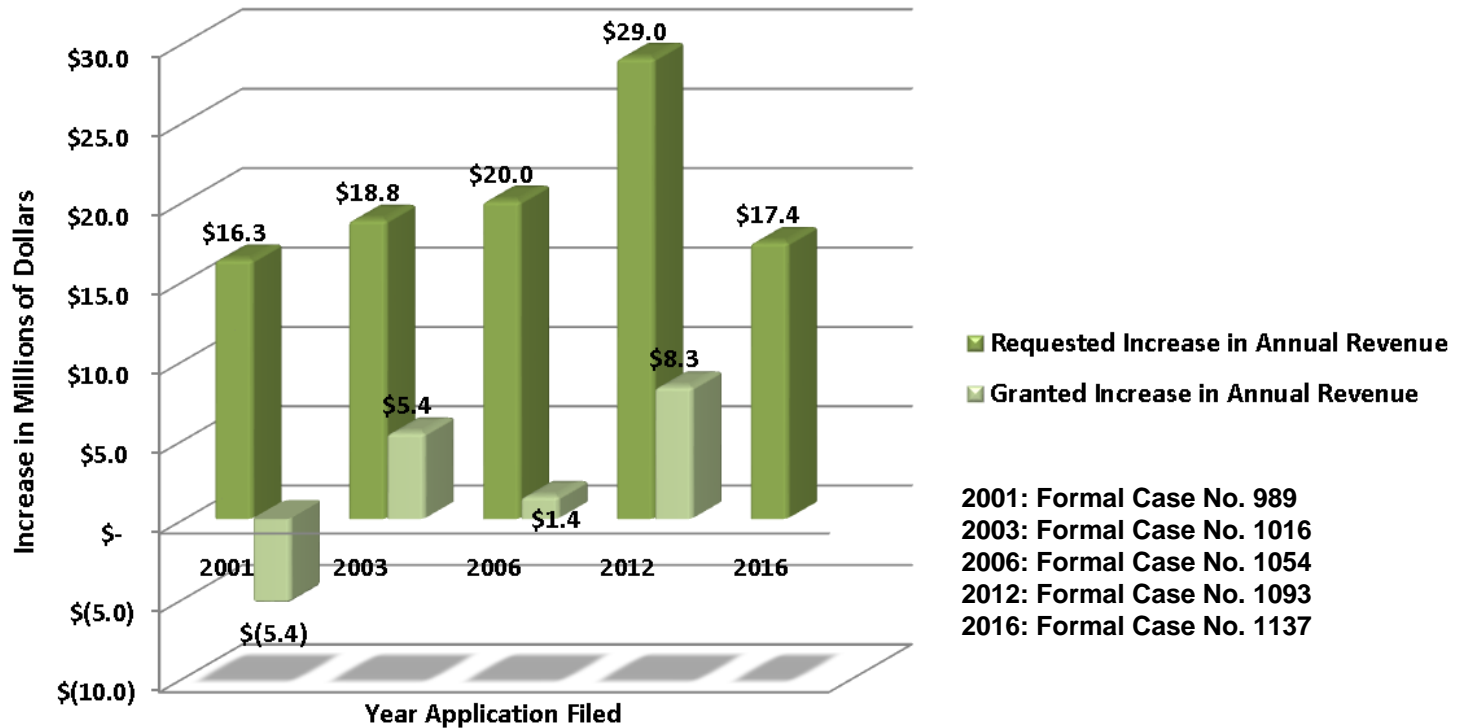
# Washington Gas District of Columbia – FC No. 1137 <sup>1</sup>

Line No.	Description A	Total Number of Bills B	Average Number of Customers C=B/12	Adjusted Annual Therms D a/	Operating Revenues (000's) Excluding Gas Cost				Operating Revenues (000's) Including Gas Cost					
					Present Rates	Proposed Rates	Increase Amount	Increase Percent	Present Rates	Proposed Rates	Increase Amount	Increase Percent		
					E	F	G=F-E	H=G/E	I	J	K=J-I	L=K/I		
1	SALE / DELIVERY OF GAS REVENUE													
2	Residential													
3	Heating and/or Cooling	1,556,397	129,700	105,593,255	\$ 71,129	\$ 83,520	\$ 12,391	17.4%	\$ 120,274	\$ 132,665	\$ 12,391	10.3%		
4	Non-heating and Non-cooling													
5	Individually Metered Apartments	142,141	11,845	754,335	1,175	1,430	255	21.7%	1,560	1,815	255	16.4%		
6	Other	46,546	3,879	1,732,127	1,268	1,504	236	18.6%	2,070	2,306	236	11.4%		
7	Commercial and Industrial													
8	Heating and/or Cooling													
9	Less than 3,075 therms	48,787	4,066	9,582,378	5,950	6,618	668	11.2%	9,488	10,156	668	7.0%		
10	3,075 therms or more	39,339	3,278	58,609,858	32,784	34,708	1,924	5.9%	45,203	47,127	1,924	4.3%		
11	Non-heating and Non-cooling	28,360	2,363	13,416,440	7,372	7,614	242	3.3%	10,411	10,653	242	2.3%		
12	Group Metered Apartments													
13	Heating and/or Cooling													
14	Less than 3,075 therms	6,140	512	1,384,357	833	866	33	4.0%	1,293	1,326	33	2.6%		
15	3,075 therms or more	19,475	1,623	26,962,117	14,964	16,134	1,170	7.8%	19,801	20,971	1,170	5.9%		
16	Non-heating and Non-cooling	9,939	828	4,349,914	2,409	2,543	134	5.6%	3,306	3,440	134	4.1%		
17	Total Firm	1,897,124	158,094	222,384,780	\$ 137,884	\$ 154,937	\$ 17,053	12.4%	\$ 213,406	\$ 230,459	\$ 17,053	8.0%		
18	Interruptible	1,937	161	86,251,174	11,234	11,273	39	0.4%	11,234	11,273	39	0.4%		
19	Total Sales / Delivery Revenue	1,899,061	158,255	308,635,954	\$ 149,118	\$ 166,210	\$ 17,092	11.5%	\$ 224,640	\$ 241,732	\$ 17,092	7.6%		
20	Other Operating Revenue								5,124	5,440	316	6.2%		
21	Total Operating Revenue								\$ 229,764	\$ 247,172	\$ 17,408	7.6%		

<sup>1</sup> The Application for Washington Gas Light Company for Authority to increase exist rates and charges for gas service, Exhibit WG (M)-1, Schedule C, Page 1 of 2, February 26, 2016

# Washington Gas District of Columbia

Summary of WGL Rate Increase Applications and Results  
District of Columbia



# Washington Gas Light Company District of Columbia Surcharges



# Washington Gas – District of Columbia Surcharges

## PROJECTpipes, Formal Case No. 1115

(Formally named the Accelerated Pipe Replacement Plan (APRP))

	<u>Residential</u>	<u>Non-Residential</u>	<u>Interruptible</u>
Mar. 2015 Billing Cycle	\$0.0094 per therm	\$0.0035 per therm	\$0.0016 per therm
Oct. 2015 Billing Cycle	\$0.0157 per therm	\$0.0062 per therm	\$0.0032 per therm
<b>Mar. 2016 Billing Cycle</b>	<b>\$0.0188 per therm</b>	<b>\$0.0073 per therm</b>	<b>\$0.0039 per therm</b>

- On January 29, 2015, the District of Columbia Public Service Commission approved the Joint Settlement Agreement between Washington Gas, Office of People’s Counsel, and AOBA for approval of a revised Accelerated Pipe Replacement Program (the “APRP”) for the first five years of the program, Order No. 17789.
- Distribution charges billed under Washington Gas Rate Schedule Nos. 1, 1A, 2, 2A, 3, 3A and 6 will be subject to an adjustment called a **PROJECTpipes** adjustment and will be applied monthly as a separate line item on customer’s natural gas distribution bills.
- The PROJECTpipes charge changes annually and is implemented with each October billing cycle. A financial reconciliation factor is applied to the current APRP charge annually and implemented with each March billing cycle.

# Washington Gas – District of Columbia Surcharges

## ➤ WGL Right of Way Surcharge (ROW), GT00-2<sup>1</sup>

Rate Effective with the April 2012 Billing Cycle	\$ 0.0313 per therm
Rate Effective with the April 2013 Billing Cycle	\$ 0.0364 per therm
Rate Effective with the June 2013 Billing Cycle	\$ 0.0278 per therm
Rate Effective with the April 2014 Billing Cycle	\$0.0266 per therm
Rate Effective with the April 2015 Billing Cycle	\$0.0399 per therm
<b>Rate Effective with the April 2016 Billing Cycle</b>	<b>TBD</b>

## ➤ Sustainable Energy Trust Fund<sup>2</sup>

FY 2009	\$0.011 per therm
FY 2010	\$0.012 per therm
FY 2012	\$0.014 per therm and each year thereafter

<sup>1</sup> A per therm surcharge for all therms used shall be billed in addition to any other billings under this rate schedule. This surcharge will provide for the recovery of the District of Columbia Rights of Way Tax and be computed as set forth in General Service Provision No. 22, Surcharge for District of Columbia Rights of Way Fee. Source Washington Gas website under Tariff Information. Case No. GT00-2.

<sup>2</sup> Energy Assistance Trust Fund Surcharge & Sustainable Energy Trust Fund Surcharge effective billing month of October 2008. Amounts billed to customers shall include a surcharge to recover costs of programs implemented pursuant to the DC Clean and Affordable Energy Act of 2008 and amended by the Residential Aid Subsidy Amendment Act of 2010. Charges are mandated by the DC Government. See *DC Code § 8-1774.10 Sustainable Energy Trust Fund*, <http://dccode.org/simple/sections/8-1774.10.html>. Charges are listed on WG's website under *Publications by Jurisdiction*.

# Washington Gas – District of Columbia Surcharges

## Additional Surcharges (cont.)

- Energy Assistance Trust Fund \$0.006/therm <sup>1</sup>
  
- Hexane Cost Adjustment
  - ✓ Implemented through Purchase Gas Charge (PGC) for Sales Service Customers
  - ✓ Implemented through Balancing Charges for Delivery Service Customers

<sup>1</sup>Energy Assistance Trust Fund Surcharge & Sustainable Energy Trust Fund Surcharge effective billing month of October 2008. Amounts billed to customers shall include a surcharge to recover costs of programs implemented pursuant to the DC Clean and Affordable Energy Act of 2008 and amended by the Residential Aid Subsidy Amendment Act of 2010. Charges are mandated by the DC Government. See *DC Code § 8-1774.11 Energy Assistance Trust Fund*, <http://dccode.org/simple/sections/8-1774.11.html>. Charges are listed on WG's website under *Publications by Jurisdiction*.

# Washington Gas – District of Columbia Purchased Gas Costs & Balancing Charges

## Washington Gas Purchased Gas Costs\* District of Columbia

Month, Year	Dollars Per
Mar-15	\$0.6274
Apr-15	\$0.6274
May-15	\$0.6274
Jun-15	\$0.5625
Jul-15	\$0.4484
Aug-15	\$0.4484
Sep-15	\$0.4703
Oct-15	\$0.4703
Nov-15	\$0.4172
Dec-15	\$0.3607
Jan-16	\$0.3210
Feb-16	\$0.3210
Mar-16	\$0.4137

## Washington Gas Balancing Charges District of Columbia

Month, Year	Dollars Per
Mar 2015 - Nov 2015	\$0.0117
Dec 2015 - Feb 2016	\$0.0129
Mar 2016 - Nov 2016	\$0.0058

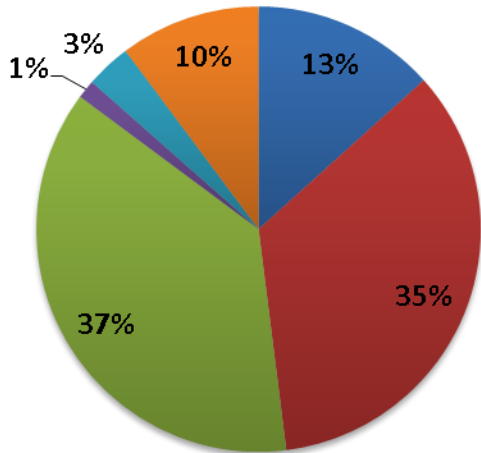
Washington Gas DC Purchased Gas Costs and Balancing Charges  
<http://www.washgas.com/pages/DCCOMWashingtonGasPurchasedGasCosts>

*\*Reflects purchased gas costs less balancing charges listed below.  
 Effective April 2001, the Balancing Charge is billed to third party suppliers by Washington Gas to recover a portion of Washington Gas' capacity and peaking operation's costs. The Balancing Charge does not include a portion of Washington Gas' storage costs, which are billed separately to third party suppliers.*

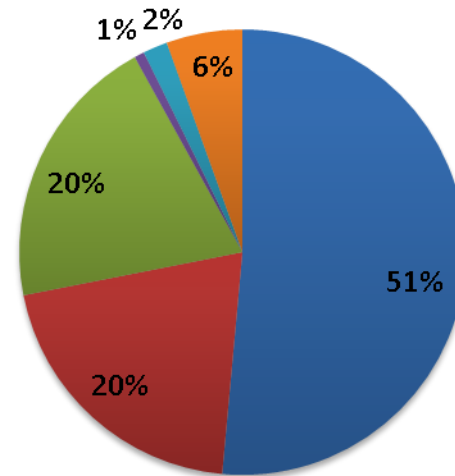
# Washington Gas Bill Composition

## District of Columbia

**Residential:** Heating and/or Cooling  
Rate Schedule Nos. 1 and 1A



**Residential:** Non-Heating and/or Non-Cooling  
Rate Schedule Nos. 1 and 1A



■ System Charge  
■ PROJECTpipes

■ Distribution Charge  
■ Plant Recovery

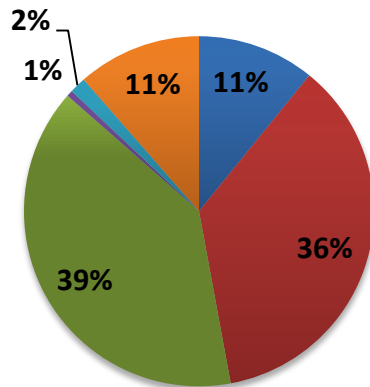
■ Gas Costs  
■ Other Riders

# Washington Gas Bill Composition

## District of Columbia

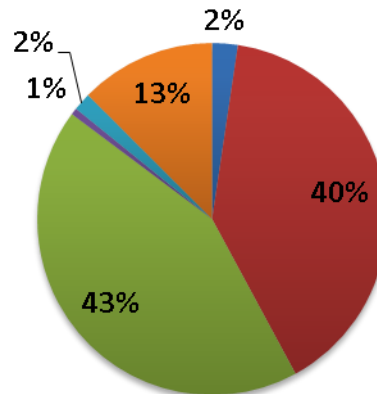
### Commercial

Heating and/or Cooling Less than 3,075 Therms  
Rate Schedule Nos. 2 and 2A



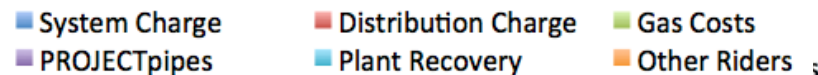
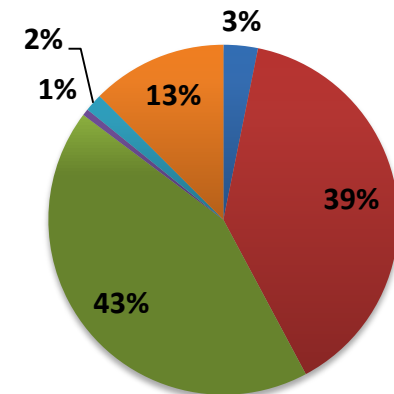
### Commercial

Heating and/or Cooling 3,075 Therms or more  
Rate Schedule Nos. 2 and 2A



### Commercial

Non-Heating and/or Non-Cooling  
Rate Schedule Nos. 2 and 2A

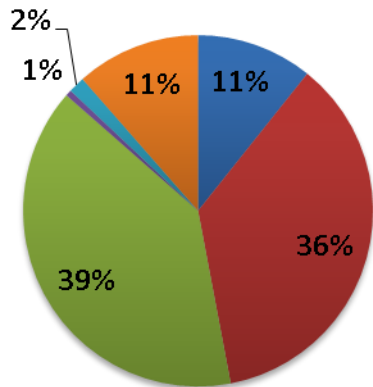


# Washington Gas Bill Composition

## District of Columbia

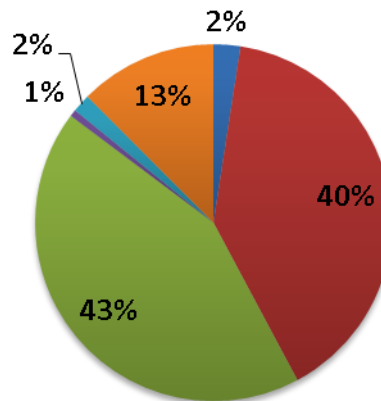
### Group Metered Apartments

Heating and/or Cooling Less than 3,075 Therms  
Rate Schedule Nos. 2 and 2A



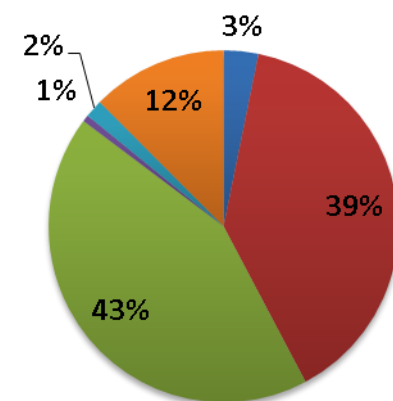
### Group Metered Apartments

Heating and/or Cooling 3,075 Therms or more  
Rate Schedule Nos. 2 and 2A



### Group Metered Apartments

Non-Heating and/or Non-Cooling  
Rate Schedule Nos. 2 and 2A



■ System Charge     ■ Distribution Charge     ■ Gas Costs  
■ PROJECTpipes     ■ Plant Recovery     ■ Other Riders

# Washington Gas Light Company Maryland



# Washington Gas Maryland

- The timing and magnitude of WG's next base rate increase request in Maryland is unknown at this time.
- If WG files for a base rate increase, per statutory requirements, any potential increase would not be expected to go into effect for seven months.
- **For budgeting purposes, members need to budget for the following surcharges:**

## Washington Gas Maryland

- **STRIDE Rider**
- **Montgomery County Energy Tax & Prince Georges County Energy Tax**  
**\* Represents substantial portion of total charges for commercial customers**

# Washington Gas – Maryland

## Update: “STRIDE RIDER”, Case No. 9335 <sup>1</sup>

- WG filed for approval of the “STRIDE Rider” on November 7, 2013
- WG proposed to invest ~ \$863 million over 22 years in four infrastructure replacement programs, with \$200 million invested in the first five years
- In Case No. 9335, WG requested Commission approval of the STRIDE Rider for a five year period to fund the initial \$200 million
- STRIDE Rider rates effective for meter readings on and after July 28, 2014, Order No. 86321. Periodic updates to rates expected.

<sup>1</sup> Washington Gas Light Company - an Application for Authority to Implement a Strategic Infrastructure Development and Enhancement Plan ("Stride Plan") and Associated Cost Recovery Mechanism ("Stride Rider"). Case No. 9335, Filed November 7, 2013

# Washington Gas – Maryland

## Update: “STRIDE RIDER”, Case No. 9335 <sup>1</sup>

- On March 10, 2015 WG filed an Application for approval of an amendment that would add an additional \$31.3 million to the remaining four years of the STRIDE plan with costs recovered through the STRIDE Rider. The MD PSC approved the amendment on September 28, 2015.
- Incremental increases were added to the 2015 STRIDE surcharge and were billed to customers beginning with the October 2015 billing cycle.
- WG filed its proposed increases in STRIDE charges for calendar year 2016 on November 16, 2015. The MD PSC approved the proposed increases for the 2016 STRIDE Surcharges on December 16, 2015.
- The updated surcharges went into effect with the **January 2016 billing cycle**.
- **The updated STRIDE surcharges are outlined in the chart below and are billed per month, per customer. The residential heating/cooling class is capped at \$2 per month, per customer.**

Cost Distribution	Approved 2015 STRIDE Factor Per Month	Approved 2016 STRIDE Factor Per Month
Residential Heating/Cooling	\$0.45	\$1.22
Residential Non-Heating/Non-Cooling	\$0.25	\$0.63
C&I Heating/Cooling < 3,000	\$0.70	\$1.92
C&I Heating/Cooling >3,000	\$4.59	\$12.29
C&I Non-Heating/Non-Cooling	\$1.77	\$4.83
GMA Heating/Cooling	\$6.18	\$16.78
GMA Non-Heating/Non-Cooling	\$1.22	\$3.37
Interruptible	\$50.20	\$151.33

# Washington Gas Maryland

## Other Charges:

### Montgomery County Fuel Energy Tax for Natural Gas Customers

Tax Rate as of 6/30/10	\$0.1192100 per therm
Tax Rate Effective 7/1/10 - 6/30/12	\$0.1944390 per therm
Tax Rate Effective 7/1/12 - 6/30/13	\$0.1868761 per therm
Tax Rate Effective 7/1/13 - 6/30/14	\$0.1753900 per therm
Tax Rate Effective 7/1/14 - 6/30/15	\$0.1741142 per therm
<b>Tax Rate Effective 7/1/15 - 6/30/16</b>	<b>\$0.1740825 per therm</b>
<b>Tax Rate Effective 7/1/16 - 6/30/17</b>	<b>TBD</b>

### Prince Georges County Energy Tax for Natural Gas Customers

Tax Rate Effective 7/1/10 - 6/30/12	\$0.064931 per therm
Tax Rate Effective 7/1/12 - 6/30/13	\$0.059719 per therm
Tax Rate Effective 7/1/13 - 6/30/14	\$0.061328 per therm
Tax Rate Effective 7/1/14 - 6/30/15	\$0.059118 per therm
<b>Tax Rate Effective 7/1/15 - 6/30/16</b>	<b>\$0.065576 per therm</b>
<b>Tax Rate Effective 7/1/16 - 6/30/17</b>	<b>TBD</b>

# Washington Gas Maryland

## EmPower Maryland Surcharge

- On October 6, 2015, Washington Gas implemented its new surcharge for the EmPower Maryland Program for natural gas energy efficiency and conservation programs for 2015-2017, Case No. 9362
- The EmPower Maryland surcharges effective with the November 2015 billing and are as follows:

**Residential Service: \$0.0005 per therm**

**Commercial Service: \$0.0003 per therm**

- The EmPower Maryland surcharge is billed as a separate line item on customer's monthly natural gas bills

# Washington Gas – Maryland Purchased Gas Costs & Balancing Charges

## Washington Gas Purchased Gas Costs\* Maryland

Month, Year	Dollars Per Therm
Mar-15	\$0.6324
Apr-15	\$0.6324
May-15	\$0.6324
Jun-15	\$0.5665
Jul-15	\$0.4509
Aug-15	\$0.4509
Sep-15	\$0.4731
Oct-15	\$0.4731
Nov-15	\$0.4193
Dec-15	\$0.3821
Jan-16	\$0.3418
Feb-16	\$0.3418
Mar-16	\$0.4238

*\*Reflects purchased gas costs minus balancing charges listed below. Effective April 2001, the Balancing Charge is billed to third party suppliers by Washington Gas to recover a portion of Washington Gas' capacity and peaking operation's costs. The Balancing Charge does not include a portion of Washington Gas' storage costs, which are billed separately to third party suppliers.*

## Washington Gas Balancing Charges Maryland

Month, Year	Dollars Per Therm
Mar 2015 - Nov 2015	\$0.0126
Dec 2015 - Feb 2016	\$0.0141
Mar 2016 - Nov 2016	\$0.0159

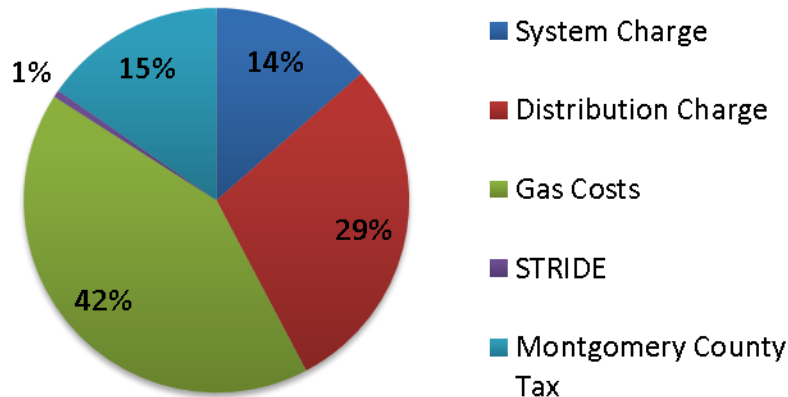
## Washington Gas MD – Purchased Gas Costs and Balancing Charges

<http://www.washgas.com/pages/MDRESPurchasedGasCosts>

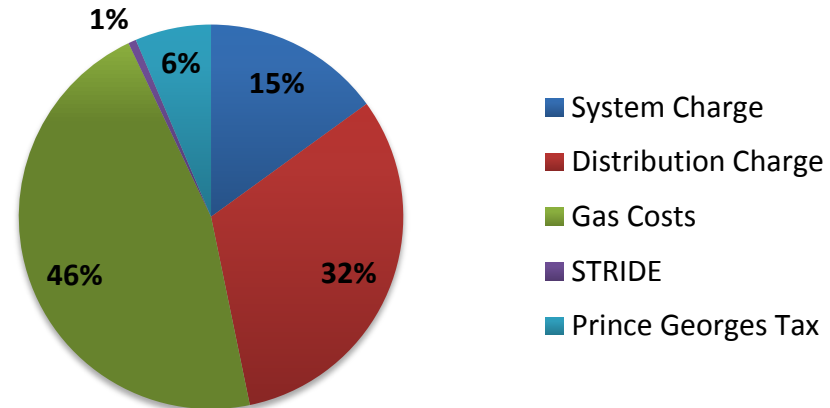
# Washington Gas Bill Composition Maryland

**Residential:** Heating and/or Cooling  
Rate Schedule Nos. 1 and 1A

Montgomery County



Prince Georges County

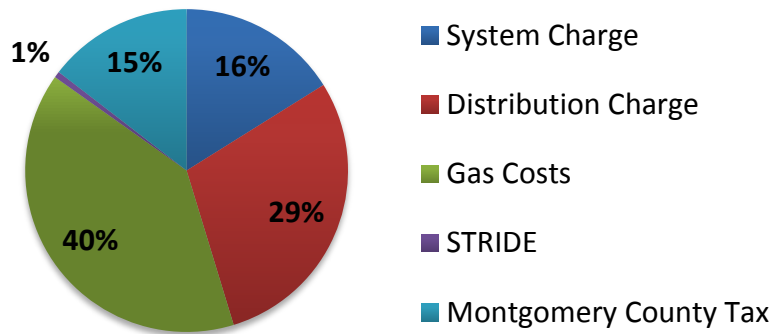


# Washington Gas Bill Composition

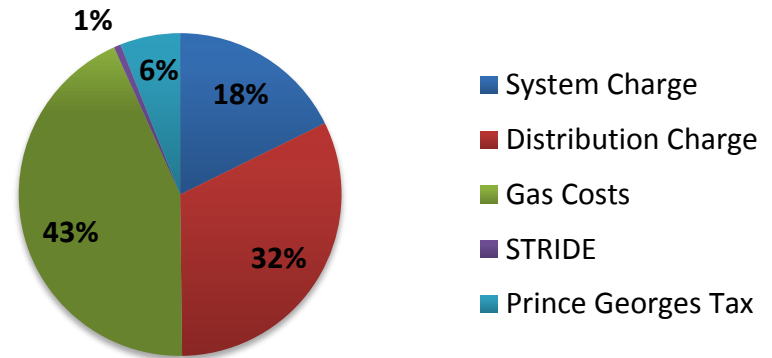
## Maryland

**Commercial:** Normal Weather Annual Usage Less Than 3,000 Therms  
Rate Schedule Nos. 2 and 2A

Montgomery County



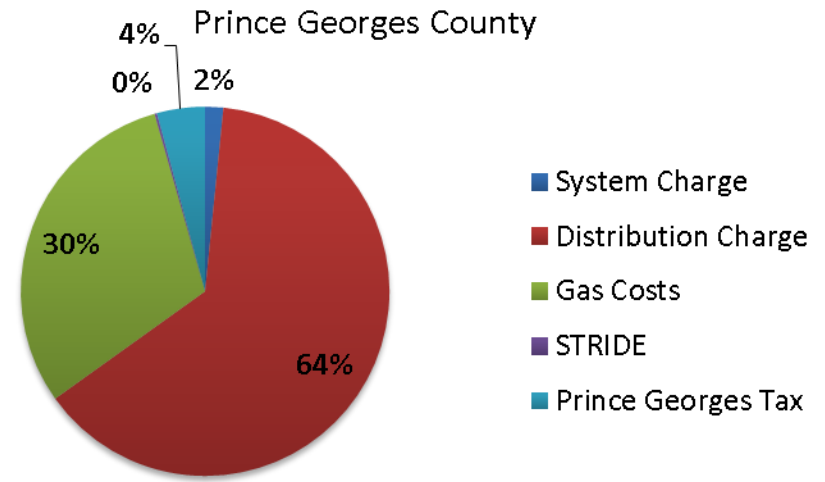
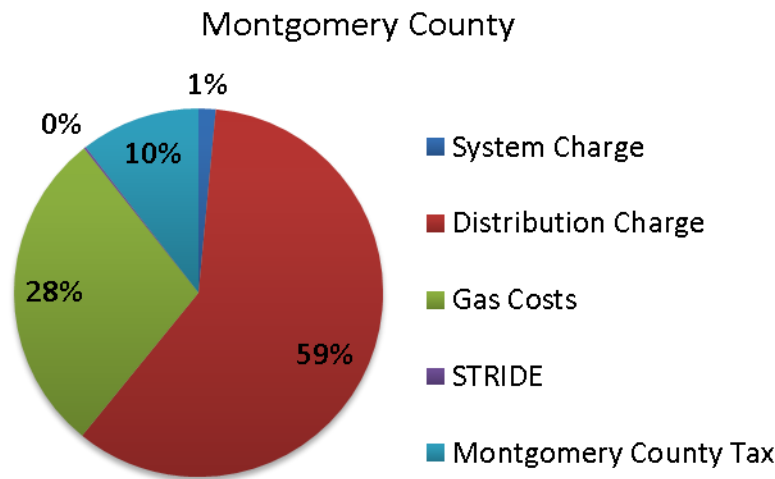
Prince Georges County





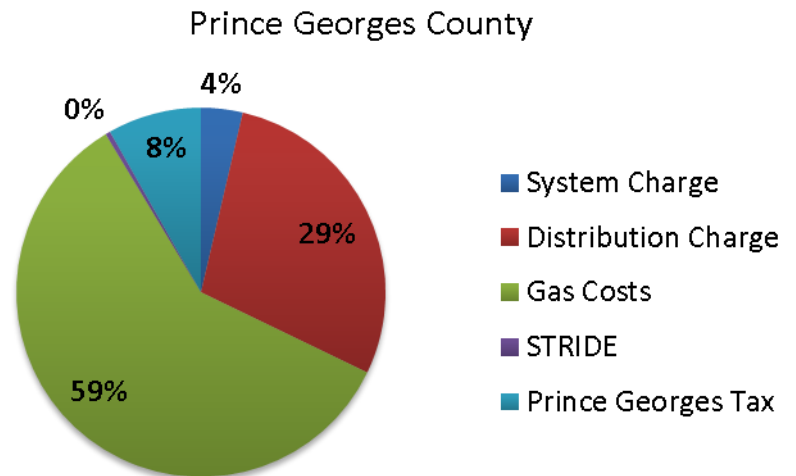
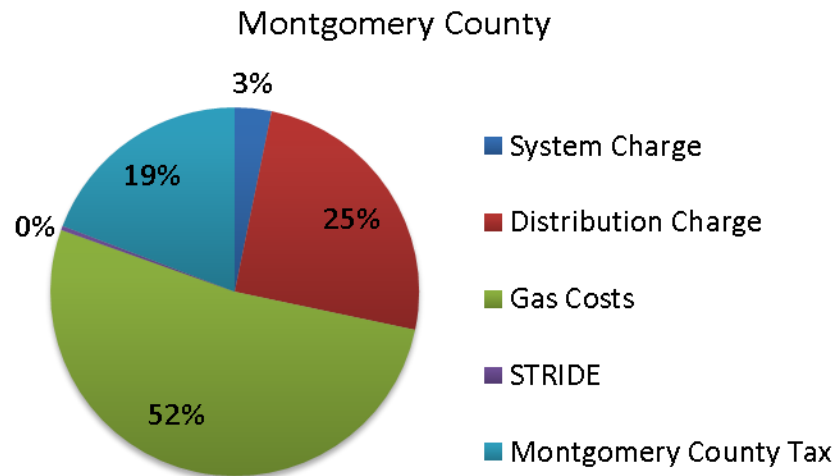
# Washington Gas Bill Composition Maryland

**Commercial:** Normal Weather Annual Usage 3,000 Therms or More  
Rate Schedule Nos. 2 and 2A



# Washington Gas Bill Composition Maryland

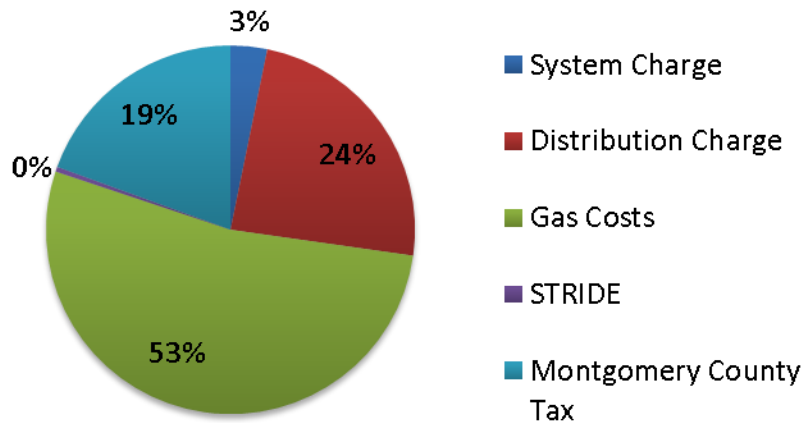
**Commercial:** Non-Heating and/or Non-Cooling  
Rate Schedule Nos. 2 and 2A



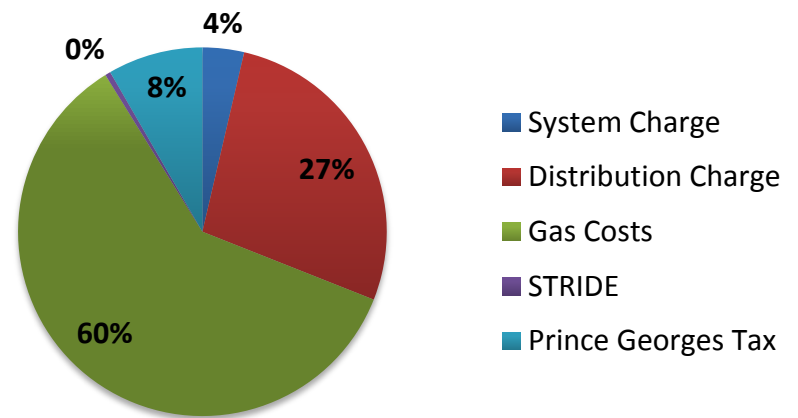
# Washington Gas Bill Composition Maryland

**Group Metered Apartments:** Heating and/or Cooling  
Rate Schedule Nos. 3 and 3A

Montgomery County



Prince Georges County



# Washington Gas Light Company Virginia

# Washington Gas - Rate Case Horizon Virginia

- AOBA's best information at this time is that WG has stated in public filings that it will file a request for an increase for in base rates in **June 2016**.
- Proposed rates take effect five months after a request is filed subject to refund i.e. November 2016
- **For budgeting purposes, members need to budget for the following surcharges:**
  - Washington Gas – Virginia**
    - **SAVE Rider**

# Washington Gas – Virginia SAVE Rider

## SAVE Rider Rates 2011-2012:

### SAVE Rider (accelerated infrastructure replacement), Case No. PUE-2011-0010

- The SAVE Rider was mandated by the legislation passed by the General Assembly and signed by the Governor
- On November 28, 2011, the SCC approved 2012 Save Rider Charges for WG totaling **\$3,847,432** to be recovered through bills rendered on and after January 1, 2012. The approved charges per therm for non-residential rate classifications are as follows:

<b>Schedule 2 &amp; 2A</b>	<b>\$0.0042/therm</b>	<b>Effective Jan. 1, 2012 – Sept. 30, 2012</b>
<b>Schedule 3 &amp; 3A</b>	<b>\$0.0050/therm</b>	<b>Effective Jan. 1, 2012 – Sept. 30, 2012</b>

- WG requested to the Commission that they reconcile over-collection of the SAVE Rider revenue requirement in 2012 by not collecting for the Rider in the 4<sup>th</sup> quarter 2012

<b>Schedule 2 &amp; 2A</b>	<b>\$0.0000/therm</b>	<b>Effective Oct. 1, 2012 – Sept. 30, 2012</b>
<b>Schedule 3 &amp; 3A</b>	<b>\$0.0000/therm</b>	<b>Effective Oct. 1, 2012 – Sept. 30, 2012</b>

# Washington Gas – Virginia SAVE Rider

## SAVE Rider Rates 2013-2014:

### 2013 SAVE Rider (accelerated infrastructure replacement), Case No. PUE-2012-00105

- WG's SAVE Rider Rates for 2013:

<b>Schedule 2 &amp; 2A</b>	<b>\$0.0024/therm</b>	<b>Effective Jan. 1, 2013 – Dec. 31, 2013</b>
<b>Schedule 3 &amp; 3A</b>	<b>\$0.0028/therm</b>	<b>Effective Jan. 1, 2013 – Dec. 31, 2013</b>

- The 2013 SAVE Rider rates reflect a decrease of ~ 75% over the 2012 SAVE Rider rates

### 2014 SAVE Rider (accelerated infrastructure replacement), Case No. PUE-2013-00099

- WG's SAVE Rider Rates for 2014:

<b>Schedule 2 &amp; 2A</b>	<b>\$0.00890/therm</b>	<b>Effective Jan. 1, 2014 – Dec. 31, 2014</b>
<b>Schedule 3 &amp; 3A</b>	<b>\$0.00100/therm</b>	<b>Effective Jan. 1, 2014 – Dec. 31, 2014</b>
<b>Interruptible</b>	<b>\$0.00310/therm</b>	<b>Effective Jan. 1, 2014 – Dec. 31, 2014</b>

- Increase in SAVE Rider rates for 2014 due to greater infrastructure activity

# Washington Gas – Virginia SAVE Rider

## SAVE Rider Rates 2015:

### 2015 SAVE Rider (accelerated infrastructure replacement), Case No. PUE- 2014-00090

- **WG SAVE Rider Rates for 2015, effective with the January 2015 billing:**

<b>Schedule 2 &amp; 2A</b>	<b>\$0.0116/therm</b>	<b>Effective Jan. 1, 2015 – July 31, 2015</b>
<b>Schedule 3 &amp; 3A</b>	<b>\$0.0147/therm</b>	<b>Effective Jan. 1, 2015 – July 31, 2015</b>
<b>Interruptible</b>	<b>\$0.0038/therm</b>	<b>Effective Jan. 1, 2015 – July 31, 2015</b>

- On February 6, 2015, WG filed an application for approval to amend the SAVE Rider by increasing investment expenditures over the period Jan.1, 2015 – 31, 2017 by \$194 million, Case No. PUE-2015-00017.
- WG stated the purpose of its application to amend the SAVE Plan is “for the expansion of the scope of certain of its approved SAVE Plan programs and implementation of new programs.”
- On June 5, 2015 the SCC approved WG’s new rates. Rates went into effect with the August 2015 billing cycle.
- **SAVE Rider factors effective with the August 2015 billing cycle are as follows:**

<b>C &amp; I Schedule 2 &amp; 2A</b>	<b>\$0.0126 therm</b>	<b>Effective August 2015 billing cycle</b>
<b>GMA Schedule 3 &amp; 3A</b>	<b>\$0.0166/therm</b>	<b>Effective August 2015 billing cycle</b>
<b>Interruptible</b>	<b>\$0.0048/therm</b>	<b>Effective August 2015 billing cycle</b>



# Washington Gas – Virginia SAVE Rider

## SAVE Rider Rates 2016 – In Effect

### SAVE Rider (accelerated infrastructure replacement), Case No. PUE- 2015-00091

- On August 18, 2015, WG filed an application for approval of the SAVE Rider for calendar year 2016
- On November 9, 2015, the SCC approved the WG’s proposed SAVE Rider rates for calendar year 2016.
- **Approved SAVE Rider factors for 2016 in effect Jan. 1, 2016 – Dec. 31, 2016:**

<b>C &amp; I Schedule 2 &amp; 2A</b>	<b>\$0.0166 therm</b>
<b>GMA Schedule 3 &amp; 3A</b>	<b>\$0.0192/therm</b>
<b>Interruptible</b>	<b>\$0.0062/therm</b>
- The SAVE Rider is billed monthly as a separate line item under “All Applicable Riders”
- WG files its rates in September of each year for the next calendar year

# Washington Gas – Virginia

## Purchased Gas Costs & Balancing Charges

Washington Gas Purchased Gas Costs*		
Virginia		
Month, Year	Commercial Customers Dollars per Therm*	Group Metered Apartments Customers Dollars per Therm*
Mar-15	\$0.5847	\$0.6572
Apr-15	\$0.5847	\$0.6572
May-15	\$0.5847	\$0.6572
Jun-15	\$0.5208	\$0.5977
Jul-15	\$0.4051	\$0.4820
Aug-15	\$0.4051	\$0.4820
Sep-15	\$0.4213	\$0.4986
Oct-15	\$0.4213	\$0.4986
Nov-15	\$0.3761	\$0.4534
Dec-15	\$0.3089	\$0.4074
Jan-16	\$0.2670	\$0.3655
Feb-16	\$0.2670	\$0.3655
Mar-16	\$0.3526	\$0.4474

\*Reflects purchased gas costs minus the balancing charges listed below. Effective April 2001, the Balancing Charge is billed to third party suppliers by Washington Gas to recover a portion of Washington Gas' capacity and peaking operation's costs. The Balancing Charge does not include a portion of Washington Gas' storage costs, which are billed separately to third party suppliers.

### Washington Gas Balancing Charges - Virginia Commercial Customers

Month, Year	Dollars Per Therm
Mar 2015 - Nov 2015	\$0.0105
Dec 2015 - Feb 2016	\$0.0118
Mar 2016 - Nov 2016	\$0.0074

### Washington Gas Balancing Charges - Virginia Group Metered Apartment Customers

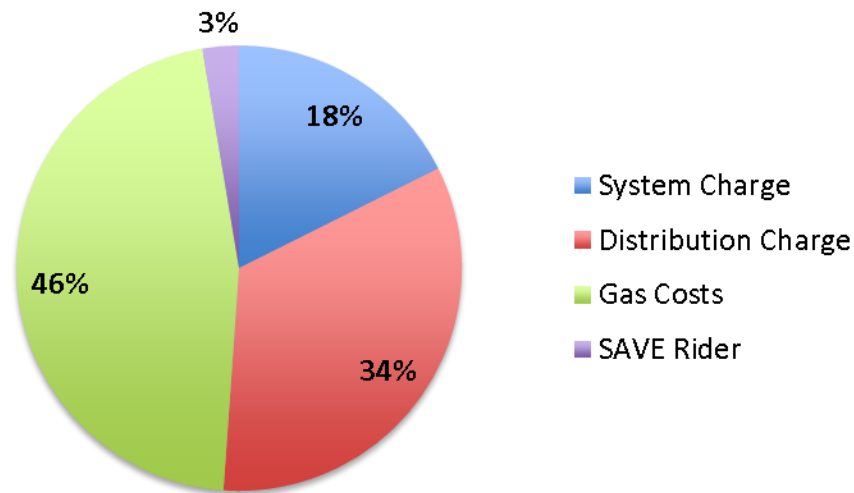
Month, Year	Dollars Per Therm
Mar 2015 - Nov 2015	\$0.0008
Dec 2015 - Feb 2016	\$0.0079
Mar 2016 - Nov 2016	\$0.0008

### Washington Gas VA Purchased Gas Cost and Balancing Charges

<http://www.washgas.com/pages/VACOMWashingtonGasPurchasedGasCosts>

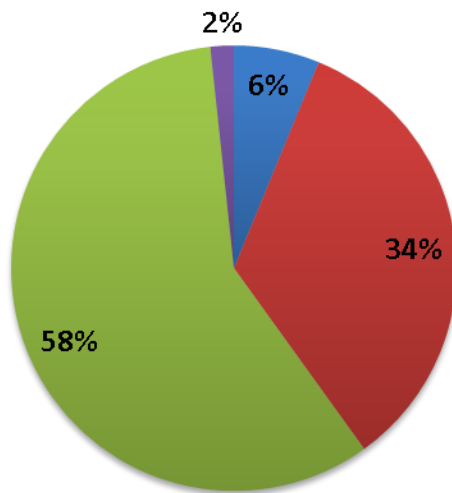
# Washington Gas Bill Composition Virginia

**Residential:** Heating and/or Cooling  
Rate Schedule Nos. 1 and 1A

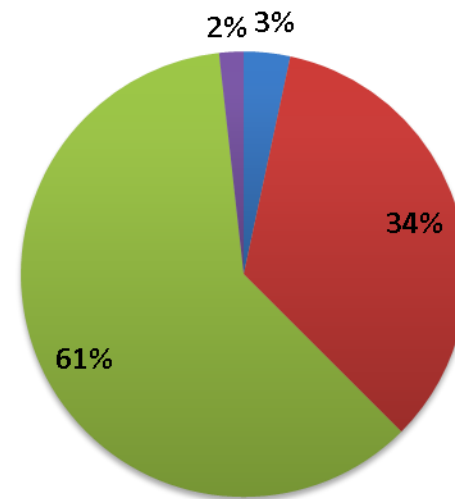


# Washington Gas Bill Composition Virginia

**Commercial:** Heating and/or Cooling  
Rate Schedule Nos. 2 and 2A



**Commercial:** Non-Heating and/or Non-Cooling  
Rate Schedule Nos. 2 and 2A

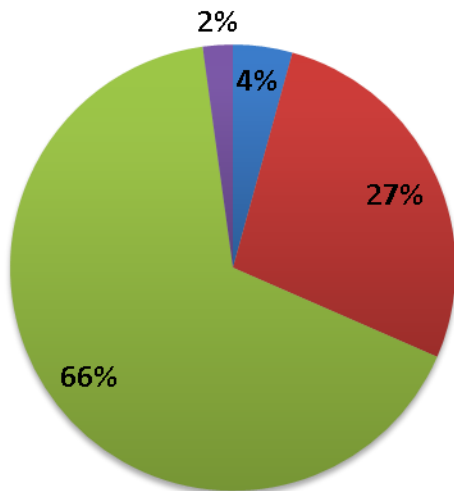


■ System Charge ■ Distribution Charge ■ Gas Costs ■ SAVE Rider

# Washington Gas Bill Composition Virginia

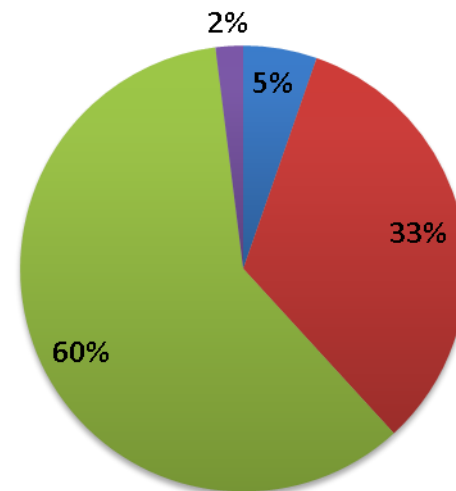
## Group Metered Apartments:

Heating and/or Cooling  
Rate Schedule Nos. 3 and 3A



## Group Metered Apartments:

Non-Heating and/or Non-Cooling  
Rate Schedule Nos. 3 and 3A

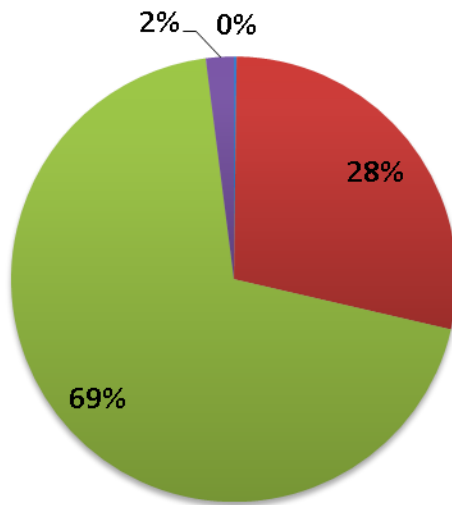


■ System Charge ■ Distribution Charge ■ Gas Costs ■ SAVE Rider

# Washington Gas Bill Composition Virginia

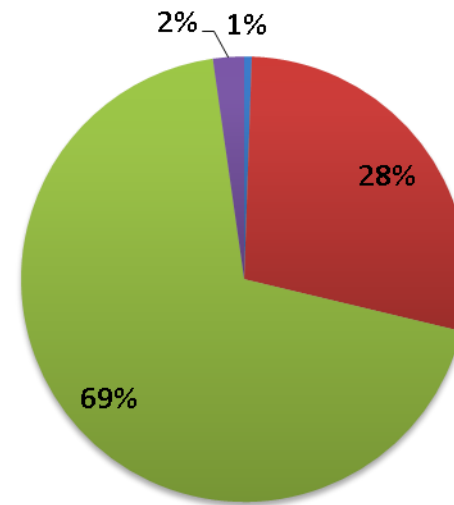
## Large Commercial and Industrial Service:

Heating and/or Cooling  
Rate Schedule Nos. 5 and 5A



## Large Group Metered Apartments:

Non-Heating and/or Non-Cooling  
Rate Schedule Nos. 6 and 6A



■ System Charge ■ Distribution Charge ■ Gas Costs ■ SAVE Rider

# Washington Gas - Interruptible Service Tariffs DC, MD, & VA

Through the active participation of AOBA members with Washington Gas in a working group for interruptible natural gas customers in DC, MD, and VA, the District of Columbia Public Service Commission, the Maryland Public Service Commission and the State Corporation Commission accepted the recommendations of AOBA and the working group and approved revised, interruptible service tariffs in all three jurisdictions.

## District of Columbia

- On October 23, 2015, the District of Columbia Service Commission approved the proposed changes to the Interruptible service tariffs, Schedules 3 and 3A, in DC. The Commission approved the final report that WG submitted on May 26, 2015 that contained the recommendations of AOBA and the interruptible working group. The revised tariffs went into effect for natural gas customers in DC on October 23, 2015.

## Maryland

- On October 20, 2015, WG filed the final revisions to the proposed interruptible tariffs with the Maryland Public Service Commission. The final revisions contained the recommendations of AOBA and the working group. The MD PSC approved the revisions to the interruptible tariffs at the Commission's Administrative Meeting on November 18, 2015 with an effective date of November 19, 2015.

## Virginia

- On October 26, 2015, the State Corporation Commission issued an order approving the revised tariffs that contained the recommendations of AOBA and the interruptible working group. The revised tariffs went into effect for Virginia customers on October 26, 2015.

**The Interruptible service tariffs are on the Washington Gas website:**

<http://www.washgas.com/pages/TariffsandRateSchedules>

# **Dominion Virginia Power Biennial Review & Rate Rider Updates**



# Dominion Virginia Power

## Case No. PUE-2015-00027

- Dominion Virginia Power (DVP) filed its Application for the 2015 Biennial Review on March 31, 2015, Case No. PUE-2015-00027.
- As a result of the Biennial review, DVP began issuing bill credits to all customers beginning with the January 2016 billing cycle.
  - The credits will be issued in six equal installments over a six month period on customer's electric bills and will be issued as a separate line item named "Rider BRRCR, the 2015 Biennial Review Credit Rider"
- The State Corporation Commission (SCC) ordered a \$19.7 million refund to DVP customers as a result of its findings in the Company's 2015 Biennial Review base rate case for the years 2013-2014.
- By legislation, Senate Bill 1349, the 2015 Biennial Review was the last Biennial Review of the Company's rates until 2022. Dominion's base rates will be maintained at their present levels for the next seven years. However, new surcharges may be added and existing surcharges may be changed during this period.

# Dominion Virginia Power

## Senate Bill 1349

### Background

- 2015: Virginia passes SB 1349 which prohibits Biennial Review of Virginia Power rates from 2016 until 2022, over AOBA opposition
- Virginia Power requested SB 1349 in order to purportedly protect customers from rate increases resulting from the Company's compliance with Federal regulations issued by the environmental protection agency ("EPA") requiring states to adopt regulations that reduce emissions from existing coal fired power plants and modified or new power plants that produce electricity commencing in 2016. Virginia Power argued that closing existing coal fired plants and complying with EPA standards would create large increases in customer base rates.
- SB 1349 requires Virginia Power to freeze base rates at 2015 levels until 2022
- SB 1349 permits the Virginia State Corporation Commission to review Virginia Power's cost recovery and return on the Company's investment for riders including 1) construction of new power plants, 2) retirement of old power plants, 3) energy efficiency programs and 4) any other company investment outside of base rates including riders to recover the cost of compliance with EPA's environmental regulations for power plants.
- The EPA regulations are being challenged in Federal courts by a number of States arguing that the EPA did not consider the "enormous" costs on States' utility companies and their customers to implement the EPA regulations and whether the EPA exceeded its authority. Virginia is not a party to the litigation perhaps because of Governor McAuliffe's ties to President Obama

# Dominion Virginia Power

## Senate Bill 1349

### Status of Virginia Power Biennial Review

- The Virginia State Corporation Commission conducted a Biennial review of Virginia Power's base rates and in the November 23, 2015 Order, required a modest refund to customers of \$19.7 million because the company over-earned during the 2013-2014 period.
- Customer credits began on January 19, 2016 and will be amortized over a period of 6 months
- SB 1349 impact on future regulation of Virginia power's rates was raised by AOBA, other parties and Virginia Power
- Commissioner Dimitri's dissent concluded that SB 1349 was Unconstitutional and would lead to Virginia Power over earning well over \$1 billion during the 7 years the Virginia Corporation Commission is prohibited from reviewing the Company's base rates

# Dominion Virginia Power

## Senate Bill 1349

### Constitutional Issue

- 1971 State Constitution – Virginia State Corporation Commission is established as an independent agency charged with regulating utility rates, charges, and services
- Whether the Virginia General Assembly can legally prohibit the Virginia State Corporation Commission from reviewing utility base rates, as the Virginia Constitution requires, is now before the Commission in the Appalachian Power Biennial Review Case
- Because the decision in the Appalachian Power Biennial Review Case will establish legal precedent on the Constitutional authority of the General Assembly and the Virginia State Corporation Commission regarding utility rate regulation, **AOBA filed comments in the Appalachian Power case on February 25, 2016 requesting that the Virginia State Corporation Commission find SB 1349 unconstitutional because it denies the Commission authority to regulate Virginia Power rates from 2016 through 2022.**
- The Attorney General has filed comments that SB 1349 was a legitimate exercise of the General Assembly's authority, while sharing Commissioner Dimitri's concerns about the policy impacts of SB 1349 and Virginia Power over-earning.
  - The Attorney General shares Commissioner Dimitri's apprehension in the Dominion proceeding that, "[I]f base rates are fixed at current levels for at least the next seven years, earnings over and above [Dominion's] cost of service as a fair return have the potential to reach well over a billion dollars, at customer expense. In short, the Attorney General believes in his role as consumer counsel, that SB 1349 does not represent good public policy."
- **The Virginia State Corporation Commission is hearing oral arguments today, March 17, 2016**
- A decision is likely within 30 days. Court Challenges are expected.

# Dominion Virginia Power Rate Riders

- The current rates for the Riders and Fuel Surcharges were established in March of 2015 and effective on April 1, 2015 by the Final Order in case PUE-2014-00051.
- Effective April 1, 2015, **the fuel rate** for DVP customers was reduced from the current fuel factor of **3.018 cents/kWh** to **2.406 cents/kWh**, a decrease of **0.612 cents/kWh**. **The fuel rider is expected to change effective on July 1, 2016.**

**The Rider Schedule for DVP is as follows:**

Rider	Description	Effective For Usage On and After	Applicable Service Type
A	Fuel Charge Rider A	07-01-15	Electricity Supply
B	Biomass Conversions	04-01-15	Electricity Supply
BW	Brunswick County Power Station	09-01-15	Electricity Supply
C1A	Peak-Shaving Increment Rider	05-01-15	Distribution
C2A	Energy Efficiency Increment Rider	05-01-15	Distribution
R	Bear Garden Generating Station	04-01-15	Electricity Supply
S	Virginia City Hybrid Energy Center	04-01-15	Electricity Supply
T1	Transmission	09-01-15	Electricity Supply
W	Warren County Power Station	04-01-15	Electricity Supply

# Dominion Virginia Power Rate Riders

<u>Rider</u>	<u>Description/Rate</u>	<u>Previous Rate</u>	<u>Current Rate</u>	<u>Effective Date</u>
<b>W</b>	<b>Warren Co. Power Station</b> <i>Previous rates in effect 3/31/14 – 3/31/15</i>			
	GS-1	0.111 ¢/kWh	0.203 ¢/kWh	4/1/2015
	GS-2 Non-Dem	0.118 ¢/kWh <sup>1</sup> , 0.424 \$/kW <sup>1</sup>	0.213 ¢/kWh <sup>1</sup> , 0.770 \$/kW <sup>1</sup>	4/1/2015
	GS-2 Demand	0.118 ¢/kWh <sup>2</sup> , 0.424 \$/kW <sup>2</sup>	0.213 ¢/kWh <sup>2</sup> , 0.770 \$/kW <sup>2</sup>	4/1/2015
	GS-3	0.416 \$/kW <sup>3</sup>	0.794 \$/kW <sup>3</sup>	4/1/2015
	GS-4 Primary	0.422 \$/kW <sup>3</sup>	0.785 \$/kW <sup>3</sup>	4/1/2015
<b>B</b>	<b>Biomass Conversions</b> <i>Previous rates in effect 1/1/14 – 3/31/14</i>			
	GS-1	0.020 ¢/kWh	0.013 ¢/kWh	4/1/2015
	GS-2 Non-Dem	0.021 ¢/kWh <sup>1</sup> , 0.078 \$/kW <sup>1</sup>	0.014 ¢/kWh <sup>1</sup> , 0.050 \$/kW <sup>1</sup>	4/1/2015
	GS-2 Demand	0.021 ¢/kWh <sup>2</sup> , 0.078 \$/kW <sup>2</sup>	0.014 ¢/kWh <sup>2</sup> , 0.050 \$/kW <sup>2</sup>	4/1/2015
	GS-3	0.076 \$/kW <sup>3</sup>	0.052 \$/kW <sup>3</sup>	4/1/2015
	GS-4 Primary	0.077 \$/kW <sup>3</sup>	0.051 \$/kW <sup>3</sup>	4/1/2015

<sup>1</sup>If the monthly Load Factor is less than or equal to 50%, the Energy Rate (kWh) applies; otherwise the Demand Charge (kW) applies to the kW of Demand. Load Factor is calculated as Monthly Total kWh ÷ the number of Days in the Billing Month ÷ 24 ÷ the Maximum Measured kW of Demand.

<sup>2</sup> If the monthly Load Factor is less than or equal to 50%, the Energy Rate (kWh) applies; otherwise the Demand Charge (kW) applies to the On-Peak Electricity Supply Demand. Load Factor is calculated as Monthly Total kWh ÷ the number of Days in the Billing Month ÷ 24 ÷ the Maximum Measured kW of Demand.

<sup>3</sup>Applied to On-Peak Electricity Supply Demand.

# Dominion Virginia Power Rate Riders

<u>Rider</u>	<u>Description/Rate</u>	<u>Previous Rate</u>	<u>New Rate</u>	<u>Effective Date of New Rate</u>
<b>S</b>	<b>New Coal Plant (VCHEC)<sup>1</sup> Previous rates in effect 4/1/2014-3/31/2015</b>			
	<b>GS-1</b>	<b>0.320 ¢/kWh</b>	<b>0.368 ¢/kWh</b>	<b>4/1/2015</b>
	<b>GS-2 Non-Dem</b>	<b>0.338 ¢/kWh</b>	<b>0.387 ¢/kWh</b>	<b>4/1/2015</b>
	<b>GS-2 Demand</b>	<b>0.338 ¢/kWh</b>	<b>0.387 ¢/kWh</b>	<b>4/1/2015</b>
	<b>GS-3</b>	<b>1.199 \$/kW <sup>2</sup></b>	<b>1.441 \$/kW <sup>2</sup></b>	<b>4/1/2015</b>
	<b>GS-4 Primary</b>	<b>1.214 \$/kW <sup>2</sup></b>	<b>1.425 \$/kW <sup>2</sup></b>	<b>4/1/2015</b>
<b>R</b>	<b>Gas-Fired Generating Plant (Bear Garden) <sup>1</sup> Previous rates in effect 4/1/2014 – 3/31/2015</b>			
	<b>GS-1</b>	<b>0.096 ¢/kWh</b>	<b>0.1257 ¢/kWh</b>	<b>4/1/2015</b>
	<b>GS-2 Non-Dem</b>	<b>0.102 ¢/kWh</b>	<b>0.1324 ¢/kWh</b>	<b>4/1/2015</b>
	<b>GS-2 Demand</b>	<b>0.102 ¢/kWh</b>	<b>0.1324 ¢/kWh</b>	<b>4/1/2015</b>
	<b>GS-3</b>	<b>0.373 \$/kW <sup>2</sup></b>	<b>0.492 \$/kW <sup>2</sup></b>	<b>4/1/2015</b>
	<b>GS-4 Primary</b>	<b>0.358 \$/kW <sup>2</sup></b>	<b>0.487 \$/kW <sup>2</sup></b>	<b>4/1/2015</b>

1 Rates for Rider S and Rider R change annually on April 1<sup>st</sup>

2 Applied to On-Peak Electric Demand

# Dominion Virginia Power Rate Riders

<u>Rider</u>	<u>Description/Rate</u>	<u>Previous Rate</u>	<u>New Rate</u>	<u>Effective Date</u>
T1	<b>Transmission</b> <i>Previous rates in effect 9/1/2014 – 8/31/15</i>			
	GS-1	0.246 ¢/kWh	0.3051 ¢/kWh	9/1/15
	GS-2 Non-Demand	0.471 ¢/kWh	0.5211 ¢/kWh	9/1/15
	GS-2 Demand	0.524 \$/kW	0.638 \$/kW	9/1/15
	GS-3	1.067 \$/kW	1.080 \$/kWh	9/1/15
	GS-4 Primary	0.739 \$/kW	1.051 \$/kW	9/1/15

<u>Rider</u>	<u>Description/Rate</u>	<u>Previous Rate</u>	<u>New Rate</u>	<u>Effective Date</u>
BW	<b>Brunswick County Power Station</b> <i>Previous rates in effect 9/1/2014 – 8/31/15</i>			
	GS-1	0.114 ¢/kWh	0.140 ¢/kWh	9/1/2015
	GS-2 Non-Dem	0.116 ¢/kWh <sup>1</sup> , \$0.426/ \$/kW <sup>1</sup>	0.148 ¢/kWh, \$0.535/kW	9/1/2015
	GS-2 Demand	0.116 ¢/kWh, \$0.426/ \$/kW <sup>2</sup>	0.148 ¢/kWh, \$0.535/kW	9/1/2015
	GS-3	0.429 \$/kW <sup>3</sup>	0.554 \$/kW	9/1/2015
	GS-4 Primary	0.435 \$/kW <sup>3</sup>	0.547 \$/kW	9/1/2015

<sup>1</sup>If the monthly Load Factor is less than or equal to 50%, the Energy Rate (kWh) applies; otherwise the Demand Charge (kW) applies to the kW of Demand. Load Factor is calculated as Monthly Total kWh ÷ the number of Days in the Billing Month ÷ 24 ÷ the Maximum Measured kW of Demand.

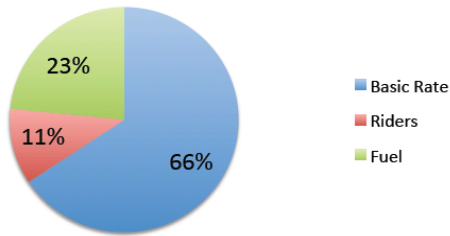
<sup>2</sup> If the monthly Load Factor is less than or equal to 50%, the Energy Rate (kWh) applies; otherwise the Demand Charge (kW) applies to the On-Peak Electricity Supply Demand. Load Factor is calculated as Monthly Total kWh ÷ the number of Days in the Billing Month ÷ 24 ÷ the Maximum Measured kW of Demand.

<sup>3</sup>Applied to On-Peak Electricity Supply Demand.



# Dominion Virginia Power Budget Impacts by Rate Class

**Rate Schedule GS-1**

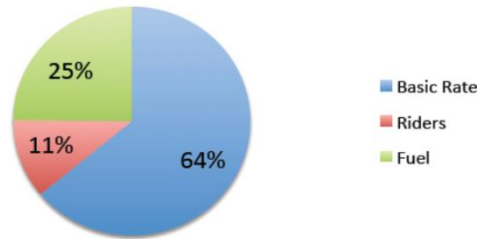


**Rate Schedule GS-1**

	Basic Rate	Riders	Fuel	Total Bill
Bill Percentage	66%	11%	23%	100%
Sample Bill Amounts	\$ 404.51	\$ 66.84	\$ 144.36	\$ 615.71

Based on: Summer, 15 KW, 6,000 kWh; 56% Load Factor.  
Source: PUE-2015-00027, DVP Volume 14, Schedule 43, page 12 of 40.

**Rate Schedule GS-2**

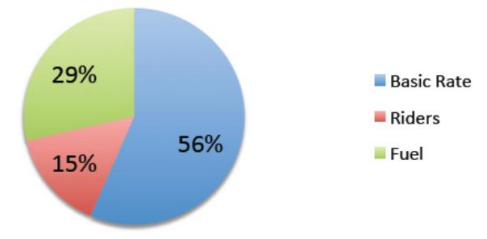


**Rate Schedule GS-2**

	Basic Rate	Riders	Fuel	Total Bill
Bill Percentage	64%	11%	25%	100%
Sample Bill Amounts	\$ 1,854.72	\$ 323.00	\$ 721.80	\$ 2,899.52

Based on: Summer, 100 KW; 30,000 kWh; 42% Load Factor.  
Source: PUE-2015-00027, DVP Volume 14, Schedule 43, page 15 of 40.

**Rate Schedule GS-3**



**Rate Schedule GS-3**

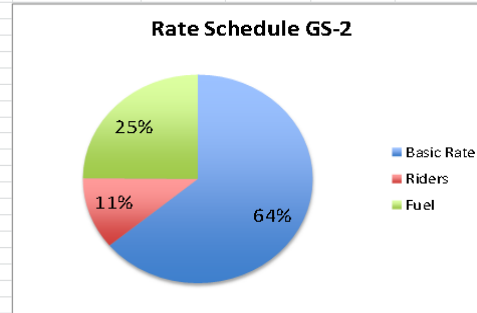
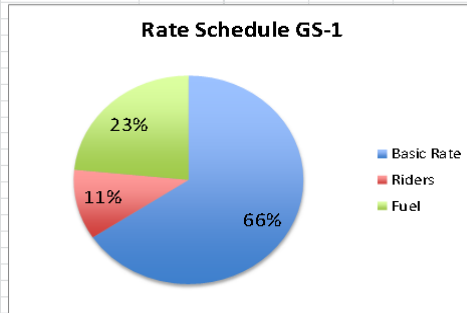
	Basic Rate	Riders	Fuel	Total Bill
Bill Percentage	56%	15%	29%	100%
Sample Bill Amounts	\$ 16,642.45	\$ 4,395.00	\$ 8,421.00	\$ 29,458.45

Based on: 1,000 KW; 210,000 On-Peak kWh and 140,000 Off-Peak kWh;  
49% Load Factor.  
Source: PUE-2015-00027, DVP Volume 14, Schedule 43, page 20 of 40.

# Dominion Virginia Power Budget Impacts by Rate Class

## Composition of Virginia Dominion Powers Bills by Rate Class

Rates Effective as of April 1, 2015.



**Rate Schedule GS-1**

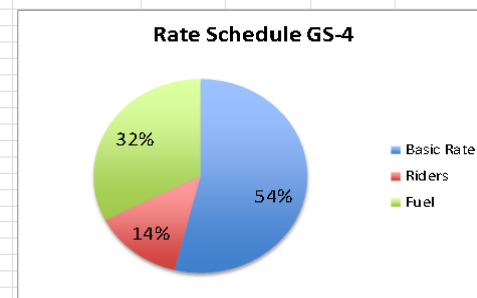
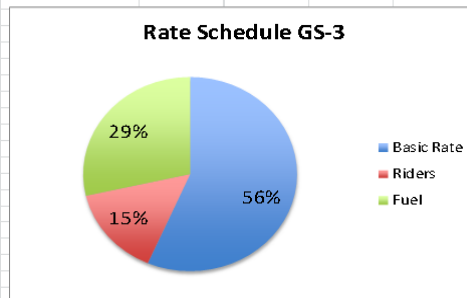
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Sample Bill Amounts	\$ 404.51	\$ 66.84	\$ 144.36	\$ 615.71

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Source: PUE-2015-00027, DVP Volume 14, Schedule 43, page 12 of 40.

**Rate Schedule GS-2**

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Sample Bill Amounts	\$ 1,854.72	\$ 323.00	\$ 721.80	\$ 2,899.52

Based on: Summer, 100 KW; 30,000 kWh; 42% Load Factor.  
Source: PUE-2015-00027, DVP Volume 14, Schedule 43, page 15 of 40.



**Rate Schedule GS-3**

	Basic Rate	Riders	Fuel	Total Bill
Bill Percentage	56%	15%	29%	100%
Sample Bill Amounts	\$ 16,642.45	\$ 4,395.00	\$ 8,421.00	\$ 29,458.45

Based on: 1,000 KW; 210,000 On-Peak kWh and 140,000 Off-Peak kWh;  
49% Load Factor.  
Source: PUE-2015-00027, DVP Volume 14, Schedule 43, page 20 of 40.

**Rate Schedule GS-4**

	Basic Rate	Riders	Fuel	Total Bill
Bill Percentage	54%	14%	32%	100%
Sample Bill Amounts	\$ 7,987.45	\$ 2,011.00	\$ 4,812.00	\$ 14,810.45

Based on: 500 KW; 120,000 On-Peak kWh and 80,000 Off-Peak kWh;  
56% Load Factor.  
Source: PUE-2015-00027, DVP Volume 14, Schedule 43, page 21 of 40.

# Pepco

# District of Columbia

# Pepco Rate Case Horizon District of Columbia

- AOBA's best information at this time indicates Pepco may file a rate case **3<sup>rd</sup> Quarter 2016**
- For **budgeting purposes**, members need to budget for the following surcharges:

## Pepco– District of Columbia

- **Underground surcharges – Underground Project Charge & DDOT Infrastructure Improvement Charge – On Hold**
- **Energy Assistance Trust Fund & Sustainable Energy Trust Fund**
- **Public Space Occupancy Surcharge, Delivery Tax Surcharge, & Residential AID Surcharge (RADS)**

# Pepco Undergrounding Update

## Formal Case Nos. 1116 & 1121

### Background:

- Pursuant to the undergrounding legislation, Pepco and the District of Columbia Department of Transportation (“DDOT”) filed a joint Application on June 17, 2014, requesting:
  - ✓ Authority to implement a project to underground certain distribution feeders in DC to commence with the first three years of the undergrounding project
  - ✓ Approval of an Underground Project Charge (“UPC”) to be charged by Pepco for Underground Project costs incurred by the Company
  - ✓ The first three years of the project (2015-2017) include plans to underground 21 electric distribution feeders
- The undergrounding project as presently conceived is expected to take between 7-10 years to complete at a cost of approximately \$1 billion

### Update:

- GSA has indicated they will not pay the DDOT financing charge
- OPC raised concerns regarding the placement of pad mounted transformers and the reliability of underground transformers
- Both Formal Case Nos. 1116 & 1121 are not proceeding as scheduled.

# Pepco Undergrounding Update

## Formal Case Nos. 1116 & 1121

**There are two electric distribution rate surcharges:**

**1. Pepco Underground Project Charge (“UPC”) - Formal Case No. 1116**

- A cents/kWh surcharge billed by Pepco for costs associated with the undergrounding project and vary according to customer rate class
- **Rates for the Underground Project Charge published as effective January 1, 2015 – Not implemented at this time**

**2. DDOT Infrastructure Improvement Charge - Formal Case No. 1121 –**

**Not Implemented at this time**

- An adjusting cents/kWh surcharge that will change as necessary
- Will recover the financing costs of bonds issued by the District as well as the cost of the Commission’s financial advisor
- DDOT’s construction costs will be financed using securitized bonds and non-bypassable surcharges for electric distribution service
- **Infrastructure Improvement Charges published as effective 1st Quarter 2015**

# Pepco DC - Surcharges

## Energy Assistance Trust Fund Surcharge

Effective for Billing Months of October 2010 & After \$0.00006070 per kWh

## Public Space Occupancy Surcharge

Rate Effective March 1, 2011 \$0.00194 per kWh  
Rate Effective March 1, 2013 \$0.00199 per kWh  
Rate Effective March 1, 2014 \$0.00205 per kWh  
Rate Effective March 1, 2015 \$0.00204 per kWh  
**Rate Effective March 1, 2016 \$0.00204 per kWh**

## Delivery Tax Surcharge

Rate Effective February 20, 2008 \$0.0077 per kWh

## Residential AID Surcharge (RADS)

Effective for Service On and After June 1, 2011 \$0.000691 per kWh  
Effective for Service On and After October 1, 2012 \$0.000515 per kWh  
Effective for Service On and After March 14, 2014 \$0.000294 per kWh  
**Effective for Service On and After Jan. 19, 2016 \$0.00159 per kWh**

## Sustainable Energy Trust Fund Surcharge

Rate Effective October 1, 2010 \$0.00150 per kWh

# Pepco Maryland



# Pepco Rate Case Horizon Maryland

- AOBA's best information at this time is that Pepco may file for a request for an increase in base rates in Maryland by the **3rd quarter 2016**
- Given statutory requirements for the Maryland Public Service Commission's (MD PSC) consideration of rate case applications, AOBA anticipates that a filing would result in an approved rate increase which would become effective seven months later.
- Although the magnitude of Pepco's distribution rate increase request is not known with certainty, AOBA anticipates a double-digit **increase of approximately 10% in distribution rates**
- For **budgeting purposes**, members need to budget for the following surcharges
  - Pepco Maryland**
    - **Montgomery & Prince Georges County Energy Tax**
    - **Maryland Environmental Surcharge & EmPower MD Surcharge**
    - **Grid Resiliency Surcharge & Delivery Tax**

# Pepco Maryland Surcharges

## Montgomery County Energy Tax

### Commercial Rates:

Tax Rate as of 6-30-10	\$0.01384 per kWh
Tax Rate Effective 7-1-10 through 6-30-11	\$0.02210 per kWh
Tax Rate Effective 7-1-11 through 6-30-12	\$0.02259 per kWh
Tax Rate Effective 7-1-12 through 6-30-13	\$0.0217063 per kWh
Tax Rate Effective 7-1-13 through 6-30-14	\$0.020370 per kWh
Tax Rate Effective 7-1-14 through 6-30-15	\$0.0202278 per kWh
<b>Tax Rate Effective 7-1-15 through 6-30-16</b>	<b>\$0.02022408 per kWh</b>
<b>Tax Rate Effective 7-1-16 through 6-30-17</b>	<b>TBD</b>

## Montgomery County Energy Tax

### Residential Rates:

Rate Effective 7/1/14	\$0.01131040 per kWh
<b>Rate Effective 7/1/15</b>	<b>\$0.01130831 per kWh</b>
<b>Rate Effective 7/1/16</b>	<b>TBD</b>

# Pepco Maryland Surcharges

## Prince Georges County Energy Tax

Rate Effective 7/1/12	\$0.0064890 per kWh
Rate Effective 7/1/13	\$0.0059080 per kWh
Rate Effective 7/1/14	\$0.007790 per kWh
<b>Rate Effective 7/1/15</b>	<b>\$0.008377 per kWh</b>
<b>Rate Effective 7/1/16</b>	<b>TBD</b>

# Pepco Maryland Surcharges

## EmPower Maryland

Effective Billing Month of February, 2014

Commercial Rate \$0.001967 per kWh

Effective Billing Month of February, 2015

Commercial Rate \$0.005385 per kWh

**Effective Billing Month of February, 2016**

**Commercial Rate \$0.007875 per kWh**

## Maryland Environmental Surcharge (Rider “MES”)

Effective 7/1/12 through 6/30/15 \$0.000150 per kWh

Effective 7/1/15 \$0.000147 per kWh

**Effective 7/1/16 TBD**

## Delivery Tax

\$0.000620 per kWh

# Pepco Maryland Surcharges

## Grid Resiliency Charge Rider – Rider “GRC” – Effective for Usage on and After September 14, 2015

- Pepco’s Grid Resiliency Charge was effective beginning in January 2014 and is expected to be in effect for three years. Increases in the GRC have approved for implementation for usage on and after September 14, 2015.
- The timing and magnitude of changes in Pepco’s Grid Resiliency Charge that can be anticipated for 2016 are unknown at this time.
- The Grid Resiliency Charge may be reset April 1, 2016.

### MONTHLY CHARGES AND RATES:

<u>Rate Schedule</u>	<u>Effective January 1, 2014</u>	
"R"	\$0.00014	per kwhr
"R-TM"	\$0.00015	per kwhr
"GS", "T", "EV"	\$0.00016	per kwhr
"MGT LV II", "MGT LV III"	\$0.03730	per kw of maximum demand
"MGT 3A II", "MGT 3A III"	\$0.03450	per kw of maximum demand
"GT LV"	\$0.04000	per kw of maximum demand
"GT 3A"	\$0.02630	per kw of maximum demand
"GT 3B"	\$0.01760	per kw of maximum demand
"TM-RT"	\$ 15.23	per month per delivery point
"SL"	\$0.00011	per kwhr
"TN"	\$0.00011	per kwhr
"OL"		
<u>Mercury Vapor</u>		
175 Watt	\$0.01	per lamp per month
250 Watt	\$0.01	per lamp per month
400 Watt	\$0.02	per lamp per month
<u>High Pressure Sodium</u>		
100 Watt	\$0.01	per lamp per month
150 Watt	\$0.01	per lamp per month
250 Watt	\$0.02	per lamp per month

Date of Issue: August 28, 2015

Date Effective: Usage on and after  
September 14, 2015

# Pepco/Exelon Merger

## Maryland, Case No. 9361

- Approved with conditions

## District of Columbia, Formal Case No. 1119

- Merger Denied in August 26, 2015
- DC PSC denied Non-Unanimous Settlement Agreement on February 26, 2016
- DC PSC allowed the parties to request “other relief” by March 11, 2016
- Parties must respond to any requests for “other relief” by March 17, 2016

# Maryland General Assembly

# HB546/SB510 - Electric and Gas Companies – Rate Regulation – Infrastructure Investments

## HITTING MARYLANDERS' WALLETS: HOW MUCH WILL NEW AND INCREASED STRIDE SURCHARGES COST MARYLAND RESIDENTS AND BUSINESSES?

- **Fiscal Note:** If HB546/SB510 were implemented, annual surcharges to all customers would increase by **over \$250 million annually**, making this the largest fee increase ever enacted in Maryland. (see SB 510 Fiscal Note)
- **Cost of unnecessary surcharges to Marylanders:** The legislation would damage Maryland's competitive position in the region as owners of multifamily, commercial and industrial properties would be forced to pass on over:
  - **\$18 million annually** in unnecessary and unsubstantiated increased electricity costs for Pepco customers. At the cap, this represents an average increase on electric distribution costs **of over 10% for Pepco customers.**
  - Over **\$28 million** in additional natural gas infrastructure costs to residential and commercial tenants served by Washington Gas.
  - For Maryland businesses and residents, this means average **increases in gas distribution costs of 11.7% for Washington Gas customers.** For Maryland individual companies, increases would range from **25% to 35%** and more for Washington Gas customers.
  - These increases would be in addition to any allowable increases in PSC rate cases and other utility surcharges.
- **Office of the People's Counsel's Estimates of Projected Costs to Maryland Residents and Families:**
  - **Increased Gas Surcharge:** Approximately \$51 million annually.
  - **New Electric surcharge:** Approximately \$114.9 million annually.
- **AOBA will continue our advocacy efforts to urge an unfavorable report on HB546/SB510**



# Capacity Performance Costs

# Capacity Performance Costs

## New Rates Effective June 1, 2016

- The Federal Energy Regulatory Commission (“FERC”) has approved a “**change in regulation**” for PJM that will require electricity suppliers to incur a new category of capacity related costs which will be labeled “**Capacity Performance Costs.**”
- These new “Capacity Performance Costs” will become **effective as of June 1, 2016**, and are expected to add to the total costs that all electricity suppliers must incur to provide firm electricity supply to their customers
- The magnitude of the cost adjustments that electricity suppliers may seek to pass on to customers as a result of PJM’s Capacity Performance program is not known at this time, but will be determined for the next three PJM planning years (i.e., June 1 – May 31 for 2016-17, 2017-18, and 2018-19) through supplemental capacity auctions
- The increase in costs is a result of the last couple of winters, particularly during the polar vortex experienced during the winter of 2013-2014, PJM found that natural gas-fired generators on whom they were relying to provide electricity supply and ensure the reliability of service were unable to perform during periods of peak demand.
- In response to this problem, PJM has proposed, and the FERC has approved (with some modifications), a plan to provide generators incentives to ensure the reliability of generation from power plants during periods of peak electrical demand, regardless of whether those periods occur during summer or winter months. Those requirements will cause generators to incur greater costs to assure the reliability of their generation commitments or face the potential for substantial penalties for failure to perform. Those added costs are expected to be reflected in capacity prices established through supplemental capacity auctions for the PJM 2016-17, 2017-18, and 2018-19 planning years.
- **Please keep in mind that these new costs are the result of a change in regulatory policy and are expected to impact in a similar manner the costs incurred by all electricity suppliers operating within PJM.**