



AOBA Utility and Energy Market Update DC, Maryland, and Virginia

May 6, 2015

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AOBA Utility & Energy Market Update Agenda

- I. DC Water Rate Update
- II. Competitive Energy and Market Update
- III. Dominion Virginia Power Briefing
- IV. Washington Gas Light Company (WGL) Updated
 - A. WGL Rate Case Horizon – DC, MD, VA
 - B. WGL MD Case No. 9335 – Updated Surcharge Rates effective Jan. 1, 2015
 - C. WGL Renews Request for Surcharge for Pipeline Replacement in DC, Formal Case Formal Case Nos. 1093 & 1115 – Revised Surcharge Rates effective TBD
 - D. WGL VA – Save Rider, Rate *Update*
 - E. Interruptible Service Proposed Tariff Changes, DC, MD, and VA – AOBA Working Group *Update*
- V. Potomac Electric Power Company (Pepco) Update
 - A. Pepco Rate Case Horizon – DC and MD
 - B. Pepco DC Formal Case No. 1116 -Undergrounding of Pepco’s Distribution Service – Decision Issued – Surcharge Rate *Review*
 - C. Pepco Exelon Proposed Merger, Formal Case No. 1119 & Case No. 9361 – *Update*



Dominion Virginia Power Biennial Review & Rate Rider Updates



Dominion Virginia Power

- Dominion Virginia Power (DVP) filed its Application for the 2015 Biennial Review on March 31, 2015, Case No. PUE-2015-00027.
- AOBA has intervened in the case on behalf of its members and will keep members informed of the details of the case as it progresses.
- 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 SCC approved the lower fuel rate for DVP on an interim basis and the fuel rider will be billed under Rider A. The fuel rider may change again on July 1, 2015.
- The SCC has also approved revisions to four of its rate riders for 2015: Rider W, Warren County Power Station Rider, Rider B, Biomass Conversions, Rider S, Virginia City Hybrid Energy Center, and Rider R, Bear Garden Generating Station.



Dominion Virginia Power

Rate Riders *(updated May 5, 2015)*

<u>Rider</u>	<u>Description/Rate</u>	<u>Previous Rate</u>	<u>Current Rate</u>	<u>Effective Date</u>
W	Warren Co. Power Station	<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 ¹ , 0.424 \$/kW ¹	0.213 ¢/kWh ¹ , 0.770 \$/kW ¹	4/1/2015
	GS-2 Demand	0.118 ¢/kWh ² , 0.424 \$/kW ²	0.213 ¢/kWh ² , 0.770 \$/kW ²	4/1/2015
	GS-3	0.416 \$/kW ³	0.794 \$/kW ³	4/1/2015
	GS-4 Primary	0.422 \$/kW ³	0.785 \$/kW ³	4/1/2015
B	Biomass Conversions	<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 ¹ , 0.078 \$/kW ¹	0.014 ¢/kWh ¹ , 0.050 \$/kW ¹	4/1/2015
	GS-2 Demand	0.021 ¢/kWh ² , 0.078 \$/kW ²	0.014 ¢/kWh ² , 0.050 \$/kW ²	4/1/2015
	GS-3	0.076 \$/kW ³	0.052 \$/kW ³	4/1/2015
	GS-4 Primary	0.077 \$/kW ³	0.051 \$/kW ³	4/1/2015

¹If 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.

² 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.

³Applied to On-Peak Electricity Supply Demand.



Dominion Virginia Power

Rate Riders *(updated May 2015)*

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

1 Rates for Rider S and Rider R change annually on April 1st

2 Applied to On-Peak Electric Demand



Washington Gas Light Company

Rate Case Horizon:

District of Columbia

Maryland

Virginia



Washington Gas Rate Case Horizon

- AOBA's best information at this time is that WGL will not file a request for an increase in base rates in 2015. In DC, WGL is expected to file a request for an increase in base rates by August 1, 2016.
- For budgeting purposes, members need to budget for the following surcharges in each jurisdiction:

Washington Gas – District of Columbia

- APRP Surcharge
- Right of Way Surcharge (ROW)
- Energy Assistance Trust Fund & Sustainable Energy Trust Fund

Washington Gas Maryland

- STRIDE Rider
- Montgomery & Prince Georges County Energy Tax

Washington Gas – Virginia

- SAVE Rider



Washington Gas Light Company Maryland Surcharges



Washington Gas – Maryland

Update: “STRIDE RIDER”, Case No. 9335 ¹

- WGL filed for approval of the “STRIDE Rider” on November 7, 2013
- WGL proposes 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, WGL 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. Rates will change January 1, 2015

Update (as of May 5, 2015):

- On March 10, 2015 WGL filed an Application for approved of an amendment that would add additional programs for infrastructure replacement
- WGL proposed adding an additional \$31.3 million to the remaining four years of the STRIDE plan
- WGL proposes to recover the costs of the additional programs through its STRIDE Rider
- Per the Company’s Application for approval of the STRIDE amendment, the incremental STRIDE factors shown on the next slide would be combined with the STRIDE factors previously approved by the MD PSC for calendar year 2015 so that a single STRIDE factor will be billed to customers each month

¹ 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 ¹

UPDATED: STRIDE Rider Costs *(as of May 2015)*

*** If approved, New Total Rates effective 8-1-15 – 12-4-15**

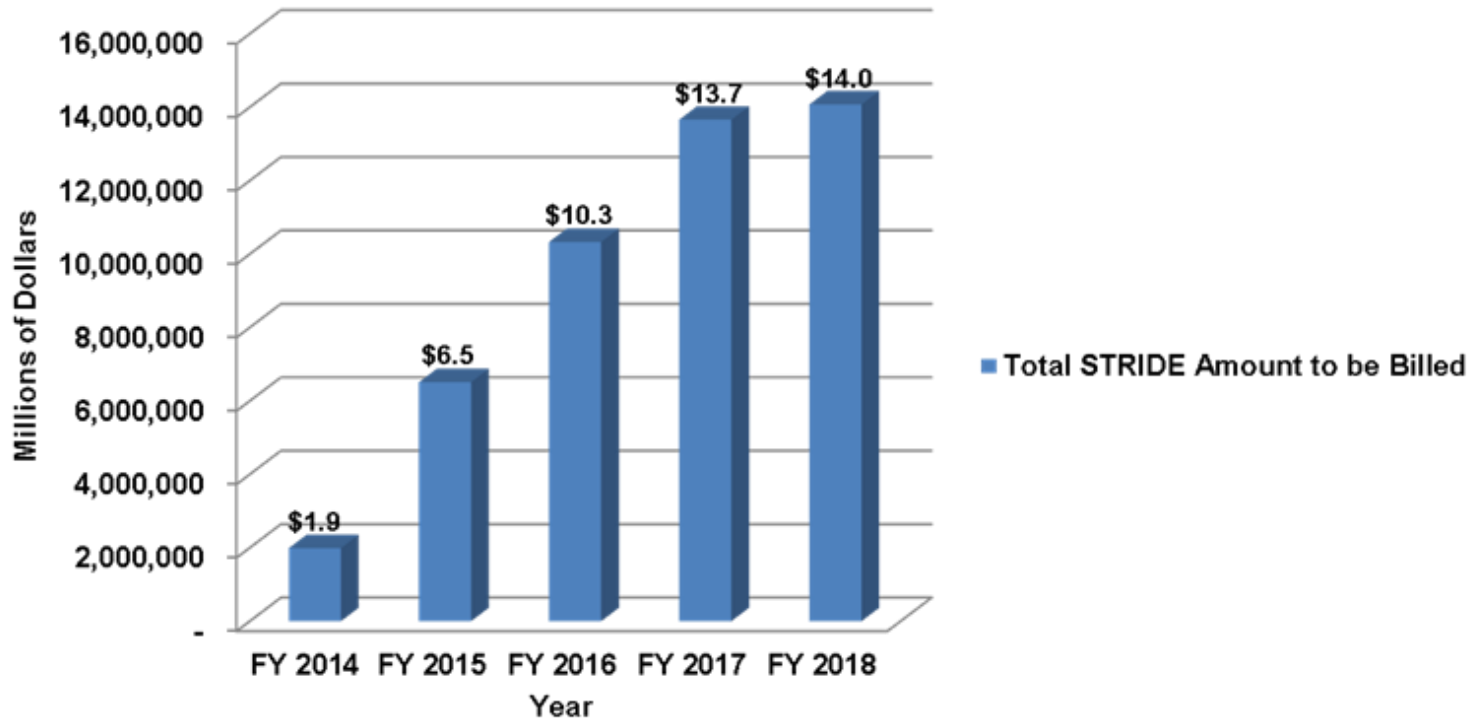
<u>COST DISTRIBUTION</u>	Effective 1/1/15-12/31/15	Effective 8/1/15-12/4/15	Effective 8/1/15-12/4/15
	<u>Approved 2015 STRIDE Factor PER Month</u>	<u>Incremental STRIDE Factor PER MONTH</u>	<u>TOTAL</u>
Residential Heating/Cooling	\$0.42	\$0.05	\$0.47
Residential Non-Heating/Non-Cooling	\$0.24	\$0.03	\$0.27
C&I Heating/Cooling <3000	\$0.66	\$0.07	\$0.73
C&I Heating/Cooling >3000	\$4.31	\$0.49	\$4.80
C&I Non-Heating/Non-Cooling	\$1.67	\$0.18	\$1.85
GMA Heating/Cooling	\$5.82	\$0.63	\$6.45
GMA Non-Heating/Non-Cooling	\$1.15	\$0.12	\$1.27
Interruptible	\$47.41	\$4.90	\$52.32



Washington Gas – Maryland

Update: “STRIDE RIDER”, Case No. 9335 ¹

**Total STRIDE Amount to be Billed
Initial Five Years FY 2014-2018**





Washington Gas - Maryland

Other Charges *(updated as of May 5, 2015)*:

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	\$0.16806 per therm
Tax Rate Effective 7/1/15-6/30/16	TBD

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
Tax Rate Effective 7/1/15 - 6/30/16	TBD



Washington Gas Light Company District of Columbia Surcharges



Washington Gas – District of Columbia

Additional Surcharges, Formal Case No. 1093 Renewed as Formal Case No. 1115

***Update* WGL Renews Request for Accelerated Pipe Replacement Plan (APRP) ¹**

- AOBA secured approval from the District of Columbia Public Service Commission (“DC PSC”) for hearings to review the Washington Gas Revised Plan for approval of the initial five years of a 40-year accelerated pipe replacement program for the District of Columbia, with an estimated five-year cost of \$110 million, and an estimated 40-year cost of approximately \$1 billion.
- The DC PSC’s March 31, 2014 Order identifies issues, including the requirement that Washington Gas provide specific information on each proposed project, the date of completion and the cost of each project, which AOBA argued is critical to the DC PSC’s determination of whether the Company’s request is just and reasonable and serves the public interest.

¹ Formal Case No. 1093, Washington Gas’s Request for Approval of a Revised Accelerated Pipe Replacement Plan – Public Version, Aug.15, 2013

² FC 1115, Attachment F, page 21 of 29



Washington Gas – District of Columbia

Additional Surcharges, Formal Case No. 1093 Renewed as Formal Case No. 1115 (cont.)

***Update* WGL Renews Request for Accelerated Pipe Replacement Plan (APRP) ¹**

- 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 plan, 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 an APRP adjustment and will be applied monthly as a separate line item on customer’s natural gas bills.
- Washington Gas filed their compliance filing with the DC PSC on February 23, 2015 which included the APRP adjustment rates for 2015.

The APRP adjustment charges are as follows (*updated as of May 5, 2015*):

Residential – \$0.0094 per therm

Non-Residential – \$0.0035 per therm

Interruptible - \$0.0016 per therm

The APRP adjustment charge goes into effect with the March 2015 billing cycle.



**Washington Gas Light Company
Utility Rate Requests
District of Columbia
Formal Case No. 1110**
Weather Normalization Adjustment



Washington Gas

DENIED Weather Normalization Adjustment

Formal Case No. 1110

- On November 8, 2013, WGL filed its Application for approval of a Weather Normalization Adjustment (“WNA”) with the DC PSC, Formal Case No. 1110 ¹
- WGL states that implementation of a WNA would eliminate the variability of weather from the calculation of revenues and offer customers more bill stability during colder-than-normal winter hearing seasons
- AOBA intervened in the case and filed comments in the case on December 20, 2013 and again on January 17, 2014 stating that the WNA should be denied.
- On April 10, 2015, the DC Public Service Commission ***DENIED*** WGL’s request for approval of a WNA, Order No. 17850.

¹ WGL’s Application for Approval of a Weather Normalization Adjustment, Including Supporting Testimony and Exhibits, filed Nov. 8, 2013



Washington Gas – District of Columbia

Additional Surcharges (cont.) *(updated as of May 2015)*

➤ WGL Right of Way Surcharge (ROW) ¹

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 June 2014 Billing Cycle	\$0.0266 per therm
Rate Effective with the June 2015 Billing Cycle	TBA – June 2015

➤ Sustainable Energy Trust Fund ²

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

¹A 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.

² 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://dcode.org/simple/sections/8-1774.10.html>



Washington Gas – District of Columbia

Additional Surcharges (cont.) *(updated as of May 2015)*

- Energy Assistance Trust Fund \$0.006/therm ¹

- Hexane Cost Adjustment
 - ✓ Implemented through Purchase Gas Charge (PGC) for Sales Service Customers
 - ✓ Implemented through Balancing Charges for Delivery Service Customers

¹Energy 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>



Washington Gas Light Company Virginia Surcharges



Washington Gas – Virginia

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 WGL 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:

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

- WGL 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 4th quarter 2012

Schedule 2 & 2A	\$0.0000/therm	Effective Oct. 1, 2012 – Sept. 30, 2012
Schedule 3 & 3A	\$0.0000/therm	Effective Oct. 1, 2012 – Sept. 30, 2012



Washington Gas – Virginia

SAVE Rider Rates 2013-2014:

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

- WGL's SAVE Rider Rates for 2013:

Schedule 2 & 2A \$0.0024/therm Effective Jan. 1, 2013 – Dec. 31, 2013

Schedule 3 & 3A \$0.0028/therm Effective Jan. 1, 2013 – Dec. 31, 2013

- 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

- WGL's SAVE Rider Rates for 2014:

Schedule 2 & 2A \$0.00890/therm Effective Jan. 1, 2014 – Dec. 31, 2014

Schedule 3 & 3A \$0.00100/therm Effective Jan. 1, 2014 – Dec. 31, 2014

Interruptible \$0.00310/therm Effective Jan. 1, 2014 – Dec. 31, 2014

- Increase in SAVE Rider rates for 2014 due to greater infrastructure activity
- WGL files its rates in September of each year for the next calendar year



Washington Gas – Virginia

SAVE Rider Rates 2015:

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

➤ **Current** WGL SAVE Rider Rates for 2015:

Schedule 2 & 2A	\$0.0119/therm	Effective Jan. 1, 2015 – Dec. 31, 2015
Schedule 3 & 3A	\$0.0155/therm	Effective Jan. 1, 2015 – Dec. 31, 2015
Interruptible	\$0.0047/therm	Effective Jan. 1, 2015 – Dec. 31, 2015

➤ These rates have increased substantially over 2014 SAVE Rider Rates

Schedule 2 & 2A	25% increase over 2014 rates
Schedule 3 & 3A	94% increase over 2014 rates
Interruptible	34% increase over 2014 rates

- Increase in SAVE Rider rates for 2015 due to greater infrastructure activity
- The SAVE Rider is billed monthly as a separate line item under “All Applicable Riders”
- WGL files its rates in September of each year for the next calendar year



Washington Gas – Virginia

NEW: Proposed SAVE Rider Rates 2015-2017 (updated May 2015) **2015-2017 SAVE Rider (accelerated infrastructure replacement), Case No. PUE- 2015-00017**

- On February 6, 2015, WGL filed an application to for approval to amend the SAVE Rider by increasing expenditures for the **period January 1, 2015 – December 31, 2017**
- WGL proposes a total increase of **\$194.4 million** for the period.
- WGL states 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.”

If approved, the SAVE Rider factors for July 2015 – December 2015 would be as follows:

Schedule 2 & 2A	\$0.0135 therm	Effective Jul. 1, 2015 – Dec. 31, 2015
Schedule 3 & 3A	\$0.0177/therm	Effective Jul. 1, 2015 – Dec. 31, 2015
Interruptible	\$0.005/therm	Effective Jul. 1, 2015 – Dec. 31, 2015



Washington Gas Proposed Changes to Interruptible Service Tariffs DC, MD, & VA



Washington Gas Proposed Changes to Interruptible Service Tariffs DC, MD, & VA

- On September 2014, Washington Gas filed proposed changes to the current interruptible service tariffs in DC, MD, & VA
- The proposed changes are substantial and include:
 1. Interruptible customers who fail to comply with interruption notices will be subject to:
 - A penalty in the amount of **\$3.00 per therm for violation** of the interruption notice. The current penalty gas rate in DC and MD is \$2.25 per therm and in Virginia, it is a \$1.50 per therm.
 - A charge for all volumes of unauthorized gas using during the interruption period **at a rate equal to three times the highest incremental cost of gas purchased for that day.**
 - All other damages, penalties, fines and/or charges incurred by the Company attributable in whole or in part to the customer's violation of the interruption notice.
 2. These charges are not subject to waiver, are intended to deter interruptible customers that abuse the system, and potentially harm firm service customers, by simply ignoring the Company's interruption notices.



Washington Gas

Proposed Changes to Interruptible Service Tariffs

DC, MD, & VA

- The proposed changes cont.:
- 3. **Customers electing to switch from interruptible to firm service or forced by WG to switch, and additional infrastructure is needed to maintain the integrity of the Washington Gas system, the customer should be required to pay for any facilities or installation costs associated with switching to firm service.**
This is impossible to quantify.
- 4. The Company requires annual tests of the system to occur between September 1st and November 1st each year. Many of you shared that in your buildings, air conditioning is required by law in most jurisdictions, to run through October 15th each year making a WGL test during this time operationally impossible due to the nature of switching back and forth between central plant heating and central air conditioning.
- 5. In WGL's filings, the Company stated 60% of DC and MD customers and 50% of VA customers did not comply with the mandatory, system wide interruptions. However, these non-compliance rates may have included customers who did not interrupt timely – i.e. a few minutes late interrupting, as well as those who did not interrupt at all. It may be helpful to include in your comments that these numbers may be inflated and not an accurate reflection of the true rate of non-compliance.



Washington Gas

Proposed Changes to Interruptible Service Tariffs DC, MD, & VA

- AOBA has filed comments in all three jurisdictions opposing the proposed tariff changes and also attended a working group in DC with AOBA members.
- AOBA is hosting WGL for a third working group meeting to discuss the proposed tariff changes in all three jurisdictions as well as some of the current tariff language – **May 6th, 1:30 pm – 3:30 pm**

Some of the topics that came up during working group meetings included:

- Notification process for Interruptible customers
- Maintenance of dedicated phone line required for interruptible customers
- Penalties for non-compliance
- The current one hour notification time
- The required annual test of equipment and the specific dates tests are required to be completed
- Waiver of penalties for Acts of God or unexpected mechanical failures with equipment or phone line
- And reasonable consideration by WGL before switching non-compliant interruptible customers to firm service.
- Penalties for pilot gas use during an interruption



Pepco

Rate Case Horizon:

District of Columbia

Maryland



Pepco Rate Case Horizon District of Columbia & Maryland

- AOBA's best information at this time is that Pepco may file for a request for an increase in base rates in both DC and MD in **4th quarter 2015**
- If Pepco files a rate case in 4th quarter 2014, new rates would be effective:
 - DC – 4th Quarter 2016**
 - MD – 2nd 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**
- **Energy Assistance Trust Fund & Sustainable Energy Trust Fund**
- **Public Space Occupancy Surcharge, Delivery Tax Surcharge, & Residential AID Surcharge (RADS)**

Pepco Maryland

- **Montgomery & Prince Georges County Energy Tax**
- **Maryland Environmental Surcharge & EmPower MD Surcharge**
- **Grid Resiliency Surcharge & Delivery Tax**



Pepco District of Columbia Surcharges



Pepco Undergrounding Update

- Pursuant to the Act, 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 and
 - ✓ 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 entire undergrounding project is expected to take between 7-10 years to complete at a cost of approximately \$1 billion



Pepco Undergrounding Update

District of Columbia, 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 effective **January 1, 2015**

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

- 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 effective **1st Quarter 2015**



Pepco Undergrounding Update

District of Columbia, Formal Case No 1116

The Underground Project Charge

- Filed December 1, 2014 and surcharge rates **effective January 1, 2015**, subject to true-up.
- The total costs to be recovered in the first 3 years is \$42.742 million.
- Year 1 rates shall be increased no more than **\$4,696,188**.
- Rates will apply to all customer classes except Low-Income Residential Customers.



Pepco Undergrounding Update

District of Columbia, Formal Case No 1116

Pending: The initial Underground Project Charge rates for 2015 are as follows (*updated as of May 2015*):

MONTHLY CHARGES AND RATES:

Rate Schedule	January 1, 2015	
R	\$0.00023	per kWh
AE	\$0.00023	per kWh
RTM	\$0.00069	per kWh
GS ND	\$0.00058	per kWh
T	\$0.00058	per kWh
GS LV	\$0.00088	per kWh
GS 3A	\$0.00044	per kWh
GT LV	\$0.00054	per kWh
GT 3A	\$0.00030	per kWh
GT 3B	\$0.00003	per kWh
RT	\$0.00033	per kWh
SL/TS	\$0.00012	per kWh
TN	\$0.00026	per kWh

¹ FC 1116, Dec. 1, 2014 filing, "Underground Project Charge Rider", Original Page No. R-51



Pepco Undergrounding Update

District of Columbia, Formal Case No. 1121

Pending Rates - DDOT Infrastructure Improvement Charge

Rate Class

(Pending) Rates Effective 1/1/2015

Residential – Standard	R	\$0.00181 per kWh
Residential – All Electric	AE	\$0.00118 per kWh
Residential Aid Rider	RAD	
Residential Time of Use	RTM	\$0.00440 per kWh
GS Non-Demand	GS ND	\$0.00383 per kWh
GS Low Voltage	GS LV	\$0.00552 per kWh
GS Primary	GS 3A	\$0.00278 per kWh
GT- Low Voltage	GT LV	\$0.00336 per kWh
GT – Primary	GT 3A	\$0.00191 per kWh
GT – High Voltage	GT 3B	\$0.00022 per kWh



Pepco DC - Surcharges

Other Charges (*updated as of May 2015*):

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**

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

Sustainable Energy Trust Fund Surcharge

Rate Effective October 1, 2010 \$0.00150 per kWh



Pepco Maryland Surcharges



Pepco Maryland – Surcharges

(updated as of May 2015)

Montgomery County Energy Tax

Tax Rate as of 6-30-10	\$0.01384 per kWh
Tax Rate Effective 7-1-10 through 6-30-12	\$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
Tax Rate Effective 7-1-15 through 6-30-16	TBD

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
Rate Effective 7/1/15	TBD

Fuel/Energy Tax Estimates Montgomery County, Maryland Through FY 2019

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
<u>Current Law</u>								
Collect	\$226,148,664							
% change	-3.1%							
Forecast	FORECAST							
December '12 Update	\$224,730,000	\$228,030,000	\$231,810,000	\$235,280,000	\$237,220,000	\$238,070,000	\$240,790,000	
FY14 Budget (3/13)	\$219,060,000	\$222,300,000	\$225,970,000	\$229,550,000	\$232,030,000	\$233,430,000	\$234,750,000	
Difference	(\$5,670,000)	(\$5,730,000)	(\$5,840,000)	(\$5,730,000)	(\$5,190,000)	(\$4,640,000)	(\$6,040,000)	
Growth Factor	-3.1%	1.5%	1.7%	1.6%	1.1%	0.6%	0.6%	
<u>% change</u>								
December '12 Update	-0.6%	1.5%	1.7%	1.5%	0.8%	0.4%	1.1%	
FY14 Budget (3/13)	-3.1%	1.5%	1.7%	1.6%	1.1%	0.6%	0.6%	
<u>Growth Factors :</u>								
- Households (Calendar Year)	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	
- Businesses (1)	0.9%	1.7%	2.0%	1.8%	1.1%	0.3%	0.3%	
Total	2.0%	2.8%	3.0%	2.9%	2.2%	1.4%	1.4%	
<u>Weighted Average</u>								
Growth Factor :	1.0%	1.5%	1.7%	1.6%	1.1%	0.6%	0.6%	
- Add factor (weather and consumption)	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Agricultural Adjustment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Rate change	-4.6%							
Total	-3.1%	1.5%	1.7%	1.6%	1.1%	0.6%	0.6%	

	FY12 est.	FY13 est.	FY14 est.	FY15 est.	FY16 est.	FY17 est.	FY18 est.	FY18 est.
Energy Tax from Residential	\$83,756,972	\$75,892,830	\$77,015,320	\$78,286,783	\$79,527,066	\$80,386,256	\$80,871,283	\$81,328,594
Number of households	360,960	368,840	372,840	377,000	381,090	385,220	389,400	389,400
Average Tax per Household	\$232	\$206	\$207	\$208	\$209	\$209	\$208	\$209
Energy Tax from Non-Residential	\$142,391,692	\$143,167,170	\$145,284,680	\$147,683,217	\$150,022,934	\$151,643,744	\$152,558,717	\$153,421,406

Montgomery County Department of Finance: February 2013



Pepco Maryland – Surcharges

(updated as of May 2015)

EmPower Maryland

Effective Billing Month of February, 2014

Commercial Rate

\$0.001967 per KWh

Maryland Environmental Surcharge (Rider “MES”)

Effective 7/1/12 through 6/30/15

\$0.000150 per kWh

Delivery Tax

\$0.000620 per kWh



Pepco Maryland - Surcharges

Grid Resiliency Charge Rider – Rider “GRC”¹ - (updated as of May 2015)

MONTHLY CHARGES AND RATES:

<u>Rate Schedule</u>	<u>Effective January 1, 2014</u>
“R”	\$0.00006 per kwhr
“R-TM”	\$0.00004 per kwhr
“GS”, “T”, “EV”	\$0.00006 per kwhr
“MGT LV II”, “MGT LV III”	\$0.0135 per kw of maximum demand
“MGT 3A II”, “MGT 3A III”	\$0.0127 per kw of maximum demand
“GT LV”	\$0.0143 per kw of maximum demand
“GT 3A”	\$0.0095 per kw of maximum demand
“GT 3B”	\$0.0066 per kw of maximum demand
“TM-RT”	\$5.92 per month per delivery point
“SL”	\$0.00004 per kwhr
“TN”	\$0.00004 per kwhr
“OL”	

The Grid Resiliency Charge is currently expected to remain in effect for approximately three years beginning in January 2014, and thereafter will continue in effect until the completion of the first rate case filed after all of approved grid resiliency-related projects are placed into service.

¹ Pepco MD Electric Tariff, Original Page No. 56,

Based on \$25 million from Case No. 9311



Pepco/Exelon Merger

Maryland, Case No. 9361

District of Columbia, Formal Case No. 1119



Pepco & Washington Gas Customer Billing Issues