



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

## September 17, 2015

*This publication is intended as an information source for members of the Apartment and Office Building Association of Metropolitan Washington ("AOBA") and participants in the AOBA Alliance, Inc. The content should not be construed as legal or other professional advice, and readers should not act upon information in this publication without professional advice. Copyright © 2015 AOBA. All rights reserved.*



# AOBA Utility & Energy Market Update Agenda

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



# Washington Gas Light Company District of Columbia



# Washington Gas - Rate Case Horizon District of Columbia

- 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 not later than August 1, 2016.
- **For budgeting purposes, members need to budget for the following surcharges:**

## Washington Gas – District of Columbia

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



# Washington Gas – District of Columbia

**APRP Surcharge, Formal Case No. 1093 Renewed as Formal Case No. 1115**

***Review* WGL Renewed Request for Accelerated Pipe Replacement Plan (APRP) <sup>1</sup>**

- 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.

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



# Washington Gas – District of Columbia

## WGL Renewed Request for Accelerated Pipe Replacement Plan (APRP)

### Renamed **PROJECTpipes** in June 2015

- 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.
- Washington Gas filed their compliance filing with the DC PSC on February 23, 2015 which included the **PROJECTpipes** adjustment rates for 2015.
- **The PROJECTpipes adjustment charges effective with the March 2015 billing are as follows:**
  - Residential – \$0.0094 per therm
  - Non-Residential – \$0.0035 per therm
  - Interruptible - \$0.0016 per therm
- **The PROJECTpipes adjustment charge effective with the October 2015 billing cycle are as follows (based on WGL July 31, 2015 filing):**
  - Residential – \$0.0157 per therm – 67% increase over current rate
  - Non-Residential – \$0.0062 per therm – 77% increase over current rate
  - Interruptible - \$0.0032 per therm – 100% increase over current rate

The **PROJECTpipes** charge changes annually and is implemented with the October billing cycle. A financial reconciliation factor is applied to the current APRP charge annually and implemented with the March billing cycle.



# Washington Gas – District of Columbia

## Additional Surcharges (cont.)

### ➤ 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
<b>Rate Effective with the April 2015 Billing Cycle</b>	<b>\$0.0289 per therm</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.

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



# Washington Gas – District of Columbia

## 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>





# Washington Gas – District of Columbia

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

Month, Year	Dollars Per
Sep-14	\$0.5395
Oct-14	\$0.5395
Nov-14	\$0.5395
Dec-14	\$0.5753
Jan-15	\$0.5753
Feb-15	\$0.4953
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

## Washington Gas Balancing Charges District of Columbia

Month, Year	Dollars Per
Mar 2014 - Nov 2014	\$0.0147
Dec 2014 - Feb 2015	\$0.0113
Mar 2015 - Nov 2015	\$0.0117

<sup>1</sup>Washington Gas DC Purchased Gas Costs and Balancing Charges  
<http://www.washgas.com/pages/DCCOMWashingtonGasPurchasedGasCosts>

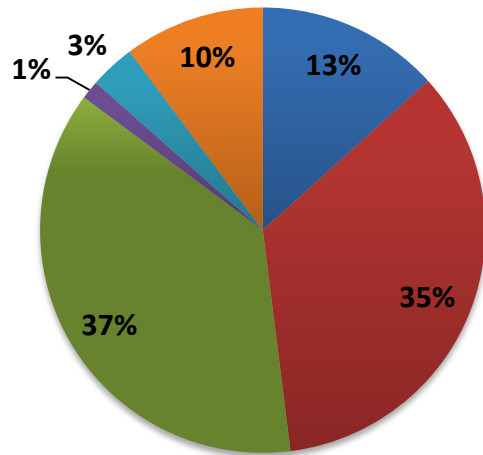
*\*Reflects purchased gas costs less balancing charges listed below. Effective April 2001, the Balancing Charge is billed to third party suppliers by Washington Gas to recover a portion of Washington Gas' capacity and peaking operation's costs. The Balancing Charge does not include a portion of Washington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



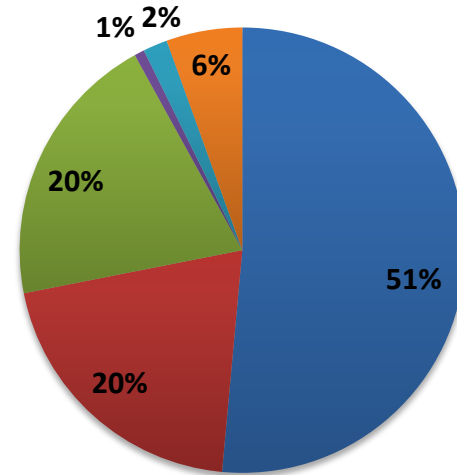
# Washington Gas Bill Composition

## 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
- Distribution Charge
- Gas Costs
- PROJECTpipes
- Plant Recovery
- Other Riders

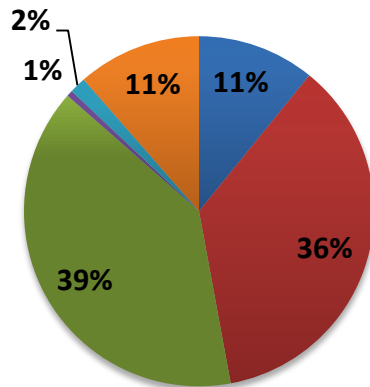


# Washington Gas Bill Composition

## District of Columbia

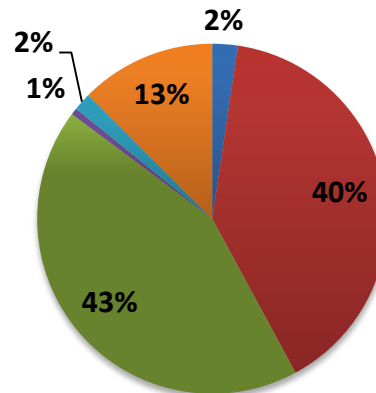
### Commercial

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



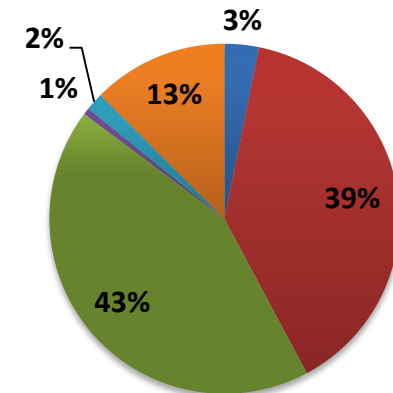
### Commercial

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



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

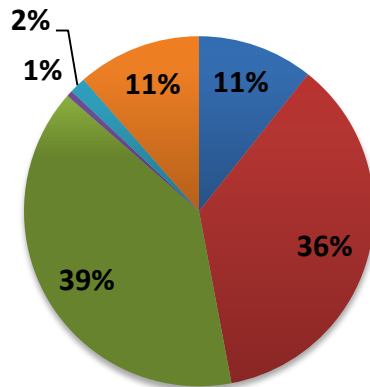


# Washington Gas Bill Composition

## District of Columbia

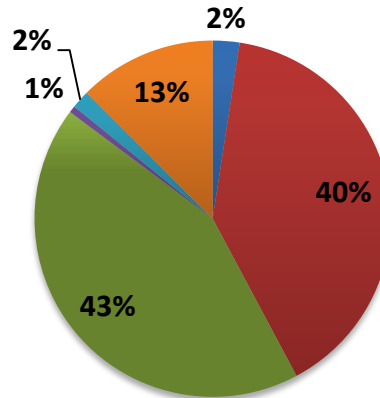
### Group Metered Apartments

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



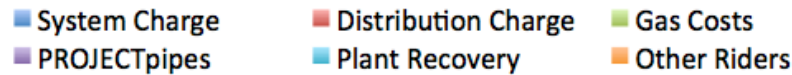
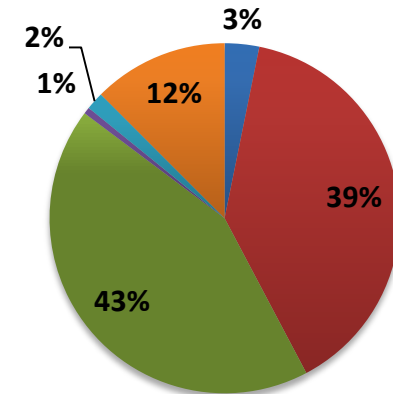
### Group Metered Apartments

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





# Washington Gas Light Company Maryland



# Washington Gas - Rate Case Horizon Maryland

- The timing and magnitude of WGL's next base rate increase request in Maryland is unknown at this time, however we do not expect a rate increase request to be filed before April 1, 2016.
- If WGL files for a base rate increase in April 2016, per statutory requirements, any potential increase would not be expected to go into effect for seven months, i.e. November 2016.
- If an increase becomes effective November 1, 2016, distribution charges should be adjusted by 1-2% for the remainder of 2016.
- **For budgeting purposes, members need to budget for the following surcharges:**

## Washington Gas Maryland

- STRIDE Rider
- Montgomery County Energy Tax – **represents substantial portion of total charges for commercial customers**
- Prince Georges County Energy Tax



# Washington Gas – Maryland

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

- 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. 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

- On March 10, 2015 WGL filed an Application for approved of an amendment that would add additional programs for infrastructure replacement. **Update - Commission Conditionally Approved Amendment on July 2, 2015**
- 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

### **FOR 2016 BUDGETS:**

- 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
- WGL will propose additional increases in STRIDE charges in November 2015, which could be implemented **effective January 2016**.
- These increases may be as much as **1.5 times the current STRIDE charges**.
- For example, if your annual STRIDE charge is \$100, then the 2016 charge could be \$250 per year. You must budget accordingly and this could be in **addition to the 1-2% reflected on the next slide**
- More information is expected to be available in November, 2015.





# Washington Gas – Maryland

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

### UPDATED: STRIDE Rider Costs

- New Total Rates effective 8/26/15 – 12/4/15
- STRIDE surcharge is billed per account per month

<u>COST DISTRIBUTION</u>	Effective 1/1/15-12/31/15	Effective 8/26/15-12/4/15	Effective 8/26/15-12/4/15
	Approved 2015 STRIDE Factor <u>PER Month</u>	Incremental STRIDE Factor <u>PER MONTH</u>	TOTAL
Residential Heating/Cooling	\$0.42	\$0.03	\$0.45
Residential Non-Heating/Non-Cooling	\$0.24	\$0.01	\$0.25
C&I Heating/Cooling <3000	\$0.66	\$0.04	\$0.70
C&I Heating/Cooling >3000	\$4.31	\$0.28	\$4.59
C&I Non-Heating/Non-Cooling	\$1.67	\$0.10	\$1.77
GMA Heating/Cooling	\$5.82	\$0.36	\$6.18
GMA Non-Heating/Non-Cooling	\$1.15	\$0.07	\$1.22
Interruptible	\$47.41	\$2.78	\$50.20



# 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>

### 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>



# Washington Gas - Maryland

## Washington Gas Purchased Gas Costs\* Maryland

Month, Year	Dollars Per Therm
Sep-14	\$0.5404
Oct-14	\$0.5404
Nov-14	\$0.5404
Dec-14	\$0.5875
Jan-15	\$0.5875
Feb-15	\$0.5065
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

*\*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 2014 - Nov 2014	\$0.0148
Dec 2014 - Feb 2015	\$0.0115
Mar 2015 - Nov 2015	\$0.0126

Washington Gas MD – Purchased Gas Costs and Balancing Charges

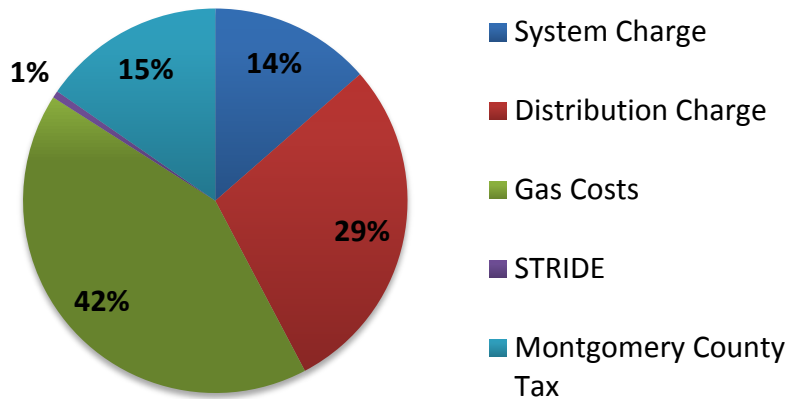
<http://www.washgas.com/pages/MDRESPurchasedGasCosts>



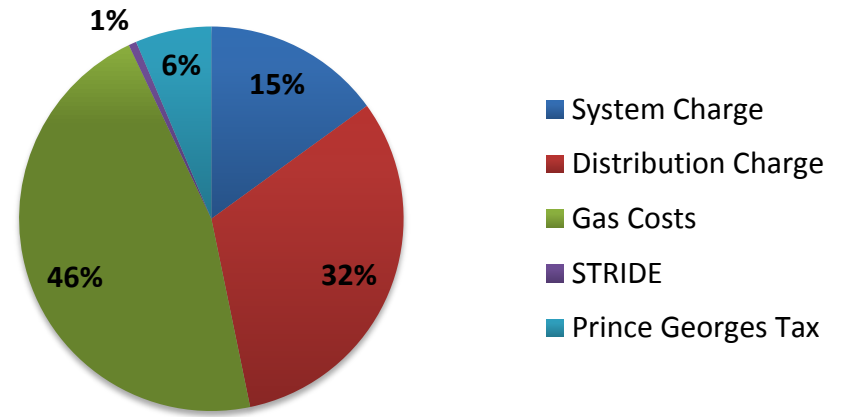
# Washington Gas Bill Composition Maryland

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

Montgomery County



Prince Georges County

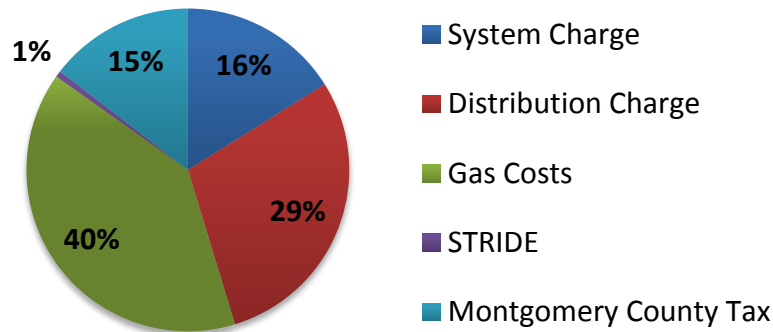




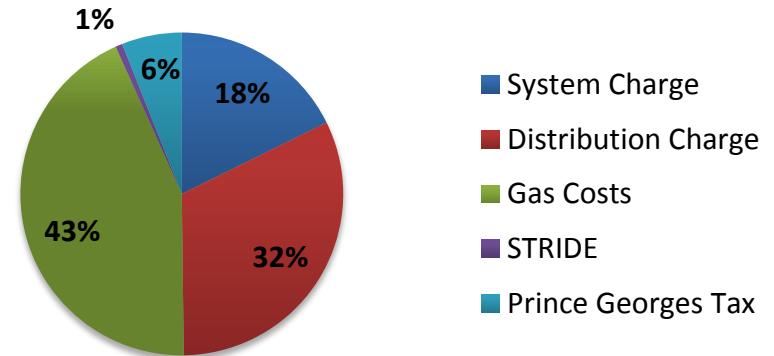
# Washington Gas Bill Composition Maryland

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

Montgomery County



Prince Georges County

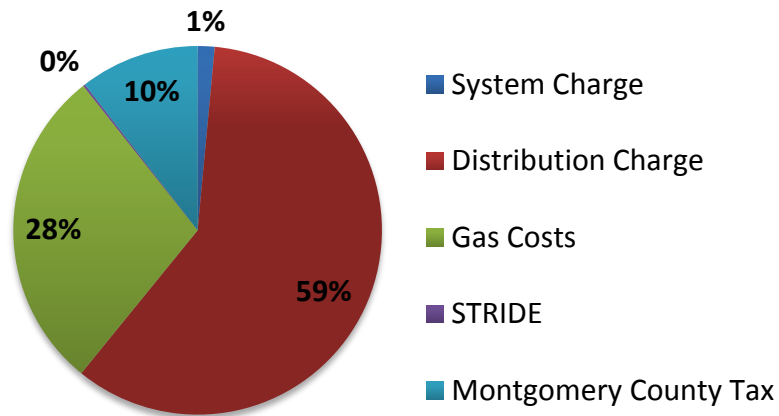




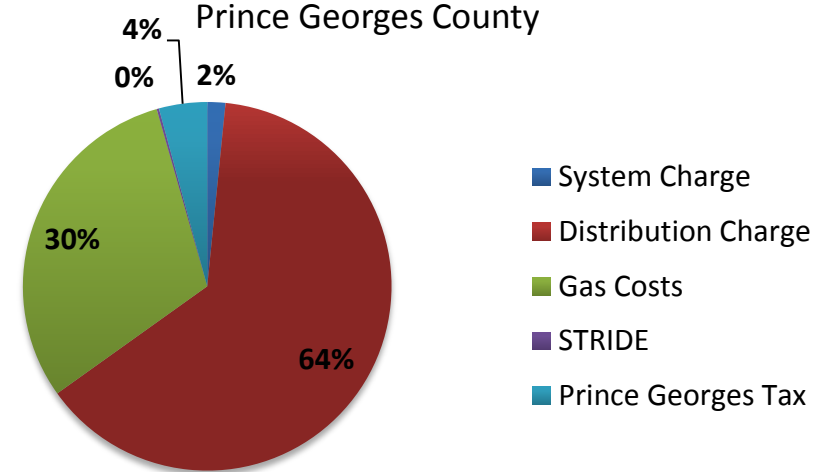
# Washington Gas Bill Composition Maryland

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

Montgomery County



Prince Georges County

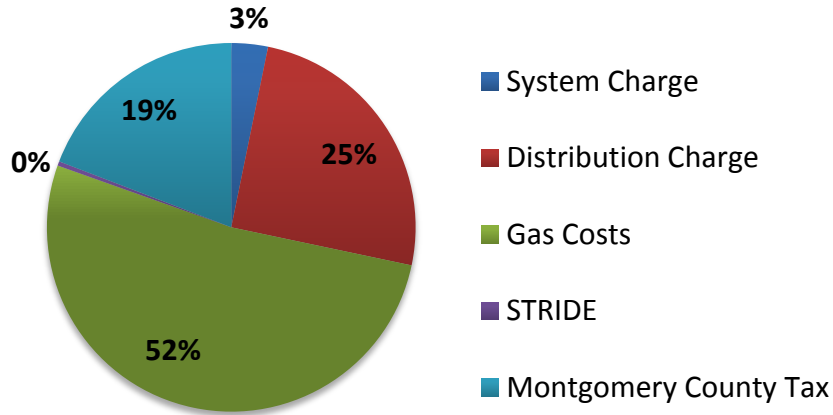




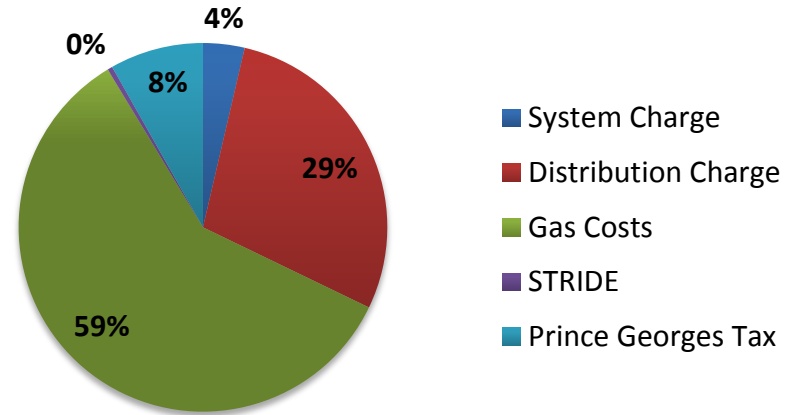
# Washington Gas Bill Composition Maryland

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

Montgomery County



Prince Georges County

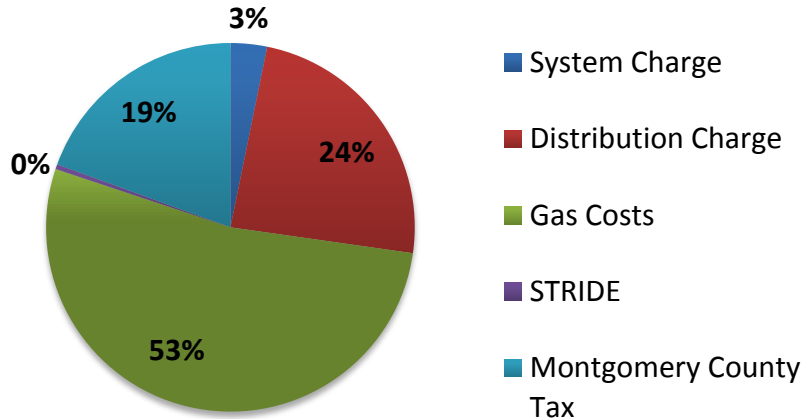




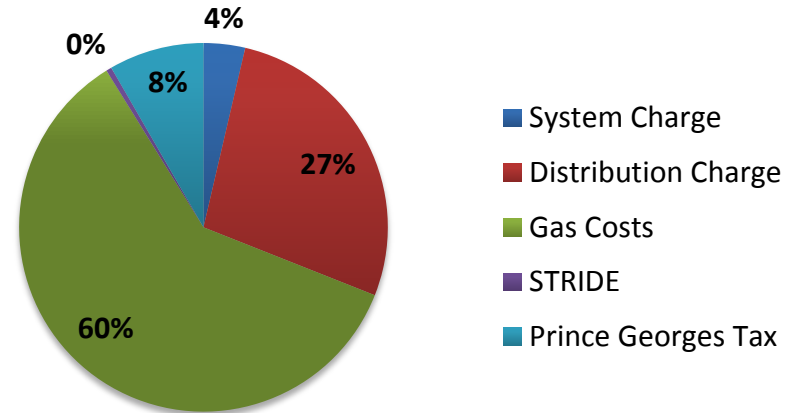
# Washington Gas Bill Composition Maryland

**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 WGL will not file a request for an increase in base rates in 2015.
- **For budgeting purposes, members need to budget for the following surcharges:**

**Washington Gas – Virginia**

➤ **SAVE Rider**



# 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 4<sup>th</sup> 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

➤ **WGL 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>\$0.0151/therm</b>	<b>Effective Jan. 1, 2015 – July 31, 2015</b>
<b>Interruptible</b>	<b>\$0.0046/therm</b>	<b>Effective Jan. 1, 2015 – July 31, 2015</b>

- 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

## SAVE Rider Rates 2015-REVISED

### 2015 SAVE Rider (accelerated infrastructure replacement), Case No. PUE-2015-00017

- On February 6, 2015, WGL filed an application for approval to amend the SAVE Rider by increasing investment expenditures over the **period January 1, 2015 – December 31, 2017 by \$194 million**
- 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.”
- **UPDATE – On June 5, 2015 the SCC approved WGL’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 Rates 2016-PROPOSED

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

- On August 18, 2015, WGL filed an application for approval of the SAVE Rider for calendar year 2016
- If approved, the SAVE Rider rates would be in effect January 1, 2016-December 31, 2016

➤ **Proposed SAVE Rider factors for 2016:**

C & I Schedule 2 & 2A	\$0.0166 therm
GMA Schedule 3 & 3A	\$0.0192/therm
Interruptible	\$0.0062/therm



# Washington Gas – Virginia

Washington Gas Purchased Gas Costs*		
Virginia		
Month, Year	Commercial Customers Dollars per Therm*	Group Metered Apartments Customers Dollars per Therm*
Sep-14	\$0.5204	\$0.6786
Oct-14	\$0.5204	\$0.6786
Nov-14	\$0.5204	\$0.6786
Dec-14	\$0.5353	\$0.6027
Jan-15	\$0.5353	\$0.6027
Feb-15	\$0.4560	\$0.5234
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

\*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 2014 - Nov 2014	\$0.0120
Dec 2014 - Feb 2015	\$0.0094
Mar 2015 - Nov 2015	\$0.0105

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

Month, Year	Dollars Per Therm
Mar 2014 - Nov 2014	\$0.0151
Dec 2014 - Feb 2015	\$0.0119
Mar 2015 - Nov 2015	\$0.0008

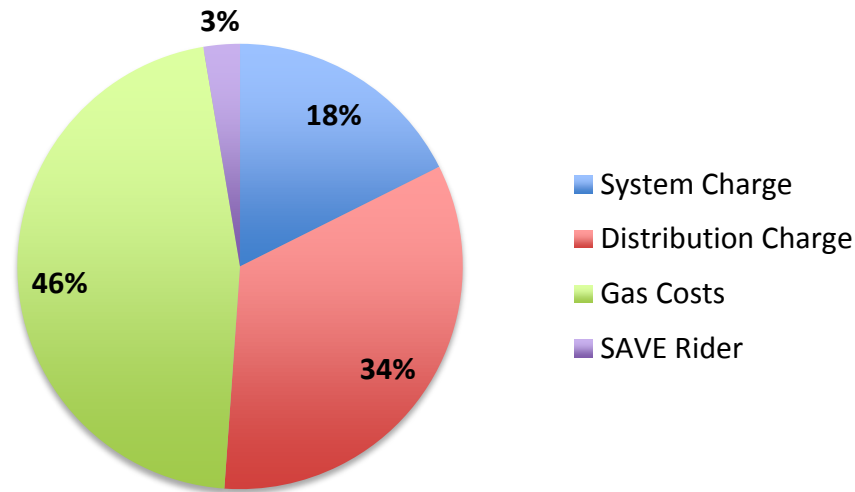
[Washington Gas VA Purchased Gas Cost and Balancing Charges](http://www.washgas.com/pages/VACOMWashingtonGasPurchasedGasCosts)  
<http://www.washgas.com/pages/VACOMWashingtonGasPurchasedGasCosts>





# Washington Gas Bill Composition Virginia

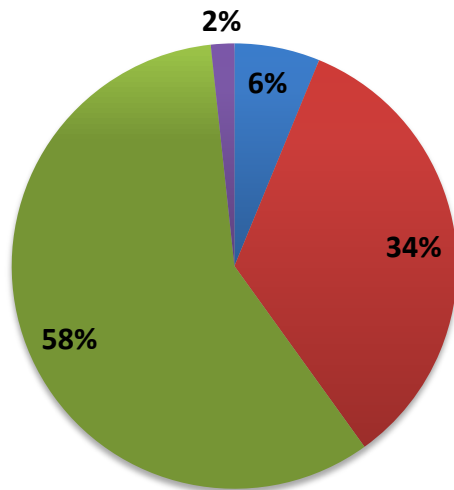
**Residential:** Heating and/or Cooling  
Rate Schedule Nos. 1 and 1A



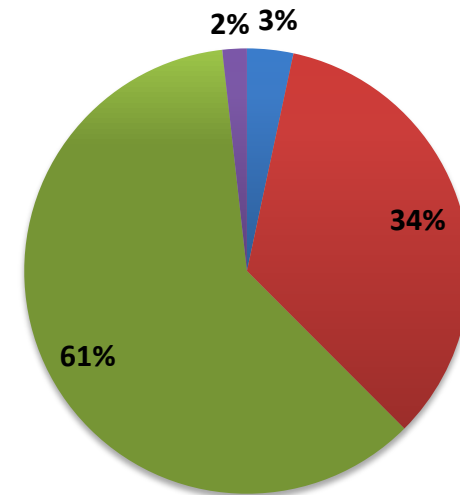


# Washington Gas Bill Composition Virginia

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



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

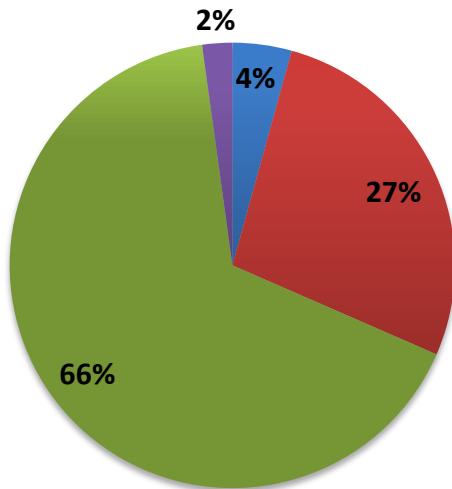


■ System Charge  
 ■ Distribution Charge  
 ■ Gas Costs  
 ■ SAVE Rider

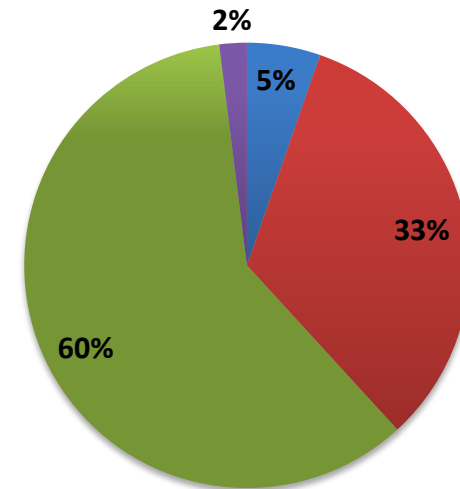


# Washington Gas Bill Composition Virginia

**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



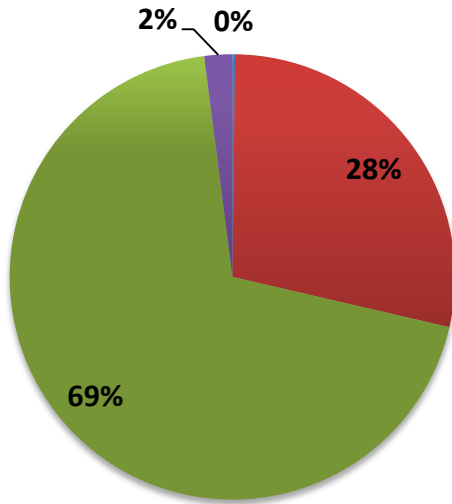
■ System Charge 
 ■ Distribution Charge 
 ■ Gas Costs 
 ■ SAVE Rider



# Washington Gas Bill Composition Virginia

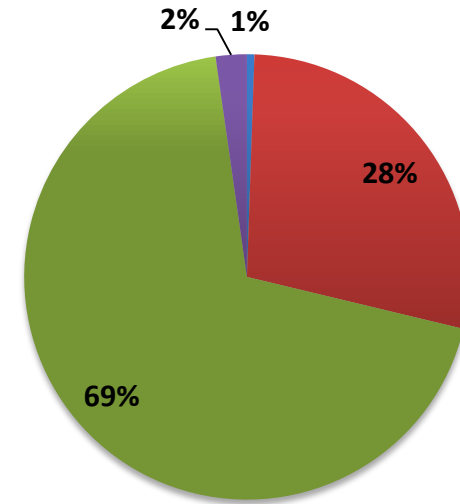
## Large Commercial and Industrial Service:

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



# Washington Gas

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

- AOBA has filed comments in all three jurisdictions opposing the proposed tariff changes.
- AOBA represented AOBA member interests with the participation of numerous AOBA interruptible customers in a working group process for all three jurisdictions to work through the proposed tariff changes.

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
- Reasonable consideration by WGL before switching non-compliant interruptible customers to firm service.
- Exemption from penalties for pilot gas use during an interruption



# Washington Gas

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

- AOBA and the working group submitted final recommendations to the DC PSC on May 26, 2015, Case No. GT 2014-03.
- AOBA and the working group slightly modified the DC proposal due to resistance from the SCC staff to the working group's initial recommendations. WGL filed a revised report containing the updated language on September 1, 2015, Case No. PUE-2014-00091. The Hearing Examiner made a recommendation to the SCC on September 10, 2015 to accept the revised report.
- The Interruptible tariff issues are currently pending before the MD PSC, Mail Log Number 158204.



# 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.
- By legislation this will be 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, surcharges can be added or changed.
- 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.
- AOBA has intervened in the case on behalf of its members and submitted expert testimony. Hearings concluded September 15, 2015. A decision is expected by December 2015.



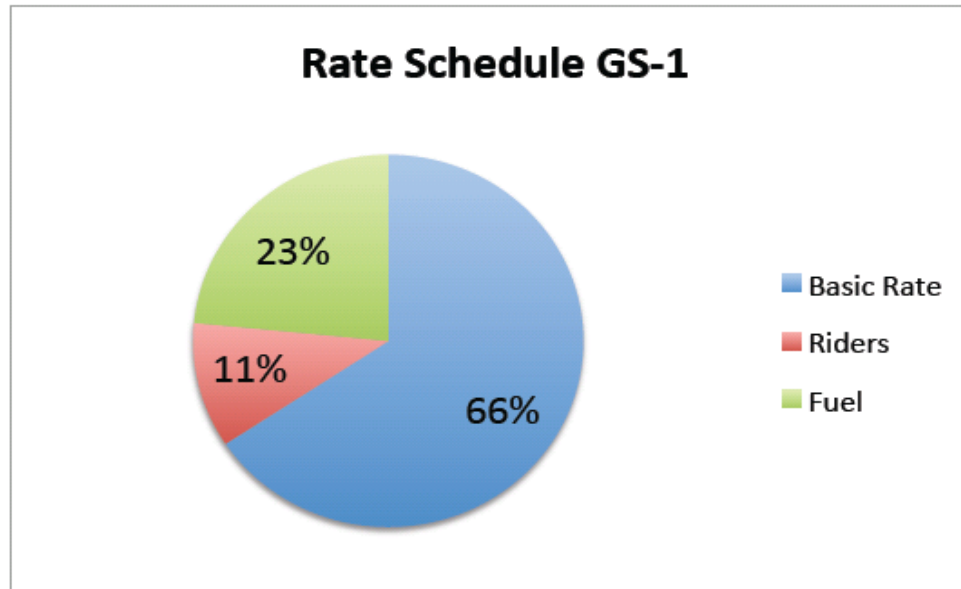
# Dominion Virginia Power

- 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 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 is expected to change effective on July 1, 2016.
- 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.
- **AOBA would suggest a budgetary allowance of a 3-5% increase in total electricity costs for commercial DVP accounts for 2016, based on the following analysis.**



# Dominion Virginia Power Budget Impacts by Rate Class

Rates effective as of April 1, 2015



**Rate Schedule GS-1**

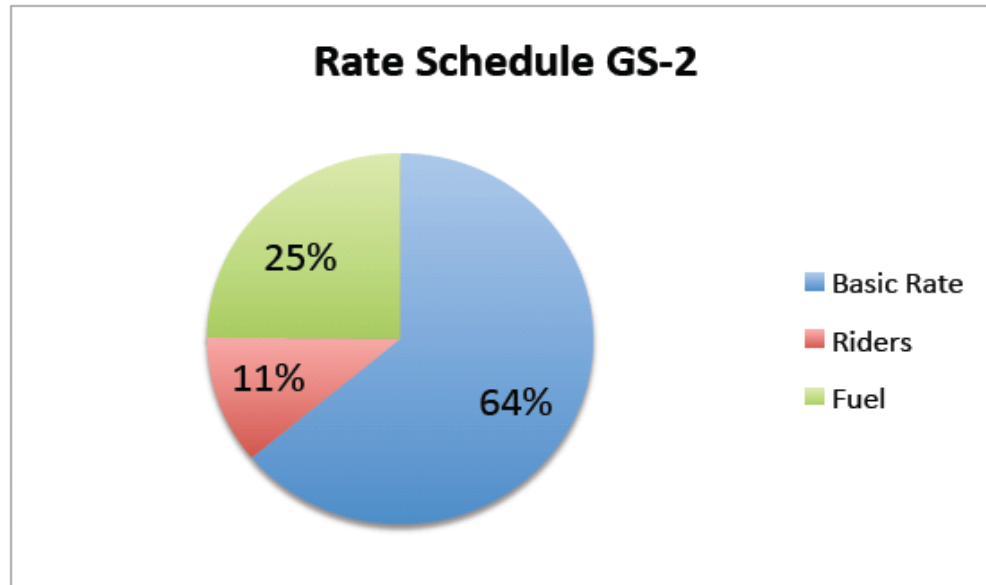
	Basic Rate	Riders	Fuel	Total Bill
Bill Percentage	66%	11%	23%	100%
Sample Bill Amounts	\$ 404.51	\$ 66.84	\$ 144.36	\$ 615.71

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



# Dominion Virginia Power Budget Impacts by Rate Class

Rates effective as of April 1, 2015



**Rate Schedule GS-2**

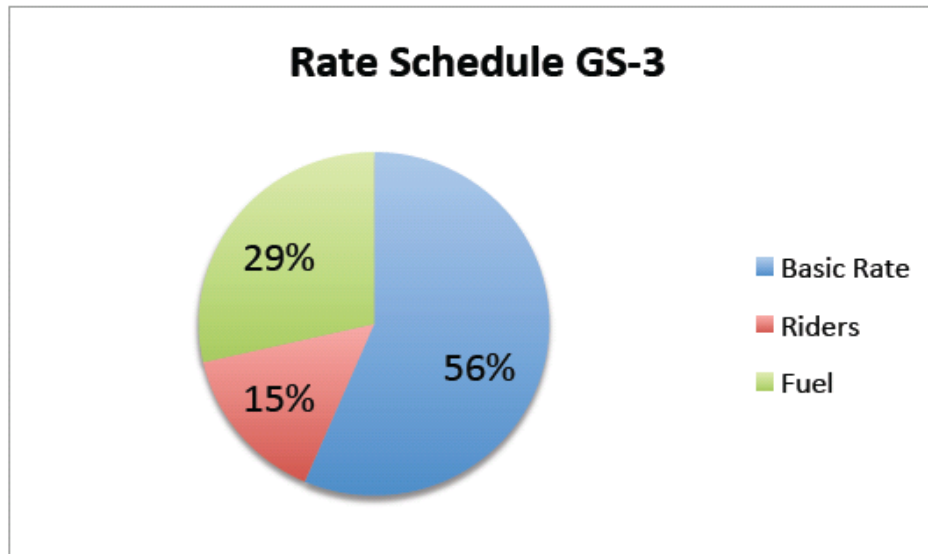
	Basic Rate	Riders	Fuel	Total Bill
Bill Percentage	64%	11%	25%	100%
Sample Bill Amounts	\$ 1,854.72	\$ 323.00	\$ 721.80	\$ 2,899.52

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



# Dominion Virginia Power Budget Impacts by Rate Class

Rates effective as of April 1, 2015



**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

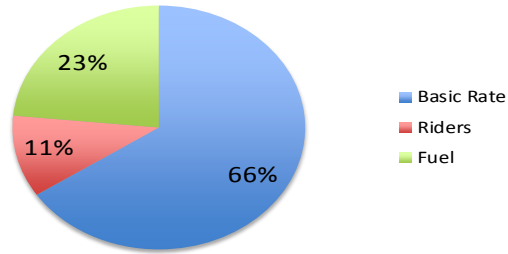
Based on: 1,000 KW; 210,000 On-Peak kWh and 140,000 Off-Peak kWh;  
49% Load Factor.

Source: PUE-2015-00027, DVP Volume 14, Schedule 43, page 20 of 40.

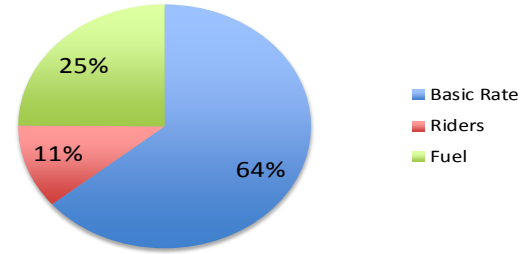
## Composition of Virginia Dominion Powers Bills by Rate Class

Rates Effective as of April 1, 2015.

### Rate Schedule GS-1



### Rate Schedule GS-2



#### 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

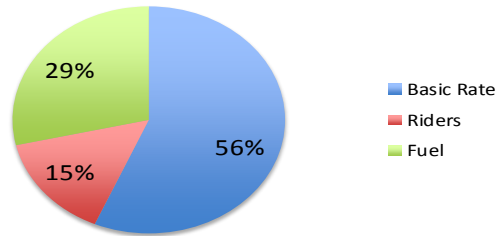
Based on: Summer; 15 KW; 6,000 kWh; 56% Load Factor.  
Source: PUE-2015-00027, DVP Volume 14, Schedule 43, page 12 of 40.

#### Rate Schedule GS-2

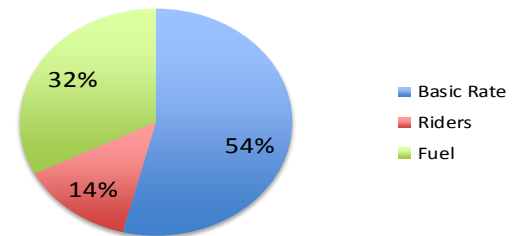
	Basic Rate	Riders	Fuel	Total Bill
Bill Percentage	64%	11%	25%	100%
Sample Bill Amounts	\$ 1,854.72	\$ 323.00	\$ 721.80	\$ 2,899.52

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-4



#### 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.

## Composition of Virginia Dominion Powers Bills by Rate Class

*Sensitivity Analysis on the Impacts of Changes to Riders and Fuel Surcharges.*

### Current Bills as of April 1, 2015

#### 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

	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

	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.

### 10% Increase in Riders

#### Rate Schedule GS-1

	Basic Rate	Riders	Fuel	Total Bill
Bill Percentage	66%	12%	23%	101%
Sample Bill Amounts	\$ 404.51	\$ 73.52	\$ 144.36	\$ 622.39

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

	Basic Rate	Riders	Fuel	Total Bill
Bill Percentage	64%	12%	25%	101%
Sample Bill Amounts	\$ 1,854.72	\$ 355.30	\$ 721.80	\$ 2,931.82

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%	16%	29%	101%
Sample Bill Amounts	\$ 16,642.45	\$ 4,834.50	\$ 8,421.00	\$ 29,897.95

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%	15%	32%	101%
Sample Bill Amounts	\$ 7,987.45	\$ 2,212.10	\$ 4,812.00	\$ 15,011.55

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.

### 10% Increase in Fuel

#### Rate Schedule GS-1

	Basic Rate	Riders	Fuel	Total Bill
Bill Percentage	66%	11%	26%	102%
Sample Bill Amounts	\$ 404.51	\$ 66.84	\$ 158.80	\$ 630.15

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

	Basic Rate	Riders	Fuel	Total Bill
Bill Percentage	64%	11%	27%	102%
Sample Bill Amounts	\$ 1,854.72	\$ 323.00	\$ 793.98	\$ 2,971.70

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%	31%	103%
Sample Bill Amounts	\$ 16,642.45	\$ 4,395.00	\$ 9,263.10	\$ 30,300.55

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%	36%	103%
Sample Bill Amounts	\$ 7,987.45	\$ 2,011.00	\$ 5,293.20	\$ 15,291.65

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.



# 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 (VCHC)<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

## ➤ Current and Proposed DVP Surcharges (Cont.)

<u>Rider</u>	<u>Description/Rate</u>	<u>Previous Rate</u>	<u>New Rate</u>	<u>Effective Date of New Rate</u>
<b>T1</b>	<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 <sup>3</sup>
	GS-2 Non-Dem	0.471 ¢/kWh	0.5211 ¢/kWh	9/1/15 <sup>3</sup>
	GS-2 Demand	0.524 \$/kW	0.638 \$/kW	9/1/15 <sup>3</sup>
	GS-3	1.067 \$/kW	1.080 \$/kW	9/1/15 <sup>3</sup>
	GS-4 Primary	0.739 \$/kW	1.051 \$/kW	9/1/15 <sup>3</sup>

<sup>3</sup> Rider T rates change annually on September 1st



# Pepco

## District of Columbia



## Pepco Rate Case Horizon District of Columbia

- Pepco has stated that it may file for a request for an increase in base rates in DC **4<sup>th</sup> quarter 2015**
- If Pepco files a rate case in 4<sup>th</sup> quarter 2015, new rates would likely be effective:  
**4<sup>th</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**
- **Energy Assistance Trust Fund & Sustainable Energy Trust Fund**
- **Public Space Occupancy Surcharge, Delivery Tax Surcharge, & Residential AID Surcharge (RADS)**



## Pepco Undergrounding Update

- 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



# 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 (**Pending**)

- 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**

### 2. DDOT Infrastructure Improvement Charge - Formal Case No. 1121 (**Pending**)

- 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 Undergrounding Update

## District of Columbia, Formal Case No 1116

### The Underground Project Charge (**Pending**)

- 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:

### 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

<sup>1</sup> 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
<b>GS Non-Demand</b>	<b>GS ND</b>	<b>\$0.00383 per kWh</b>
<b>GS Low Voltage</b>	<b>GS LV</b>	<b>\$0.00552 per kWh</b>
GS Primary	GS 3A	\$0.00278 per kWh
<b>GT- Low Voltage</b>	<b>GT LV</b>	<b>\$0.00336 per kWh</b>
GT – Primary	GT 3A	\$0.00191 per kWh
GT – High Voltage	GT 3B	\$0.00022 per kWh



# Pepco DC - Surcharges

## Other Charges

### 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



# 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 in **4<sup>th</sup> quarter 2015**
- Given statutory requirements for the Maryland Public Service Commission's (MD PSC) consideration of rate case applications, AOBA anticipates that a filing in November/December 2015 would result in an approved rate increase which would become effective seven months later, i.e., in June/July of 2016)
- 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 effective July 1, 2015.**
- 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>

## 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>



# 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>



# 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**

## 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**

## Delivery Tax

\$0.000620 per kWh



# Pepco Maryland - Surcharges

## NEW Rates: 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. However, after conversations with Pepco, we anticipate that increase in the GRC will not be greater than one half of one percent (.5%).
- 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.

### ➤ Previous Rates:

#### 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”	

### Current Rates:

#### 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





# Pepco/Exelon Merger

## Maryland, Case No. 9361

- Approved with conditions
- Appeal pending Circuit Court Queen Anne's County

## District of Columbia, Formal Case No. 1119

- Merger Denied
- Pepco/Exelon may file application for reconsideration



# Capacity Performance Costs



# Capacity Performance Costs

- 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.**