

Office of the People's Counsel for the District of Columbia • 1133 15th Street,
N.W. • Suite 500 • Washington, D.C. 20005 • (202) 727-3071 • Fax (202) 727-1014
• TTY/TDD (202) 727-2876 • www.opc-dc.gov

PRESS RELEASE

Contact: Consumer Services Division • (202) 727-3071 • email: ccceo@opc-dc.gov

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Big Pay Raise for PHI CEO + Poor Service from Pepco = Bad News for Pepco Customers

As reported in the Washington Post, PHI CEO Joseph Rigby will receive a 12% pay raise and total compensation equaling \$6 million dollars over three years while DC electric ratepayers continue to receive inadequate and unreliable service. Mr. Rigby's pay raise occurs at the same time Pepco is requesting \$42.5 million in increased rates from DC ratepayers.

People's Counsel Sandra Mattavous-Frye expressed outrage over PHI's lack of commitment to reliability stating, "The compensation of Pepco's executives should reflect the Company's commitment to reliable electric service. Mr. Rigby's pay raise fails to do so, instead it totally reflects the Company's commitment to earnings and profit over quality and reliable service." She further states, "There can be no justification for Mr. Rigby's 12% pay raise. At the end of the day it is all about the money for Pepco's executives."

PHI rewarded its CEO with a 12% pay raise despite a record-making penalty assessed by the Maryland Public Service Commission, the Company receiving the dubious title of "most-hated" and a summer power outage in Northeast that closed the Federal Energy Regulatory Commission for two days. "The ball is now in the DC Commission's court to tie Pepco executives' compensation to company performance, especially reliability as they consider Pepco's \$42.5 million rate increase request," said Ms. Mattavous-Frye.

