



Pepco Rate Increase Request: Formal Case 1176 Factsheet

On April 13, 2023, Pepco filed an application with the DC Public Service Commission, seeking approval to increase rates under the multiyear rate plan (MYP) established in Formal Case 1156. The MYP allows Pepco to automatically increase rates three years in a row without seeking Commission approval each year. Pepco is requesting a total rate increase of \$190.7 million over the three-year period as follows:

Pepco's 3-Stage Proposal

Pepco is requesting a total rate increase of \$190.7 million over the three-year period as follows:

A **\$116.4 million** increase, effective on February 15, 2024.

An **additional \$36.9 million** increase, effective on January 1, 2025.

Another \$37.2 million increase, effective on January 1, 2026.

Complicated Evaluation Process: The evaluation of this rate case is complicated by two significant factors: The Commission is assessing the effectiveness of the MYP, which was initially approved on a pilot basis in Formal Case No. 1156. Simultaneously with the examination of the pilot MYP, the Commission is also reviewing a new MYP proposed by Pepco and a traditional one-year rate case.

OPC's Approach

The Office of the People's Counsel (OPC) has challenged this set up and urged the Commission to follow a different approach:

Prioritize the Traditional Rate Case: OPC recommends that the Commission first evaluate the traditional one-year rate case.

Sequential Examination: Following the traditional rate case, the Commission should initiate an investigation and evaluation of the MYP Pilot.

Reassessment and Refiling: Based on the results of the MYP pilot investigation, the Commission should then require Pepco to file an

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application for a new MYP. This approach would allow a thorough review of each filing, sufficient time, and the due process ratepayers are entitled to.

Protection of Ratepayers: OPC emphasizes that this approach is vital to ensure that District consumers are not subjected to unjust and unreasonable rate increases and helps determine whether a significant "paradigm shift" in the way rates are increased is necessary and beneficial.

OPC is Resolved:

OPC is committed to advocating vigorously to ensure that any Pepco rate increase authorized by the Commission is:

Reasonable: The increase must be justifiable and fair.

Affordable: The rates should remain within the means of District residents and businesses.

Necessary: The increase should help ensure reliable electric distribution service in the District.

Beneficial: The rate structure should benefit District consumers and not just Pepco.

Environmentally Responsible: The rates should align with the District's environmental goals and policies.

Conclusion: Stay Informed and Share Concerns

OPC is dedicated to keeping consumers informed throughout these proceedings. If you are concerned about Pepco's proposal or have questions, you are encouraged to reach out to the Office of the People's Counsel at (202) 727-3071 or via email at info@opc-dc.gov.

