



# *Special* **AOBA Utility Committee Meeting** *April 10, 2012*

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# Natural Gas Utility Rate Requests by Jurisdiction

# Washington Gas – District of Columbia

## *Formal Case No. 1093*

- On February 29, 2012, WGL filed for an increase in distribution rates before the DC PSC, Formal Case No. 1093
- The Company seeks approval of \$28,970,000 million in additional Revenue
- In addition, the Company is seeking Commission approval of a separate surcharge to fund \$119 million in accelerated pipeline replacement over 5 years
- Initial estimates indicate the proposed increase in distribution rates to the Commercial and group metered apartments will be ~ 22%-23%.
- The Commission had preliminarily determined that the Company's current earnings are higher than authorized
- Change in rates expected December 2012

# Washington Gas – District of Columbia

*Formal Case No. 1093*

- Additional Surcharges:

Energy Assistance Trust Fund \$0.006/therm <sup>1</sup>

Sustainable Energy Trust Fund \$0.014/therm <sup>1</sup>

Surcharge for District of Columbia Rights of Way Fee  
\$0.0313/therm (rate effective April 2012) <sup>2</sup>

<sup>1</sup>Energy Assistance Trust Fund Surcharge & Sustainable Energy Trust Fund Surcharge effective billing month of October 2010. 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

<sup>2</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.

# Washington Gas – District of Columbia

## *Formal Case No. 1093*

- **Additional Surcharges**
  - **Annual Plant Recovery Adjustment & Hexane Adjustment**
    - In addition to the Washington Gas proposed rate increase of \$29 million, the Company proposes to implement a separate \$119 million accelerated pipeline replacement plan over (5) years. Washington Gas proposes to spend \$19 million in year 1 and \$25 million in years 2-5. The Company submits that the plan will improve safety and reliability, lower maintenance costs, and reduce greenhouse gases while minimizing rate shock to consumers. This initial phase of the Company's proposal is part of a (50) year \$749 million plan – in today's dollars – to replace 400 miles of pipeline and 37,000 services.
    - Initially, Washington Gas proposes to recover its costs for the plan through an annual plant recovery adjustment ("PRA") surcharge in which customers would receive monthly adjustments to their bill for this separate line item. The PRA was originally approved by Commission Order on December 11, 2009, Formal Case No. 1027, which authorized a (7) year \$28 million settlement in which the Company would recover the cost of replacing pipelines and mechanical couplings in response to leaks associated with hexane injections.
    - The monthly impact on ratepayers of the proposed accelerated pipeline replacement PRA has not been determined. If the proposal is approved, the change in the PRA will begin in 2013. In the Company's next rate case, any accelerated plant costs being recovered through the PRA will be included in the Company's rate base. Once Washington Gas begins collecting the costs of the accelerated pipeline replacement plant through rate base, an adjustment will be made to remove the costs associated with accelerated pipeline replacement plant from the calculation of the PRA.

# Washington Gas – District of Columbia

## Formal Case No. 1093

### Washington Gas Light Company - District of Columbia

### Effect of Proposed Rates by Class of Firm Service in District of Columbia <sup>1</sup>

	<u>Operating Revenues Excluding Gas Cost</u>	<u>Operating Revenues Including Gas Cost</u>
<b>Rate Class Description</b>	<b>Percentage Increase in Delivery Revenue</b>	<b>Percentage Increase in Total Revenue</b>
<b><u>Distribution of Gas Revenue</u></b>		
<b>Residential</b>		
Heating and/or Cooling	30.40%	15.70%
Non-heating and Non-cooling	26.50%	18.50%
Other	24.10%	13.60%
<b>Commercial &amp; Industrial</b>		
Heating and/or Cooling		
Less than 3,075 therms	23.40%	13.00%
3,075 therms or more	22.40%	15.40%
Non-heating and Non-cooling	10.10%	6.90%
<b>Group Metered Apartments</b>		
Heating and/or Cooling		
Less than 3,075 therms	23.00%	12.60%
3,075 therms or more	22.70%	16.20%
Non-heating and Non-cooling	10.30%	6.90%
<b>Total Non-Residential</b>		
<b>Total Firm Classes</b>	28.50%	15.00%
<b>Interruptible</b>	0.30%	0.30%
<b>Total Sales/Delivery Revenue</b>	23.40%	14.20%
<b>Other Operating Revenue</b>		7.60%
<b>Total Operating Revenue \$28,970,000</b>		14.00%

<sup>1</sup> Formal Case No. 1093 WG (J-1) Schedule C p 1 of 2

# Washington Gas – District of Columbia

## Formal Case No. 1093

Washington Gas Light Company - District of Columbia		
Proposed Rates by Customer Class - Anticipated Effective Date December 2012 <sup>1</sup>		
Rate for Monthly Consumption	Present Rates	Proposed Rates
<b>Commercial &amp; Industrial Service - Firm Customers</b>		
<b>Rate Schedule No. 2 and 2A</b>		
<b>Customer Charges (Monthly Charges)</b>		
<b>Heating and/or Cooling</b>		
Annual Usage less than 3,075 therms (all billing months)	\$ 13.15	\$ 17.10
Annual Usage less than 3,075 therms or more (all billing months)	\$ 26.40	\$ 33.00
<b>Non-Heating and Non-Cooling</b>		
(all billing months)	\$ 11.20	\$ 14.00
<b>Peak Usage Charge (Rates per Therm)</b>		
<b>Billing Months November-April</b>	\$ 0.0253	\$ 0.0340
<b>Distribution Charges</b>		
All gas used during the billing month		
<b>Heating and/or Cooling</b>	\$ 0.3592	\$ 0.4601
<b>Non-Heating and Non-Cooling</b>	\$ 0.3592	\$ 0.3980
<b>Group Metered Apartments</b>		
<b>Rate Schedule No.3</b>		
<b>Customer Charges (all billing months) - Monthly Charges</b>		
Sales Service - Rate Schedule 3		
Flexible Rate Service	\$ 63.55	\$ 80.00
Special Rate Service	\$ 63.55	\$ 80.00
Cogeneration Service	\$ 63.55	\$ 80.00
Delivery Service - Rate Schedule No. 3A	\$ 63.55	\$ 80.00
<b>Distribution Charges</b>		
First 75,000 therms	\$ 0.1700	\$ 0.1700
Over 75,000 therms	\$ 0.1564	\$ 0.1564
<b>Interruptible Service</b>		
<b>Rate Schedule No. 3 &amp; 3A</b>		
<b>Rate for Monthly Consumption No. 3</b>		
Customer Charge (All billing months)	\$ 63.55	\$ 80.00
<b>Rate for Monthly Consumption No. 3A</b>		
Customer Charge (All billing months)	\$ 63.55	\$ 80.00
<b>Delivery Charge</b>		
All gas delivered during the billing month		
First 75,000 therms	\$ 0.17000	\$ 0.17000
Over 75,000 therms	\$ 0.15640	\$ 0.15640

<sup>1</sup> Formal Case No. 1093, Exhibit WG (J)-1, Schedule A, p 2 of 3



# Washington Gas – Virginia

## *Formal Case No. PUE 2010-00139*

- I. WGL filed a distribution rate increase request on January 31, 2011 with the State Corporation Commission ('SCC'), Formal Case No. PUE 2010-00139
- II. WGL requested an overall increase of \$28 million
- III. The Company's requested \$28 million rate increase became effective on October 1, 2011, subject to refund should the Commission not approve the Company's requested rate increase
- IV. On March 26, 2012, the hearing examiner approved the settlement which provided for \$20 million rate increase for the Company. AOBA has appealed that decision to the full Commission.
- V. A decision in this case is anticipated in the Spring of 2012
- VI. Surcharges
  - I. SAVE Rider (accelerated infrastructure replacement).
  - II. On November 28, 2011, in Case No. PUE-2011-00101, the SCC approved the 2012 Save Rider in the amount of \$3,847,432 for bills rendered on and after January 1, 2012.
  - III. See WG Appendix B.
    - Schedule 2 & 2A \$0.0042/therm
    - Schedule 3 & 3A \$0.0050/therm



# WGL VA Proposed Rates by Customer Class

Formal Case No. PUE 2010-00139

Rate Class Description	Effective 10/1/11, Subject to Refund Proposed Percentage Increase in Delivery Revenue (not including fuel)	Effective Spring 2012 Approved Percentage Increase in Delivery Revenue (not including fuel)
<b><u>Distribution of Gas Revenue</u></b> <sup>1</sup>		
<b>Residential</b>	6.35%	TBD
<b>Commercial &amp; Industrial</b>		
Heating and/or Cooling	4.68%	TBD
Non-heating and Non-cooling	4.35%	TBD
Large Customers	0.88%	TBD
<b>Group Metered Apartments</b>		
Heating and/or Cooling	3.87%	TBD
Non-heating and Non-cooling	6.18%	TBD
Large Customers	-0.43%	TBD
<b>Total Firm Classes</b>	5.90%	TBD
<b>Interruptible (Total)</b>	15.13%	TBD
<b>Total All Classes</b>	6.00%	TBD
<b>Other</b>		
<b>Total Other Operating Revenue</b>	2.30%	
<b>Total Revenue</b>	6.00%	

<sup>1</sup> Formal Case No. PUE 2010-00139, WGL, Witness JBW, Schedule 42, p 3 of 7

# WGL VA Current Rates in Effect by Customer Class (Subject to Refund)

Rates Effective October 1, 2011, *Formal Case No. PUE 2010-00139*

<b>Washington Gas Light Company - Virginia</b>	
<b>Rates by Customer Class Effective October 1, 2011 <sup>1</sup></b>	
<b>Rate for Monthly Consumption</b>	<b>Rate</b>
<b>Commercial &amp; Industrial Service</b>	
<b>Rate Schedule No. 2</b>	
<u>System Charge (per Customer)</u>	
Heating and/or Cooling	\$20.45
Non-Heating and Non-Cooling	\$13.60
<u>Distribution Charge (per therm)</u>	
All gas used during the billing month:	
First 125 therms	\$0.32700
Next 875 therms	\$0.26710
Over 1,000 therms	\$0.20720
<b>Group Metered Apartments</b>	
<b>Rate Schedule No.3</b>	
<u>System Charge (per Customer)</u>	
Heating and/or Cooling	\$44.60
Non-Heating and Non-Cooling	\$18.10
<u>Distribution Charge (per therm)</u>	
All gas used during the billing month:	
First 125 therms	\$0.32340
Next 875 therms	\$0.26050
Over 1,000 therms	\$0.20450
<b>Interruptible Service</b>	
<b>Rate Schedule No. 4</b>	
<u>System Charge (per Customer)</u>	
All Billing Months	\$125.00

<sup>1</sup> Source WGL Website under Tariff Information, rates in effect subject to refund

# Washington Gas – Maryland

## *Formal Case No. 9267*

- Base Rate Increase Request Filed April 15, 2011, Case No. 9267
  - Company Sought \$30 Million of Additional Base Revenue
  - Company also sought approval for new Rate Rider for Recovery of \$115 Million of Pipe Replacement Costs over 5 Years
- On November 14, 2011, the Commission denied the Company's request for an increase for natural gas distribution rates of \$30 Million, and ordered distribution rates to increase by no more than ~ \$8,408,128 Million. <sup>1</sup>
- On March 29, 2012, the Commission approved an additional revenue requirement increase of \$697,646 for Interest Synchronization and denied WG's other requests for additional revenue. <sup>2</sup>
- The total increase for Washington Gas was increased from \$8,408,128 to \$9,105,774, effective April 2012.
- The Commission also denied the Company's proposal for a Rate Rider for Accelerated Pipe Replacement Costs

<sup>1</sup> MD PSC Order No. 84775, Issued November 14, 2011

<sup>2</sup> MD PSC Order No. 84781, Issued March 29, 2012

# Washington Gas – Maryland

## WGL Proposed & Approved Percentage Increase by Customer Class *Formal Case No. 9267*

Rate Class Description	Proposed 4/15/2011 Percentage Increase in Delivery Service Revenue (not including fuel) <sup>1</sup>	Proposed 4/15/2011 Percentage Increase in Sales Service Revenue (including fuel) <sup>1</sup>	Approved Percentage Increase in Delivery Service Revenue (not including fuel) per Commission Order on 11/14/2011 <sup>2</sup>	Approved Percentage Increase in Sales Service Revenue ( including fuel) per Commission Order on 11/14/2011 <sup>2</sup>	Approved Percentage Increase in Delivery Service Revenue (not including fuel) per Commission Order on 3/29/12 <sup>3</sup>	Approved Percentage Increase in Sales Service Revenue (including fuel) per Commission Order on 3/29/12 <sup>3</sup>
<b>Distribution of Gas Revenue <sup>4</sup></b>						
<b>Residential</b>						
Heating and/or Cooling	12.54%	5.80%	3.58%	1.65%	3.87%	1.79%
Non-heating and Non-cooling	12.85%	7.44%	2.16%	1.33%	2.42%	1.40%
Total Residential	12.54%	5.81%	3.57%	1.65%	3.87%	1.79%
<b>Commercial &amp; Industrial</b>						
Heating and/or Cooling						
Less than 3,000 therms	13.42%	7.29%	3.82%	2.07%	3.90%	2.12%
3,000 therms or more	8.20%	4.88%	2.34%	1.39%	2.58%	1.54%
Non-heating and Non-cooling	8.20%	5.17%	0.00%	0.00%	0.00%	0.00%
<b>Group Metered Apartments</b>						
Heating and/or Cooling	10.20%	6.99%	2.91%	1.99%	3.14%	2.15%
Non-heating and Non-cooling	9.56%	7.02%	0.00%	0.00%	0.00%	0.00%
Total Non-Residential	9.28%	5.62%	2.45%	1.48%	2.65%	1.60%
<b>Total Firm Classes</b>	11.57%	5.76%	3.23%	1.61%	3.50%	1.74%
<b>Interruptible</b>	10.32%	10.32%	2.82%	2.82%	3.06%	3.06%
<b>Total All Classes</b>	11.49%	5.90%	3.21%	1.65%	3.47%	1.79%
<b>Other Operating Revenue</b>						
Total Other Operating Revenue					0.80%	0.80%
Total Revenue					3.40%	1.80%

<sup>1</sup> Washington Gas Application for Request Increase, Filed April 15, 2011

<sup>2</sup> Washington Gas Compliance Filing, November 22, 2011

<sup>3</sup> Washington Gas Compliance Filing, March 29, 2012

<sup>4</sup> On 3/29/12, Order No. 84781, The Commission approved an additional rate increase for WGL of \$697,646 thus increasing the total amount granted to WGL from \$8.4 Million to \$9.1 Million

# WGL Approved Rates by Customer Class

## Rates Effective November 14, 2011, Formal Case No. 9267

Washington Gas Light Company - Maryland			
Approved Rates by Customer Class Effective Nov. 14, 2011, as modified on April 4, 2012			
Rate for Monthly Consumption	Effective Rate as of Nov. 14, 2011 <sup>1</sup>	Approved Rate Issued April 4, 2012 <sup>2</sup>	% Increase
<b>Commercial &amp; Industrial Service - Firm Customers</b>			
<b>Rate Schedule No. 2</b>			
<b>Heating and/or Cooling</b>			
<b>System Charge (per Customer) All billing months</b>			
Normal Weather Annual Usage			
Less than 3,000 therms	\$ 18.15	18.15	0%
Normal Weather Annual Usage			
3,000 therms or more	\$ 36.25	36.25	0%
Distribution Charge (per therm)			
All gas used during the billing month:			
First 300 therms	\$ 0.35670	\$ 0.34650	-3%
Next 6,700 therms	\$ 0.22280	\$ 0.21990	-1%
Over 7,000 therms	\$ 0.15790	\$ 0.16270	3%
<b>Non-Heating and Non-Cooling</b>			
<b>System Charge (per Customer) All billing months</b>	\$ 15.00	\$ 15.00	0%
Distribution Charge (per therm)			
All gas used during the billing month:			
First 300 therms	\$ 0.3158	\$ 0.3158	0%
Next 6,700 therms	\$ 0.2152	\$ 0.2152	0%
Over 7,000 therms	\$ 0.1573	\$ 0.1573	0%
<b>Group Metered Apartments</b>			
<b>Rate Schedule No. 3</b>			
<b>System Charge (per bill)</b>			
Heating and/or Cooling	\$ 47.10	\$ 47.10	0%
Distribution Charge (per therm)			
All gas used during the billing month:			
First 300 therms	\$ 0.3301	\$ 0.3300	0.03%
Next 6,700 therms	\$ 0.2265	\$ 0.2275	0.44%
Over 7,000 therms	\$ 0.1675	\$ 0.1675	0.00%
Non-Heating and Non-Cooling	\$ 17.50	\$ 17.50	0%
Distribution Charge (per therm)			
All gas used during the billing month:			
First 300 therms	\$ 0.3170	\$ 0.3170	0%
Next 6,700 therms	\$ 0.2184	\$ 0.2184	0%
Over 7,000 therms	\$ 0.1620	\$ 0.1620	0%
<b>Interruptible Service</b>			
<b>Rate Schedule No. 4</b>			
<b>System Charge (per Customer)</b>			
All Billing Months	\$ 115.00	\$ 115.00	0%
Distribution Charge (per therm)			
All gas delivered during the billing month:			
First 75,000 therms	\$ 0.10100	\$ 0.10140	0.40%
Over 75,000 therms	\$ 0.05760	\$ 0.05820	1%

<sup>1</sup> Rates extracted from WGL website under Tariff Information

<sup>2</sup> Rates extracted from WGL Compliance Filing dated April 4, 2012

# Washington Gas – Maryland

## Other Charges

- RNA Adjustments – Applied monthly and most often result in additional charges for large commercial customer classes
- Montgomery County Energy Tax
  - Tax Rate as of 6-30-10 \$0.11921 per therm
  - Tax Rate Effective 7-1-10 through 6-30-12 \$0.19025 per therm
  - Increase in Rate \$0.07104 per therm
  - Percentage Increase 59.6%
  - Energy Tax is scheduled to sunset at the end of FY 2012, but expectations are that the charge will continue. AOBA is fighting to allow the charge to sunset as scheduled and will be testifying on April 11, 2012.

# Washington Gas

## Summary of Major Rate Increase Applications and Results for Washington Gas from 2011 Financial Report <sup>1</sup>

Jurisdiction	Application Filed	Effective Date	12 Months Ended	Increase in Annual Revenue (Millions)				Allowed Rate of Return	
				Requested	Granted	Overall	Equity		
DC	02/29/2012	12/01/2012	06/30/2011	\$29.0	14.0%	TBD	TBD	TBD	TBD
DC	12/26/2006	12/31/2007	06/30/2006	\$20.0	7.70%	\$1.4	0.50%	8.12%	10.0%
DC	02/07/2003	11/24/2003	09/30/2002	\$18.8	9.70%	\$5.4	2.80%	8.42%	10.6%
DC	06/19/2001	04/09/2003	12/31/2000	\$16.3	6.80%	\$(5.4)	-2.2%	8.83%	10.6%
MD <sup>2</sup>	04/15/2011	11/15/2011	12/31/2010	\$27.8	5.90%	\$8.4	1.70%	8.09%	9.60%
MD	04/20/2007	11/27/2007	12/31/2006	\$33.8	5.80%	\$20.6	3.60%	8.20%	10.0%
MD	03/31/2003	11/06/2003	12/31/2002	\$27.2	6.80%	\$2.9	0.70%	8.61%	10.8%
MD	03/28/2002	09/30/2002	12/31/2001	\$31.4	9.30%	\$9.3	2.80%	--	--
VA <sup>3</sup>	01/31/2011	10/01/2011	09/30/2010	\$28.5	5.75%	--	--	--	--
VA	09/15/2006	02/13/2007	12/31/2005	\$17.2	2.70%	\$3.9	0.60%	8.41%	10.0%
VA	01/27/2004	10/04/2004	06/30/2003	\$19.6	4.70%	--	--	8.44%	10.5%
VA	06/14/2002	11/12/2002	12/31/2001	\$23.8	6.60%	\$9.9	2.70%	8.44%	10.5%

<sup>1</sup> Source: Washington Gas Holdings, Inc. 2011 Corporate Financial Report

<sup>2</sup> On 3/29/12, MD PSC Order No. 84781, The commission approved an additional increase of \$697,646 thus increasing the total amount granted to WGL from \$8.4 to \$9.1 Million

<sup>3</sup> WGL VA- Hearing Examiner report granted \$20 Million to WGL; pending SCC Approval

# Electric Utility Rate Requests by Jurisdiction



# Dominion Virginia Power Riders

- DVP Base Rates – No Increases Permitted Through 2013
- Current and Proposed DVP Surcharges

*Dominion seeks cost recovery through surcharges, or Riders. The charges detailed in each Rider are in addition to Dominion's base electric rates. Dominion's Riders change frequently and additional Riders are added to Customer's electric bills as Dominion gains approval for additional construction projects. Below are the current rates for each Rider as of 4/1/2012. Because the rates for each Rider change frequently, VA Members should contact AOBA if there are questions relating to the individual Rider rates.*

<u>Rider</u>	<u>Description/Rate</u>	<u>Previous Rate</u>	<u>New Rate</u>	<u>Effective Date of New Rate</u>	<u>Percent Difference</u>
<b>S</b>	<b>New Coal Plant (VCHEC)<sup>1</sup></b> <i>Previous rates in effect 4/1/2011 – 3/31/12</i>				
	GS-1	0.306 ¢/kWh	0.242 ¢/kWh	4/1/2012	-26%
	GS-2 Non-Dem	0.257 ¢/kWh	0.219 ¢/kWh	4/1/2012	-17%
	GS-2 Demand	0.257 ¢/kWh	0.219 ¢/kWh	4/1/2012	-17%
	GS-3	1.132 \$/kW	0.926 \$/kW <sup>2</sup>	4/1/2012	-22%
	GS-4 Primary	1.073 \$/kW	0.905 \$/kW <sup>2</sup>	4/1/2012	-19%
<b>R</b>	<b>Gas-Fired Generating Plant (Bear Garden) <sup>1</sup></b> <i>Previous rates in effect 4/1/2011 – 3/31/12</i>				
	GS-1	0.120 ¢/kWh	0.101 ¢/kWh	4/1/2012	-19%
	GS-2 Non-Dem	0.101 ¢/kWh	0.091 ¢/kWh	4/1/2012	-11%
	GS-2 Demand	0.101 ¢/kWh	0.091 ¢/kWh	4/1/2012	-11%
	GS-3	0.445 \$/kW	0.385 \$/kW <sup>2</sup>	4/1/2012	-16%
	GS-4 Primary	0.421 \$/kW	0.366 \$/kW <sup>2</sup>	4/1/2012	-15%
<b>T</b>	<b>Transmission</b> <i>Previous rates in effect 4/1/2011 – 3/31/12</i>				
	GS-1	0.558 ¢/kWh	0.000 ¢/kWh	4/1/12 <sup>3</sup>	
	GS-2 Non-Dem	1.239 ¢/kWh	0.000 ¢/kWh	4/1/12 <sup>3</sup>	
	GS-2 Dem	1.674 \$/kW	0.000 \$/kW	4/1/12 <sup>3</sup>	
	GS-3	2.077 \$/kW	0.000 \$/kW	4/1/12 <sup>3</sup>	
	GS-4 Primary	1.527 \$/kW	0.000 \$/kW	4/1/12 <sup>3</sup>	

<sup>1</sup> Rates for Rider S and Rider R change annually on April 1<sup>st</sup>  
<sup>2</sup> Applied to On-Peak Electricity Supply Demand  
<sup>3</sup> Rates effective for usage on and after 4/1/12, on an interim basis

# Dominion Virginia Power Riders

- Current and Proposed DVP Surcharges (Continued)

<u>Rider</u>	<u>Description/Rate</u>	<u>Current Rate</u>	<u>New Rate</u>	<u>Effective Date of New Rate</u>	<u>Percent Difference</u>
A	Fuel Charge Adjustment All Rates	As of 6-30-11 2.803 ¢/kWh	Effective 10-3-11 3.289 ¢/kWh	10/3/2011	17.3%
C1	Energy Conservation <sup>1</sup> <i>current rates in effect as of thru 1/27/12</i>				
	GS-1	0.009 ¢/kWh	0.000 ¢/kWh <sup>1</sup>		
	GS-2 Non-Dem	0.008 ¢/kWh	0.000 ¢/kWh <sup>1</sup>		
	GS-2 Demand	0.008 ¢/kWh	0.000 ¢/kWh <sup>1</sup>		
	GS-3	0.007 ¢/kWh	0.000 ¢/kWh <sup>1</sup>		
	GS-4 Primary	0.006 ¢/kWh	0.000 ¢/kWh <sup>1</sup>		
C2	DSM Expenditures <sup>1</sup> <i>current rates in effect as of thru 1/27/12</i>				
	GS-1	0.020 ¢/kWh	0.000 ¢/kWh <sup>1</sup>		
	GS-2 Non-Dem	0.017 ¢/kWh	0.000 ¢/kWh <sup>1</sup>		
	GS-2 Demand	0.017 ¢/kWh	0.000 ¢/kWh <sup>1</sup>		
	GS-3	0.016 ¢/kWh	0.000 ¢/kWh <sup>1</sup>		
	GS-4 Primary	0.011 ¢/kWh	0.000 ¢/kWh <sup>1</sup>		

<sup>1</sup> For C1 and C2, rates effective for usage on and after 1/27/12, on an interim basis.

## Dominion Virginia Power *New Riders*

- Current and Proposed DVP Surcharges (Continued)

<u>Rider</u>	<u>Description/Rate</u>	<u>Proposed Rate</u>	<u>Effective Date of Proposed Rate</u>
<b>W</b>	<b>Warren Co. Power Station</b>		
	GS-1	0.046 ¢/kWh	4/1/2012
	GS-2 Non-Dem	0.042 ¢/kWh	4/1/2012
	GS-2 Demand	0.042 ¢/kWh	4/1/2012
	GS-3	0.177 \$/kW <sup>1</sup>	4/1/2012
	GS-4 Primary	0.173 \$/kW <sup>1</sup>	4/1/2012

<sup>1</sup> Applied to On-Peak Generation Supply Demand

<u>Rider</u>	<u>Description/Rate</u>	<u>Proposed Rate</u>	<u>Effective Date of Proposed Rate</u>
<b>B</b>	<b>Biomass</b>		
	GS-1	0.009 ¢/kWh	4/1/2012
	GS-2 Non-Dem	0.008 ¢/kWh	4/1/2012
	GS-2 Demand	0.008 ¢/kWh	4/1/2012
	GS-3	0.034 \$/kW <sup>1</sup>	4/1/2012
	GS-4 Primary	0.033 \$/kW <sup>1</sup>	4/1/2012

<sup>1</sup> Applied to On-Peak Generation Supply Demand

# Dominion Virginia Power

## *New Riders*

- **Current and Proposed DVP Surcharges (Continued)**  
**Warren County Power Station Project - Rider W**
  - On 5/12/11, Dominion filed with the SCC an application for approval to construct and operate the proposed Warren County Power Station electric generation and related transmission facilities and the approval for a rate adjustment clause (RAC) to recover the costs associated with the project.
  - The Warren County Power Station will be a 1,329 megawatt natural gas-fired combined-cycle generation facility located three miles north of the town of Front Royal, VA.
  - The total projected cost of the project is \$1.091 billion.
  - Dominion seeks to recover , through proposed RAC rates effective 4/1/2012 , an annual revenue requirement of \$39 million for costs used during construction of the project .

# Dominion Virginia Power

## *New Riders*

- **Current and Proposed DVP Surcharges (Continued)**  
**Biomass Conversions – Rider B**
  - On 6/27/11, Dominion filed with the SCC an application for approval to convert three electric coal-fired generation facilities (Altavista, Hopewell, & Southampton Power Stations) owned by the Company into biomass-burning facilities.
  - According to the Company, once the conversions are completed, the net capacity rating for each facility will decrease from 63 MW to 51MW but increase the expected energy production of the converted power stations compared to the continuation of the coal operations.
  - The estimated construction cost of the conversions is approximately \$165.8 million, excluding financing costs.
  - Dominion seeks to recover the costs associated with the Conversions through a rate adjustment clause, designated Rider B.
  - Rider B takes effect April 1, 2012

# Dominion Virginia Power *New Riders*

- Current and Proposed DVP Surcharges (Continued)  
**Renewable Energy Program – Rider G**
- Rider G is available on a voluntary basis for customers who contract with Dominion to purchase Renewable Energy

# Pepco Maryland

*Base Rate Case Filed Dec. 30, 2009 - Case No. 9217*

- Last Base Rate Increase became effective Aug. 19, 2010.
- Pepco initially requested a \$40 million rate increase.
- MDPSC granted Pepco an increase of approximately \$7.5 million (i.e., less than 20% of the Company's initial request).

## Approved Distribution Rate Increases by Rate Class

<b>Residential (R)</b>	<b>3.07%</b>
<b>Residential (TOU)</b>	<b>3.07%</b>
<b>GS LV</b>	<b>3.07%</b>
<b>MGT-LV</b>	<b>1.15%</b>
<b>MGT-3A</b>	<b>1.15%</b>
<b>GT-LV</b>	<b>1.15%</b>
<b>GT-3A</b>	<b>1.15%</b>

# Pepco Maryland

## *Case No. 9286*

- On 12/16/11, Pepco filed an application with the Maryland Public Service Commission for a requested \$68 million increase in the Company's Distribution rates, Formal Case No. 9286
- The Company also filed for a proposed surcharge for infrastructure replacement known as the Reliability Investment Recovery Mechanism ("RIM")
- The MD PSC is considering Pepco's request and hearings are scheduled to begin April 23, 2012
- New rates will be effective on or about July 16, 2012.



# Pepco Maryland

## Case No. 9286

- The percentage increase proposed by Pepco in its distribution rates over existing rates are as follows (Increases percentages extracted from Pepco Application dated 12/16/2011):

### Requested Distribution Increases by Rate Classes

Residential (R)	21.1%
RTM	24.1%
GS-LV	18.3%
MGT-LV	16.3%
MGT-3A	0.0%
GT-LV	15.7%
GT-3B	0.0%
GT-3A	18.5%
TM-RT	17.8%
SL	15.3%
SSL	13.9%
TN	0%
Overall	19.1%

# Pepco Maryland

## Other Charges

- **Monthly BSA Charges**
  - Since first implementation in 2007, Commercial classes frequently subject to Maximum Monthly 10% Adjustment
  - Large Deferred Balances have accumulated for MGT-3A, GT-LV, and MGT-LV classes
  - Those Large Deferred Balances ensure that identified classes will continue to pay Maximum Monthly (10%) rate adjustments well into the future
- **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
  - Energy Tax is scheduled to sunset at the end of FY 2012, but expectations are that the charge will continue. AOBA is fighting to allow the charge to sunset as scheduled and will be testifying on April 11, 2012.



# Pepco Maryland

## Case No. 9286

### GT-LV Customer Example

How Proposed Rate Increase May Affect Distribution Costs:

#### MONTHLY RATE

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Increase %</u>
Distribution Service Charge			
Customer Charge	\$300.18 per month	\$349.59 per month	16%
Kilowatt-hour Charge	\$0.00992	\$0.00992	0%
Kilowatt Charge			
On Peak	\$2.7872 per kW	\$2.7872 per kW	0%
Maximum	\$1.2318 per kW	\$2.3241 per kW	88%

# Pepco Maryland

## Case No. 9286

### GT-LV Customer A Example (based on 12 months usage in 2010)

#### How Proposed Rate Increase May Affect Distribution Costs:

- Assume a GT-LV customer with an annual peak demand of 1,285 kW and annual consumption of 7,580,700 kWh
- Based on the peak demand and annual kWh consumed, we compute this example customer will experience an average increase of 14% on the distribution portion of their monthly electric bill <sup>1</sup>
- Distribution Charges account for approximately 30% of the total electricity bill

<sup>1</sup> Assume consumption amounts are the same as the year before  
Assume summer and winter distribution rates are identical  
Assume BSA adjustment is not factored into distribution rate

# Pepco DC

## Case No. 1087

- On 7/8/11, Pepco filed an application with the District of Columbia Public Service Commission to increase its distribution rates by \$42 million, Formal Case No. 1087
- Pepco also requested a approval to implement a new rate rider, i.e. the Reliability Investment Recovery Mechanism (“RIM”) which the Company states is needed to ensure recovery of costs to replace existing infrastructure to ultimately improve reliability in the District
- A decision by the DC PSC was initially expected in Spring 2012, however, during hearings in February 2012, the DC PSC suspended the hearing schedule and ordered Pepco to produce further information to support its request for additional revenue
- On 3/21/12, the DC PSC ordered additional hearings which are scheduled to begin in June 2012

# Pepco DC

## *Formal Case No. 1087*

- The percentage increases proposed by Pepco in its distribution rates over existing rates are as follows <sup>1</sup>:

### Requested Distribution

### Increases

Residential (R) (MMA)	33.3%
Res All Electric (AE) (MMA)	68.0%
GS Non-Demand	7.1%
GS Demand	7.1%
GS Primary (GS-3A)	5.3%
GT-LV	10.9%
GT-3A	2.9%
<b>OVERALL</b>	<b>14.9%</b>

- A change is anticipated in Pepco's rates in late summer 2012

<sup>1</sup> Increase percentages extracted from Pepco Application Filed on 7/8/2011



# Pepco DC

## Formal Case No. 1087

### Current and Proposed Rates for Schedule GT-LV Pepco DC as of 4/2/12

	Current Monthly Distribution Rate Schedule GT-LV	Proposed Monthly Distribution Rate Schedule GT_LV	% Increase
<b>Distribution Service Charge</b>			
<b>Customer Charge</b>	\$152.73	\$178.80	14.50%
<b>Kilowatt-hour Charge <sup>1 2</sup></b>	\$0.01101	\$0.01234	10.80%
<b>Kilowatt Charge Maximum (per kW)</b>	\$6.25	\$7.17	12.80%
<b>Energy Assistance Trust Fund Surcharge (per kWh) <sup>3</sup></b>	\$0.00006070	\$0.00006070	0%
<b>Public Space Occupancy Surcharge (per kWh) <sup>4</sup></b>	\$0.00194	\$0.00194	0%
<b>Delivery Tax Surcharge (per kWh) <sup>5</sup></b>	\$0.0077	\$0.0077	0%
<b>Residential AID Surcharge (per kWh) <sup>6</sup></b>	\$0.000691	\$0.000691	0%
<b>Sustainable Energy Trust Fund Surcharge (per kWh) <sup>7</sup></b>	\$0.00150	\$0.00150	0%

<sup>1</sup> Summer and Winter Distribution Rates per kWh are Identical

<sup>2</sup> Bill Stabilization Adjustment (BSA) is not factored into the kWh charge , but charge changes monthly

<sup>3</sup> Energy Assistance Trust Fund Surcharge effective billing month of October 2010. Amounts billed to customers shall include a surcharge to recover costs of Energy Assistance Trust Fund programs implemented pursuant to the District of Columbia Clean and Affordable Energy Act of 2008 and amended by the Residential Aid Subsidy Stabilization Amendment Act of 2010. Charge is mandated by DC Government.

<sup>4</sup> Public Space Occupancy Surcharge effective March 1, 2011. Pepco requests approval change surcharge amount and DC PSC must approve all changes.

<sup>5</sup> Delivery Tax Surcharge effective January 1, 2005. Delivery Tax is imposed on Pepco by the District of the Columbia City Council.

<sup>6</sup> Residential AID Surcharge effective for Service on and after June 1, 2011

<sup>7</sup> Sustainable Energy Trust Fund Surcharge effective October 1, 2010. Amounts billed to customers shall include a surcharge to recover costs of Energy Assistance Trust Fund programs implemented pursuant to the District of Columbia Clean and Affordable Energy Act of 2008 and amended by the Residential Aid Subsidy Stabilization Amendment Act of 2010. Charge is mandated by DC Government.

\*Rate information current as of 04/2/2012

# Pepco DC

## *Formal Case No. 1087*

### GT-LV Customer B Example

- Assume a GT-LV customer with an annual peak demand of 2,747 kW and annual consumption of 11,787,116 kWh
- Based on the peak demand and annual kWh consumed, we compute the customer will experience an average monthly increase of **9%** on the distribution portion of their monthly electric bill <sup>1</sup>

<sup>1</sup> Assume consumption amounts are the same as the year before  
Assume summer and winter distribution rates are identical  
Assume BSA adjustment is not factored into distribution rate  
Assume 6% DC sales tax





# Pepco DC

## Formal Case No. 1087

**Current and Proposed Rates for Schedule R - Master Metered Apartments Pepco DC as of 4/2/12**

	Current Monthly Summer Distribution Rate Schedule R Billing Months of June-Oct	Current Monthly Winter Distribution Rate Schedule R Billing Months of Nov-May	Proposed Monthly Summer Distribution Rate Schedule R Billing Months of June-Oct	Proposed Monthly Winter Distribution Rate Schedule R Billing Months of Nov-May	% Increase Summer Months	% Increase Winter Months
Distribution Service Charge <sup>1</sup>						
Customer Charge	\$6.65	\$6.65	\$10.40	\$10.40	56.39%	56.39%
Kilowatt-hour Charge <sup>1 2</sup>						
First 400 kWh	\$0.00737	\$0.00737	\$0.00852	\$0.00852	15.60%	15.60%
In excess of 400 kWh	\$0.02144	\$0.01490	\$0.02479	\$0.01723	15.63%	15.64%
Energy Assistance Trust Fund Surcharge (per kWh) <sup>3</sup>	\$0.00006070	\$0.00006070	\$0.00006070	\$0.00006070	0%	0.00%
Public Space Occupancy Surcharge (per kWh) <sup>4</sup>	\$0.00194	\$0.00194	\$0.00194	\$0.00194	0%	0.00%
Delivery Tax Surcharge (per kWh) <sup>5</sup>	\$0.0070	\$0.0077	\$0.0077	\$0.0077	0%	0.00%
Residential AID Surcharge (per kWh) <sup>6</sup>	\$0.000691	\$0.000691	\$0.000691	\$0.000691	0%	0.00%
Sustainable Energy Trust Fund Surcharge (per kWh) <sup>7</sup>	\$0.00150	\$0.00150	\$0.00150	\$0.00150	0%	0.00%

<sup>1</sup> Effective for Usage on and after June 1, 2011

<sup>2</sup> Bill Stabilization Adjustment (BSA) is not factored into the kWh charge , but charge changes monthly

<sup>3</sup> Energy Assistance Trust Fund Surcharge effective billing month of October 2010. Amounts billed to customers shall include a surcharge to recover costs of Energy Assistance Trust Fund programs implemented pursuant to the District of Columbia Clean and Affordable Energy Act of 2008 and amended by the Residential Aid Subsidy Stabilization Amendment Act of 2010. Charge is mandated by DC Government.

<sup>4</sup> Public Space Occupancy Surcharge effective March 1, 2011. Pepco requests approval change surcharge amount and DC PSC must approve all changes.

<sup>5</sup> Delivery Tax Surcharge effective January 1, 2005. Delivery Tax is imposed on Pepco by the District of the Columbia City Council.

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<sup>7</sup> Sustainable Energy Trust Fund Surcharge effective October 1, 2010. Amounts billed to customers shall include a surcharge to recover costs of Energy Assistance Trust Fund programs implemented pursuant to the District of Columbia Clean and Affordable Energy Act of 2008 and amended by the Residential Aid Subsidy Stabilization Amendment Act of 2010. Charge is mandated by DC Government.

\*Rate information current as of 04/2/2012

# Pepco DC

## *Formal Case No. 1087*

### Master Metered Apartment Customer C Example Rate Schedule R

- Calculate MMA Charges
  - Total Customer Charge = Pepco Customer Charge \* Number of Units
  - Energy Charges
    - First 400 kWh = First 400 kWh rate \* 400 \* Number of Units
    - Over 400 kWh = Over 400 kWh rate \* Remaining kWh
- Assume a MMA Customer on Pepco Rate Schedule R with an annual consumption of 1,900,00 kWh, with 200 residential units
- Based on the annual kWh consumed, we compute the customer will experience an average monthly increase of **over 30%** on the distribution portion of the monthly electric bill <sup>1</sup>

<sup>1</sup> Assume consumption amounts are the same as the year before  
Assume summer and winter distribution rates are identical  
Assume BSA adjustment is not factored into distribution rate  
Assume 6% DC sales tax

# Pepco Distribution Rate Case Outcomes

## PEPCO DISTRIBUTION BASE RATE CASE OUTCOMES

MARCH 27, 2012 PHI ANALYST PRESENTATION

	<u>Approved Revenue Increase</u> (Millions of Dollars)	<u>Granted Return on Equity</u>	<u>Granted Equity Ratio</u>
2008 Pepco - DC, Formal Case No. 1053	\$28.3	10.00%	46.55%
2010 Pepco - DC, Formal Case No. 1076	\$20.3	9.63%	46.18%
2010 Pepco - MD Formal Case No. 9217	\$7.8	9.83%	48.87%

## PEPCO PENDING DISTRIBUTION BASE RATE CASES

*(Millions of Dollars)*

<b>Jurisdiction/Company</b>	<b>Current Requested Revenue Requirement Increase</b>	<b>Requested Return on Equity</b>	<b>Initial Filing Date</b>	<b>Expected Timing of Decision</b>
DC – Pepco, Case 1087	\$42.5	10.75%	7/8/11	Q3-2012
MD – Pepco, Case 9286	\$68.4	10.75%	12/16/11	Q3-2012

Source: PEPCO HOLDINGS, INC. ANALYST CONFERENCE • WASHINGTON, D.C. • MARCH 27, 2012

# Legislative Update

## Maryland

### Wind Bill, HB 441 & SB 237

- AOBA testified in both the MD Senate and House in opposition to Governor Martin O'Malley's Wind Bill which would require a certain percentage of electricity that Members purchase from MD utility Companies be derived from offshore wind farms.
- If enacted, the bill would require Maryland non-residential ratepayers to pay an additional 2.5% of their total annual electric bill for energy derived from offshore wind.
- Final Action – Bill was not voted out of Committee

### Customer List Bill, HB 771

- AOBA testified before the Maryland General Assembly in opposition to a bill that would allow the release of confidential customer account information to all third party suppliers in MD and their affiliates
- AOBA proposed amendments to the bill, which if adopted, would exclude AOBA Members from the release of their confidential customer information.
- Final Action -- Defeated on 4/7/2012

### Stride Bill, HB 662 & SB 541

- AOBA and its members opposed pending legislation that would authorize a \$2 monthly surcharge on all customers for accelerated pipeline replacement proposals of MD's natural gas companies.
- The proposed surcharge would be in addition to the \$9.1 Million that WGL received in new rate increases in November 2011.
- Final Action – On 3/24/12, SB 541 Failed on 2<sup>nd</sup> Reading (22-24 Vote)

# Legislative Update

## Virginia

### Natural Gas Utility Infrastructure, HB 559 & SB 511

- HB 559 & SB 511 would allow natural gas utilities to pass construction costs on to ratepayers in the form of a surcharge with less than a full and thorough review that the State Corporation Commission normally performs.
- AOBA provided written opposition to both bills stressing that the language in the bills would restrict the ability of the SCC to perform its traditional review of the utility's request for additional revenue.
- Both HB 559 & SB 511 were passed on 3/1/2012.

# REMINDER – Sale of Building

*If you are selling your building or thinking of selling your building, please call the AOBA Alliance at (202) 296-3390. We have important information to share with you.*