



# **Pepco**

# **Maryland**

# **Rate Increase Request**

# **Case No. 9311**

# **Decision July 12, 2013**



# Pepco Maryland

## *Case No. 9311*

- Base Rate Increase Request – Filed November 30, 2012
- The Company is seeking:
  - ✓ A **\$60.8 Million** rate increase
  - ✓ Approval of a Separate Infrastructure Surcharge, or **Grid Resiliency Charge** to fund accelerated investments in reliability
    - Surcharge would permit the Company to pass-through additional rate increases without having to file a rate case before the MD PSC
  - ✓ A **ROR of 8.06%** based on a **10.25%** Return on Equity (ROE), an increase from the currently authorized ROE of **9.31%**

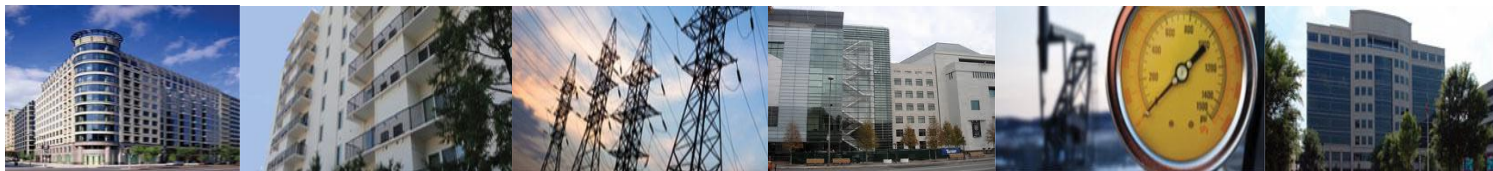


# Pepco Maryland

*Case No. 9311*

## Commission Decision and Results:

- On July 12, 2013, the MD PSC approved a **\$27.883 Million** increase, Order No. 85724. The Company requested a rate increase of **\$60.827 Million**.
- Pepco may earn a **9.36%** Return on Equity; Pepco requested a **10.25%** Return on Equity
- In recognition of Governor O'Malley's Task Force Report, PSC approved \$24 million for a Priority Feeders project to accelerate the hardening of 24 feeders that are prone to outages during major storm events, 12 feeders each in 2014 and 2015, with conditions – rejected \$151 million selective undergrounding stating that further study necessary, and rejected \$17 million accelerated vegetation management



# Pepco Maryland - *Case No. 9311*

## Budget Impacts

### Distribution Increases by Rate Class:

<u>Rate Class</u>	<u>Proposed Increase in Distribution Over Present Rates<sup>1</sup></u>	<u>Approved Increase in Distribution Over Present Rates<sup>2</sup></u>
Residential	19.47%	8.92%
RTM	19.47%	8.92%
GS-LV	12.13%	5.56%
MGT-LV	12.13%	5.56%
MGT-3A	0.00%	0.00%
GT-LV	12.13%	5.56%
GT-3B	0.00%	0.00%
GT-3A	12.13%	5.56%
TM-RT	12.13%	5.56%
SL	12.13%	5.56%
SSL	12.13%	5.56%
TN	0.00%	0.00%
<b>Overall Increase</b>	<b>16.0%</b>	<b>7.30%</b>

<sup>1</sup> Increase percentages from Pepco Application Filed on November 26, 2012

<sup>2</sup> Pepco Compliance Filing, Case No. 9311, Attachment B, page 1 of 18



# Pepco Maryland

## Other Charges

### Monthly BSA Charges <sup>1,2</sup>

- ✓ 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

<u>Rate Class</u>	<u>Jun-13</u>	<u>Jul-13</u>	<u>Aug-13</u>
R	(0.002195)	0.000624	0.003735
R-TM	(0.001240)	0.000532	0.002456
GS	0.000727	(0.000119)	0.000968
MGT-LV	0.002048	0.002109	(0.000567)
MGT-3A	0.001963	0.001903	0.001916
GT-LV	0.002060	0.002025	0.002036
GT-3A	0.001212	0.001190	0.001172
GT-3B	0.000782	0.000743	0.000772
T	(0.005984)	(0.005917)	(0.005819)
EV	(0.001055)	(0.001058)	0.001052

<sup>1</sup> Line items in red indicate credits

<sup>2</sup> The amount of the adjustment factor for any rate schedule may not exceed +/- ~10% of the average test year rate per kWh for the rate class. Any excess amount above the cap shall be collected in a subsequent month.





# Pepco Maryland

## Other Charges (cont.)

### Montgomery County Energy Tax

Tax Rate as of 6-30-10	\$0.01384 per kWh
Tax Rate Effective 7-1-10 through 6-30-12	\$0.02210 per kWh
Tax Rate Effective 7-1-11 through 6-30-12	\$0.02259 per kWh
Tax Rate Effective 7-1-12 through 6-30-13	\$0.0217063 per kWh
<b>Tax Rate Effective 7-1-13 through 6-30-14</b>	<b>\$0.020370 per kWh</b>

### Prince Georges County Energy Tax

Rate Effective 7/1/12	\$0.0064890 per kWh
Rate Effective 7/1/13	\$0.0059080 per kWh

### Maryland Environmental Surcharge (Rider "MES")

Effective 7/1/12 through 6/30/14	\$0.000150 per kWh
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# Pepco– Maryland

## Case No. 9311

<b>Pepco - Maryland, Case No. 9311</b>	
<b>Approved Rates by Customer Class Effective August 1, 2013</b>	

	Current Summer	Current Winter	Approved Summer	Approved Winter
<b>RESIDENTIAL</b>				
<b>SCHEDULE R</b>				
<b>Distribution Service Charge</b>				
Customer Charge (per month)	\$6.78	\$6.78	\$7.39	\$7.39
Kilowatt-hour Charge (per kWh)	\$0.03545	\$0.02059	\$0.04137	\$0.02460
<b>TIME METERED RESIDENTIAL</b>				
<b>SCHEDULE R-TM</b>				
<b>Distribution Service Charge</b>				
Customer Charge (per month)	\$14.56	\$14.56	\$15.86	\$15.86
Kilowatt-hour Charge (per kWh)	\$0.02009	\$0.02009	\$0.02366	\$0.02427
<b>GENERAL SERVICE</b>				
<b>SCHEDULE GS-LV</b>				
<b>Distribution Service Charge</b>				
Customer Charge (per month)	\$10.43	\$10.43	\$11.01	\$11.01
Kilowatt-hour Charge	\$0.04048	\$0.04048	\$0.04400	\$0.02445

# Pepco– Maryland

## Case No. 9311

Pepco - Maryland, Case No. 9311				
Approved Rates by Customer Class Effective August 1, 2013				
	Current Summer	Current Winter	Approved Summer	Approved Winter
<b>TIME METERED MEDIUM GENERAL SERVICE - LOW VOLTAGE</b>				
<b>SCHEDULE MGT_LV</b>				
<b>Distribution Service Charge</b>				
Customer Charge (per month)	\$38.53	\$38.53	\$40.67	\$40.67
Kilowatt-hour Charge (per kWh)	\$0.01152	\$0.01152	\$0.01310	\$0.01310
Kilowatt Charge				
On Peak (per kW)	\$2.93090	--	\$3.13470	--
Maximum (per kW)	\$1.12450	\$1.12450	\$1.20270	\$1.20270
<b>TIME METERED MEDIUM GENERAL SERVICE - PRIMARY SERVICE</b>				
<b>SCHEDULE MGT-3A</b>				
<b>Distribution Service Charge</b>				
Customer Charge (per month)	\$39.25	\$39.25	\$39.25	\$39.25
Kilowatt-hour Charge (per kWh)	\$0.01048	\$0.01048	\$0.01158	\$0.01158
Kilowatt Charge				
On Peak (per kW)	\$2.73510		\$2.73510	--
Maximum (per kW)	\$1.05470	\$1.05470	\$1.05470	\$1.05470
<b>TIME METERED GENERAL SERVICE - LOW VOLTAGE</b>				
<b>SCHEDULE GT-LV</b>				
<b>Distribution Service Charge</b>				
Customer Charge (per month)	\$313.08	\$313.08	\$330.49	\$330.49
Kilowatt-hour Charge (per kWh)	0.01035	0.01035	\$0.01248	\$0.01248
Kilowatt Charge				
On Peak (per kW)	\$2.90700	--	\$3.11	--
Maximum (per kW)	\$1.28470	\$1.28470	\$1.37400	\$1.37400



# Pepco– Maryland

## Case No. 9311

<b>Pepco - Maryland, Case No. 9311</b>				
<b>Approved Rates by Customer Class Effective August 1, 2013</b>				
	<b>Current Summer</b>	<b>Current Winter</b>	<b>Approved Summer</b>	<b>Approved Winter</b>
<b>TIME METERED GENERAL SERVICE - HIGH VOLTAGE</b>				
<b>SCHEDULE GT-3B</b>				
<b>Distribution Service Charge</b>				
Customer Charge (per month)	\$315.34	\$315.34	\$315.34	\$315.34
Kilowatt-hour Charge (per kWh)	\$0.00395	\$0.00395	\$0.00515	\$0.00515
Kilowatt Charge				
On Peak (per kW)	\$1.20900		\$1.20900	--
Maximum (per kW)	\$0.57060	\$0.57060	\$0.57060	\$0.57060
<b>TIME METERED GENERAL SERVICE - PRIMARY SERVICE</b>				
<b>SCHEDULE GT-3A</b>				
<b>Distribution Service Charge</b>				
Customer Charge (per month)	\$281.38	\$281.38	\$297.03	\$297.03
Kilowatt-hour Charge (per kWh)	\$0.00642	\$0.00642	\$0.00752	\$0.00752
Kilowatt Charge				
On Peak (per kW)	1.89310	--	\$2.02470	--
Maximum (per kW)	0.80650	0.80650	\$0.86260	\$0.86260

# Pepco– Maryland Case History

## Summary of Pepco Rate Increase Applications and Results Maryland

