

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1325 G STREET, NW, SUITE 800
WASHINGTON, DC 20005

FORMAL CASE NO. 1156, IN THE MATTER OF THE APPLICATION OF THE
POTOMAC ELECTRIC POWER COMPANY FOR AUTHORITY TO
IMPLEMENT A MULTIYEAR RATE PLAN FOR ELECTRIC DISTRIBUTION
SERVICE IN THE DISTRICT OF COLUMBIA

PUBLIC NOTICE

1. The Public Service Commission of the District of Columbia (Commission) hereby gives notice of the Potomac Electric Power Company’s (“Pepco” or “Company”) solicitation through a Request for Proposal (RFP) process for an experienced independent audit firm to comprehensively evaluate the processes, procedures, mechanics, and internal controls for Pepco’s revenue decoupling/ratemaking mechanism, known as the Bill Stabilization Adjustment (BSA). The BSA ratemaking process affects the monthly bills of about 328,000 electric distribution utility customers within the District of Columbia (“District” or “DC”), as well as the ratemaking books and the Generally Accepted Accounting Principles (“GAAP”) accounting records of Pepco for its DC operations. Pepco’s BSA was litigated in *Formal Case No. 1156*, Pepco’s most recent electric utility distribution rate case, which resulted in the June 8, 2021, Order No. 20755 directing the audit of the BSA.¹

2. The proposed audit will accomplish a number of over-arching objectives including independently: a) evaluating the timing, impact and magnitude of the billing determinant error that was identified during *Formal Case No. 1156*; b) confirming that current BSA processes and procedures are properly and timely executed as designed; c) confirming that current Pepco BSA internal controls are properly and timely executed; d) identifying any recommended process and procedural improvements, as well as any recommended changes in existing internal controls or new internal controls; and e) conducting a comprehensive review of Pepco’s BSA deferral balances by customer class, with an overall determination of the breakdown of BSA deferral balances by key drivers for each customer class. The audit firm must take into consideration best practices in the industry when evaluating Pepco’s BSA. The BSA evaluation engagement will cover the period September 1, 2018 through March 31, 2022.

3. To obtain the BSA RFP, please contact Tyler Wolverton at tyler.wolverton@pepcoholdings.com or Matt Bonikowski at matthew.bonikowski@exeloncorp.com. The RFP can also be viewed by visiting the Commission’s website at www.dcpsc.org. Once at the website, open the “eDocket” tab, click on

¹ *Formal Case No. 1156* (“*Formal Case No. 1156*”), *In the Matter of the Application of Potomac Electric Power Company for Authority to Implement a Multiyear Rate Plan for Electric Distribution Service in the District of Columbia*, Order No. 20755, ¶ 425, rel. June 8, 2021; *Formal Case No. 1156*, Order No. 21042, ¶ 203, rel. October 26, 2021.

“search database” and input “FC 1156” as the case number and “841” as the item number . All RFP responses must be submitted no later than August 1, 2022.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:

CHIEF CLERK:

**BRINDA WESTBROOK-SEDGWICK
COMMISSION SECRETARY**