



February 27, 2024

Via Electronic Filing

Brinda Westbrook-Sedgwick Commission
Secretary
Public Service Commission of the District of Columbia
1325 G Street, NW, Suite 800
Washington, DC 20005

RE: Formal Case No. 1176
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
Rebuttal Testimony of the General Services Administration Exhibit GSA (A)

Dear Ms. Westbrook-Sedgwick:

Enclosed please find the Rebuttal Testimony of Dr. Dennis Goins on behalf of the
United States General Services Administration in the above referenced proceeding.

If there are any questions regarding this matter, please contact me at (202) 969-7136.

Sincerely,

/s/ Kristi Singleton

Kristi Singleton
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Real Property Division (LR)
General Services Administration
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Enclosure

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Rebuttal Testimony of Dr. Dennis Goins has been served this February 27, 2024 on the parties, including:

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**DISTRICT OF COLUMBIA
BEFORE THE
PUBLIC SERVICE COMMISSION**

FORMAL CASE NO. 1176

**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**

**REBUTTAL TESTIMONY OF
DENNIS W. GOINS, PH.D.
ON BEHALF OF THE
UNITED STATES
GENERAL SERVICES ADMINISTRATION**

February 27, 2024

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**DISTRICT OF COLUMBIA
BEFORE THE
PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF THE APPLICATION OF POTOMAC)
ELECTRIC POWER COMPANY FOR AUTHORITY TO) FORMAL CASE No. 1176
IMPLEMENT A MULTIYEAR RATE PLAN FOR ELECTRIC)
DISTRIBUTION SERVICE IN THE DISTRICT OF COLUMBIA)**

**REBUTTAL TESTIMONY OF
DENNIS W. GOINS. PH.D.
ON BEHALF OF THE
UNITED STATES GENERAL SERVICES ADMINISTRATION**

INTRODUCTION AND QUALIFICATIONS

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Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.

A. My name is Dennis W. Goins. I operate Potomac Management Group, an economics and management consulting firm. My business address is 2828 Moorings Way SE, Southport, NC 28461.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.

A. I received a Ph.D. degree in economics and a Master of Economics degree from North Carolina State University. I also earned a B.A. degree with honors in economics from Wake Forest University. I began my professional career as a staff economist at the North Carolina Utilities Commission (NCUC). Since leaving the NCUC, I have worked as an economic and

1 management consultant to firms and organizations in the private and public
2 sectors. My assignments focus primarily on policy, planning, and pricing
3 issues involving firms that operate in energy markets. For example, I have
4 conducted detailed analyses of product pricing, cost of service, rate design,
5 and interutility planning, operations, and pricing issues; prepared analyses
6 related to utility mergers, transmission access and pricing, and the
7 development of competitive markets; evaluated and developed regulatory
8 incentive mechanisms applicable to utility operations; and assisted clients
9 in analyzing and negotiating operating agreements and energy supply
10 contracts.

11 I have submitted testimony and affidavits and provided technical
12 assistance in more than 200 proceedings before state and federal agencies
13 as an expert in cost of service, rate design, competitive market issues,
14 regulatory policy, and utility planning and operating practices. These
15 agencies include the Federal Energy Regulatory Commission, the
16 Government Accountability Office, state courts in Iowa, Montana, and
17 West Virginia, and regulatory agencies in Alabama, Arizona, Arkansas,
18 Colorado, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kansas,
19 Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota,
20 Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio,
21 Oklahoma, Pennsylvania, South Carolina, Texas, Utah, Vermont, Virginia,
22 West Virginia, Wyoming, and the District of Columbia.¹

¹ See Exhibit GSA (A)-1.

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS**
2 **COMMISSION?**

3 **A.** Yes. I previously filed testimony in Formal Case Nos. 869, 1053, 1076,
4 1087, 1103, 1116, 1121, 1137, 1139, 1142, 1156, 1162, and 1169.

5 **Q. ON WHOSE BEHALF ARE YOU APPEARING IN THIS**
6 **PROCEEDING?**

7 **A.** I am appearing on behalf of the United States General Services
8 Administration (GSA), which represents the Federal Executive Agencies—
9 that is, all federal facilities in the District of Columbia served by Potomac
10 Electric Power Company (Pepco).

11 **Q. DID YOU FILE DIRECT TESTIMONY IN THIS CASE?**

12 **A.** No.

13 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

14 **A.** The purpose of my testimony is to respond to portions of the direct
15 testimony of Dr. David Dismukes, witness for the Office of the People's
16 Counsel (OPC) for the District of Columbia, concerning the allocation of
17 revenue increases Pepco has requested in this case.

18 **Q. WHAT INFORMATION DID YOU REVIEW IN PREPARING**
19 **YOUR REBUTTAL TESTIMONY?**

20 **A.** I reviewed Pepco's application, testimony, exhibits, and responses to
21 various data requests, as well as direct testimony filed by OPC, the
22 Apartment and Office Building Association of Metropolitan Washington

1 (AOBA), and the District of Columbia Government.² I also reviewed orders
2 and testimony from selected prior rate cases involving Pepco before this
3 Commission. Finally, I reviewed other publicly available information
4 related to issues addressed in my testimony.

5 **Q. ARE YOU SPONSORING ANY EXHIBITS TO ACCOMPANY**
6 **YOUR REBUTTAL TESTIMONY?**

7 **A.** Yes. I am sponsoring the following exhibits:

8 ■ GSA (A)-1 – Qualifications of Dennis W. Goins

9 ■ GSA (A)-2 – Selected Data Request Responses.

10 The testimony and attached exhibits were prepared by me or under my
11 direct supervision and control. I relied on my personal knowledge and
12 expertise in developing my testimony and exhibits, as well as on the
13 materials noted above.

14 **CONCLUSIONS AND RECOMMENDATIONS**

15 **Q. WHAT CONCLUSIONS HAVE YOU REACHED REGARDING**
16 **WITNESS DISMUKES' DIRECT TESTIMONY REGARDING**
17 **CLASS REVENUE DISTRIBUTION?**

18 **A.** I have concluded the following:

19 1. Pepco proposed a four-step revenue allocation methodology (4-Step
20 Method) to spread rate increases across customer classes in both its
21 Multiyear Rate Plan (MYP) and Traditional Test Year (TTY) filings in

² My decision not to address the testimony of other witnesses who filed direct testimony in this case should not be construed as my agreement with or endorsement of the conclusions reached or recommendations made in their testimony.

1 this case. The 4-Step Method directly addresses the negative rate of
2 return (ROR) issue acknowledged by the Commission in prior cases by
3 allocating a greater-than-system-average increase to the residential
4 class, resulting in minor movement in the class's ROR towards cost of
5 service (that is, an ROR equal to the system average ROR).³ Despite
6 Pepco's effort to address the huge residential subsidy problem, the
7 company's proposed residential rates in this case still produce a
8 negative ROR for the class. That is, under Pepco's proposed rates and
9 revenue spread, residential distribution rates will continue to be far
10 below Pepco's cost of service.

11 2. In his direct testimony, OPC Witness Dismukes criticizes Pepco's
12 recommended class allocations of the company's proposed revenue
13 increases, and urges the Commission to ignore the huge interclass
14 revenue subsidies in Pepco's current and proposed rates. Instead, Dr.
15 Dismukes proposes a revenue spread that will perpetuate and
16 exacerbate the annual \$100-million plus subsidy for residential
17 customers.⁴

³ A class ROR equal to the system average ROR implies a rate of return index equal to 1.0. This index is commonly used in a unity rate of return (UROR) analysis in which class RORs are compared to the system average ROR. A class UROR equal to 1.0 indicates that rates for the class are sufficient to cover the utility's cost of serving the class. A UROR greater than 1.0 implies rates higher than cost of service, while a UROR less than 1.0 implies rates below cost of service.

⁴ See Exhibit OPC (A) at 37:1–52:6.

1 **Q. WHAT DO YOU RECOMMEND ON THE BASIS OF THESE**
2 **CONCLUSIONS?**

3 **A.** I recommend that the Commission reject Witness Dismukes' proposed class
4 revenue allocation. His recommended allocation perpetuates a gross rate
5 inequity that results in Pepco's non-residential customers being arbitrarily
6 forced to pay more than \$100 million annually to subsidize electric
7 distribution service for the company's DC residential customers. Contrary
8 to Witness Dismukes, this subsidy is unjustified on any reasonable grounds
9 of fairness and responsible ratemaking as demonstrated by the simple fact
10 that such huge, chronic residential subsidies and negative RORs are not
11 reflected in Pepco's Maryland rates.⁵ Compared to Dr. Dismukes' proposed
12 revenue allocation, Pepco's 4-Step Method proposal makes a meaningful
13 effort to address the residential subsidy problem and reflects the minimum
14 residential rate increase that should be considered in this case (assuming
15 Pepco receives its full requested increase).

16 **REBUTTAL TO OPC WITNESS DISMUKES**

17 **Q. HOW DID PEPCO ALLOCATE ITS PROPOSED MYP AND TTY**
18 **RATE INCREASES?**

19 **A.** Pepco used the 4-Step Method that it introduced in Formal Case No. 1156
20 to spread its proposed rate increase across customer classes in both the MYP
21 and the TTY rate filings. The 4-Step Method, which is described in the

⁵ See Exhibit GSA (A)-2 at AOBA Response to Pepco 1-4. I concur with AOBA's response. Also, in its ongoing MYP case in Maryland (Case No. 9702), Pepco presented testimony indicating that none of its rate classes had a test-year negative ROR. See Maryland Public Service Commission, Case No. 9702, Exhibit Pepco (PRB) at 13:20-21.

1 direct (MYP) and supplemental direct (TTY) testimony of Pepco witness
2 Matthew Bonikowski,⁶ spreads Pepco’s proposed revenue increases in a
3 way that moves rates for classes closer to cost of service without subjecting
4 any class to rate shock from an unacceptably high increase. A primary
5 objective of the 4-Step Method is to address the longstanding negative rate
6 of return problem⁷ for the residential class without rate shock.⁸

7 **Q. HAVE NEGATIVE RESIDENTIAL RATES OF RETURN BEEN A**
8 **CHRONIC PROBLEM FOR PEPCO?**

9 **A.** Yes. The problem has existed for around two decades. Although the
10 Commission has recognized the problem and attempted to address it, efforts
11 to eliminate negative RORs have met with limited success as the
12 Commission acknowledged in Formal Case No. 1103:⁹

13 In Formal Case No. 1087, the Commission stated that its policy is
14 “to move in a deliberate and reasonable fashion over a series of
15 Pepco rate cases to put an end to negative class RORs.”

⁶ See Exhibit Pepco (E) at 10:1–19:16 and Pepco (2E) at 2:8–7, Table 2.

⁷ A negative class ROR indicates that rates for the class neither provide a return on Pepco’s distribution investment, nor cover the class’s assigned responsibility for Pepco’s operating costs.

⁸ The 4-Step Method also includes a UROR analysis—an index-based measure of how well rates for a particular customer class do in covering that class’s assigned cost responsibility (as determined by results from Pepco’s class cost-of-service study). The UROR for a particular rate class is simply the class’s ROR from the cost-of-service analysis divided by the system average ROR. A class UROR equal to 1.0—that is class ROR equal to system average ROR—means the class’s rate revenue exactly covers the class’s assigned cost responsibility. In contrast, a UROR greater than unity indicates rates above cost of service, while a UROR less than unity indicates rates below cost of service. A negative UROR means the class ROR is negative, which, as I mentioned earlier, indicates that the class’s rates are not only below cost of service, but also provide no return on Pepco’s investment or even cover assigned operating costs.

⁹ See District of Columbia Public Service Commission, Formal Case No. 1103, Order No. 17424 (Order 17424) at ¶¶ 436 and 438 (March 26, 2014).

1 Unfortunately, little progress had been made toward that end over
2 the last several Pepco rate cases.

3

4 [R]esidential rates in the District of Columbia continue to be highly
5 subsidized. Without taking action, the situation will only worsen as
6 the number of residents in the District has been increasing.
7 Requiring other rate classes (primarily the commercial classes) to
8 substantially subsidize the cost of serving residential customers over
9 an extended period of time has raised questions of equity in a system
10 that seeks to align rates with cost-causation.

11 **Q. WHAT IS THE ESTIMATED SUBSIDY THAT RESIDENTIAL**
12 **CUSTOMERS RECEIVE UNDER CURRENT RATES?**

13 **A.** According to Pepco, the total annual subsidy under current rates is more
14 than \$132 million.¹⁰

15 **Q. DID PEPCO’S PROPOSED REVENUE SPREAD USING THE 4-**
16 **STEP METHOD MOVE RESIDENTIAL RATES CLOSER TO COST**
17 **OF SERVICE?**

18 **A.** Yes. UROR results from Pepco’s proposed revenue spread using the 4-Step
19 Method indicate that residential rates are moved closer to cost of service.
20 The allocated increases moved major rate classes closer to unity UROR—
21 indicating movement toward cost of service. However, the residential ROR
22 remained negative and the post-allocation UROR stayed below zero.¹¹

¹⁰ See Exhibit Pepco (E) at 10, Table 2.

¹¹ See *id.* at 17, Table 3.

1 **Q. WILL PEPCO'S REVENUE ALLOCATION REDUCE THE**
2 **RESIDENTIAL RATE SUBSIDY?**

3 **A.** We do not know with certainty since the result depends on multiple
4 unknown factors such as the Commission-approved ROR in this case and
5 potential exogenous factors that influence class RORs during the term of an
6 MYP. However, Pepco provided a conditional analysis showing that even
7 with an expected improvement in class UROR and an above-average rate
8 increase resulting from Pepco's proposed rates and requested ROR, the
9 annual residential subsidy during the MYP's term could remain in excess
10 of \$100 million.¹²

11 **Q. PLEASE DESCRIBE OPC WITNESS DISMUKES' CRITICISM OF**
12 **PEPCO'S PROPOSED REVENUE SPREAD.**

13 **A.** Dr. Dismukes acknowledges that Pepco's revenue spread using the 4-Step
14 Method is designed to address the negative ROR problem by moving rates
15 at least somewhat closer to cost of service. He also does not dispute Pepco's
16 estimate of the annual \$100-million plus interclass rate subsidy received by
17 residential customers. Nonetheless, he concludes that Pepco's revenue
18 spread:¹³

19 ...will not resolve the problem because it is based upon a static, and
20 not dynamic view, of the Company's cost trends and CCOSS [class
21 cost-of-service study] results. The results of the analysis I described
22 above suggest that costs historically were simply increasing at rates
23 faster than those that could reasonably be allocated to residential
24 customers.

¹² See Exhibit GSA (A)-2 at Pepco Response to AOBA 4-5.

¹³ See Exhibit OPC (A) at 48:3-9.

1 Dr. Dismukes then concludes that the Commission will never be able to
2 reconcile its goal of *eliminating* negative class RORs while supporting the
3 large rate increases associated with Pepco’s spending plans.¹⁴

4 **Q. HAS ANY PARTY IN THIS CASE PROPOSED A REVENUE**
5 **SPREAD THAT ELIMINATES THE RESIDENTIAL NEGATIVE**
6 **ROR?**

7 **A.** No. As I noted earlier, even under Pepco’s revenue spread that Dr.
8 Dismukes criticizes, the projected annual residential subsidy will exceed
9 \$100 million.

10 **Q. DID OPC WITNESS DISMUKES PROVIDE ANY INSIGHT ON**
11 **THE MAGNITUDE AND GROWTH OF THE RESIDENTIAL**
12 **SUBSIDY FOR THE PAST TWO DECADES?**

13 **A.** No. In his direct testimony Dr. Dismukes acknowledges the long history of
14 the DC residential negative ROR problem, but he avoids any detailed
15 discussion of the dollar magnitude and growth of the residential subsidy—
16 and the related rate impacts on non-residential customers that have been
17 forced to pay this subsidy.¹⁵

¹⁴ See *id.* at 48:10-14.

¹⁵ See, for example, Exhibit Pepco (E) at 10, Table 2 for a summary of the history and magnitude of the residential rate subsidy issue.

1 **Q. SHOULD THE COMMISSION REASSESS ITS GOAL OF**
2 **ELIMINATING NEGATIVE RATES OF RETURN AND MOVING**
3 **RATES CLOSER TO COST OF SERVICE?**

4 **A.** No. The Commission's oft-stated objective of eliminating negative class
5 RORs and moving rates for all classes closer to cost of service has been,
6 and remains, the right goal and should not be abandoned. The current
7 subsidy has created rates so skewed in favor of the residential class that they
8 cannot reasonably be said to reflect cost causation or a fair sharing of costs
9 among Pepco's customers. Unless tangible steps are taken in this case and
10 subsequent cases to reduce the subsidy, the problem will only continue to
11 get worse.

12 **Q. IS WITNESS DISMUKES CORRECT THAT THE NEGATIVE**
13 **CLASS ROR PROBLEM CANNOT BE SOLVED BY ASSIGNING**
14 **DISPROPORTIONATE RATE INCREASES TO UNDER-EARNING**
15 **RATE CLASSES?**

16 **A.** No. Only disproportionately large and consistent rate increases can
17 effectively address the enormous rate subsidy (negative ROR) problem. Dr.
18 Dismukes implies that the Commission has made a concerted but
19 unsuccessful effort in the past to address this problem with
20 disproportionately large rate increases for under-earning classes. That is
21 simply not true. I have addressed the residential rate subsidy problem in a
22 number of Pepco rate cases, and I know of no case in the past 20 years in
23 which the Commission has increased residential rates sufficiently to
24 eliminate the class's negative ROR—much less move the return closer to
25 system average. While the Commission has approved above-average rate

1 increases for under-earning classes in numerous cases, the increases simply
2 have not gone far enough and been consistently applied in subsequent rate
3 cases to move rates—particularly residential rates—significantly closer to
4 cost of service. Of course, without the Commission’s efforts in previous
5 cases, the situation would now be far worse. Nevertheless, contrary to Dr.
6 Dismukes’ criticism, addressing negative class RORs through
7 disproportionate rate increases is simply a strategy that has not been fully
8 and consistently implemented to the level necessary to achieve the ultimate
9 goal. Increasing a grossly under-earning class’s rates by significantly more
10 than the system average increase is an effective and sufficient ratemaking
11 strategy only if the disproportionate increase is actually large enough to
12 make significant progress toward solving the problem.

13 Dr. Dismukes is also wrong when he implies that Pepco’s current capital
14 investment spending is driving the negative ROR problem and its associated
15 interclass rate subsidies. Residential rate subsidies have been a stubborn
16 and persistent problem going back at least two decades—long before
17 Pepco’s current expanded capex program. Abandoning the Commission’s
18 sensible goal of moving rates closer to cost of service makes absolutely no
19 sense from a ratemaking, fairness, or public policy standpoint. While
20 increased capital spending unaccompanied by sufficient residential rate
21 increases may contribute to the subsidy problem, it is not an excuse for not
22 taking reasonable steps to contain and reduce—if possible—the residential
23 rate subsidy.

1 **Q. HAVE THE COMMISSION'S PAST RATE ORDERS**
2 **CONSISTENTLY ADDRESSED THE RESIDENTIAL NEGATIVE**
3 **ROR AND SUBSIDY ISSUES?**

4 **A.** No. While the Commission has correctly recognized the need to eliminate
5 interclass subsidies and has taken some steps to address the issue, residential
6 rates simply have not been increased enough in successive rate cases to
7 eliminate the negative ROR problem. For example, in Formal Case No.
8 1103 (2014) the Commission assigned 47 percent of Pepco's approved rate
9 increase to residential customers, resulting in a larger increase to residential
10 base rates compared to the system average increase.¹⁶ Even though the
11 Commission recognized that this increase was disproportionately large, it
12 also acknowledged that the increase would still result in a negative ROR for
13 the residential class.¹⁷ Three years later (2017) in Formal Case No. 1139
14 the Commission reversed course and assigned only 20 percent of Pepco's
15 \$36.9 million rate increase to residential customers—resulting in a less-
16 than-system-average rate increase for the under-earning class.¹⁸

17 **Q. HOW DOES WITNESS DISMUKES ADDRESS THE REVENUE**
18 **SPREAD ISSUE AND THE HUGE RESIDENTIAL RATE SUBSIDY**
19 **PROBLEM?**

20 **A.** Dr. Dismukes essentially wants the Commission to ignore the negative
21 ROR and associated rate subsidy problems.¹⁹ For example, he recommends

¹⁶ Order No. 17424 at ¶437.

¹⁷ *Id.* at ¶438.

¹⁸ District of Columbia Public Service Commission, Formal Case No. 1139, Order No. 18846 at ¶¶455-456 (July 25, 2017).

¹⁹ *See* Exhibit OPC (A) at 48:10–49:2.

1 increasing residential rates by only 1.25 times the system average increase
2 (versus Pepco's proposed 2.3 times average increase).²⁰ That is, while Dr.
3 Dismukes at least recognizes the need to give the residential class a rate
4 increase above the system average increase, his proposed revenue spread
5 does almost nothing to address the annual \$100 million-plus rate subsidy
6 paid by non-residential customers.

7 **Q. HOW DOES WITNESS DISMUKES JUSTIFY HIS PROPOSAL?**

8 **A.** Dr. Dismukes says the following:

9 High allocations of any rate increase onto under-earning rate classes,
10 as proposed by Pepco, should not be approved until the Commission
11 can be assured that any enhanced residential revenue responsibility
12 allocation will lead to an improvement in its estimated RROR.²¹

13 **Q. IS DR. DISMUKES' JUSTIFICATION REASONABLE?**

14 **A.** No. Measures such as UROR only tell us how a rate class's ROR stands
15 relative to the system average return. They tell us nothing about the real-
16 world financial costs on over-earning classes caused by consistently setting
17 rates for the residential class far below cost of service. By focusing solely
18 on UROR, Dr. Dismukes ignores that non-residential customers actually
19 pay for the multi-million annual residential subsidy.

²⁰ See *id.* at 51:6–52:6 and Exhibit OPC (A)-7.

²¹ See Exhibit OPC (A) at 51:13-16. As used in Dr. Dismukes' testimony, RROR is equivalent to UROR.

1 **Q. WILL THE RESIDENTIAL RATE SUBSIDY UNDER WITNESS**
2 **DISMUKES' REVENUE SPREAD BE GREATER THAN THE**
3 **SUBSIDY UNDER PEPCO'S PROPOSED REVENUE SPREAD?**

4 **A.** Yes. The subsidy under Dr. Dismukes' revenue spread will be greater
5 regardless of the allowed revenue increase in this case.

6 **Q. ARE PROGRAMS IN PLACE TO HELP PROTECT LOW- TO**
7 **MODERATE-INCOME RESIDENTIAL CUSTOMERS FROM**
8 **DISPROPORTIONATE RATE INCREASES THAT ADDRESS THE**
9 **SUBSIDY PROBLEM?**

10 **A.** Yes. Pepco classifies approximately 12 percent (around 38,000) of its
11 residential customers as low- to moderate-income (LMI) based on their
12 enrollment in energy assistance programs.²² Of these LMI customers, about
13 68 percent (around 26,000) are enrolled in the RAD Program, which
14 insulates participants from distribution rate increases.²³

15 **Q. DOES WITNESS DISMUKES EXPRESS ANY CONCERN FOR**
16 **NON-RESIDENTIAL CUSTOMERS THAT ANNUALLY PAY THE**
17 **HUGE INTERCLASS RATE SUBSIDY TO SUPPORT**
18 **DISTRIBUTION SERVICE FOR RESIDENTIAL CUSTOMERS?**

19 **A.** No. Dr. Dismukes expresses no concern for non-residential customers that
20 are paying more than \$100 million annually to subsidize residential rates.
21 However, the Commission must balance and protect the interests of *all*

²² See Exhibit GSA (A)-2 at Pepco Response to OPC 3-34. Of note is the fact that around 88 percent of Pepco's residential customers would be classified as non-LMI customers.

²³ See *id.* at Pepco Response to OPC 3-45.

1 ratepayers and should do everything possible to ensure that this
2 embarrassingly huge subsidy does not grow larger. I know of no other
3 electric distribution company in the United States with persistent negative
4 ROR and residential rate subsidy problems comparable to Pepco's. It is
5 fundamentally unfair for one class of customers to pay rates so low that they
6 do not cover operating costs, let alone a reasonable share of the capital cost
7 of Pepco's system, while other customers pick up the slack by paying rates
8 far in excess of costs they actually cause. In my view, Dr. Dismukes'
9 revenue spread recommendation would result in rates that are unjust,
10 unreasonable, and unduly discriminatory, and therefore should be rejected.

11 **Q. DOES THIS COMPLETE YOUR REBUTTAL TESTIMONY?**

12 **A.** Yes.

**QUALIFICATIONS OF
DENNIS W. GOINS**

PRESENT POSITION

Economic Consultant, Potomac Management Group, Southport, NC

PREVIOUS POSITIONS

- Vice President, Hagler, Bailly & Company, Washington, DC
- Principal, Resource Consulting Group, Inc., Cambridge, MA
- Senior Associate, Resource Planning Associates, Inc., Cambridge, MA
- Economist, North Carolina Utilities Commission, Raleigh, NC

EDUCATION

College	Major	Degree
Wake Forest University	Economics	BA
North Carolina State University	Economics	ME
North Carolina State University	Economics	PhD

RELEVANT EXPERIENCE

Dr. Goins specializes in pricing, planning, and market structure issues affecting firms that buy and sell products in electricity and natural gas markets. He has extensive experience in developing product pricing strategies, setting rates for energy-related products and services, negotiating power supply and natural gas contracts for private and public entities, evaluating competitive market conditions, and analyzing power and fuel requirements, prices, market operations, and transactions. He has participated in more than 200 cases as an expert on cost of service, rate design, competitive market issues, utility restructuring, power market planning and operations, utility mergers, and management prudence before the Federal Energy Regulatory Commission, the General Accounting Office (now the Government Accountability Office), the First Judicial District Court of Montana, the Circuit Court of Kanawha County, West Virginia, the Linn County District Court of Iowa, and regulatory commissions in Alabama, Arizona, Arkansas, Colorado, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas, Utah, Vermont, Virginia, West Virginia, Wyoming, and the

District of Columbia. He has also prepared an expert report on behalf of the United States regarding electricity pricing and contract issues in a case before the United States Court of Federal Claims.

PARTICIPATION IN REGULATORY, ADMINISTRATIVE, AND COURT PROCEEDINGS

1. Washington Gas Light Company, before the Maryland Public Service Commission, Case No. 9704 (2023), on behalf of the General Services Administration, re cost of service and retail rate design.
2. Ohio Edison *et al.*, before the Public Utilities Commission of Ohio, Case No. 23-301-EL-SSO, (2023), on behalf of Nucor Steel Marion, Inc., re standard service offer and demand response.
3. Washington Gas Light Company, before the District of Columbia Public Service Commission, Formal Case No. 1169 (2022), on behalf of the General Services Administration, re cost of service and retail rate design.
4. Washington Gas Light Company, before the District of Columbia Public Service Commission, Formal Case No. 1162 (2020), on behalf of the General Services Administration, re cost of service and retail rate design.
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157. Carolina Power & Light Company, *et al.*, Proceeding Regarding Consideration of Certain Standards Pertaining to Wholesale Power Purchases Pursuant to Section 712 of the 1992 Energy Policy Act, before the South Carolina Public Service Commission, Docket No. 92-231-E (1993), on behalf of Nucor Steel-Darlington, re Section 712 regulations.

158. Mountain Fuel Supply Company, before the Public Service Commission of Utah, Docket No. 93-057-01 (1993), on behalf of Nucor Steel-Utah, re costing and pricing retail natural gas firm, interruptible, and transportation services.
159. Texas Utilities Electric Company, before the Public Utility Commission of Texas, Docket No. 11735 (1993), on behalf of the Texas Retailers Association, re retail cost-of-service and rate design.
160. Virginia Electric and Power Company, before the Virginia State Corporation Commission, Case No. PUE920041 (1993), on behalf of Philip Morris USA, re cost of service and retail rate design.
161. Carolina Power & Light Company, before the South Carolina Public Service Commission, Docket No. 92-209-E (1992), on behalf of Nucor Steel-Darlington.
162. Gulf States Utilities Company, before the Louisiana Public Service Commission, Docket No. U-17282, Rate Design (1992), on behalf of the Department of Energy, Strategic Petroleum Reserve.
163. Georgia Power Company, before the Georgia Public Service Commission, Docket Nos. 4091-U and 4146-U (1992), on behalf of Amicalola Electric Membership Corporation.
164. PacifiCorp, Inc., before the Federal Energy Regulatory Commission, Docket No. EC88-2-007 (1992), on behalf of Nucor Steel-Utah.
165. South Carolina Pipeline Corporation, before the South Carolina Public Service Commission, Docket No. 90-452-G (1991), on behalf of Nucor Steel-Darlington.
166. Carolina Power & Light Company, before the South Carolina Public Service Commission, Docket No. 91-4-E, 1991 Fall Hearing, on behalf of Nucor Steel-Darlington.
167. Sonat, Inc., and North Carolina Natural Gas Corporation, before the North Carolina Utilities Commission, Docket No. G-21, Sub 291 (1991), on behalf of Nucor Corporation, Inc.
168. Northern States Power Company, before the Minnesota Public Utilities Commission, Docket No. E002/GR-91-001 (1991), on behalf of North Star Steel-Minnesota.
169. Gulf States Utilities Company, before the Louisiana Public Service Commission, Docket No. U-17282, Phase IV-Rate Design (1991), on behalf of the Department of Energy, Strategic Petroleum Reserve.

170. Houston Lighting & Power Company, before the Public Utility Commission of Texas, Docket No. 9850 (1990), on behalf of the Department of Energy, Strategic Petroleum Reserve.
171. General Services Administration, before the United States General Accounting Office, Contract Award Protest (1990), Solicitation No. GS-00P-AC87-91, Contract No. GS-00D-89-B5D-0032, on behalf of Satilla Rural Electric Membership Corporation, re cost of service and rate design.
172. Carolina Power & Light Company, before the South Carolina Public Service Commission, Docket No. 90-4-E (1990 Fall Hearing), on behalf of Nucor Steel-Darlington, re fuel-cost recovery.
173. Gulf States Utilities Company, before the Louisiana Public Service Commission, Docket No. U-17282, Phase III-Rate Design (1990), on behalf of the Department of Energy, Strategic Petroleum Reserve, re cost of service and rate design.
174. Atlanta Gas Light Company, before the Georgia Public Service Commission, Docket No. 3923-U (1990), on behalf of Herbert G. Burris and Oglethorpe Power Corporation, re anticompetitive pricing schemes.
175. Ohio Edison Company, before the Ohio Public Utilities Commission, Case No. 89-1001-EL-AIR (1990), on behalf of North Star Steel-Ohio, re cost of service and rate design.
176. Gulf States Utilities Company, before the Louisiana Public Service Commission, Docket No. U-17282, Phase III-Cost of Service/Revenue Spread (1989), on behalf of the Department of Energy, Strategic Petroleum Reserve.
177. Northern States Power Company, before the Minnesota Public Utilities Commission, Docket No. E002/GR-89-865 (1989), on behalf of North Star Steel-Minnesota.
178. Gulf States Utilities Company, before the Louisiana Public Service Commission, Docket No. U-17282, Phase III-Rate Design (1989), on behalf of the Department of Energy, Strategic Petroleum Reserve.
179. Utah Power & Light Company, before the Utah Public Service Commission, Case No. 89-039-10 (1989), on behalf of Nucor Steel-Utah and Vulcraft, a division of Nucor Steel.
180. Soyland Power Cooperative, Inc. v. Central Illinois Public Service Company, Docket No. EL89-30-000 (1989), before the Federal Energy Regulatory Commission, on behalf of Soyland Power Cooperative, Inc., re wholesale contract pricing provisions

181. Gulf States Utilities Company, before the Public Utility Commission of Texas, Docket No. 8702 (1989), on behalf of the Department of Energy, Strategic Petroleum Reserve.
182. Houston Lighting and Power Company, before the Public Utility Commission of Texas, Docket No. 8425 (1989), on behalf of the Department of Energy, Strategic Petroleum Reserve.
183. Northern Illinois Gas Company, before the Illinois Commerce Commission, Docket No. 88-0277 (1989), on behalf of the Coalition for Fair and Equitable Transportation, re retail gas transportation rates.
184. Carolina Power & Light Company, before the South Carolina Public Service Commission, Docket No. 79-7-E, 1988 Fall Hearing, on behalf of Nucor Steel-Darlington, re fuel-cost recovery.
185. Potomac Electric Power Company, before the District of Columbia Public Service Commission, Formal Case No. 869 (1988), on behalf of Peoples Drug Stores, Inc., re cost of service and rate design.
186. Carolina Power & Light Company, before the South Carolina Public Service Commission, Docket No. 88-11-E (1988), on behalf of Nucor Steel-Darlington.
187. Northern States Power Company, before the Minnesota Public Utilities Commission, Docket No. E-002/GR-87-670 (1988), on behalf of the Metalcasters of Minnesota.
188. Ohio Edison Company, before the Ohio Public Utilities Commission, Case No. 87-689-EL-AIR (1987), on behalf of North Star Steel-Ohio.
189. Carolina Power & Light Company, before the South Carolina Public Service Commission, Docket No. 87-7-E (1987), on behalf of Nucor Steel-Darlington.
190. Gulf States Utilities Company, before the Louisiana Public Service Commission, Docket No. U-17282, Phase I (1987), on behalf of the Strategic Petroleum Reserve.
191. Gulf States Utilities Company, before the Public Utility Commission of Texas, Docket No. 7195 (1987), on behalf of the Strategic Petroleum Reserve.
192. Gulf States Utilities Company, before the Federal Energy Regulatory Commission, Docket No. ER86-558-006 (1987), on behalf of Sam Rayburn G&T Cooperative.
193. Utah Power & Light Company, before the Utah Public Service Commission, Case No. 85-035-06 (1986), on behalf of the U.S. Air Force.

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194. Houston Lighting & Power Company, before the Public Utility Commission of Texas, Docket No. 6765 (1986), on behalf of the Strategic Petroleum Reserve.
195. Central Maine Power Company, before the Maine Public Utilities Commission, Docket No. 85-212 (1986), on behalf of the U.S. Air Force.
196. Gulf States Utilities Company, before the Public Utility Commission of Texas, Docket Nos. 6477 and 6525 (1985), on behalf of North Star Steel-Texas.
197. Ohio Edison Company, before the Ohio Public Utilities Commission, Docket No. 84-1359-EL-AIR (1985), on behalf of North Star Steel-Ohio.
198. Utah Power & Light Company, before the Utah Public Service Commission, Case No. 84-035-01 (1985), on behalf of the U.S. Air Force.
199. Central Vermont Public Service Corporation, before the Vermont Public Service Board, Docket No. 4782 (1984), on behalf of Central Vermont Public Service Corporation.
200. Gulf States Utilities Company, before the Louisiana Public Service Commission, Docket No. U-15641 (1983), on behalf of the Strategic Petroleum Reserve.
201. Southwestern Power Administration, before the Federal Energy Regulatory Commission, Rate Order SWPA-9 (1982), on behalf of the Department of Defense.
202. Public Service Company of Oklahoma, before the Federal Energy Regulatory Commission, Docket Nos. ER82-80-000 and ER82-389-000 (1982), on behalf of the Department of Defense.
203. Central Maine Power Company, before the Maine Public Utilities Commission, Docket No. 80-66 (1981), on behalf of the Commission Staff.
204. Bangor Hydro-Electric Company, before the Maine Public Utilities Commission, Docket No. 80-108 (1981), on behalf of the Commission Staff.
205. Oklahoma Gas & Electric, before the Oklahoma Corporation Commission, Docket No. 27275 (1981), on behalf of the Commission Staff.
206. Green Mountain Power, before the Vermont Public Service Board, Docket No. 4418 (1980), on behalf of the PSB Staff.
207. Williams Pipe Line, before the Federal Energy Regulatory Commission, Docket No. OR79-1 (1979), on behalf of Mapco, Inc.
208. Boston Edison Company, before the Massachusetts Department of Public Utilities, Docket No. 19494 (1978), on behalf of Boston Edison Company.

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209. Duke Power Company, before the North Carolina Utilities Commission, Docket No. E-7, Sub 173, on behalf of the Commission Staff.
210. Duke Power Company, before the North Carolina Utilities Commission, Docket No. E-100, Sub 32, on behalf of the Commission Staff.
211. Virginia Electric & Power Company, before the North Carolina Utilities Commission, Docket No. E-22, Sub 203, on behalf of the Commission Staff.
212. Virginia Electric & Power Company, before the North Carolina Utilities Commission, Docket No. E-22, Sub 170, on behalf of the Commission Staff.
213. Southern Bell Telephone Company, before the North Carolina Utilities Commission, Docket No. P-5, Sub 48, on behalf of the Commission Staff.
214. Western Carolina Telephone Company, before the North Carolina Utilities Commission, Docket No. P-58, Sub 93, on behalf of the Commission Staff.
215. Natural Gas Ratemaking, before the North Carolina Utilities Commission, Docket No. G-100, Sub 29, on behalf of the Commission Staff.
216. General Telephone Company of the Southeast, before the North Carolina Utilities Commission, Docket No. P-19, Sub 163, on behalf of the Commission Staff.
217. Carolina Power and Light Company, before the North Carolina Utilities Commission, Docket No. E-2, Sub 264, on behalf of the Commission Staff.
218. Carolina Power and Light Company, before the North Carolina Utilities Commission, Docket No. E-2, Sub 297, on behalf of the Commission Staff.
219. Duke Power Company, *et al.*, Investigation of Peak-Load Pricing, before the North Carolina Utilities Commission, Docket No. E-100, Sub 21, on behalf of the Commission Staff.
220. Investigation of Intrastate Long Distance Rates, before the North Carolina Utilities Commission, Docket No. P-100, Sub 45, on behalf of the Commission Staff.

SELECTED DATA REQUEST RESPONSES

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOPA DATA REQUEST NO. 4

QUESTION NO. 1

Re: Exhibit Pepco (E), page 4, line 5, through page 5, line 17. Please:

- a. Identify each Order, page and paragraph that witness Bonikowski relies upon, other than Order No. 20755, when he references the Commission’s recognition of “gradualism” in “recent previous decisions.”
- b. Provide citations to the Commission guidance that witness Bonikowski relies upon to assess what constitutes gradualism and the appropriate parameters for application of gradualism concepts to individual rate classes. If the parameters for the application gradualism concepts vary by rate class, identify the parameters that witness Bonikowski has applied for each Pepco District of Columbia rate class.
- c. Provide the witnesses understanding of the concept of “rate continuity” and explain how the concept of rate continuity has been employed by Pepco in its development of proposed rates for each demand-metered rate class.

RESPONSE:

- a. The Public Service Commission of the District of Columbia’s recognition of gradualism can be identified in:
 - A. FC 1156 Order No. 20755 – page 148 ¶ 388; page 149 ¶ 391 and 393; page 163 ¶ 433;
 - B. FC 1139 Order No. 18846 – page 142 ¶ 453; page 144 ¶ 457; page 151 ¶ 474; page 162 ¶ 509
 - C. FC 1103 Order No. 17424 – page 160 ¶ 410; page 172 ¶ 436; page 174 ¶ 441;
 - D. FC 1087 Order No. 16930 – page 124 ¶ 326; page 126 ¶ 331 and 333; and
 - E. FC 1076 Order No. 15710 – page 116 ¶ 345; page 132 ¶ 391.
- b. The Commission’s parameters for gradualism can be identified in:
 - A. FC 1156 Order No. 20755 pages 149-151 ¶ 391-397 discuss the Commission’s ordered revenue allocation which the Commission states incorporates consideration of gradualism;
 - B. FC 1139 Order No. 18846 pages 142-148 ¶ 453-469 discuss the Commission’s ordered revenue allocation which the Commission states incorporates consideration of gradualism;
 - C. FC 1103 Order No. 17424 pages 171-175 ¶ 434-441 discuss the Commission’s ordered revenue allocation which the Commission states incorporates consideration of gradualism;

- D. FC 1087 Order No. 16930 pages 124-128 ¶ 326-340 discuss the Commission’s ordered revenue allocation which the Commission states incorporates consideration of gradualism; and
 - E. FC 1076 Order No. 15710 pages 114-119, ¶ 340-353 discuss the Commission’s ordered revenue allocation which the Commission states incorporates consideration of gradualism.
- c. “Rate continuity” refers to the concept that rate structures should be consistent and predictable over time, and that changes in rates should be implemented gradually. As discussed in PEPCO (E) at 30:1-5, the Company is not proposing any structural rate changes for existing rate schedules. The Company’s proposed revenue allocation is described in PEPCO (E) at 11:1 to 13:10. As detailed in PEPCO (E) at 14:17 to 16:18, the proposed Multiplier to System Average Increase for under-earning classes of 2.3 is informed by previous Commission-approved revenue allocations in Formal Case Nos. 1076, 1087, and 1103 which, as discussed in the Orders referenced in subpart (a) of this question, incorporate the related principle of gradualism.

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOPA DATA REQUEST NO. 4

QUESTION NO. 2

Re: Exhibit Pepco (E), page 5, lines 22-28. Please verify that witness Bonikowski's assessment of class URORs is wholly dependent upon the CCOSS results presented by Pepco witness Gardiner, and that witness Bonikowski made no independent assessment of class cost responsibilities. If witness Bonikowski did make an independent assessment of class cost responsibilities, provide the workpapers, data, assumptions, and analyses that document the full detail of the analyses witness Bonikowski performed.

RESPONSE:

Correct, Company Witness Bonikowski made no assessments of class cost responsibilities independent of Witness Gardiner's CCOSS results.

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOBA DATA REQUEST NO. 4

QUESTION NO. 3

Re: Exhibit Pepco (E), page 6, lines 1-5. Please document the Company's consideration of alternatives to the proposed "Four-Step Method."

RESPONSE:

The Company did not consider alternative revenue allocation methodologies beyond the Four-Step Method, which was adopted by the Commission in Formal Case No. 1156 (see Order No. 20755, paragraph 394).

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOBA DATA REQUEST NO. 4

QUESTION NO. 4

Re: Exhibit Pepco (E), page 9, lines 11-19, and Table 2. For each case listed in Table 2, please:

- a. Provide the workpapers, data, assumptions, and analyses relied upon to compute the Residential Under-Collection (Nominal, \$M);
- b. Provide the workpapers, data, assumptions, and analyses relied upon to compute the Residential Under-Collection (CU21 Inflation Adjusted, \$M);
- c. Provide the effective residential subsidy amounts referenced in parts a, b, and c of this request computed on the basis of the Company's authorized ROR in each case, as well as supporting workpapers for those subsidy calculations;
- d. Explain in detail the manner in which service to RAD customers was considered in the Company's calculation of the Residential Under-Collection (Nominal, \$M). If the Company's consideration of its costs and/or revenues associated with RAD service was not uniform for all cases listed in Table 2, document and explain in detail the differences the manner in which RAD costs and/or revenues were treated in the computation of the residential subsidy for each listed rate case.

RESPONSE:

- a. Please see FC 1176 AOBA DR 4-4 Attachment Electronic Only.
- b. Please see FC 1176 AOBA DR 4-4 Attachment Electronic Only.
- c. The requested analysis has not been performed.
- d. The CCOSS presented by the Company in Formal Case Nos. 1176 and 1156 exclude Residential Aid Discount Credits paid to RAD customers and Residential Aid Discount Surcharges assessed to non-RAD customers. In other words, the CCOSS results from these cases used to calculate the Residential Under-Collection in Table of Company Witness Bonikowski's testimony do not reflect any impact of the RAD program on class RORs. Company Witness Bonikowski and Company Witness Gardiner do not have personal knowledge of how RAD costs and revenues were captured in CCOSSs prior to Formal Case No. 1156. Based on a review of the CCOSS results filed in each rate case, the Company notes that in Formal Case Nos. 1032, 1076, 1087, and 1103 RAD was presented as a separate class in the CCOSS. Please see FC 1176 AOBA DR 4-4 Attachment Electronic Only, tab "Rate Case CCOSS Results" for a list of the Residential class results from each prior CCOSS study included in Company Witness Bonikowski's analysis.

SPONSOR: Subparts (a)-(c): Matthew J. Bonikowski, Subpart (d): Matthew J. Bonikowski and Laura E. Gardiner

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOBA DATA REQUEST NO. 4

QUESTION NO. 5

Re: Exhibit Pepco (E), page 9, lines 11-19, and Table 2. For each year of the proposed MYP, please provide Pepco's assessment of the Residential under-collection amount based on the Company's proposed rates and requested ROR.

RESPONSE:

Please see FC 1176 AOBA DR 4-5 Attachment Electronic Only. Assessing the projected Residential under-collection under the Company's proposed rates and requested ROR requires an estimation of the class RORs resulting from the Company's proposed revenue allocation for each rate year. As the Company has not produced a forecasted CCOSS, this response makes the simplifying assumption that the Company's forecasted operating income and distribution rate base in each rate year, prior to incorporation of the incremental revenue requirement, will be allocated to rate classes in the same proportions as the FC 1176 CCOSS. For example, if Schedule MMA is allocated 3.7% of operating income and 2.3% of distribution rate base under the FC 1176 CCOSS, this response assumes that Schedule MMA is allocated that same percentage of the Company's forecasted RY1-RY3 operating income and distribution rate base, prior to applying the incremental revenue requirement.

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO Aوبا DATA REQUEST NO. 4

QUESTION NO. 6

Re: Exhibit Pepco (E), page 11, lines 2-4. Please identify and explain the basis for the criteria used to assess whether the relative rate of return for a rate class is “significantly higher than the system average rate of return.”

RESPONSE:

As described in PEPCO (E) at 13:13-20, the Company is proposing the same 3.0 UROR exclusion threshold proposed by the Company and approved by the Commission in Formal Case No. 1156. Similar to Formal Case No. 1156, most over-earning rate schedules have URORs clustered at or below approximately a 2.6 UROR. Schedules TN and GS-3A, which have URORs of 3.37 and 4.87 respectively, are outliers from this cluster and are therefore excluded from the incremental revenue allocation.

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOPA DATA REQUEST NO. 4

QUESTION NO. 7

Re: Exhibit Pepco (E), page 11, lines 5-10. Please identify the rate classes that witness Bonikowski identifies as having URORs that fall within the “UROR Steady State criteria.”

RESPONSE:

There are no rate classes with URORs within the UROR Steady State criteria.

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOPA DATA REQUEST NO. 4

QUESTION NO. 8

Re: Exhibit Pepco (E), page 11, lines 15-16. Please document the extent to which “Effective Rate Adjustments” are included in the calculated “annualized current distribution revenue for each rate class.”

RESPONSE:

The phrase “annualized current distribution revenue for each rate class” refers to the annualized bridge year distribution revenue for each rate class, as shown in PEPCO (E)-2, line 66. Please see PEPCO (E) at 21:14 to 22:11 for a description of how the Company calculates annualized bridge year distribution revenue.

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOPA DATA REQUEST NO. 4

QUESTION NO. 9

Re: Exhibit Pepco (E), page 13, lines 1-3. Please provide citations to the Commission orders (with page and paragraph references) and/or other source documents relied upon for the referenced “Commission’s guiding ratemaking principles.”

RESPONSE:

Please see FC 1156 Order No. 20755, page 148, paragraph 388 for the Commission’s description of cost and non-cost factors that the Commission may consider in establishing class revenue requirements, which include principles of cost causation, gradualism, and rate continuity.

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOBA DATA REQUEST NO. 4

QUESTION NO. 10

Re: Exhibit Pepco (E), page 13, lines 13-20. Please:

- a. Please document and explain the analytical basis, other than the UROR threshold for significantly over-earning classes used in Formal Case No. 1156, for why classes with URORs in excess of 2.0 are not considered “significantly over-earning rate classes;”
- b. Provide the ratemaking criteria and principles upon which witness Pepco relies to assess that it is reasonable and equitable to require a class of customers to contribute more than twice the Company’s system average rate of return.

RESPONSE:

- a. Please see Pepco’s response to FC 1176 AOBA DR 4-6. If rate classes with URORs in excess of 2.0 were excluded from incremental revenue allocations, and the revenues assigned to these classes under the Company’s revenue allocation proposal were re-allocated to under-earning classes, approximately 90 percent of the Company’s incremental revenue requirement would be assigned to these under-earning rate classes (i.e., Schedules R, SL-S, and SL-E).
- b. As stated in PEPCO (E) at 18:3-6, the Company’s proposed revenue allocation provides for movement towards a more equalized UROR for all rate classes while reflecting consideration of the Commission’s guiding ratemaking principle of gradualism and the Commission-approved revenue allocations in prior distribution rate cases.

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOPA DATA REQUEST NO. 4

QUESTION NO. 11

Re: Exhibit Pepco (E), page 13, lines 13-20, and Exhibit Pepco (E)-2. In Formal Case No. 1139, Order No. 18846, the Commission stated, “To reflect the cost causation from each class, the Commission strives to bring all classes closer to an UROR of 1.0 in each rate case.” Please verify that, when the CCOSS results in terms of class URORs based on the twelve months ended June 30, 2019 in Formal Case No. 1156 and the CCOSS URORs by class computed on the basis of the twelve months ended December 31, 2021 for this proceeding are compared:

- a. The UROR for the GT-LV rate class increased from 2.03 to 2.36;
- b. The UROR for the GT-3A rate class increased from 2.27 to 2.42;

If the Company cannot verify the URORs cited above for the GT-LV and GT-3A rate classes, provide the Company’s assessment of the correct UROR comparisons for those classes between Formal Case No. 1156 and this case.

RESPONSE:

The Company confirms that the stated UROR values for Schedules GT-LV and GT-3A accurately reflect the CCOSS results presented in each case.

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOPA DATA REQUEST NO. 4

QUESTION NO. 12

Re: Exhibit Pepco(E), page 14, line 11. Please explain why the approach Pepco employs in Maryland for assessing the range of the “*UROR Steady State*” is relevant to the Company’s District of Columbia rate classes.

RESPONSE:

The referenced statement is simply indicating that the Company’s proposed UROR Steady State is consistent between in both DC and Maryland. As stated in PEPCO (E) at 14:8-10, the proposed UROR steady state threshold is consistent with the threshold approved by the Commission of the District of Columbia in Formal Case No. 1156.

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOPA DATA REQUEST NO. 4

QUESTION NO. 13

Re: Exhibit Pepco (E), page 16, lines 14-18. Please verify that the 2.3 multiplier used by the Company in this proceeding was ultimately a judgmental determination. If that is not correct, provide the workpapers, data, analyses, and assumptions upon which the Company relied to compute the 2.3 multiplier.

RESPONSE:

Please see PEPCO (E) at 14:17 to 16:18 for a description of how the Company selected its proposed Multiplier to the System Average Increase. Supporting calculations are presented in PEPCO (E)-1.

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOPA DATA REQUEST NO. 4

QUESTION NO. 14

Re: Exhibit Pepco (E), page 16, line 15, through page 17, Line 5. Please document and explain the manner in which the Company's proposed expansion of RAD service was factored into the Company's considerations regarding the appropriateness of applying the proposed 2.30 multiplier to Rate R.

RESPONSE:

The Company's RAD expansion proposal was not explicitly factored into the Company's development of its proposed 2.3 Multiplier to the System Average Increase for under-earning rate classes, including Schedule R. The CCOSS presented by Company Witness Gardiner excludes Residential Aid Discount Credits paid to RAD customers and Residential Aid Discount Surcharges assessed to non-RAD customers. In other words, the CCOSS results do not reflect any impact of the RAD program on class RORs.

SPONSOR: Matthew J. Bonikowski and Laura E. Gardiner

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOPA DATA REQUEST NO. 4

QUESTION NO. 15

Re: Exhibit Pepco (E), page 17, Table 3, Step 2. Please explain the meaning and relevance of a “Steady State” defined as URORS between 0.9 to 1.1, when no class of customers is found to have a current UROR between 0.75 and 1.20.

RESPONSE:

As stated in PEPCO (E) at 11:5-10, the UROR Steady State is intended to indicate whether any class has a rate of return relatively close to the overall return from the entire system. Classes within this band are allocated the same percentage distribution revenue increase as the total system distribution revenue increase (in percentage terms). The UROR Steady State is intended to prevent rate classes with existing URORS close to 1.0 from receiving a revenue allocation that pushes the class UROR farther from 1.0. For example, if a hypothetical rate class had a 0.99 UROR and was assigned the 2.3 multiplier to the system average increase, the class’s UROR could increase well above 1.0. The proposed UROR Steady State does not impact the Company’s proposed revenue allocation for any rate class in this instant proceeding as no classes have URORS between 0.9 and 1.1.

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOBA DATA REQUEST NO. 4

QUESTION NO. 16

Re: Exhibit Pepco (E), pages 21-22. Please:

- a. Explain why forecasted 2023 customer counts are used to establish “base distribution revenue” by class instead of actual Historic Test Year (i.e. CY 2022) customer counts;
- b. Provide actual Historic Test Year (i.e., CY 2022) customer counts by month for each DC BSA rate class.

RESPONSE:

- a. As explained in PEPCO (E) at 25:2-7, Pepco’s authorized revenues for decoupled rate classes are determined by the product of each class’s approved revenue per customer targets and the number of customers in the rate class. To the extent that customer counts are projected to increase or decrease in 2023 as compared to 2022, the Company’s authorized revenue will change. Utilizing forecast 2023 customer counts to calculate the Company’s 2023 bridge year distribution revenue forecast reflects this fact.
- b. Please see FC 1176 AOBA DR 4-16 Attachment.

SPONSOR: Matthew J. Bonikowski

Calendar Year
 2022

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA
CUSTOMERS

Rate Schedule	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Total
	12 Months Ended												Dec-22
Pepco DC Residential Svc	300,053	301,708	302,768	303,270	304,972	305,894	306,557	307,211	307,679	308,218	308,569	309,223	3,666,122
Pepco DC Master Metered Account	52,785	52,736	52,582	52,586	52,573	52,686	52,686	52,686	52,670	52,595	52,595	52,583	631,763
Total BSA Residential	352,838	354,444	355,350	355,856	357,545	358,580	359,243	359,897	360,349	360,813	361,164	361,806	4,297,885
Pepco DC GS Non-Demand	18,131	18,158	18,323	18,305	18,443	18,424	18,510	18,506	18,508	18,510	18,534	18,581	220,933
Pepco DC GS-Low Voltage	4,617	4,616	4,619	4,612	4,463	4,481	4,464	4,462	4,468	4,465	4,462	4,464	54,193
Pepco DC GS-Primary Svc	6	6	6	6	6	6	6	6	6	6	6	5	71
Pepco DC Time Meter Med GS-Low Voltage	3,404	3,400	3,408	3,414	3,438	3,442	3,442	3,447	3,463	3,467	3,474	3,494	41,293
Pepco DC Time Meter GS-Low Voltage	328	331	331	330	340	338	339	339	339	339	340	342	4,036
Pepco DC Time Meter GS-Primary Svc	150	150	150	150	150	150	150	150	150	152	152	152	1,806
Pepco DC Time Meter GS-High Voltage	1	1	1	1	1	1	1	1	1	1	1	1	12
Total BSA Commercial	26,637	26,662	26,838	26,818	26,841	26,842	26,912	26,911	26,935	26,940	26,969	27,039	333,168
Total Retail	379,475	381,106	382,188	382,674	384,386	385,422	386,155	386,808	387,284	387,753	388,133	388,845	4,620,229

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOBA DATA REQUEST NO. 4

QUESTION NO. 17

Re: Exhibit Pepco (E)-2, page 23, lines 19-21, and Footnote 20. Please identify and provide supporting page and paragraph citations for the “guiding principles used in the development of the distribution rates design that have been derived from each of the prior Pepco rate cases before this Commission and explain why each cited principle remains valid in this proceeding.

RESPONSE:

Please see Pepco’s response to FC 1176 AOBA DR 4-1, 4-2, and 4-9.

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOPA DATA REQUEST NO. 4

QUESTION NO. 19

Re: Exhibit Pepco (E), page 24, lines 13-17. Please document and explain the extent to which the Company's computed "Effective Rate Adjustment" for each rate class was reflected in the CCOSS prepared by witness Gardiner and in the UROR's computed by witness Bonikowski.

RESPONSE:

The Company's calculated Effective Rate Adjustments reflect the difference between forecast authorized revenues under the Company's currently approved BSA targets and forecast billed revenues under the Company's currently approved rates. The CCOSS presented by Company Witness Gardiner does not incorporate the Effective Rate Adjustments calculated by Company Witness Bonikowski for Rate Years one through three. Rather, the CCOSS reflects the Company's authorized base distribution revenue for each BSA rate class for the 12 months ended December 2021 based on each class's approved BSA targets and actual customer counts. Said another way, Effective Rate Adjustments reflect projected under- or over-recoveries based on currently approved tariff rates and BSA targets. As the CCOSS is based on a historic test year, the CCOSS reflects actual differences between billed revenues at tariff rates and authorized revenues under the BSA.

SPONSOR: Matthew J. Bonikowski and Laura E. Gardiner

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOBA DATA REQUEST NO. 9

QUESTION NO. 7

Re: Exhibit Pepco (J), page 6, Table 1. Please:

- a. Provide the data and analyses upon which the Company has relied over the last three calendar years and for calendar year 2023 to date to compute the “Percent of Low-Income Customers Enrolled in Assistance Programs;”
- b. Identify the date of each calculation of “Percent of Low-Income Customers Enrolled in Assistance Programs,” and the time period addressed by each calculation.

RESPONSE:

- a. The Company uses the enrollment in the Low-Income Home Energy Assistance Program (LIHEAP) to classify customers as low-income. The enrolled number of LIHEAP customers is then divided by the estimated population of LIHEAP eligible customers to obtain the result. Please note, the Company did not track this information in 2020. See FC1176 AOBA 9-7 Attachment.
- b. The date of each time period covered is outlined below:

Report Month	Calculated On	Time Period Covered
January	1 st Business Day of February	January 1 - January 31
February	1 st Business Day of March	January 1 - February 28
March	1 st Business Day of April	January 1 - March 31st
April	1 st Business Day of May	January 1 - April 30th
May	1 st Business Day of June	January 1 - May 31st
June	1 st Business Day of July	January 1 - June 30th
July	1 st Business Day of August	January 1 - July 31st
August	1 st Business Day of September	January 1 - August 31st
September	1 st Business Day of October	January 1 - September 30th
October	1 st Business Day of November	January 1 - October 31st
November	1 st Business Day of December	January 1 - November 30th
December	1 st Business Day of January	January 1 - December 31st

SPONSOR: Morlon D. Bell-Izzard

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOPA DATA REQUEST NO. 9

QUESTION NO. 16

Re: Exhibit Pepco (J), page 11, line 22, through page 12, line 8. Please:

- a. Provide the criteria, data, analyses, **workpapers**, and studies relied upon to assess the “**affordability**” of Pepco’s electric service for economically vulnerable customers in the District of Columbia in the absence of federal and/or local energy assistance programs;
- b. Provide by month for each of the last three calendar years, and for calendar year 2023 to date, the Company’s District of Columbia numbers of customers:
 1. Enrolled in the LIHEAP program
 2. Who participated in the Residential Aid Discount (RAD) program
 3. Enrolled in the Arrearage Management Program (AMP)

RESPONSE:

- a. Pepco has not performed this type of analysis with regard to affordability and the absence of federal and/or local energy assistance programs.
- b. (1) The number of District of Columbia customers that were enrolled in the LIHEAP program by month for each of the last three calendar years is as follows.

Year	January	February	March	April	May	June	July	August	September	October	November	December
2020	1498	1704	907	257	259	576	415	648	693	1227	604	690
2021	1046	940	935	748	702	666	593	614	578	1382	825	802
2022	769	766	937	657	758	686	709	984	896	1025	1304	1078
2023	1273	1125	1282	1121	1467	1352	1193					

(2) The number of District of Columbia customers that participated in the Residential Aid Discount (RAD) program by month for each of the last three calendar years is as follows.

(2) Please see Pepco's monthly ARDIR monthly reports filed pursuant to orders 14293 and 15134 (DCPSC E-Docket System). Please note that, for the purposes of the reports filed in Docket ARDIR, "low-income Residential customers" are defined as those customers participating in Pepco's Residential Aid Discount (RAD) program.

(3) The number of District of Columbia customers enrolled in the Arrearage Management Program (AMP) by month for each of the last three calendar years is as follows.

Year	January	February	March	April	May	June	July	August	September	October	November	December
2020	12	11	17	10	1	1	4	54	24	2	1	3
2021	0	1	0	3	1	2	1	0	0	5	7	10
2022	6	3	2	13	8	18	62	113	63	103	69	7
2023	52	58	77	107	152	194	59					

SPONSOR: Morlon D. Bell-Izzard

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOBA DATA REQUEST NO. 9

QUESTION NO. 26

Re: Exhibit Pepco (J), page 29, line 20, through page 30, line 2. Please:

- a. Document the added costs that Pepco and/or its shareholder (Exelon) will absorb as part of Pepco's commitment to increase the number of RAD participants;
- b. Provide the data, analyses, **workpapers**, and studies upon which Pepco relies to assess the ability of Non-RAD customers in the District of Columbia to absorb the costs of increasing the Number of RAD participants in the District of Columbia.

RESPONSE:

- a. The Company is not proposing shareholder contributions to fund the RAD program expansion. Please see the Company's response to AOBA DR 1-1 for additional information on the cost estimates.
- b. The requested analysis has not been performed.

SPONSOR: Morlon D. Bell-Izzard and Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOPA DATA REQUEST NO. 9

QUESTION NO. 30

Re: Exhibit Pepco (J), page 31, line 15, through page 32, line 2. Please:

- a. Provide the information available to Pepco regarding the details of the “categorical eligibility” programs implemented by Arkansas, Connecticut, Oregon, and Wisconsin;
- b. Identify the differences between Pepco’s RAD program and LIHEAP as it is applied in the District of Columbia;
- c. For each state referenced in A49, provide the dollar amount of LIHEAP benefits provided to qualified LIHEAP customers either in dollar terms or as a percentage of their total electric service bills.

RESPONSE:

- a. As discussed in Witness Bell-Izzard’s testimony, several states have categorical eligibility for LIHEAP, a federal energy assistance program which is administered by each state or territory to its residents. For LIHEAP, categorical eligibility means that a household is considered to be automatically eligible for LIHEAP if they receive assistance in one of several programs, depending on the state. This information can all be found in states’ yearly applications on the LIHEAP HHS website. In Arkansas, if a household receives TANF, SSI, or SNAP they are categorically eligible for LIHEAP heating and cooling assistance. In Connecticut, if a household receives TANF, SSI, or SNAP they are categorically eligible for LIHEAP heating assistance. In Oregon, if a household receives SNAP, they are categorically eligible for LIHEAP heating and cooling assistance. In Wisconsin, a household in which everyone has received TANF, SSI, or SNAP in the month prior to application date is categorically eligible for LIHEAP heating, crisis, and weatherization assistance.
- b. LIHEAP and RAD in DC differ by their administration. LIHEAP is administered by the District, particularly DOEE, whereas RAD is administered by Pepco. Per the DOEE website, DOEE administers the District’s yearly LIHEAP funds to provide “assistance for heating and cooling energy costs, as well as emergency utility assistance, as a one-time benefit to customers”. Alternatively, RAD provides a monthly credit for distribution charges, also known as the Residential Aid Credit (RAC).
- c. Pepco does not have access to the requested information.

SPONSOR: Morlon D. Bell-Izzard

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOBA DATA REQUEST NO. 9

QUESTION NO. 31

Re: Exhibit Pepco (J), page 32, lines 14-16. Please provide Pepco's assessment of the "*likely increase*" in the RAD surcharge for each year of the proposed MYP.

RESPONSE:

The requested analysis has not been performed. Pepco does not have a forecast of future RAD enrollment. Please refer to AOBA DR 1-1 (b)(b) for estimates of the average credits provided to RAD customers based on the Company's April 10, 2023, RAD Surcharge filing.

SPONSOR: Morlon D. Bell-Izzard and Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO AOBA DATA REQUEST NO. 9

QUESTION NO. 32

Re: Exhibit Pepco (J), page 33, lines 12-16. For each of the last three calendar years and for calendar year 2023 to date, please provide the number of AMP program participants and the dollar amount forgiven.

RESPONSE:

The number of AMP program participants and the dollar amounts forgiven is as follows:

Year	# of Customers	Amount Forgiven
2020	140	\$173,391
2021	30	\$46,335
2022	467	\$157,882
2023	699	\$401,081

SPONSOR: Morlon D. Bell-Izzard

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO OPC DATA REQUEST NO. 3

QUESTION NO. 6

Provide the average number of customers by month for each current and proposed rate class for each of the years 2018 - 2022 and each month of 2023. Provide the source documents containing the customer data supplied in response to this request. Provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

RESPONSE:

The requested information is not available in the requested format of average number of customers by month. Please see FC 1176 OPC DR 3-6 Attachment which provides the month-ending total number of customers for each rate class.

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
 DISTRICT OF COLUMBIA
CUSTOMERS

Calendar Year
 2018

Rate Schedule	Total												
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Dec-18
Pepco DC Residential Svc	269,956	271,154	272,003	272,304	272,507	272,750	273,539	274,452	274,981	275,519	276,397	278,031	3,283,593
Pepco DC Master Metered Account	54,609	54,605	54,600	54,517	54,504	54,406	54,352	54,352	54,352	54,352	54,171	54,171	652,991
Total Residential	324,565	325,759	326,603	326,821	327,011	327,156	327,891	328,804	329,333	329,871	330,568	332,202	3,936,584
Pepco DC GS Non-Demand	17,220	17,223	17,254	17,261	17,266	17,274	17,304	17,313	17,335	17,307	17,337	17,349	207,443
Pepco DC GS-Low Voltage	5,071	5,058	5,064	5,068	5,050	5,058	5,103	5,114	5,114	5,117	5,114	5,128	61,059
Pepco DC GS-Primary Svc	6	6	6	6	6	5	5	5	5	5	5	5	65
Pepco DC Time Meter Med GS-Low Voltage	3,436	3,441	3,437	3,444	3,476	3,481	3,487	3,237	3,240	3,254	3,260	3,264	16,255
Pepco DC Time Meter GS-Low Voltage	155	154	154	156	156	156	156	156	156	156	156	156	25,495
Pepco DC Time Meter GS-Primary Svc	1	1	1	1	1	1	1	1	1	1	1	1	12
Pepco DC Time Meter GS-High Voltage	300	294	289	284	289	288	293	295	285	284	282	280	3,463
Pepco DC Temporary or Supplementary Svc	531	531	531	531	531	531	531	531	531	531	531	531	6,372
Pepco DC Telecommunications Network Svc	96	96	96	96	96	96	96	96	96	96	96	96	1,867
Pepco DC Rapid Transit Svc	-	-	-	-	-	-	-	-	-	-	-	-	-
Pepco DC Street Lights	22	22	22	22	22	22	22	22	22	22	22	22	264
Pepco DC Metered Street Lights	6	6	6	6	6	6	6	6	6	6	6	6	72
Pepco DC Unmetered Street Lighting	3	3	3	3	3	3	3	3	3	3	3	3	36
Pepco DC Traffic Signal SVC	26,847	26,835	26,863	26,878	26,902	26,921	27,007	27,036	27,053	27,041	27,072	27,100	323,555
Total Commercial	351,412	352,594	353,466	353,699	353,913	354,077	354,898	355,840	356,386	356,912	357,640	359,302	4,260,139

POTOMAC ELECTRIC POWER COMPANY
 DISTRICT OF COLUMBIA
CUSTOMERS

Calendar Year
 2019

Rate Schedule	Total												
	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	12 Months Ended Dec-19
Pepco DC Residential Svc	279,016	279,004	279,400	280,114	280,424	280,964	280,424	281,679	282,018	282,600	284,128	284,527	3,374,298
Pepco DC Master Metered Account	54,171	54,171	54,171	54,171	54,171	54,171	54,171	53,887	53,844	53,808	53,796	53,810	648,342
Total Residential	333,187	333,175	333,571	334,285	334,595	335,135	334,595	335,566	335,862	336,408	337,924	338,337	4,022,640
Pepco DC GS Non-Demand	17,343	17,344	17,339	17,311	17,412	17,339	17,412	17,349	17,339	17,356	17,348	17,374	208,266
Pepco DC GS-Low Voltage	5,137	5,139	5,134	5,145	5,011	5,075	5,011	5,098	5,109	5,122	5,128	5,133	61,242
Pepco DC GS-Primary Svc	5	5	5	5	5	5	5	6	6	6	6	6	65
Pepco DC Time Meter Med GS-Low Voltage	3,263	3,271	3,246	3,244	3,267	3,269	3,267	3,263	3,259	3,259	3,271	3,284	39,163
Pepco DC Time Meter GS-Low Voltage	259	259	275	282	291	294	291	297	298	305	297	291	3,439
Pepco DC Time Meter GS-Primary Svc	156	156	156	157	156	156	156	156	156	156	156	155	1,872
Pepco DC Time Meter GS-High Voltage	1	1	1	1	1	1	1	1	1	1	1	1	12
Pepco DC Temporary or Supplementary Svc	278	269	262	262	264	267	267	266	253	252	249	255	3,144
Pepco DC Telecommunications Network Svc	531	531	531	531	531	531	531	531	531	531	531	531	6,372
Pepco DC Rapid Transit Svc	96	96	96	96	96	96	96	96	96	96	95	96	1,151
Pepco DC Street Lights	-	-	-	-	-	-	-	-	-	-	-	-	-
Pepco DC Metered Street Lights	22	22	22	22	22	22	22	22	22	22	22	22	264
Pepco DC Unmetered Street Lighting	6	6	6	6	6	6	6	6	6	6	6	6	72
Pepco DC Traffic Signal SVC	3	3	3	3	3	3	3	3	3	3	3	3	36
Total Commercial	27,100	27,102	27,076	27,065	27,065	27,064	27,068	27,094	27,079	27,115	27,113	27,157	325,098
Total Retail	360,287	360,277	360,647	361,350	361,660	362,199	361,663	362,660	362,941	363,523	365,037	365,494	4,347,738

**POTOMAC ELECTRIC POWER COMPANY
 DISTRICT OF COLUMBIA
 CUSTOMERS**

Calendar Year
 2020

Rate Schedule	Total												
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	12 Months Ended Dec-20
Pepco DC Residential Svc	285,269	285,820	286,524	286,976	288,065	289,606	290,157	290,671	291,772	292,652	292,973	293,554	3,474,039
Pepco DC Master Metered Account	53,613	53,605	53,635	53,624	53,598	53,567	53,563	53,567	53,570	53,550	53,550	53,550	642,992
Total Residential	338,882	339,425	340,159	340,600	341,663	343,173	343,720	344,238	345,342	346,202	346,523	347,104	4,117,031
Pepco DC GS Non-Demand	17,411	17,406	17,407	17,501	17,683	17,685	17,688	17,688	17,689	17,682	17,695	17,695	211,230
Pepco DC GS-Low Voltage	5,134	5,130	5,130	5,129	4,930	4,932	4,935	4,932	4,923	4,927	4,931	4,929	59,962
Pepco DC GS-Primary Svc	6	6	6	6	6	6	6	6	6	6	6	6	72
Pepco DC Time Meter Med GS-Low Voltage	3,285	3,288	3,290	3,292	3,319	3,331	3,329	3,329	3,333	3,333	3,337	3,338	39,804
Pepco DC Time Meter GS-Low Voltage	290	294	297	300	307	307	308	308	309	309	309	309	3,647
Pepco DC Time Meter GS-Primary Svc	155	155	154	154	154	155	155	155	154	154	154	154	1,853
Pepco DC Time Meter GS-High Voltage	1	1	1	1	1	1	1	1	1	1	1	1	12
Pepco DC Temporary or Supplementary Svc	259	253	255	263	261	261	259	260	257	256	259	255	3,098
Pepco DC Telecommunications Network Svc	531	531	531	531	531	531	531	531	531	531	531	531	6,372
Pepco DC Rapid Transit Svc	96	96	96	96	96	96	96	96	96	95	95	95	1,149
Pepco DC Street Lights	-	-	-	-	-	-	-	-	-	-	-	-	-
Pepco DC Metered Street Lights	22	22	22	21	21	21	21	21	21	21	21	21	255
Pepco DC Unmetered Street Lighting	6	6	6	6	6	6	6	6	6	6	6	6	72
Pepco DC Traffic Signal SVC	3	3	3	3	3	3	3	3	3	3	3	3	36
Total Commercial	27,199	27,191	27,198	27,303	27,318	27,335	27,338	27,336	27,329	27,324	27,348	27,343	327,562
Total Retail	366,081	366,616	367,357	367,903	368,981	370,508	371,058	371,574	372,671	373,526	373,871	374,447	4,444,593

POTOMAC ELECTRIC POWER COMPANY
 DISTRICT OF COLUMBIA
 CUSTOMERS

Calendar Year
 2021

Rate Schedule	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
	12 Months Ended												Dec-21
Pepco DC Residential Svc	293,981	294,665	295,687	296,557	296,837	297,272	297,573	298,118	298,702	299,165	299,742	300,228	3,568,527
Pepco DC Master Metered Account	53,478	53,492	53,505	53,500	53,549	53,394	53,394	52,837	52,799	52,790	52,787	52,791	638,316
Total Residential	347,459	348,157	349,192	350,057	350,386	350,666	350,967	350,955	351,501	351,955	352,529	353,019	4,206,843
Pepco DC GS Non-Demand	17,699	17,708	17,643	17,665	18,000	18,021	18,022	18,049	18,064	18,067	18,106	18,123	215,167
Pepco DC GS-Low Voltage	4,924	4,922	4,931	4,929	4,609	4,609	4,617	4,616	4,612	4,607	4,615	4,607	56,598
Pepco DC GS-Primary Svc	6	6	6	6	6	6	6	6	6	6	6	6	72
Pepco DC Time Meter Med GS-Low Voltage	3,349	3,352	3,364	3,367	3,386	3,383	3,379	3,383	3,389	3,391	3,391	3,393	40,527
Pepco DC Time Meter GS-Low Voltage	310	312	312	314	318	320	321	322	323	324	324	325	3,825
Pepco DC Time Meter GS-Primary Svc	154	153	152	152	152	152	151	151	150	150	150	150	1,817
Pepco DC Time Meter GS-High Voltage	1	1	1	1	1	1	1	1	1	1	1	1	12
Pepco DC Temporary or Supplementary Svc	248	247	249	250	248	248	247	247	256	248	244	238	2,970
Pepco DC Telecommunications Network Svc	531	531	538	538	538	538	538	538	538	538	538	538	6,442
Pepco DC Rapid Transit Svc	95	95	95	95	95	95	95	95	95	95	95	95	1,140
Pepco DC Street Lights	-	-	-	-	-	-	-	-	-	-	-	-	-
Pepco DC Metered Street Lights	21	21	21	21	21	21	21	21	21	21	21	21	252
Pepco DC Unmetered Street Lighting	6	6	6	6	6	6	6	6	6	6	6	6	72
Pepco DC Traffic Signal SVC	3	3	3	3	3	3	3	3	3	3	3	3	36
Total Commercial	27,347	27,357	27,321	27,347	27,383	27,403	27,407	27,438	27,464	27,457	27,500	27,506	328,930
Total Retail	374,806	375,514	376,513	377,404	377,769	378,069	378,374	378,393	378,965	379,412	380,029	380,525	4,535,773

**POTOMAC ELECTRIC POWER COMPANY
 DISTRICT OF COLUMBIA
 CUSTOMERS**

Calendar Year
 2022

Rate Schedule	Total												
	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Dec-22
Pepco DC Residential Svc	300,053	301,708	302,768	303,270	304,972	305,894	306,557	307,211	307,679	308,218	308,569	309,223	3,666,122
Pepco DC Master Metered Account	52,785	52,736	52,582	52,586	52,573	52,686	52,686	52,686	52,670	52,595	52,595	52,583	631,763
Total Residential	352,838	354,444	355,350	355,856	357,545	358,580	359,243	359,897	360,349	360,813	361,164	361,806	4,297,885
Pepco DC GS Non-Demand	18,131	18,158	18,323	18,305	18,443	18,424	18,510	18,506	18,508	18,510	18,534	18,581	220,933
Pepco DC GS-Low Voltage	4,617	4,616	4,619	4,612	4,463	4,481	4,464	4,462	4,468	4,465	4,462	4,464	54,193
Pepco DC GS-Primary Svc	6	6	6	6	6	6	6	6	6	6	6	5	71
Pepco DC Time Meter Med GS-Low Voltage	3,404	3,400	3,408	3,414	3,438	3,442	3,442	3,447	3,463	3,467	3,474	3,494	41,293
Pepco DC Time Meter GS-Low Voltage	328	331	331	330	340	338	339	339	339	339	340	342	4,036
Pepco DC Time Meter GS-Primary Svc	150	150	150	150	150	150	150	150	150	152	152	152	1,806
Pepco DC Time Meter GS-High Voltage	1	1	1	1	1	1	1	1	1	1	1	1	12
Pepco DC Temporary or Supplementary Svc	238	239	240	237	241	242	241	239	237	236	237	241	2,868
Pepco DC Telecommunications Network Svc	538	538	538	538	538	538	538	538	538	538	538	538	6,456
Pepco DC Rapid Transit Svc	95	95	95	95	95	95	95	95	95	95	95	95	1,140
Pepco DC Street Lights	-	-	-	-	-	-	-	-	-	-	-	-	-
Pepco DC Metered Street Lights	21	21	21	21	21	21	21	21	21	21	21	21	252
Pepco DC Unmetered Street Lighting	6	6	6	6	6	6	6	6	6	6	6	6	72
Pepco DC Traffic Signal SVC	3	3	3	3	3	3	3	3	3	3	3	3	36
Total Commercial	27,538	27,564	27,741	27,718	27,745	27,747	27,816	27,813	27,835	27,839	27,869	27,943	333,168
Total Retail	380,376	382,008	383,091	383,574	385,290	386,327	387,059	387,710	388,184	388,652	389,033	389,749	4,631,053

POTOMAC ELECTRIC POWER COMPANY
 DISTRICT OF COLUMBIA
CUSTOMERS

Calendar Year
 2023

Rate Schedule	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
	12 Months Ended												
Pepco DC Residential Svc	309,951	310,373	311,232	311,573	311,744	-	-	-	-	-	-	-	1,554,873
Pepco DC Master Metered Account	52,534	52,522	52,522	52,518	52,429	-	-	-	-	-	-	-	262,525
Total Residential	362,485	362,895	363,754	364,091	364,173	-	-	-	-	-	-	-	1,817,398
Pepco DC GS Non-Demand	18,563	18,563	18,552	18,537	18,638	-	-	-	-	-	-	-	92,853
Pepco DC GS-Low Voltage	4,461	4,461	4,464	4,461	4,333	-	-	-	-	-	-	-	22,180
Pepco DC GS-Primary Svc	5	5	5	5	5	-	-	-	-	-	-	-	25
Pepco DC Time Meter Med GS-Low Voltage	3,490	3,496	3,504	3,502	3,521	-	-	-	-	-	-	-	17,513
Pepco DC Time Meter GS-Low Voltage	341	340	343	344	343	-	-	-	-	-	-	-	1,711
Pepco DC Time Meter GS-Primary Svc	153	153	154	154	154	-	-	-	-	-	-	-	768
Pepco DC Time Meter GS-High Voltage	1	1	1	1	1	-	-	-	-	-	-	-	5
Pepco DC Temporary or Supplementary Svc	235	238	245	246	255	-	-	-	-	-	-	-	1,219
Pepco DC Telecommunications Network Svc	538	538	538	538	538	-	-	-	-	-	-	-	2,690
Pepco DC Rapid Transit Svc	95	95	95	95	95	-	-	-	-	-	-	-	475
Pepco DC Street Lights	-	-	-	-	-	-	-	-	-	-	-	-	-
Pepco DC Metered Street Lights	21	21	21	21	21	-	-	-	-	-	-	-	105
Pepco DC Unmetered Street Lighting	6	6	6	6	6	-	-	-	-	-	-	-	30
Pepco DC Traffic Signal SVC	3	3	3	3	3	-	-	-	-	-	-	-	15
Total Commercial	27,912	27,920	27,931	27,913	27,913	-	-	-	-	-	-	-	139,589
Total Retail	390,397	390,815	391,685	392,004	392,086	-	-	-	-	-	-	-	1,956,987

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO OPC DATA REQUEST NO. 3

QUESTION NO. 18

Provide all analyses conducted by or for the Company which demonstrates the impact the Company's rate proposals will have on customers' bills. Provide all workpapers and source documents supporting the Company's response in electronic form, with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

RESPONSE:

Please see PEPCO (E) at 40:18 to 42:1 for a description of the Company's bill impact analysis, the results of which are presented in PEPCO (E)-10. See FC 1176 OPC DR 1-8 Attachment Electronic Only for an electronic copy of Company Witness Bonikowski's rate design workpapers, including its bill impact workpapers.

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO OPC DATA REQUEST NO. 3

QUESTION NO. 21

Provide all analyses prepared by or for the Company that examine the impacts that its rate proposal will have on customer affordability. Provide all workpapers and source documents supporting the Company's response in electronic form, with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

RESPONSE:

The Company has evaluated the bill impacts of its proposed MYP rate increase and results are presented in PEPCO (E)-10. The Company has not performed any additional analysis to evaluate affordability. Please see FC 1176 AOBA DR 1-5.

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO OPC DATA REQUEST NO. 3

QUESTION NO. 34

Low-Income Households.

- a. Please identify the metric or metrics the Company uses to define low-income households in the Company's service area.
- b. Please provide the number and percentage of households in your service area that the Company considers low-income for each of the years 2013-2022.
- c. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

RESPONSE:

- a. The Company uses the enrollment in energy assistance programs to classify customers as a low or moderate-income (LMI) customers. Apart from this, the Company is unable to identify LMI customers since the administering program agencies qualify customers, based on income, and then notifies the Company regarding customer eligibility.
- b. Based on the number of active customers enrolled in energy assistance programs (see 3.34a) the number and percentage of households considered LMI for 2013-2022 is as follows:

# Unique Households Considered LMI ¹			
Year	# Unique Customers with Active Enrollment LMI ²	# Residential Customers (December)	% LMI
2013-2016	Data is not available		
2017	26,029	269,947	9.6%
2018	31,327	279,010	11.2%
2019	32,550	285,498	11.4%
2020	28,280	294,511	9.6%
2021	34,130	301,185	11.3%
2022	37,850	310,172	12.2%

¹ Includes Residential Aid Discount (RAD), Low Income Home Energy Assistance Program (LIHEAP) and DC Arrearage Management Program (AMP) enrollments. A customer can be enrolled in one, two or all three programs but will only be counted once in the data provided.

² Enrollments vary in length. RAD enrollments are 18 months, LIHEAP enrollments are 12 months and AMP enrollments are 15 months. Enrollments can span multiple years depending on the enrollment start date. Customers are considered LMI as long as the enrollment is active.

c. Please see FC 1176 OPC DR 3-34 Attachment.

SPONSOR: Morlon Bell-Izzard

# Unique Households Considered LMI ¹			
Year	# Unique Customers with Active Enrollment LMI ²	# Residential Customers (December)	% LMI
2013-2016	Data is not available		
2017	26,029	269,947	9.6%
2018	31,327	279,010	11.2%
2019	32,550	285,498	11.4%
2020	28,280	294,511	9.6%
2021	34,130	301,185	11.3%
2022	37,850	310,172	12.2%

¹ Includes Residential Aid Discount (RAD), Low Income Home Energy Assistance Program (LIHEAP) and DC Arrearage Management Program (AMP) enrollments. A customer can be enrolled in one, two or all three programs but will only be counted once in the data provided.

² Enrollments vary in length. RAD enrollments are 18 months, LIHEAP enrollments are 12 months and AMP enrollments are 15 months. Enrollments can span multiple years depending on the enrollment start date. Customers are considered LMI as long as the enrollment is active.

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO OPC DATA REQUEST NO. 3

QUESTION NO. 35

Please provide all analyses in the Company's possession examining the average energy usage per household in the Company's service area and how energy usage varies by income level and season.. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

RESPONSE:

The specific analyses have not been performed for energy usage by household size and income . However, the Company uses monthly billing determinants to model residential usage per customer in this current MYP filing. Refer to the Company's forecast documentation PEPCO (K) -1 Section 5.1.1 for a description of residential usage per customer modeling and underlying drivers. For the residential usage per customer data, refer to PEPCO (K)-5, tab B. Residential Data, column "Res_AvgUse" for the historical Residential usage per customer (MWh/Cust) and PEPCO (K)-9, tab Res, column "Res_AvgUse (Adjusted)" for the forecast Residential usage per customer (MWh/Cust).

SPONSOR: Ekaterina Efimova

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO OPC DATA REQUEST NO. 3

QUESTION NO. 36

Provide the number of households in the Company's service area that receive low-income energy assistance for each of the years 2013-2022. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

RESPONSE:

Please see FC 1176 OPC DR 3-34b-c. Additionally the Company reports monthly on the number of low-income residential customers under the ARDIR monthly report.

SPONSOR: Morlon Bell-Izzard

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO OPC DATA REQUEST NO. 3

QUESTION NO. 38

Moderate-Income Households.

- a. Please identify the metric or metrics the Company uses to define moderate-income households in the Company's service area.
- b. Please provide the number and percentage of households in your service area that the Company considers moderate-income for each of the years 2013-2022.
- c. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

RESPONSE:

- a. Please refer to FC 1176 OPC DR 3-34a.
- b. Please refer to FC 1176 OPC DR 3-34b.
- c. Please refer to FC 1176 OPC DR 3-34c.

SPONSOR: Morlon Bell-Izzard

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO OPC DATA REQUEST NO. 3

QUESTION NO. 39

Please provide a description of any programs and services the Company offers to help low-income households reduce their energy bills, including customer participation in such programs for each of the years 2013-2022. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

RESPONSE:

Pepco conducts energy assistance education and outreach to customers in the District encouraging them to apply for various energy assistance programs such as the Low-Income Home Energy Assistance Program (LIHEAP), the Residential Aid Discount (RAD) and the Arrearage Management Program (AMP).

- LIHEAP is a federal program where qualifying customer households can receive between \$250 - \$1800 in benefits for heating/cooling costs and up to an additional \$750 in crisis benefits. Pepco enables the program by increasing customer awareness and ensuring that agency approved benefits are applied to its qualified customers' accounts.
- RAD provides the Residential Aid Credit to customers in the form of a discount on the distribution portion of their bill, lowering the bill by approximately 25%. As pointed out in Witness Bell Izzard's testimony (page 30, line 14 – page 31, line 12), the Company is proposing an expansion to the eligibility requirements of this program to increase enrollment.
- The Arrearage Management Program (AMP) allows qualifying Pepco residential customers in the District of Columbia the option of reducing or eliminating outstanding balances for qualified residential accounts. AMP provides those customers eligible for the program with an incentive to become regular bill payers through arrears forgiveness. AMP requires a customer to be enrolled in the Residential Aid Discount (RAD) program and have at least \$300 in arrearages that are at least 60 days past due. Pepco residential customers enrolled in AMP are placed on budget billing and receive a credit of 1/12 of the customers total arrearages with each subsequent bill that is fully paid. The Company educates customers through in-person or virtual presentations, emails, and one on one sessions at community events.
- As part of FC1176 the Company proposed an expansion of RAD programs and as part of FC1160 PEPCO proposed Energy Efficiency programs that could benefit low-income customers.

Please see FC 1176 OPC DR 3-39 Attachment for participation.

SPONSOR: Morlon Bell-Izzard and Elizabeth M. D. O'Donnell

Unique New Customer Enrollments in Programs			
Year	LIHEAP	Average RAD ¹	AMP ²
2013 - 2016	Data is not available		
2017	12,306	17,129	0
2018	13,522	17,947	0
2019	13,451	18,229	79
2020	9,478	17,637	140
2021	9,831	16,904	30
2022	10,569	25,814	467
¹ Average RAD enrollments provided due to 18 month enrollment period. ² The AMP program started in 2019.			

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO OPC DATA REQUEST NO. 3

QUESTION NO. 40

Provide the number of disconnections customers have experienced due to delinquent payment for each of the years 2013-2022. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

RESPONSE:

Customers did not experience disconnections because of delinquent payments from March 17th, 2020 through May 31, 2022 as a result of the emergency moratorium due to COVID. The number of disconnections that residential customers experienced because of delinquent payments is calculated using the number of closed disconnection orders.

Residential Disconnections	
Year	# Customers
2013	4,697
2014	11,378
2015	3,679
2016	18,918
2017	15,158
2018	12,969
2019	9,960
2020	2,397
2021	0
2022	4,217

Please see FC 1176 OPC DR 3-40 Attachment.

SPONSOR: Morlon Bell-Izzard

Residential Disconnections	
Year	# Customers
2013	4,697
2014	11,378
2015	3,679
2016	18,918
2017	15,158
2018	12,969
2019	9,960
2020	2,397
2021	0
2022	4,217

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO OPC DATA REQUEST NO. 3

QUESTION NO. 41

Provide the number of households classified by the Company as vulnerable (i.e. medical-critical service) in the Company's service area for each of the years 2013-2022. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

RESPONSE:

The number of households classified by the Company as vulnerable based on enrollment in the Emergency Medical Equipment Notification Program is calculated using the number of accounts with an active medical certification.

Emergency Medical Equipment Notification Program Enrollment	
Year	# Households
2013-2016	Data is not available
2017	2,156
2018	1,591
2019	1,652
2020	2,054
2021	1,321
2022	1,212

Please see FC 1176 OPC DR 3-41 Attachment.

SPONSOR: Morlon Bell-Izzard

Emergency Medical Equipment Notification Program Enrollment	
Year	# Households
2013-2016	Data is not available
2017	2,156
2018	1,591
2019	1,652
2020	2,054
2021	1,321
2022	1,212

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO OPC DATA REQUEST NO. 3

QUESTION NO. 43

Provide the Company's actual annual revenue and earned income for each of the years 2013-2022, and predicted annual revenue and earned income for each year of the proposed multi-year rate plan. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

RESPONSE:

Please refer to FC 1176 OPC DR 3-43 Attachment. Refer to Company Witness Leming's Direct Testimony, Exhibit (B)-1 page 1, for the projected annual revenue and earned income for the Bridge year (2023) and each year of the proposed Multi-Year Rate Plan (2024-2026). All referenced materials reflect results for Pepco DC's Operations.

SPONSOR: Robert T. Leming

Potomac Electric Power Company

District of Columbia
 Unadjusted Results
 Years 2013-2022

(Thousands of Dollars)

Line No.	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rate Base										
1	\$ 2,647,533	\$ 2,819,883	\$ 2,974,996	\$ 3,008,840	\$ 3,361,816	\$ 3,634,746	\$ 3,761,475	\$ 4,117,443	\$ 4,377,300	\$ 4,592,885
2	(886,910)	(943,424)	(988,039)	(988,356)	(1,077,744)	(1,131,594)	(1,165,469)	(1,261,181)	(1,337,527)	(1,418,851)
3	(32,387)	(31,044)	(16,057)	(14,231)	(11,422)	(11,489)	(12,517)	(21,892)	(27,503)	(35,936)
4	30,917	28,397	28,605	29,065	30,731	37,395	41,709	51,468	53,028	54,495
5	12,364	12,950	13,459	12,794	8,859	9,312	9,712	8,184	8,870	8,800
6	(506,897)	(551,304)	(600,023)	(618,693)	(746,128)	(817,886)	(801,486)	(787,599)	(811,027)	(794,119)
7	60,274	60,059	54,368	52,167	58,432	72,039	72,964	65,900	67,005	65,010
8	(19,451)	(17,922)	(12,256)	(11,006)	(10,257)	(9,507)	(8,507)	(9,656)	(8,526)	(8,760)
9	18,377	17,217	37,626	39,152	32,370	27,579	28,245	23,314	18,126	13,099
10	29,308	28,476	25,390	24,890	41,878	50,113	44,470	31,516	33,632	33,292
11	504	431	325	298	380	374	365	248	196	340
12	\$ 1,341,652	\$ 1,423,719	\$ 1,518,394	\$ 1,524,920	\$ 1,683,915	\$ 1,862,082	\$ 1,971,772	\$ 2,207,743	\$ 2,373,574	\$ 2,510,235
Operating Revenues										
13	\$ 440,576	\$ 464,689	\$ 483,558	\$ 488,109	\$ 512,661	\$ 526,278	\$ 532,430	\$ 544,437	\$ 571,558	\$ 610,199
14	4,104	4,458	3,116	3,741	4,933	6,561	6,804	5,618	5,104	6,847
15	\$ 444,680	\$ 469,147	\$ 486,674	\$ 491,850	\$ 517,594	\$ 534,839	\$ 539,234	\$ 550,055	\$ 576,662	\$ 617,046
Operating Expenses										
16	\$ 116,717	\$ 121,251	\$ 130,966	\$ 138,772	\$ 137,925	\$ 162,574	\$ 166,936	\$ 169,801	\$ 163,709	\$ 173,915
17	68,667	78,400	83,332	84,570	93,443	99,493	103,469	110,049	117,235	123,942
18	5,277	4,286	3,304	3,384	6,094	10,055	12,068	16,569	11,174	16,058
19	137,766	139,674	143,248	143,009	141,845	147,713	146,549	146,056	153,548	150,391
20	6,767	7,667	5,621	4,771	1,489	(3,413)	(5,095)	1,883	4,850	(19,527)
21	25,535	28,826	28,496	27,261	32,989	1,501	(5,519)	(6,602)	(5,463)	3,646
22	\$ 360,749	\$ 380,104	\$ 394,967	\$ 401,767	\$ 413,785	\$ 417,923	\$ 418,408	\$ 437,746	\$ 445,053	\$ 448,425
23	\$ 83,931	\$ 89,043	\$ 91,707	\$ 90,083	\$ 103,809	\$ 118,916	\$ 120,826	\$ 112,309	\$ 131,609	\$ 168,621
24	6.26%	6.25%	6.04%	5.91%	6.16%	6.28%	6.13%	5.09%	5.54%	6.72%
DC Jurisdictional Return on Rate Base										
Less Weighted Cost of:										
	2.95%	2.80%	2.76%	2.79%	2.66%	2.61%	2.47%	2.38%	2.30%	2.31%
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	3.33%	3.45%	3.28%	3.12%	3.50%	3.67%	3.66%	2.71%	3.24%	4.41%
	50.94%	50.17%	49.55%	49.14%	50.28%	50.46%	50.68%	50.52%	50.68%	50.68%
	6.55%	6.89%	6.62%	6.34%	6.97%	7.27%	7.22%	5.36%	6.40%	8.70%

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO OPC DATA REQUEST NO. 3

QUESTION NO. 44

Provide an explanation of the factors that the Company takes into consideration when determining rates for residential customers, such as policy and economic factors. Provide sources used and explain all assumptions and calculations used.

RESPONSE:

Any factors taken into consideration in determining the proposed revenue allocation between rate classes, customer charge increases, and energy charge increases are addressed throughout the Direct Testimony of Company Witness Bonikowski.

For example, as explained in PEPCO (E) at 7:9 to 10:1, the Residential class has had a negative rate of return for more than twenty years, and the Commission has repeatedly found that corrective action is needed to address the severe disparity in residential and commercial rates of return. As detailed in PEPCO (E) at 15:1 to 16:18 and PEPCO (E)-1, the Company's proposed 2.3 Multiplier to the System Average Increase is consistent with previous revenue allocations approved by the Commission in cases where under-earning classes have been assigned a greater-than-system-average revenue increase.

Further, PEPCO (E) at 21:1-13 explains that the Company's revenue allocation has been shaped across rate years such that the Residential class receives equal revenue increases in each rate year. This approach balances gradually reducing the Residential subsidy (which is funded primarily by Commercial customers) to create more cost-based and equitable rates and support long-term Commercial customer bill affordability, while spreading the resulting Residential bill increases evenly over the term of the MYP.

PEPCO (E) Section (C) describes how the Company designs individual distribution rate components for each rate class to collect the revenue requirement allocated to the class.

SPONSOR: Matthew J. Bonikowski

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO OPC DATA REQUEST NO. 3

QUESTION NO. 45

Please describe how the Company collaborates with community organizations and government agencies to address energy affordability issues, and what partnerships have been successful in the past. Provide sources used and explain all assumptions and calculations used.

RESPONSE:

Pepco has long-term relationships with many local community organizations and government agencies who engage with the low-to-moderate-income population who may need energy assistance to promote the Low-Income Home Energy Assistance Program (LIHEAP). The Company's partnership with United Way of the National Capital Area's partnership spans decades. These partnerships provide equitable access to resources to improve the lives of low-income neighbors who may have affordability issues. In addition, the Company has partnerships with other local organizations in the community which include Mary's Center, Interfaith Works, and others.

Locally, Pepco has partnered with the District of Columbia at a plethora of community events to include the weekly summer program called "Beat the Streets" in collaboration with the local Metropolitan Police who canvass the neighborhood providing safety information. During these events, the Company provides energy assistance information. In addition, the Company provides monthly opportunities for customers to enroll in energy assistance during outreach events at apartment complexes, senior facilities, and local food banks. The Company also partners with other utilities by sponsoring energy assistance sign up days.

Please see FC 1176 OPC DR 3-45 Attachment for the number of outreach events held from 2022-2023.

The Company also partners with government agencies to include the Department of Energy and Environment (DOEE) to assist customers with resolving balances on customer's accounts, technical and bill related issues for vulnerable customers, and those needing other extra support. Pepco has increased customer awareness and application intake through effective community outreach and marketing initiatives to raise public awareness of energy assistance programs.

In 2013, the average RAD enrollment was at 17,757 participants. In 2022, participation increased to an average of 25,814 which resulted in a 45% surge in part due to the effective community outreach activities implemented last year (see table below) combined with the expansion of the eligibility requirements.

Year	Average RAD Enrollment
2013	17,757
2014	16,997
2015	17,513
2016	15,500
2017	17,129
2018	17,947
2019	18,229
2020	17,637
2021	16,904
2022	25,814

SPONSOR: Morlon Bell-Izzard

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA FORMAL CASE NO. 1176
RESPONSE TO OPC DATA REQUEST NO. 3

QUESTION NO. 46

Please describe the biggest challenges the Company faces in addressing energy affordability issues, and what strategies the Company is pursuing to overcome such challenges. Provide sources used and explain all assumptions and calculations used.

RESPONSE:

Energy assistance awareness is a major challenge that Pepco faces in addressing energy affordability issues. As a result, Pepco is constantly developing strategies to consistently communicate the availability of programs such as the Low-Income Heating and Energy Assistance Programs (LIHEAP) throughout the community. These strategies include regular outreach activities, community engagement events, and implementing marketing campaigns with its long-term strategic partners.

As noted in Company Witness O'Donnell's testimony, (page 50 line 10 through page 53 line 7) Pepco is actively pursuing IJJA funding as an opportunity to help maintain affordable service for its customers by reducing the cost of investments in the distribution system by off-setting costs through a federal funding source.

As described in Company Witness Bell-Izzard's testimony (page 29, line 3 to page 34, line 19), the Company is proposing enhancing enrollment in the Residential Aid Discount (RAD) program and enhancing Pepco's Arrearage Management Program (AMP). See 3-39 for more details about how these programs benefit customers.

SPONSOR: Morlon Bell-Izzard and Elizabeth M. D. O'Donnell

**BEFORE THE
PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA**
Formal Case No. 1176

**Apartment and Office Building Association
Response to
Potomac Electric Power Company
Data Request No. 1**

Pepco Request

January 26, 2024

- 1-4. On page 106 of the direct testimony of AOBA Witness B. Oliver, AOBA(A), AOBA Witness B. Oliver states, “[t]here is not another utility or another jurisdiction within the U.S. that has allowed such large negative rates of return to endure for a major class of service over such an extended number of years.” Please provide workpapers, studies, or analysis to support this statement.

AOBA Response

February 12, 2024

The witness’ representation is based on his nearly 50 years of experience and his review of rate filings, and specifically class cost of service studies for a large number of utilities. In witness B. Oliver’s experience, negative rates of return for major classes of customers are rare, and situations in which such returns are allowed to endure over decades are non-existent outside Pepco’s service in the District of Columbia.

Sponsor: Bruce Oliver

**BEFORE THE
PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA**
Formal Case No. 1176

**Apartment and Office Building Association
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January 26, 2024

- 1-5. Refer to the direct testimony of AOBA Witness B. Oliver at 17:18-17:20, AOBA Witness Oliver states: “However, Pepco has leveraged the regulatory process to embed a level of price discrimination in its rates that is not found anywhere else in the U.S.” Please provide all workpapers, studies, or other evidence that support this statement.

AOBA Response

February 12, 2024

Price discrimination is a pricing strategy where identical or largely similar goods or services are sold at different prices by the same provider in different market segments. Utility regulation is intended to allow prices by a monopoly provider of utility services to be differentiated on the basis of the utility’s costs of providing service. However, allowed differences in class rates of return are generally not premised on quantifiable differences in a utility’s costs of providing service, and negative rates of return represent pure subsidization as a negative rate of return represents a **loss of investment**.

Also, see AOBA’s response to Pepco DR 1-4, as well as Exhibit AOBA (A)-7. None of Pepco’s affiliates have negative rates of return for any major class of service.

Sponsor: Bruce Oliver

**BEFORE THE
PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA**
Formal Case No. 1176

**Apartment and Office Building Association
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Pepco Request

January 26, 2024

- 1-8. Refer to the direct testimony of AOBA Witness B. Oliver at 53:21-54:3, AOBA Witness Oliver states: "Thus the alternative that Pepco witness Barnett suggests the Commission should have approved, would also have served to exacerbate revenue under recover[ies] for the GT-LV rate class while further depressing the Commercial business activity in the District." Please provide all workpapers, studies, evidence, research, and support that AOBA has that utility rates have a direct result of depressing commercial business activity in the District.

AOBA Response

February 12, 2024

Further increasing charges to District of Columbia commercial customers, who already contribute more than twice the system average rate of return does not foster business activity in the District, particularly when comparable service is available at significantly lower cost in other locations (e.g., the Virginia suburbs).

Sponsor: Bruce Oliver

**BEFORE THE
PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA**
Formal Case No. 1176

**Apartment and Office Building Association
Response to
Potomac Electric Power Company
Data Request No. 1**

Pepco Request

January 26, 2024

- 1-22. Refer to the Direct Testimony of B. Oliver, AOBA (A), at 113: 1-14. If the Commission approves an MYP in this proceeding, does AOBA recommend the Commission apply the revenue allocation parameters described in this passage?
- a. If so, please provide any analyses and workpapers which demonstrate that AOBA's proposed revenue allocation will result in the elimination of negative class rates of return within the period of the plan, as recommended in AOBA Witness Bruce Oliver's Direct Testimony at 133:10-12.

AOBA Response

February 12, 2024

The multipliers and revenue increase distribution guidance presented in the referenced portion of the Direct Testimony of AOBA witness B. Oliver are allocations that would be applicable if Pepco's full revenue increase request is approved. If the Commission approves less than the Company's full request, all classes should see reductions from the levels that would result from the Commission's application of the AOBA revenue increase distribution recommendations to the Company's full requested increase. However, the reductions should be distributed among rate classes in a manner which recognizes that the lowered overall revenue increase for Pepco provides opportunities for the Commission to further differentiate increases to achieve greater movement in class unitized rates of return and multipliers without imposing rate shock on any class of customers.

In response to part a., above, the referenced AOBA recommendation is offered in the context of any future MYP filing. AOBA does not support the Commission's adoption of an MYP in this proceeding. If the Commission should elect to move forward with an MYP in this proceeding, despite strong opposition, the eliminations of negative class rates of return within the rate effective period would likely only be feasible within the context of the Commission's approval of a substantially reduced overall revenue requirement.

Sponsor: Bruce Oliver

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

FORMAL CASE NO. 1176

**OFFICE OF THE PEOPLE’S COUNSEL
RESPONSE TO PEPCO DATA REQUEST NO. 1
PUBLIC**

20. Refer to the Direct Testimony of OPC Witness Dismukes, OPC (A), at page 10, lines 10- 12, which states that “Changes to the Company’s low-income programs could have important and potentially unintended consequences that affect other District-sponsored programs and other stakeholder initiatives.” Please explain or define what is meant by “consequences” and how those consequences will impact customers.

OPC RESPONSE

FEBRUARY 12, 2024

These “consequences” could include a range of potential outcomes that impact (a) the effective price or value of support/assistance provided to low-income customers, (b) the nature or scope of low-income services offered, or (c) the quality of support services provided to low-income customers.

Sponsor: David E. Dismukes

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

FORMAL CASE NO. 1176

**OFFICE OF THE PEOPLE’S COUNSEL
RESPONSE TO PEPCO DATA REQUEST NO. 1
PUBLIC**

26. Refer to the Direct Testimony of Witness Dismukes, OPC (A) at 46:19 – 47:5.
- a. What does OPC identify as the primary driver of the “one-third reduction in negative RROR” between Formal Case 1156 and Formal Case 1176?
 - b. Please provide all data, analysis, and workpapers supporting the findings in part (a).
 - c. Does OPC agree that, all else equal, had the Commission allocated a larger revenue increase to the Residential class in Formal Case No. 1156, then the Residential class’s ROR would have increased.

OPC RESPONSE

FEBRUARY 12, 2024

- a. Dr. Dismukes and OPC have not identified the “primary driver” of the reduction in residential negative RRORs between Formal Case Nos. 1156 and 1176 and, regardless, notes that the identity of this reduction does not change the fact that the Company earnings from the residential customer class improved despite being allocated a less than average rate increase. This outcome, arising from measurable historical experience, demonstrates the overly simplistic assumptions regarding the relationship between rate increases and achieved class returns are often problematic and, at least in this instance, incorrect.
- b. Not applicable.
- c. No. Since a wide range of “other factors” are not held constant. Dr. Dismukes continues to stand by his testimony in this proceeding, and prior proceedings, that the empirical evidence and historical experience to date shows that disproportionate rate increases to the residential class do not always result in increased achieved class returns that are closer to full cost of service.

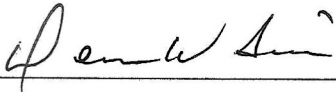
Sponsor: David E. Dismukes

**DISTRICT OF COLUMBIA
BEFORE THE
PUBLIC SERVICE COMMISSION**

IN THE MATTER OF THE APPLICATION OF POTOMAC)
ELECTRIC POWER COMPANY FOR AUTHORITY TO) FORMAL CASE NO. 1176
IMPLEMENT A MULTIYEAR RATE PLAN FOR ELECTRIC)
DISTRIBUTION SERVICE IN THE DISTRICT OF COLUMBIA)

DECLARATION OF DENNIS W. GOINS

I, Dennis W. Goins, do hereby declare under penalty of perjury that I am authorized to make this Declaration on behalf of the United States General Services Administration; that the foregoing testimony and exhibits were prepared by me or under my direction and supervision; and that the contents therein are true and correct to the best of my knowledge, information, and belief.



Dennis W. Goins

February 27, 2024