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August 30, 2024

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

Re: PEPPOR 2024

Dear Ms. Westbrook-Sedgwick:

Enclosed please find Potomac Electric Power Company's responses to Staff Data Request No. 1.

Please feel free to contact me if you have any questions regarding this matter.

Sincerely,

/s/ Dennis P. Jamouneau

Dennis P. Jamouneau

Enclosure

cc: All Parties of Record

POTOMAC ELECTRIC POWER COMPANY
DISTRICT OF COLUMBIA PEPPOR DOCKET 2024
RESPONSE TO STAFF DATA REQUEST NO. 1

QUESTION NO. 1

Please reference Pepco’s update of the Purchase of Receivable (“POR”) Supplier Discount Rate filed on August 16, 2024. Also reference Order No. 22259, issued August 7, 2024, which directs Pepco to modify the POR Discount Rate calculation for the Residential Customer Class by using Residential Customer Class Calendar Year 2022 Bad Debt Expenses and Late Fees Revenues as a proxy for calculating the Company’s 2024 POR Discount Tariff.

Attachment D of the August 16, 2024 Updated POR filing shows the Company’s Purchase of Receivables Reconciliation and Interest Factor calculation by customer class for January through December 2023 including Year 1 thru Year 9 i.e. CY 2023 (1) POR Discount, (2) Write-offs, (3) Late Fees Revenues , and (4) Interest Expense.

The table below shows Year 8 (CY 2022) and Year 9 (CY 2024) Write offs, Late Fees revenues and Interest Expense from the updated August 16, 2024, filing:

| Pepco Schedule D of 2024 POR Discount Filing made August 16, 2024 Line # | RESIDENTIAL - Schedules R & MMA |
|--|---------------------------------------|
| 2.8 Write-Offs - Year 8 | 2,055,949.00 |
| 2.9 Write-Offs - Year 9 | 3,905,121.90 |
| 3.8 Late Fee Revenues | 381,627.91 |
| 3.9 Late Fee Revenues | 388,677.90 |
| 4.8 Interest Expense/(Revenue - Year 8 | (86,748.61) |
| 4.9 Interest Expense/(Revenue - Year 9 | (107,794.69) |
| 8 Interest | \$ (69,258.69) |

- (a) Attachment D Line 2.9 Write-Offs - Year 9 shows that the Residential Customer Class bad debt expense amount used to calculate the 2024 reconciliation factor for Residential customers was the 2023 write-off amount of \$3.905M. Line 2.8 Write-Offs - Year 8 shows the CY 2022 Residential Customer Class write-off amount of \$2.055M used by the Company to calculate the updated 2024 Reconciliation Factor. Order No. 22259 directed Pepco to submit a new Residential Customer Class POR Discount Rate tariff using **Residential Calendar Year 2022 Bad Debt Expenses and Late Fees Revenues as a proxy for calculating the Company’s 2024 residential POR Discount Tariff**. Please explain why the Company used its CY 2023 Residential Customer Class write-off amount of \$3.905M in Year 9 instead of using CY 2022

write-off amount of \$2.055M as a proxy in Year 9 Residential Customer Class write-offs in calculating the Company's Residential Customer Class 2024 POR Discount Rate .

- (b) Attachment D Line 3.9 Late Fees Revenues - Year 9 shows that the Residential Customer Class Late Fees Revenue used to calculate the 2024 reconciliation factor for Residential customers was the 2023 Late Fees Revenue of \$389K. Line 3.8 Late Fees Revenue - Year 8 shows the CY 2022 Residential Customer Class Late Fees Revenues of \$382K was used by the Company to calculate the updated 2024 Reconciliation Factor. Order No. 22259 directed Pepco to submit a new Residential Customer Class POR Discount Rate tariff using **Residential Calendar Year 2022 Bad Debt Expenses and Late Fees Revenues as a proxy for calculating the Company's 2024 residential POR Discount Tariff**. Please explain why the Company used its CY 2023 Residential Customer Class Late Fees Revenues of \$389K in Year 9 instead of using CY 2022 Residential Customer Class Late Fees Revenues of \$382K as a proxy in Year 9 in calculating the Company's Residential Customer Class 2024 POR Discount Rate .
- (c) Please refer to Pepco's initial POR Supplier Discount Rate filed on April 30, 2024, Attachment D, Line 4.9 Interest Expense/Revenue - Year 9 and Line 8 - Interest which show the Residential Customer Class interest amount of \$108K. Also reference the Company's August 16, 2024 updated POR Supplier Discount Rate filing Attachment D which shows Line 4.9 Interest Expense/Revenue - Year 9 amount of \$107K while Line 8 shows Interest amount of \$69K for the Residential Customer Class. Please explain why the Company's Residential Customer Class Line 4.9 Interest Expense/Revenue - Year 9 (\$107K) in Pepco's updated August 16, 2024 filing does not match its Line 8 Interest (\$-69K).

RESPONSE:

- (a) The Company's interpretation of Order No. 22259 was to use 2022 Bad Debt Expenses and Late Fees Revenues as proxy consistently with Washington Gas Light Company's (WGL's) methodology. WGL's methodology approved by the Commission applied 2022 amounts as proxy for the 2024 forecasted components of the POR discount and did not apply to the Reconciliation Factor which utilized 2023 data.
- (b) See response to Staff DR 1-1(a).
- (c) See response to Staff DR 1-1(a).

SPONSOR: The Company

CERTIFICATE OF SERVICE

I hereby certify that a true copy of Pepco's responses to Staff Data Request No. 1 was served on the parties of record in Formal Case No. PEPPOR by electronic mail this 30th day of August 2024.

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