

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1325 G STREET, N.W., SUITE 800
WASHINGTON, D.C. 20005**

ORDER

October 1, 2025

FORMAL CASE NO. 1149, IN THE MATTER OF THE INVESTIGATION INTO THE STRUCTURE AND APPLICATION OF AN EXPERIMENTAL RATE CLASS FOR BOTH SENIOR CITIZENS AND DISABLED RESIDENTS IN THE DISTRICT OF COLUMBIA, and

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, Order No. 22719

I. INTRODUCTION

1. The Public Service Commission of the District of Columbia (“Commission”) hereby adopts stakeholder recommendations to convene a technical conference to evaluate the impact and feasibility of continuing the Senior Citizen and Disabled Residents Rate Credit (“Rider SCADRRC”) and to create a one-year regulatory asset capped at \$1.5 million to continue the Rider SCADRRC until the Commission issues an Order on the technical conference Final Report. In accordance with directives in Paragraphs 17-19 herein: (a) Commission Staff shall convene the technical conference within forty-five (45) days of the date of this Order; (b) a technical conference Final Report shall be filed within six (6) months of the date of this Order; and (c) the Potomac Electric Power Company (“Pepco” or “Company”) shall create the regulatory asset to continue the Rider SCADRRC from October 1, 2025 – September 30, 2026.¹

II. BACKGROUND

2. On July 25, 2017, the Commission issued Order No. 18846 announcing its intention to “open a new proceeding to discuss the parameters around creating a new experimental rate class

¹ The Commission notes that on July 31, 2025, the Potomac Electric Power Company (“Pepco”) filed the Report of the Utility Discount Education Working Group (“UDPE”) in *Formal Case No. 1176*. See *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*, Report of the Utility Discount Education Working Group, filed July 31, 2025. The UDPE Report includes recommendations on, among other things, Pepco’s proposal to expand the Residential Aid Discount (“RAD”) by using categorical eligibility to streamline program enrollment. Because the UDPE Report was filed just days before Pepco filed its notice in this proceeding that the funds for the Rider SCADRRC will be exhausted in September 2025, the UDPE Working Group may not have considered the impact of the removal of the credit for senior and disabled ratepayers in their recommendations. Therefore, the Commission has double captioned this Order to ensure that members of the UDPE Working Group are notified of this information and can update their recommendations, if necessary, and file comments on whether and under what mechanism the Rider SCADRRC should be extended.

for both senior citizens and disabled residents within the District.”² The Order also adopted the Pepco recommendation that the Commission open a separate docket to explore bill affordability for customers who do not qualify for the Residential Aid Discount (“RAD”), such as working families and retirees.³ The Commission stated that the parameters around creating this experimental rate class should be examined through technical conferences and that the eventual discount rate would target District of Columbia (“District”) residents who need rate assistance but have not received it. The Commission also stated that eligibility should be as simple, trouble-free, and automatic as possible.⁴ On October 6, 2017, the Commission issued its final Order affirming Order No. 18846.⁵

3. On October 19, 2017, the Commission issued Order No. 19146, opening *Formal Case No. 1149* to “investigate the structure and application of an experimental rate class for both senior citizens and disabled residents in the District,” and scheduling the first technical conference regarding the experimental rate class for December 19, 2017.⁶ Three technical conferences were convened in this matter between December 19, 2017, and March 19, 2018. On April 9, 2018, pursuant to Commission Order No. 19146, Commission Staff, on behalf of the technical conference participants, submitted the Final Report.⁷ On November 18, 2018, the Commission accepted the Final Report as filed and recognized the need for designing a new electricity discount program for senior citizens and disabled residents in the District.⁸ The Commission accepted the Final Report’s recommendation that the experimental senior and disabled discount be a fixed monthly credit. The Commission required that the credit equal \$7.50 a month for qualified customers, finding this amount to be reasonable.⁹ The Commission also directed Pepco to file a notice when only 24 months of funding remained from the \$6 million in Pepco-Exelon Merger-provided Consumer Rate Base Credits (“CRBC”) allocated to support the experimental senior citizen and disabled rate credit.¹⁰

² *Formal Case No. 1139, In the Matter of the Application of Potomac Electric Power Company for Authority to Increase Existing Retail Rates and Charges for Electric Distribution Service (“Formal Case No. 1139”),* Order No. 18846, ¶ 463, rel. July 25, 2017 (“Order No. 18846”).

³ *Formal Case No. 1139*, Pepco Br. 220-221, n.1081.

⁴ *Formal Case No. 1139*, Order No. 18846, ¶ 463.

⁵ *See Formal Case No. 1139*, Order No. 19130, rel. October 6, 2017.

⁶ *Formal Case No. 1149, In the Matter of the Investigation into the Structure and Application of an Experimental Rate Class for Both Senior Citizens and Disabled Residents in the District of Columbia (“Formal Case No. 1149”),* Order No. 19146, ¶¶ 3, 7, 8, October 19, 2017.

⁷ *See Formal Case No. 1149*, Final Report of the Technical Conference, filed April 9, 2018.

⁸ *See Formal Case No. 1149*, Order No. 19741, ¶ 15, rel. November 8, 2018 (“Order No. 19741”).

⁹ Order No. 19741, ¶ 15.

¹⁰ Order No. 19741, ¶¶ 12, 19, *referencing* Order No. 18846, ¶ 5. According to the later approved tariff, Pepco is required to update the Commission within sixty (60) days of when the Company estimates the funds associated with Rider SCADRRRC will be fully exhausted.

4. On August 1, 2025, Pepco notified the Commission that the funds supporting Rider SCADRRC are expected to be exhausted by September 30, 2025, effectively ending the credit on October 1, 2025.¹¹ As such, Pepco claims that the \$7.50 monthly credit will no longer appear on eligible customer bills after that date.¹² In addition, Rider SCADRRC will also be removed from the tariff. Pepco states that a residual balance is expected to remain after the program ends, which will be incorporated into the 2025 Annual Bill Stabilization Adjustment Reconciliation for the residential rate class.¹³ However, Pepco states that it is open to considering other funding sources for this group of customers in the future if the Commission and other stakeholders are interested and will seek recovery of the amounts credited through a regulatory asset.¹⁴ Finally, Pepco plans to proactively notify customers of the upcoming termination of the credit mechanism.¹⁵

5. On August 14, 2025, the Commission issued Order No. 22704 providing stakeholders twenty (20) days to comment on whether, for what duration, and under what structure the Rider SCADRRC should continue to be funded.¹⁶ Comments were due on September 3, 2025, and reply comments were due ten (10) days thereafter. On September 3, 2025, the District of Columbia Government (“DCG”) filed its comments¹⁷ and the Office of the People’s Counsel (“OPC”) filed its Motion for an enlargement of time until September 10, 2025, to file comments.¹⁸ By Order No. 22711, the Commission granted OPC’s Motion extending the comment and reply comment period to September 10, 2025, and September 22, 2025, respectively.¹⁹

6. On September 4, 2025, comments were filed by Anne deBuys (Ward 3 ratepayer),²⁰ on September 10, 2025, comments were filed by OPC²¹ and the Apartment and Office Building

¹¹ See *Formal Case No. 1149*, Pepco’s Letter regarding the Senior Citizen and Disabled Resident Rate Credit, filed August 1, 2025 (“Pepco Letter”).

¹² Pepco Letter at 1.

¹³ Pepco Letter at 1.

¹⁴ Pepco Letter at 1.

¹⁵ Pepco Letter at 1.

¹⁶ *Formal Case No. 1149* and *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* (“*Formal Case No. 1176*”) (together, “*Formal Case Nos. 1149 and 1176*”), Order No. 22704, rel. August 14, 2025.

¹⁷ *Formal Case Nos. 1149 and 1176*, District of Columbia Government’s Comments on the Senior Citizen and Disabled Resident Rate Credit, filed September 3, 2025 (“DCG Comments”).

¹⁸ OPC Motion.

¹⁹ *Formal Case Nos. 1149 and 1176*, Order No. 22711, ¶ 1, rel. September 5, 2025.

²⁰ *Formal Case Nos. 1149 and 1176*, Comments of Anne deBuys, filed September 4, 2025 (“Anne deBuys Comments”).

²¹ *Formal Case Nos. 1149 and 1176*, Comments of the Office of the People’s Counsel for the District of Columbia Regarding the Expiring Senior Citizen and Disabled Rate Credit, filed September 10, 2025 (“OPC

Association of Metropolitan Washington (“AOBA”).²² On September 15, 2025, comments were filed by the National Consumer Law Center (“NCLC”).²³ The D.C. office of the American Association for Retired Persons (“AARP DC”) and Pepco²⁵ filed reply comments on September 18th and September 22, 2025, respectively.

III. DISCUSSION

A. Initial Comments

7. **DCG.** DCG asserts that the appropriate next step regarding the Rider SCADRRC is for the Commission to undertake a thorough evaluation of the program.²⁶ Specifically, DCG asserts that more detailed information on the program’s impacts, beneficiaries, administrative mechanisms and costs, including any costs that shift from utility shareholders to utility ratepayers, would be beneficial.²⁷ DCG contends that the Commission should also evaluate if there are alternative ways of identifying/qualifying customers who should receive the credit than limiting it to households receiving the D.C. Senior Citizen or Disabled Property Owner Tax Relief.²⁸ To support the evaluation of the program, DCG provides a list of questions to be considered including, but not limited to: how many households have benefitted from the program; what is the geographic distribution of program enrollees; what is the projected fiscal impact/cost of extending the program, and are there any alternative funding sources?²⁹ DCG contends that answering these questions will help the Commission and stakeholders properly evaluate whether the pilot program should be continued and/or modified.³⁰

Comments”).

²² *Formal Case Nos. 1149 and 1176*, Comments of the Apartment and Office Building Association of Metropolitan Washington, filed September 10, 2025 (“AOBA Comments”).

²³ *Formal Case Nos. 1149 and 1176*, Comments by the National Consumer Law Center Regarding the Expiring Senior Citizen and Disabled Rate Credit, filed September 15, 2025 (“NCLC Comments”). The Commission notes that NCLC’s comments were filed out of time and without a motion. *See* 15 DCMR § 117.5. However, we find that good cause exists to waive the filing requirement and accept the filing. *See* 15 DCMR § 146.1 (“The Commission may upon [] its own initiative [] waive any provision of this chapter for good cause.”).

²⁴ *Formal Case Nos. 1149 and 1176*, American Association of Retired Persons Comments, filed September 18, 2025 (“AARP DC Reply Comments”).

²⁵ *Formal Case Nos. 1149 and 1176*, Potomac Electric Power Company’s Reply Comments, filed September 22, 2025 (“Pepco Reply Comments”).

²⁶ DCG Comments at 2.

²⁷ DCG Comments at 3.

²⁸ DCG Comments at 3.

²⁹ DCG Comments at 3-4.

³⁰ DCG Comments at 4.

8. **Anne deBuys.** Anne deBuys explains that she has been receiving the Rider SCADRRC since 2021.³¹ She states that the cessation of the credit would negatively affect her and urges the Commission to approve an alternative funding mechanism to continue supporting vulnerable ratepayers like herself.³²

9. **OPC.** OPC asserts that as “electricity prices rise at an alarming rate, many of the District’s most vulnerable residents are forced to choose between keeping the lights on, buying medicine, or paying for other necessities.”³³ As such, OPC recommends that the Rider SCADRRC program be preserved, reviewed, and improved.³⁴ OPC requests that the Commission: (1) convene a technical conference to evaluate the Rider SCADRRC; (2) direct the submission of a technical conference Final Report with recommendations regarding the future of the Rider SCADRRC; and (3) continue the Rider SCADRRC until the Commission issues a Final Order on the Final Report by establishing a regulatory asset for one year, capped at the highest one-year period of the Rider SCADRRC.³⁵

10. With respect to convening the technical conference, OPC asserts that an evaluation should be performed to fully understand the costs, benefits, program administration, and other evaluative metrics that would more fully inform the position of interested stakeholders regarding the future of the Rider SCADRRC.³⁶ OPC further asserts that the technical conference will allow Pepco, the only party privy to pertinent program data, to share information with stakeholders to evaluate whether the Rider SCADRRC was successful in providing vital assistance to the target ratepayers.³⁷ Absent such data sharing, OPC asserts stakeholders will be unable to provide recommendations to the Commission. OPC asserts that if the Commission establishes a regulatory asset to continue the credit, then it should direct Pepco to provide data or financial information for each program year of the Rider SCADRRC.³⁸

11. OPC asserts that if the Commission does not accept its recommendation to establish a regulatory asset, it should still convene a technical conference to evaluate the impact of the Rider SCADRRC and affordability in a holistic manner.³⁹ Additionally, OPC asserts that if the

³¹ Anne deBuys Comments at 1.

³² Anne deBuys Comments at 1.

³³ OPC Comments at 7.

³⁴ OPC Comments at 7.

³⁵ OPC Comments at 2.

³⁶ OPC Comments at 8.

³⁷ OPC Comments at 8.

³⁸ OPC Comments at 9.

³⁹ OPC Comments at 10.

evaluation is not approved and the credit is suspended, the Commission should direct Pepco to provide copies of any communications and notifications that will be sent to consumers.⁴⁰

12. **AOBA.** AOBA argues that in the face of the most recent Pepco distribution rate increase in *Formal Case No. 1176*, and with a second rate increase which will be effective on January 1, 2026, no ratepayers should be tasked with paying for a program whose need has not been established by empirical data.⁴¹ AOBA argues that because the existing funding for the credit will be exhausted by October 2025, the burden of paying for this program will fall elsewhere.⁴² AOBA objects to any program that establishes a regulatory asset for Pepco to pay for this program, which will ultimately be assessed to ratepayers when no identified and quantified need for the program has been established.⁴³ AOBA asserts that if the Commission continues this credit, income and participation criteria should be established.⁴⁴ AOBA contends that there are no data or analyses that indicate the need for this program in addition to Pepco's RAD program.⁴⁵ AOBA strongly objects to the costs for the continuation of the current program being borne by non-residential customers in the Commercial and Master Metered Apartment rate classes.⁴⁶

13. **NCLC.** NCLC supports OPC's comments.⁴⁷ NCLC states that seniors and the disabled often live on fixed incomes and that the credit provided by Rider SCADRRC may seem small, but it is likely worth the value of several meals per month for recipients.⁴⁸ NCLC explains that hotter summers have a harsh impact on these ratepayers and that seniors and the disabled face greater risks from high utility bills but have less flexibility.⁴⁹ NCLC urges the Commission to order a technical conference to evaluate the discount and to establish a one-year regulatory asset to continue the discount while the technical conference considers ways to continue the discount.⁵⁰

⁴⁰ OPC Comments at 10.

⁴¹ AOBA Comments at 2.

⁴² AOBA Comments at 2.

⁴³ AOBA Comments at 2.

⁴⁴ AOBA Comments at 2.

⁴⁵ AOBA Comments at 2.

⁴⁶ AOBA Comments at 2.

⁴⁷ NCLC Comments at 1.

⁴⁸ NCLC Comments at 1-2.

⁴⁹ NCLC Comments at 2.

⁵⁰ NCLC Comments at 2.

B. Reply Comments

14. **AARP DC.** AARP DC asserts that many of its members and the 50+ population in the District are on low or fixed incomes, struggle to make ends meet, and/or live on Social Security alone.⁵¹ AARP supports DCG's recommendation that a study of the current program be conducted to assess the efficacy of the program. AARP DC also supports the recommendations of OPC and NCLC to convene a technical conference to provide recommendations for the future of the program.⁵² AARP DC asserts that it takes no position on OPC's recommendation to create a one-year regulatory asset to continue the Rider SCADRRC until the Commission issues an order on the technical conference's Final Report.⁵³

15. **Pepco.** Pepco generally agrees with the comments filed by OPC, which are supported by NCLC. Pepco asserts that the extension of the Rider SCADRRC on a one-year basis is in the public interest, assuming the Commission approves the creation of a regulatory asset for the program costs.⁵⁴ Pepco also supports convening a technical conference to address questions raised by the Commission and stakeholders, including whether there are funding alternatives.⁵⁵ Pepco also provides responses to questions DCG raised in its comments. While Pepco notes that some of DCG questions are better posed to other District agencies that have access to the data requested, the Company is able to provide, in pertinent part, that: (1) geographic enrollment data may be available but Pepco would need more time to gather this data; (2) program enrollment by year is approximately 15,000 customers; and (3) credits issued each year of the program total approximately \$1.4 million.⁵⁶

IV. DECISION

16. We appreciate the comments filed by stakeholders in this matter. In determining the best way forward for the experimental program, we are sensitive to the cost-shifting concerns raised by AOBA; namely that creating a regulatory asset to continue the Rider SCADRRC may shift the cost of the program from Company shareholders to ratepayers when ratepayers already subsidize energy costs for residents who qualify for RAD. The Commission also remains ever cognizant of the impact of the rising costs of electricity and other necessities on all D.C. ratepayers, especially the District's most vulnerable. While the \$6 million allocated from the CRBC in the Pepco-Exelon Merger has been exhausted, the Commission believes the need for the credit is more pressing than ever and that abruptly ending the credit without first evaluating the impact of the experimental program — appropriately weighing its costs and benefits — is not the appropriate course of action. Therefore, we are adopting the recommendations of OPC, supported by NCLC,

⁵¹ AARP DC Reply Comments at 1.

⁵² AARP DC Reply Comments at 1.

⁵³ AARP DC Reply Comments at 1.

⁵⁴ Pepco Reply Comments at 2.

⁵⁵ Pepco Reply Comments at 3.

⁵⁶ Pepco Reply Comments at 3-4.

Pepco, and in part DCG and AARP DC; to convene a technical conference to evaluate the program's impact. We also approve the creation of a one-year regulatory asset capped at \$1.5 million to continue the Rider SCADRRC until the Commission acts on the technical conference Final Report.

17. **Technical Conference(s).** Staff shall convene a technical conference in this matter within forty-five (45) days from the date of this Order (by November 17, 2025). The technical conference process shall be open to the public and may include multiple in-person or virtual meetings but shall conclude within six (6) months from the date of this Order with the filing of a Final Report detailing consensus and non-consensus recommendations for the future of the Rider SCADRRC. The first technical conference shall include a program overview presented by Pepco, including responses to issues raised by stakeholders AOBA (is the Rider SCADRRC needed in addition to Pepco's RAD program) and DCG (provide the geographic program data that the Company indicated it did not have sufficient time to gather in its reply comments). Stakeholders who do not participate in the technical conference process may file comments on the Final Report within thirty (30) days of its filing. The Commission shall issue an order on the Final Report within ninety (90) days of the comment deadline.

18. **Final Report.** While not limited to the following, the Final Report shall include: (1) an evaluation of the program's impact, including a detailed cost/benefit analysis by year; (2) alternative funding mechanisms for the program; (3) alternative ways of identifying/qualifying customers for the program; (4) a minimum three (3) years of projected costs for continuing the program; and (5) recommendations (including projected bill impacts) on how recovery of future program costs should be allocated amongst rate classes, including the regulatory asset approved in this Order. The Final Report shall be drafted and filed by the Company with stakeholder review prior to submission.

19. **Regulatory Asset.** To prevent the abrupt discontinuance of the Rider SCADRRC while stakeholders evaluate and provide recommendations for the future of the program, we also approve the creation of a one-year regulatory asset capped at \$1.5 million to continue the Rider SCADRRC from October 1, 2025 – September 30, 2026, which will provide the Commission sufficient time to issue an Order on the Final Report and the Company sufficient time to make any program administration adjustments, if necessary. Pepco shall continue applying the Rider SCADRRC to qualified ratepayer bills. We have capped the regulatory asset at slightly above the \$1.4 million average annual cost of operating the program, as reported by Pepco, to accommodate any unexpected increases in program enrollment. Therefore, we do not expect the credit to be exhausted prior to the Commission issuing a decision on the Final Report. However, Pepco should provide the Commission with forty-five (45) days' advanced notice should it determine the cap will be exceeded prior to September 30, 2026.

THEREFORE, IT IS ORDERED THAT:

20. Stakeholders' recommendation to convene a technical conference to evaluate the impact and feasibility of continuing the Senior Citizen and Disabled Residents Rate Credit is **ADOPTED**;

21. Commission Staff **SHALL** convene the technical conference within forty-five (45) days of the date of this Order in accordance with Paragraph 17 herein;

22. A technical conference Final Report **SHALL** be filed within six (6) months of the date of this Order in accordance with Paragraph 18 herein; and

23. The Potomac Electric Power Company **SHALL** create a one-year regulatory asset capped at \$1.5 million to continue the Rider SCADRRC in accordance with Paragraph 19 herein.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:

A handwritten signature in black ink, reading "Brinda Westbrook-Sedgwick". The signature is written in a cursive, flowing style.

CHIEF CLERK:

**BRINDA WESTBROOK-SEDGWICK
COMMISSION SECRETARY**

COMMISSION ACTION

FORMAL CASE NO. 1149, IN THE MATTER OF THE INVESTIGATION INTO THE STRUCTURE AND APPLICATION OF AN EXPERIMENTAL RATE CLASS FOR BOTH SENIOR CITIZENS AND DISABLED RESIDENTS IN THE DISTRICT OF COLUMBIA, and

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,

Date 10/1/25 Formal Case Nos. 1149 & 1176 Tariff No. _____ Order No. 22719

	Approve Initial & Date	Partially Concur Initial & Date	Abstain Initial & Date
Chairman Emile Thompson	<u>ET/JP 10/1/25</u>	_____	_____
Commissioner Richard A. Beverly	<u>RB/JP 10/1/25</u>	_____	_____
Commissioner Ted Trabue	<u>TT/JP 10/1/25</u>	_____	_____

Certification of Action

Jamond D. Perry
General/Deputy General Counsel

Naza Shelley
OGC Counsel/Staff