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PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
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July 15, 2026

FORMAL CASE NO. 1186, IN THE MATTER OF THE INVESTIGATION INTO ENERGY AFFORDABILITY IN THE DISTRICT OF COLUMBIA

STATEMENT OF COMMISSIONER BEVERLY IN RESPONSE TO PEPCO REGARDING AFFORDABILITY AND DISTRIBUTION RATES

On June 2, 2026, I issued a statement summarizing Commission-approved ratebase over time for Pepco and WGL, based on internal documentation I received from Commission Staff. Pepco responded that the chart was missing one portion of a two-year forecasted ratebase representing the basis for the first MRP, so I revised the Chart based on Pepco's citation. However, on July 9, 2026, Pepco suggested further revision to the chart.

Pepco's suggestion is to include a ratebase figure for 2020, which Pepco apparently thinks flattens the curve a bit for ratebase growth in the MRP years. However, Pepco is simply shifting the analysis over by a year, still resulting in two different periods with different rates of ratebase buildout. (For 2007-2019, the annualized ratebase growth would be 4.6%, while the annualized ratebase growth from 2019-2026 would be 11.4%). I wasn't focusing on the MRP but since Pepco brought it up, the numbers speak for themselves. Capital investment went up significantly after the Commission approved MRPs. Since the approval of the first MRP, ratebase reached $2 billion for the first time in District history, and then $3 billion within five years.

On top of that, the fact that the MRP calculated the ratebase based entirely on projections is directly related to the problem I raised in multiple dissents in *Formal Case No. 1176*, where I expressed concern that Pepco's actual construction projects deviated significantly from what was approved.[1] In fact, without an audit, prudence review, or some kind of tracking document, coupled with the lack of clarity in how these MRPs function, I'm not sure what's in Pepco's ratebase. So, for now, I'll stick to Commission-approved ratebase figures that Pepco cited on July 9.

[1] I note that in Rob Leming's testimony before the D.C. Council Transportation and Environment Committee on Utility Affordability on June 29, 2026, he mentioned that the Company provides each project and a list of alternatives for the Commission to review in each rate case. However, the information that the Company provides does not include itemized cost information for the proposed project and does not include any cost information for potential alternatives. Therefore, there is no specific Commission determination that the projects are reasonable, a problem that is exacerbated if the Company subsequently deviates from the proposed project.