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

October 14, 2026

**ARDIR, IN THE MATTER OF THE ARREARAGES AND DISCONNECTIONS
REPORTS,**

**FORMAL CASE NO. 1130, IN THE MATTER OF THE INVESTIGATION INTO
MODERNIZING THE ENERGY DELIVERY SYSTEM FOR INCREASED
SUSTAINABILITY,**

**FORMAL CASE NO. 1182, IN THE MATTER OF THE INVESTIGATION INTO THE
IMPLEMENTATION OF INTEGRATED DISTRIBUTION SYSTEM PLANNING FOR
ELECTRIC UTILITIES,**

**FORMAL CASE NO. 1183, IN THE MATTER OF THE INVESTIGATION INTO THE
IMPACT OF THE PJM CAPACITY AUCTION AND THE ESTABLISHMENT OF THE
PJM CAPACITY AUCTION TASK FORCE,**

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

AND

**FORMAL CASE NO. 1187, IN THE MATTER OF THE INVESTIGATION INTO THE
IMPLEMENTATION OF INTEGRATED NATURAL GAS DISTRIBUTION SYSTEM
PLANNING.**

INQUIRY OF COMMISSIONER BEVERLY

This inquiry is issued pursuant to D.C. Code §34-802, which gives each Commissioner independent authority to pursue any line of inquiry that the Commission itself could pursue. It is not an action of the full Commission and does not become one unless and until it is adopted by the full Commission. Affordability of utility rates is one of the most important issues facing this Commission and other Commissions across the county. As we continue to chart the path forward, I would like to hear from stakeholders on the next steps by allowing them to comment on the attached proposed opinion and order.

There is no deadline on filing comments but the sooner you file them, the sooner I can consider what you have to say.

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

PROPOSED OPINION & ORDER

DATE TBD

ARDIR, IN THE MATTER OF THE ARREARAGES AND DISCONNECTIONS REPORTS,

FORMAL CASE NO. 1130, IN THE MATTER OF THE INVESTIGATION INTO MODERNIZING THE ENERGY DELIVERY SYSTEM FOR INCREASED SUSTAINABILITY,

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

FORMAL CASE NO. 1187, IN THE MATTER OF THE INVESTIGATION INTO THE IMPLEMENTATION OF INTEGRATED NATURAL GAS DISTRIBUTION SYSTEM PLANNING,

FORMAL CASE NO. 11XX, IN THE MATTER OF THE INVESTIGATION INTO THE POTOMAC ELECTRIC POWER COMPANY'S BILLING PRACTICES,

FORMAL CASE NO. 11XX, IN THE MATTER OF THE INVESTIGATION INTO UTILITY COST OF EQUITY,

FORMAL CASE NO. 11XX, IN THE MATTER OF THE VALUATION OF WASHINGTON GAS LIGHT COMPANY'S RATEBASE,

FORMAL CASE NO. 11XX, IN THE MATTER OF THE VALUATION OF POTOMAC ELECTRIC POWER COMPANY'S RATEBASE,

AND

FORMAL CASE NO. 11XX, IN THE MATTER OF THE INVESTIGATION INTO PERFORMANCE-BASED REGULATION, Order No. XXXXX,

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia (“Commission”) details the next steps in this proceeding.

II. BACKGROUND

2. On November 25, 2025, the Office of the People’s Counsel for the District of Columbia (“OPC”) filed a Petition to Establish an Energy Affordability Proceeding to Perform a Holistic Evaluation of Energy Affordability to Protect Ratepayers, accompanied by an affordability study (“OPC’s Petition”).¹ OPC’s request was that “the Commission (1) establish a docket to perform a holistic evaluation of energy affordability for District ratepayers; and (2) take affirmative actions to adopt measures to protect and improve energy affordability for ratepayers.”² On December 8, 2025, We Power DC (“We Power”) filed comments supporting OPC’s Petition and requesting additional information be included in the utilities’ Arrearages and Disconnections Reports.³

3. On January 15, 2026, the Commission issued Order No. 22774 which granted OPC’s request, opened *Formal Case No. 1186*, and solicited comments on OPC’s Petition, We Power’s request, and other related topics as outlined in the Order.⁴ Commissioner Beverly issued a written concurrence to Order No. 22774 which agreed with opening the proceeding, but disagreed with the selection of six topics for comment, instead preferring to move forward with OPC’s suggestion to create an affordability metric.⁵

4. Initial comments were filed by WGL,⁶ We Power,⁷ Young, Gifted & Green

¹ *GD2025-01-M-1, Petition of the Office of the People’s Counsel for the Commission to Establish an Energy Affordability Proceeding to Perform a Holistic Evaluation of Energy Affordability to Protect Ratepayers* (“GD2025-01-M-1”), filed November 25, 2025 (“OPC’s Petition”).

² OPC’s Petition at 1.

³ *GD2025-01-M-3, We Power DC, Harrison Pyros’s Comments regarding GD2025-01*, filed December 8, 2025 (“We Power December Comments”).

⁴ *GD2025-01-M-1 and Formal Case No. 1186, In the Matter of the Investigation into Energy Affordability in the District of Columbia* (“*Formal Case No. 1186*”), Order No. 22744, ¶¶ 1, 5, rel. January 15, 2026 (“Order No. 22774”).

⁵ Commissioner Beverly’s Concurrence to Order No. 22774.

⁶ *Formal Case No. 1186, Washington Gas Light Company’s Initial Comments*, filed February 13, 2026 (“WGL Comments”).

⁷ *Formal Case No. 1186, We Power DC Comments: Support FC 1186*, filed on February 17, 2026 (“We Power December Comments”).

(“YGG”),⁸ Pepco,⁹ the District Department of Energy and Environment (“DOEE”),¹⁰ and OPC.¹¹ Reply comments were filed by WGL,¹² Pepco,¹³ and OPC.¹⁴ Comments were also filed by the American Council for an Energy-Efficient Economy (“ACEEE”),¹⁵ and D.C. residents and ratepayers.¹⁶

5. Next, the Commission issued public notice of a legislative-style hearing to be held on June 3, 2026, to discuss “key drivers and possible solutions to the recent increases in the ‘generation’ portion of a residential customer’s bill.”¹⁷ Commissioner Beverly issued a statement in response to the hearing raising concerns that there was insufficient time for stakeholders to prepare testimony on such a wide array of complicated topics, as well as a lack of clarity on the

⁸ *Formal Case No. 1186*, Young Gifted & Green DCPSC Public Comment on Energy Affordability, filed February 15, 2026 (“YGG Comments”).

⁹ *Formal Case No. 1186*, Potomac Electric Power Company’s Comments, filed, February 17, 2026 (“Pepco Comments”).

¹⁰ *Formal Case No. 1186*, DOEE’s Initial Comments on the Scope of Formal Case 1186 – Energy Affordability Investigation, filed February 17, 2026 (“DOEE Comments”).

¹¹ *Formal Case No. 1186*, The Office of the People’s Counsel for the District of Columbia’s Initial Comments in Response to Order No. 22774, filed February 17, 2026 (“OPC Comments”).

¹² *Formal Case No. 1186*, Washington Gas Light Company’s Reply Comments, filed February 27, 2026 (“WGL Reply Comments”).

¹³ *Formal Case No. 1186*, Potomac Electric Power Company’s Limited Reply Comments, filed March 2, 2026 (“Pepco Reply Comments”).

¹⁴ *Formal Case No. 1186*, The Office of the People’s Counsel for the District of Columbia’s Reply Comments in Response to Order No. 22774 (“OPC Reply Comments”), filed on March 4, 2026.

¹⁵ *Formal Case No. 1186*, American Council for an Energy-Efficient Economy Comments, filed March 30, 2026.

¹⁶ *See generally, Formal Case No. 1186*, Comments of Kelly Mangold, filed February 25, 2026; Comments of Dana Lea, filed February 25, 2026; Comments of Lauren Ketchum, filed February 26, 2026; Comments of Audrey Shannon, filed February 27, 2026; Comments of Jacquie Sagasta, filed March 2, 2026; Comments of Sylvia Lorenzini, filed March 2, 2026; Comments of Skylar White, filed March 2, 2026; Comments of Jessica Kroenert, filed March 2, 2026; Comments of Lindsey Bishop, filed March 2, 2026; Comments of Aimee Caramico, filed March 3, 2026; Comments of Molly Martinez, filed March 3, 2026; Comments of Brenda Richardson, filed March 4, 2026; Comments of Matheus Teixeira, filed March 6, 2026; Comments of Kalah Bell, filed March 9, 2026; Comments of Joshua Grail, filed March 10, 2026; Comments of Logan Taaffe, filed March 10, 2026; Comments of Bojana Stefanovic, filed March 11, 2026; Comments of Moira Sutherland, filed March 20, 2026; Comments of Natasha Spivack, filed March 23, 2026; Comments of Dea Watkins, filed March 25, 2026; Comments of Darryl Harris, filed April 1, 2026; Comments of Emily Matuska, filed April 10, 2026; and Comments of Eden Romeo, filed April 10, 2026 (together “Community Comments”).

¹⁷ *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, Notice of Legislative-Style (Informational) Hearing, rel. May 15, 2026.

purpose of the testimony.¹⁸ Former Chairman Thompson also filed a statement, noting the importance of a public forum that he hoped was the first of many such discussions.¹⁹ Testimony was filed by: Bates White Economic Consulting (“Bates White”),²⁰ Pepco,²¹ PJM Interconnection, L.L.C. (“PJM”),²² Solar Solution DC (“Solar Solution”),²³ OPC,²⁴ CleanCapital,²⁵ DC Solar Savings Coalition (“Solar Savings”),²⁶ Power for Tomorrow (“PFT”),²⁷ District of Columbia Sustainable Energy Utility (“DCSEU”),²⁸ GRID2.0 Working Group (“GRID2.0”),²⁹ Lawyers for Good Government (“LGG”),³⁰ Sierra Club DC Chapter (“Sierra Club”),³¹ Electrify DC,³² Electric

¹⁸ *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, Statement of Commissioner Beverly in response to Notice of Legislative-Style Hearing, rel. May 15, 2026.

¹⁹ *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, Statement of Chairman Thompson, rel. May 15, 2026.

²⁰ *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, Statement of Frank Mossburg (“Bates White Testimony”). May 28, 2026.

²¹ *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, Potomac Electric Power Company’s Presentation (“Pepco Testimony”). May 29, 2026.

²² *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, Testimony of Jason M. Stanek (“PJM Testimony”). May 29, 2026.

²³ *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, Written Statement of JD Elkurd (“Solar Solution Testimony”). May 29, 2026.

²⁴ *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, The Statement of the Office of the People’s Counsel for the District of Columbia Before the District of Columbia Public Service Commission (“OPC Testimony”). May 29, 2026.

²⁵ *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, Written Testimony from CleanCapital (“CleanCapital Testimony”). May 29, 2026.

²⁶ *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, Written Statement of Van Freeman (“Solar Savings Testimony”). May 29, 2026.

²⁷ *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, Power Failure: PJM’s Growing Crisis & the District’s Exposure (“PFT Testimony”). May 29, 2026.

²⁸ *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, Testimony of District of Columbia Sustainable Energy Utility (“DCSEU Testimony”). June 1, 2026.

²⁹ *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, Statement of Larry Martin, GRID2.0 Working Group (“GRID2.0 Testimony”). June 2, 2026.

³⁰ *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, Statement on Bill Affordability - Informational Hearing on FC1017, 1183, 1186 (“LGG Testimony”). June 2, 2026.

³¹ *Formal Case No. 1186*, Testimony of Matthias Paustian on Behalf of the Sierra Club (“Sierra Club Testimony”). June 3, 2026.

³² *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, Written Testimony of Romita Biswas representing Electrify DC before the District of Columbia Public Service Commission (“Electrify DC Testimony”). June 3, 2026.

Power Supply Association (“EPSA”),³³ Mark Rodeffer,³⁴ Constellation Energy Corporation (“Constellation”),³⁵ and Glenda Smith.³⁶

6. On June 2, 2026, Commissioner Beverly filed his independent analysis of changes in ratebase for both Pepco and WGL, noting that ratebase has increased significantly in recent years and that the ratebase responsibility per customer is higher in DC than it is for both utilities’ customers in Maryland.³⁷ Pepco filed a response on June 15, 2026.³⁸ Commissioner Beverly responded to Pepco on June 26, 2026.³⁹ WGL filed a response on July 6, 2026.⁴⁰ Commissioner Beverly filed a response to WGL on July 8, 2026.⁴¹ Pepco filed an additional response to Commissioner Beverly on July 9, 2026,⁴² and he responded on July 15, 2026.⁴³

III. DISCUSSION

A. OPC’s Petition

7. In its petition, OPC asks the Commission to establish a formal proceeding that performs a holistic evaluation of energy affordability and take “affirmative actions to adopt

³³ *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, Testimony of the Electric Power Supply Association (“EPSA Testimony”). June 3, 2026.

³⁴ *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, Testimony of Mark Rodeffer (“Rodeffer Testimony”). June 4, 2026.

³⁵ *Formal Case No. 1017, Formal Case No. 1183, and Formal Case No. 1186*, Testimony of Mason Emnett on Behalf of Constellation Energy Corporation (“Constellation Testimony.”). June 5, 2026.

³⁶ *Formal Case No. 1186*, Testimony of Glenda Smith (“Smith Testimony”). June 8, 2026.

³⁷ *Formal Case No. 1186*, Statement of Commissioner Beverly Regarding Affordability and Distribution Rates (“Beverly Statement”). June 2, 2026.

³⁸ *Formal Case No. 1186*, Potomac Electric Power Company Response to Commissioner Beverly’s Statement on Affordability and Distribution Rates (“Pepco Reply”). June 15, 2026.

³⁹ *Formal Case No. 1186*, Amended Statement of Commissioner Beverly Regarding Affordability and Distribution Rates (“Amended Beverly Statement”). June 26, 2026.

⁴⁰ *Formal Case No. 1186*, Washington Gas Light Company’s Response to Commissioner Beverly’s Statement Regarding Affordability and Distribution Rates (“WGL Reply”). July 6, 2026.

⁴¹ *Formal Case No. 1186*, Statement of Commissioner Beverly in Response to Washington Gas Light Company Regarding Affordability and Distribution Rates (“Beverly July 8 Statement”). July 8, 2026.

⁴² *Formal Case No. 1186*, Potomac Electric Power Company’s Response to Commissioner Beverly’s Amended Statement on Affordability and Distribution Rates (“Pepco July 9 Reply”). July 9, 2026.

⁴³ *Formal Case No. 1186*, Statement of Commissioner Beverly in Response to Pepco Regarding Affordability and Distribution Rates (“Beverly July 15 Statement”). July 15, 2026.

measures to protect and improve energy affordability for ratepayers.”⁴⁴ OPC states that, based on the arrearage and disconnection filings by the utility companies, District ratepayers have had significant difficulty paying their bills since 2019. OPC identifies the drivers of the affordability issue, including: “increasing utility bills as a result of energy distribution rate increases, supply cost increases, and other factors, such as consumers' inability to rebound after economic challenges faced during the COVID-19 pandemic and recent federal layoffs.”⁴⁵

8. Based on OPC’s assessment of affordability, it requests that the Commission take the following actions: “1. Carefully examine the Office’s recently released energy affordability study; 2. Initiate a formal proceeding to assess energy affordability comprehensively and holistically; 3. Develop an affordability metric to measure the impact of Commission approval of rate increases on a going-forward basis; and 4. Apply best practices from other jurisdictions to the District’s current energy assistance programs to enhance the District’s energy assistance programs and consumer protections.”⁴⁶ In support of its request, OPC provides several attachments to the Petition, including: OPC’s affordability study from 2020; OPC’s affordability study from 2025; Witness Dismukes’ Direct Testimony in *Formal Case No. 1176*; Witness Dismukes’ Surrebuttal Testimony in *Formal Case No. 1176*; Witness Dismukes’ Direct Testimony in *Formal Case No. 1180*; Witness Dismukes’ Rebuttal Testimony in *Formal Case No. 1180*; and Witness Dismukes’ Surrebuttal Testimony in *Formal Case No. 1180*.

B. Initial and Reply Comments

9. **We Power.** We Power supports OPC’s Petition, agreeing with OPC that the ability of customers to afford rising utility bills since COVID has dramatically decreased. We Power avers that “we cannot ignore double-digit rate hikes for Pepco and Washington Gas’s distribution fees. These massive price tags for each utility’s infrastructure upgrades call into question the financial management of the utility.” We Power asks the Commission to increase the level of granularity in the utilities’ monthly arrearage and disconnection reports, to break down both arrearages and disconnections by ward.⁴⁷

10. We Power is in “[a]greement with Commissioner Beverly’s partial concurrence to create an affordability metric working group immediately and not waste time debating if it needs to be created. DC has enough evidence that there is an affordability crisis; delaying action only further entrenches this crisis.”⁴⁸ We Power suggests “lowering Pepco and Washington Gas’s inflated ROE” and “investigate tying ROE to the cost of capital.”⁴⁹ We Power also suggests that

⁴⁴ OPC Petition at 1.

⁴⁵ OPC Petition at 2.

⁴⁶ OPC Petition at 3.

⁴⁷ We Power December Comments at 1.

⁴⁸ We Power February Comments at 1.

⁴⁹ We Power February Comments at 1.

the Commission “[i]nvestigate the artificially inflated rate base of both Pepco and Washington Gas, which has ballooned since both companies were purchased by Exelon and AltaGas, respectively. This can include an audit of the utility’s assets to get a clear look on valuation, per Title 34 of the Code of the District of Columbia.”⁵⁰

11. **WGL.** WGL provides a graphic that demonstrates that distribution charges account for about 57% of a residential bill.⁵¹ The Company avers that its application for energy efficiency programs in *Formal Case No. 1160* could support the Commission’s affordability objectives.⁵² WGL discusses the importance of its Asset Optimization Program in delivering savings to customers for the purchased gas charge (“PGC”).⁵³ WGL discusses its use of market analytics for procurement and price controls for construction.⁵⁴

12. WGL details existing customer assistance programs: 1) Low-Income Home Energy Assistance Program (“LIHEAP”); 2) Residential Essential Services (“RES”); 3) Arrearage Management Program (“AMP”); 4) Weatherization Assistance Program (“WAP”); 5) Emergency Mechanical System Program (“EMS”); 6) payment plans (i.e. installment plans, budget billing); and 7) Washington Area Fuel Fund (“WAFF”).⁵⁵ WGL also details existing legal protections against disconnections.⁵⁶ The Company provides detail about customer outreach and collaboration with District Government and other entities.⁵⁷ WGL provides examples of affordability metrics in other states, including Maryland, California, New York, Massachusetts, and Illinois.⁵⁸

13. WGL believes it would be constructive to develop a collaborative framework to discuss affordability in the context of the District’s unique requirements and the fact that the District only has one gas and one electric utility.⁵⁹ A workshop facilitated by the Commission would provide a transparent, collaborative forum to address energy affordability.⁶⁰ WGL also sees an opportunity to increase enrollment in existing programs.⁶¹ WGL cautions the Commission

⁵⁰ We Power February Comments at 1.

⁵¹ WGL Comments at 5.

⁵² WGL Comments at 10.

⁵³ WGL Comments at 12.

⁵⁴ WGL Comments at 13-15.

⁵⁵ WGL Comments at 15-17.

⁵⁶ WGL Comments at 17-18.

⁵⁷ WGL Comments at 18.

⁵⁸ WGL Comments at 19-24.

⁵⁹ WGL Comments at 25.

⁶⁰ WGL Comments at 25-26.

⁶¹ WGL Comments at 26.

against moving too quickly.⁶²

14. **YGG.** YGG’s recommendations “reflect the 17 Principles of Environmental Justice at the intersection of affordability and public health (i.e. a just transition from fossil fuel powered residential energy usage to clean renewable sources like solar).”⁶³ YGG recommends: 1) that the Commission fully adopt and implement the Equity Advisory Working Group’s recommendations on the equity metrics for the District’s Benefit-Cost Analysis (“BCA”) Model and stakeholder engagement for utility planning; 2) the expansion of solar; and 3) the exploration of additional weatherization initiatives.⁶⁴

15. **Pepco.** Pepco recommends allowing utilities to own generation and to accelerate interconnection.⁶⁵ Pepco details the Customer Relief Fund, which provides a one-time credit of up to \$300.⁶⁶ Pepco adds that the Commission oversees the structure of Standard Offer Service (“SOS”) and is empowered to ensure third-party suppliers operate fairly.⁶⁷ Pepco also asserts that the Commission has authority to approve energy efficiency and demand response programs in *Formal Case No. 1160*.⁶⁸

16. Pepco notes that it currently administers several programs that impact affordability, including: RAD, AMP, Senior and Disabled Rate Credit (“SEADRC”), and the House of Worship (“HOW”) credit. Pepco asserts that the Long-Term PPA for approximately 5% of SOS load, which is expected to begin delivering Tier One supply by late 2027, can also act as a hedge for future SOS load.⁶⁹ The Company points to the “suite of energy efficiency, demand response, and innovative programs” included in its Climate Solution Plan as well as *Formal Case No. 1183*’s efforts to identify solutions to wholesale market price increases.⁷⁰ Pepco recommends not delaying the Commission’s decision on pending proposals like the UDPE Working Group’s proposal to enhance RAD.⁷¹

⁶² WGL Reply Comments at 2-3.

⁶³ YGG Comments at 1.

⁶⁴ YGG Comments at 1.

⁶⁵ Pepco Comments at 2.

⁶⁶ Pepco Comments at 2.

⁶⁷ Pepco Comments at 4-5.

⁶⁸ Pepco Comments at 5.

⁶⁹ Pepco Comments at 5.

⁷⁰ Pepco Comments at 5.

⁷² Pepco Comments at 6-7.

17. Pepco points to Illinois as an example jurisdiction.⁷² Pepco recommends enhanced transparency around third party suppliers,⁷³ and urgent completion of the Commission’s BCA tool.⁷⁴ Pepco recommends that Commission Staff or an outside consultant lead a working group or technical conference process with clear issues, objectives, and timelines.⁷⁵ Pepco also recommends that the Commission clarifies interactions between this proceeding and others.⁷⁶ Pepco also requests clarification from the Commission in the event of the adoption of an affordability metric.⁷⁷ Pepco opposes OPC’s proposal of moving to a rulemaking.⁷⁸

18. **DOEE.** DOEE notes that it oversees and administers “the Low Income Home Energy Assistance Program (LIHEAP), the Weatherization Assistance Program (WAP), Solar for All, the Utility Discount Program (UDP), and the DC Sustainable Energy Utility’s suite of programs aimed at helping lower energy costs for DC residents and businesses.”⁷⁹ DOEE reminds the Commission of recommendations it has made regarding affordability in recent years: 1) automatic enrollment in utility discount programs (“UDP”); 2) reining in high costs of third party suppliers; 3) increasing oversight of rising gas infrastructure costs; 4) advancing cost effective grid planning; 5) coordinating responses to challenges with PJM; 6) enhancing utility AMPs; 7) streamlining utility service upgrades; 8) studying reforms to SOS to adopt short and long-term hedging strategies; 9) developing forward-thinking rate designs to encourage off-peak energy usage; and 10) ensuring customers and vendors have access to energy data through Green Button.⁸⁰ While DOEE recognizes that it may not make sense to address all of these issues through this docket, it may be worthwhile to track them in one place.⁸¹

19. DOEE suggests the development of an energy burden metric may be useful.⁸² DOEE adds that an energy burden metric and utility-specific metrics related to cost of service for different rate classes and consumption profiles could be valuable.⁸³ DOEE avers that “the PSC

⁷² Pepco Comments at 6-7.

⁷³ Pepco Comments at 8.

⁷⁴ Pepco Comments at 9.

⁷⁵ Pepco Comments at 9.

⁷⁶ Pepco Comments at 9-10.

⁷⁷ Pepco Comments at 10.

⁷⁸ Pepco Reply Comments at 3.

⁷⁹ DOEE Comments at 1.

⁸⁰ DOEE Comments at 1-3.

⁸¹ DOEE Comments at 3.

⁸² DOEE Comments at 4.

⁸³ DOEE Comments at 4.

should ensure it tracks data center development within the Pepco zone and nearby regions, understands any costs that may be associated therewith, and investigates approaches to cost allocation that can insulate residents and regular businesses from high costs associated with large data center development. These could include both local large load tariffs, potentially developed in concert with Maryland given our shared transmission zone, as well as broader PJM-level changes to market and transmission cost allocation.”⁸⁴

20. DOEE recommends that Commission Staff draft a scoping memo narrowing the issues for the proceeding which could be finalized after stakeholder feedback.⁸⁵ DOEE also states that the number of regular working groups has proliferated, making it difficult for DOEE and other entities to participate due to resource constraints. DOEE recommends that the Commission consider alternative formats in both this case and others, such as “1 or 2 half-day technical conferences to workshop specific proposals followed by written comments.”⁸⁶ “In the experience of DOEE staff who have worked in public utility commissions in other states, it is also very helpful to have the Commission and Commission Staff clearly drive the agenda and priorities. Proactive leadership of meetings enables more focused discussion of key items, with a range of benefits including making progress on key issues faster, reducing the total number of meetings, and shortening meetings from 2 hours to 1 hour.”⁸⁷

21. **OPC.** OPC asks the Commission not to delay action in this proceeding.⁸⁸ OPC argues “[t]his proceeding cannot become an open-ended series of working groups that study the problem without delivering a concrete solution...OPC respectfully submits that a working, data-driven affordability framework must be completed within this calendar year and in place before the next rate case is filed, so that affordability can be evaluated prospectively—not after rates have already increased and hardship has already occurred. Without a defined timeline and a finished model, the District risks perpetuating a regulatory cycle in which affordability is studied but not operationalized, leaving the Commission without the evidentiary tools necessary to assess the real-world impacts of its decisions at the very moment those decisions matter most.”⁸⁹

22. OPC believes that legislative changes are needed to expand the Commission’s authority with respect to affordability, including: (1) the establishment of a regulatory definition of affordability, (2) a required “forward-looking affordability analysis,” and (3) mandatory reporting on “key affordability indices,” including “household energy burden, bill impacts. . . that determine or alter rates, trends in arrearages and disconnections, and the effectiveness of affordability programs.”⁹⁰

⁸⁴ DOEE Comments at 5.

⁸⁵ DOEE Comments at 5-6.

⁸⁶ DOEE Comments at 6.

⁸⁷ DOEE Comments at 6.

⁸⁸ OPC Comments at 2.

⁸⁹ OPC Comments at 5.

⁹⁰ OPC Comments at 8.

23. OPC asks the Commission to use this proceeding to review the effectiveness of existing programs.⁹¹ OPC views this proceeding as an opportunity to share lessons learned, particularly on automatic enrollment.⁹² Data-sharing is of particular importance: “[e]ffective data-sharing is essential to enabling evidence-based policymaking and ensuring that affordability programs are designed and implemented in a timely manner, using accurate, comprehensive consumer data.”⁹³

24. OPC recommends looking at affordability proceedings in New York, California, and Pennsylvania.⁹⁴ OPC asks the Commission to use its authority to advocate on “behalf of District customers at the stakeholder level at PJM and in proceedings before the Federal Energy Regulatory Commission.”⁹⁵ OPC also recommends creating a new tariff class for any new large loads in the District.⁹⁶

25. OPC provides a recommendation for the creation of an affordability metric: “OPC recommends that the Commission adopt a standardized energy affordability metric based on estimated utility bill-to-household income ratios that evaluate how electric and natural gas costs affect District households across the income distribution spectrum. OPC further recommends that the Commission require utilities to calculate and report this metric on a quarterly basis and to include the affordability measure as a mandatory filing requirement in any application or request that would increase residential rates. Specifically, OPC recommends that total electric and natural gas utility bills be measured as a share of household income for representative households at the 15th, 25th, and median percentiles of the District’s income distribution, using a 6% benchmark as a point of reference.”⁹⁷ OPC points out a discrepancy between eligibility and enrollment in programs like RAD and RES.⁹⁸

26. OPC recommends a four-part process to be completed by the end of calendar year 2026.⁹⁹ OPC asserts that Commission Staff should publish a straw proposal “for a final rule that is informed by parties’ submissions.”¹⁰⁰ This should be followed by 30-day and 15-day periods,

⁹¹ OPC Comments at 9.

⁹² OPC Comments at 10.

⁹³ OPC Comments at 10.

⁹⁴ OPC Comments at 11-13.

⁹⁵ OPC Comments at 14.

⁹⁶ OPC Comments at 14.

⁹⁷ OPC Comments at 19.

⁹⁸ OPC Comments at 23.

⁹⁹ OPC Comments at 24.

¹⁰⁰ OPC Comments at 24.

respectively, for interested parties to comment and reply.¹⁰¹ The Commission should then issue a final rule that “adopts effective reforms that are supported by the evidence submitted.”¹⁰² OPC disagrees with Pepco and WGL’s recommendations to engage working groups and/or technical conferences.¹⁰³ OPC similarly disagrees with parties’ recommendations on the role of Commission Staff, requesting that Staff are limited to a “neutral administrative function.”¹⁰⁴

27. **Community Comments.** District residents who provide comments expressed concern over rapidly rising utility bills, even when they have taken measures to reduce their usage.¹⁰⁵

28. **ACEEE.** ACEEE contends that energy bills increased faster in the District in 2025 than anywhere else in the country.¹⁰⁶ “While the Commission cannot fully control the impact of commodity prices, including gas and electricity supply, it can require regulated utilities to choose the fastest and cheapest options for avoiding costly distribution infrastructure through investment in demand-side management while encouraging households to take full advantage of such energy saving opportunities to manage their own bills.”¹⁰⁷ ACEEE encourages the Commission to “a) proactively requiring transparent analysis of specific sections of the gas distribution system that can be most cost-effectively replaced through efficient electrification, especially prior to any additional investments in that gas system; b) proactively requiring analysis of the corresponding electricity demand for electricity feeders impacted by that electrification and whether they would need upgrading; c) identifying the scale of potential efficiency and demand flexibility needed to avoid expensive upgrades to those feeders; and d) requiring regulated utilities to correspondingly make those investments to avoid distribution infrastructure costs.”¹⁰⁸ ACEEE also calls on the Commission to adopt time-of-use rates.¹⁰⁹

29. ACEEE avers that “[p]erhaps the most important complementary policy is utilizing efficiency, demand flexibility, and other community-based resources to actually avoid distribution system investments. That requires three steps: 1) making sure that utilities transparently share what levels of resource deployment is necessary to avoid such investments to potential resource aggregators; 2) compensating resource aggregators for their investments; and 3) ensuring that the

¹⁰¹ OPC Comments at 24.

¹⁰² OPC Comments at 25.

¹⁰³ OPC Reply Comments at 2-3.

¹⁰⁴ OPC Reply Comments at 4.

¹⁰⁵ *See generally*, Community Comments.

¹⁰⁶ ACEEE Comments at 1.

¹⁰⁷ ACEEE Comments at 1.

¹⁰⁸ ACEEE Comments at 2.

¹⁰⁹ ACEEE Comments at 2.

utilities can rely on those resources to deliver - for instance through distributed energy resource management systems (DERMS). The Commission should require the utilities to make that information accessible, start the process of determining appropriate compensation levels, and identify a DERMS approach, moving swiftly from the pilot phase to full scale operation.”¹¹⁰

C. Legislative Style Hearing Testimony

30. **Bates White.** Bates White presented an overview of Standard Offer Service (“SOS”) and the annual procurement process and the three components of the SOS product which have increased over the years, leading to rising electric bills. Bates White states that energy and capacity are PJM wholesale market costs which have risen over the past few years due to increased demand, among other factors, while the third, the Renewable Portfolio Standard (“RPS”) is determined by legislative requirements and the costs of renewable energy credits (“RECs”).¹¹¹

31. **Pepco.** Pepco identified several drivers of supply costs, including: supply constraints and generator retirements; regional demand growth; PJM market design; and RPS requirements.¹¹² Pepco presented the following potential solutions: SOS procurement stability PPAs; RPS changes; demand-side solutions; expansion of local DER; and engagement with regional entities on interconnection and market reform.¹¹³ Pepco also proposed time of use (“TOU”) rates, demand response (“DR”), managed EV charging, expansion of RAD and AMP, community solar and battery storage, and PSC approval of the BCA.¹¹⁴

32. **PJM.** PJM presented changes being made to the market in response to significant expected increases in demand, such as faster interconnection and improvements in load forecasting.¹¹⁵

33. **Solar Solution.** Solar Solution testified that local solar generation reduces District residents’ exposure to regional electricity markets, and asked the Commission to continue advancing policies that expand access to solar.¹¹⁶

34. **OPC.** OPC suggested multiple PJM market reforms.¹¹⁷

¹¹⁰ ACEEE Comments at 4.

¹¹¹ Bates White Testimony at 1.

¹¹² Pepco Testimony at 3.

¹¹³ Pepco Testimony at 4.

¹¹⁴ Pepco Testimony at 5-6.

¹¹⁵ PJM Testimony at 5-11.

¹¹⁶ Solar Solution Testimony at 2-3.

¹¹⁷ OPC Testimony at 3-4.

35. **CleanCapital.** CleanCapital testified that local solar, including community solar and Solar for All (“SFA”) provide meaningful bill savings. Additionally, local solar avoids line losses, lowers strain on the transmission system, and can defer the need for grid investments. CleanCapital avers that local solar is one of the only ways the District can diversify its energy supply.¹¹⁸

36. **Solar Savings.** Solar Savings testified that local solar is the only real defense District residents have against rising electricity costs. Solar Savings asks the Commission to study the benefits of solar and protect and expand policies that support solar.¹¹⁹

37. **PFT.** PFT testified about the jump in PJM capacity prices. PFT’s recommendation is to have utility-owned generation.¹²⁰

38. **DCSEU.** DCSEU testified that the least expensive investments to further affordability are efficiency investments that reduce the amount of electricity consumed.¹²¹ DCSEU also recommended focusing on peak demand reduction and expanding the use of DERs.¹²²

39. **GRID2.0.** GRID2.0 noted that the Commission impacts PJM prices in three ways: “firstly, how much power we purchase, secondly, how that power is managed by the grid, and thirdly, the capacity charge multiplier we pay as a result of our peak demand.”¹²³ GRID2.0 recommends that the Commission encourage solar deployment to offset PJM consumption, to hasten grid modernization and improving DER interconnection, and reducing coincident peak to bring down the cost of PJM capacity.¹²⁴

40. **LGG.** LGG recommends that the Commission explore pathways to energy independence for the District by maximizing local energy resources and using the District’s buildings as energy infrastructure.¹²⁵ LGG avers that the Commission missed an opportunity to lock in lower rates for District ratepayers by not engaging in long-term PPAs for the provision of Standard Offer Service (“SOS”), something that LGG suggests the Commission remedy. LGG also recommends that the Commission look at all parts of a bill, including fixed charges. According to LGG, the \$18 monthly customer charge in the District is “inordinately high,” especially when

¹¹⁸ CleanCapital Testimony at 2.

¹¹⁹ Solar Savings Testimony at 1.

¹²⁰ PFT Testimony at 6-14.

¹²¹ DCSEU Testimony at 1-2.

¹²² DCSEU Testimony at 2-3.

¹²³ GRID2.0 Testimony at 1.

¹²⁴ GRID2.0 Testimony at 1-2.

¹²⁵ LGG Testimony at 2.

compared with the \$8 charge in Maryland. LGG argues that high customer charges are a regressive tax on low-income ratepayers.¹²⁶

41. **Sierra Club.** Sierra Club testified that “local regulators absolutely do have significant control over the generation-related portion of DC electricity bills...procurement strategy, distributed generation policy, demand response design, and rate structure all materially affect what District residents ultimately pay for the generation portion of their bill. Leading jurisdictions around the country no longer treat generation costs as something simply imposed on them by wholesale markets; instead, they actively manage procurement risk, shape load curves, deploy flexible demand, and use distributed energy resources (DERs) strategically to reduce wholesale market exposure and customer bills.”¹²⁷ Sierra Club recommends long-term PPAs for 50% of SOS load to provide price stability, strategic deployment of solar and battery storage to reduce peak load during the most expensive hours, and bringing down solar implementation and SREC compliance costs by improving interconnection policies.¹²⁸ Sierra Club also calls for using the data from already-deployed smart meters to engage in demand response and virtual power plant (“VPP”) programs to save money on capacity costs. Finally, Sierra Club recommends rate design that allows DER and smart devices to respond to real-time price signals.¹²⁹

42. **Electrify DC.** According to Electrify DC, “When we are unable to produce our own power or at least control the consumption of our power, we are directly exposed to market volatility. We are exposed to congestion driven by demand across the District, the cost to transport that power, and the ultimate need to meet marginal demand through procuring energy at a higher cost.”¹³⁰ Regarding the Commission’s regulatory framework, Electrify DC argues: “The District’s regulatory framework supports a century-old financial structure that rewards capital deployment and asset accumulation, not performance or satisfaction of the objectives that impact quality of service: efficiency, resiliency, and affordability. Customers no longer benefit from expansion of electric infrastructure, they benefit from efficient, resilient, and affordable electric service. Under cost-of-service regulation, utilities earn returns by investing in physical assets that enter rate base, while receiving limited compensation for avoiding costs through efficiency. As a result, utility incentives remain tied to capital expenditure rather than customer outcomes. A modern regulatory framework should align utility incentives directly with those outcomes.”¹³¹ Electrify DC recommends the development of a performance-based regulatory framework.

43. Electrify DC also recommends the expansion of solar and battery resources, although noting the constraints in the District, including interconnection. Electrify DC avers that

¹²⁶ LGG Testimony at 2.

¹²⁷ Sierra Club Testimony at 1.

¹²⁸ Sierra Club Testimony at 2-3.

¹²⁹ Sierra Club Testimony at 3-4.

¹³⁰ Electrify DC Testimony at 1.

¹³¹ Electrify DC Testimony at 2.

“[t]he value of DERs...is not limited to energy production, but also includes distributing demand over time. DERs reduce system volatility by softening or shifting peak load, thereby reducing exposure to marginal energy prices, capacity pricing, and congestion-driven costs. This includes traditional rooftop solar and batteries and plug-in balcony solar and batteries, as well as emerging flexible load resources.”¹³² Electrify DC also stresses the need to adopt balcony solar to allow the District’s population of majority renters to access the benefits of solar. Finally, Electrify DC recommends expanding the RPS to include batteries and flexible loads.¹³³

44. **EPSA.** EPSA stressed the importance of a competitive market and cautioned that uncertainty around load growth creates risks to reliability and affordability for customers.¹³⁴

45. **Mark Rodeffer.** Mr. Rodeffer notes that DC’s electricity prices have risen 68%, more than any other state.¹³⁵ Mr. Rodeffer urges the Commission to focus on reining in distribution rates.¹³⁶

46. **Constellation.** Constellation recommends longer-term wholesale procurements that lock in prices to protect customers, expanding local solar, re-evaluating time of use (“TOU”) rates, and supporting the implementation of the backstop capacity procurement in PJM.¹³⁷

47. **Glenda Smith.** Ms. Smith details how her bills have increased significantly over time, even with solar installed.¹³⁸ Ms. Smith calls on the Commission to undertake the following: “1. Initiate a formal investigation into Pepco’s recent billing practices and rate structures. 2. Conduct an independent audit of residential billing trends, particularly for solar customers and medically dependent households. 3. Require comprehensive, plain-language disclosure of all rate components. 4. Strengthen medical necessity protections to ensure uninterrupted and affordable service. 5. Hold public hearings that center consumer voices, not just corporate testimony. 6. Require PEPCO to immediately refund and/or credit customers for all overages improperly charged and applied to their accounts.”¹³⁹

D. Statements on Ratebase

¹³² Electrify DC at 3.

¹³³ Electrify DC at 4-5.

¹³⁴ EPSA Testimony at 1-3.

¹³⁵ Rodeffer Testimony at 1.

¹³⁶ Rodeffer Testimony at 2.

¹³⁷ Constellation Testimony at 1-2.

¹³⁸ Smith Testimony at 1.

¹³⁹ Smith Testimony at 2.

48. **Commissioner Beverly.** Commissioner Beverly released a statement detailing increases to ratebase for both Pepco and WGL, noting that increases to ratebase accelerated after 2020, and provided charts demonstrating the change.¹⁴⁰ In response to Pepco, Commissioner Beverly made slight amendments to the analysis to account for a one-year shift in ratebase figures due to the first MRP.¹⁴¹ Commissioner Beverly also pointed out, in response to Pepco's request to make additional changes to the ratebase figures, that "[s]ince the approval of the first MRP, ratebase reached \$2 billion for the first time in District history, and then \$3 billion within five years," and referenced issues in his ability to determine the ratebase due to the impact of MRPs.¹⁴² In response to WGL's focus on the compound annual growth rate ("CAGR"), Commissioner Beverly pointed out that the Company's ratebase "took over 30 years to double. That changed for the test year 2021, when the number jumped from \$255 million to \$580 million dollars and then jumped again from \$580 million to \$780 million for the test year 2024." He also brought up the issue of potential inclusion of abandoned pipes in ratebase.¹⁴³

49. Commissioner Beverly compared ratebase for WGL and Pepco in the District and Maryland, and found that Pepco's infrastructure costs DC ratepayers 57% more than in Maryland, while WGL's infrastructure costs DC ratepayers 54% more than it does in Maryland.¹⁴⁴

50. **Pepco.** Pepco responded to the statement pointing out that Commissioner Beverly's analysis did not spread the first MRP ratebase increases over two years, and argued that its CAGR has been stable over the 19-year period that Commissioner Beverly reviewed.¹⁴⁵ Pepco suggested additional changes to the ratebase figures in Commissioner Beverly's statement in a second reply.¹⁴⁶

51. **WGL.** The Company "acknowledges that its regulated distribution rate base has increased in recent years, particularly since 2020." WGL states that this is driven by replacement of cast iron and bare steel pipelines and inflationary pressures.¹⁴⁷ WGL avers that its CAGR for the period from 1981-2025 was 3.9%.¹⁴⁸ WGL cautions against comparisons with Maryland, and emphasizes that "[a]ffordability should be assessed using total customer bills rather than individual cost components; [t]he Commission must balance affordability considerations with the need for

¹⁴⁰ Beverly Statement at 1-3.

¹⁴¹ Amended Beverly Statement at 1-3.

¹⁴² Beverly July 15 Statement at 1.

¹⁴³ Beverly July 8 Statement.

¹⁴⁴ Beverly Statement at 4.

¹⁴⁵ Pepco Reply at 1-2.

¹⁴⁶ Pepco Second Reply at 1-2.

¹⁴⁷ WGL Reply at 3.

¹⁴⁸ WGL Reply at 4.

utilities to attract capital and maintain safe and reliable systems; and [e]ffective solutions to mitigate affordability concerns will require a holistic approach, including energy efficiency, customer assistance programs, and stakeholder collaboration.”¹⁴⁹

IV. DECISION

52. The Commission recognizes that energy affordability has become an increasingly significant concern for District residents. The record in this proceeding reflects broad stakeholder agreement that rising utility costs are placing significant pressure on households, particularly low- and moderate-income customers. According to the most recent ARDIR filing by Pepco, as of August of this year, over 78,000 Pepco residential customers were behind on payments, representing just under 24% (and over 55% of low-income customers).¹⁵⁰ Stakeholders have recommended meaningful actions within the Commission’s jurisdiction that may improve affordability outcomes. While some of the recommended actions are covered in other Commission proceedings, we think it is worthwhile to track all of them in one place, as DOEE recommends. A table summarizing adopted recommendations is included below, which we will update as this case and other related cases proceed. The Commission’s decisions and next steps regarding each action item follow the table.

Intervention	Case No.	Status	Relevant Comments / Testimony
Adopt Affordability Definition	FC1186	NOI in 15 days	OPC
Ward-Level Arrearage and Disconnection Data	ARDIR	Beginning January 2027	We Power
Strengthen Medical Shutoff Protections	RM3	NOPR in 30 days	Ms. Smith
Expand Automatic Enrollment and Review and Enhance Existing Affordability Programs	FC1186	Utility reports due in 30 days	DOEE, OPC, Pepco, WGL
Coordinate PJM Intervention	FC1183	Responses due in 15 days	DOEE
Explore Standard Offer Service Hedging Strategies	FC1017, FC1183	RFP in 90 days	DOEE, LGG, Pepco, Sierra Club
Improve DER Interconnection	RM40	NOPR in 30 days	Electrify DC, GRID2.0, Pepco, Sierra Club
Develop Affordability and Cost of Service Metrics	FC1186	NOI in 15 days	DOEE, OPC, We Power, WGL
Review Fixed Charges	FC1186	Utility filing in 45 days	LGG

¹⁴⁹ WGL Reply at 7-8.

¹⁵⁰ ARDIR, Potomac Electric Power Company’s August 2026 filing. September 21, 2026.

Intervention	Case No.	Status	Relevant Comments / Testimony
Improve Public Participation in Rate Cases	FC1186	Staff proposal in 90 days	Ms. Smith
Finalize BCA	GD-2019-04-M	Ongoing	Pepco, YGG
Implement Green Button Connect My Data	FC1130	Ongoing	DOEE
Third-Party Supplier Market Oversight	FC1186, PEPPOR-2026-01, WGPOR-2026-01	Ongoing	DOEE, Pepco
Investigate Billing Practices	FC11XX	RFP in 120 days	Ms. Smith
Transparent Rates and Tariffs	N/A	Staff proposal in 120 days	Ms. Smith
Improve Working Group Management	RM1	NOPR in 90 days	DOEE, OPC
Streamline Utility Service Upgrades	RMXX	NOPR in 120 days	DOEE
Rate Design, Demand-Side Management, and DER Aggregation	FC1130, FC1182	NOI in 45 days	ACEEE, Constellation, DCSEU, DOEE, Electrify DC, GRID2.0, Pepco, Sierra Club
Ensure Integrated Plans Include Robust Non-Wires and Non-Pipes Alternatives	FC1182, FC1187	ongoing	ACEEE, DOEE
Review Cost of Equity and Return on Equity	FC11XX	RFP in 150 days	We Power
Ratebase Audit / Investigation	FC11XX, FC11XX	RFP in 180 days	We Power, Commissioner Beverly
Develop Performance-Based Regulatory Framework	FC11XX	Staff whitepaper in 270 days	Electrify DC

i. Adopt “Affordability” Definition

53. We agree with OPC that it is prudent to adopt a regulatory definition of energy affordability. The California Public Utility Commission (“CPUC”) adopted the following definition: “the degree to which a representative household is able to pay for an essential utility service, given its socioeconomic status.”¹⁵¹ We direct Commission Staff to release a Notice of Inquiry (“NOI”) within fifteen (15) days of the date of this Order requesting input from

¹⁵¹ CPUC Rulemaking 18-07-006, Decision 20-07-032 July 16, 2020

stakeholders on the CPUC definition for adoption by this Commission.

ii. Ward-Level Arrearage and Disconnection Data

54. We agree with We Power that additional granularity for arrearage and disconnection data is important for transparency in understanding the geographic and demographic distribution of the energy affordability crisis. Therefore, we direct both Pepco and WGL to begin including ward-level data in the monthly reports filed in the ARDIR docket beginning for the reporting month of January 2027.

iii. Review and Strengthen Medical Shutoff Protections

55. Ms. Smith raised the need for better protection from shutoffs for customers with medical devices. The Commission's procedures for disconnection are governed by 15 DCMR § 311. Currently, the rules allow for two periods of 21-day extensions of disconnection due to demonstrated medical emergencies. Commission staff is directed to release a NOPR within 30 days of the date of this Order proposing language that allows shutoff delay for one-year for demonstrated medical emergencies, allowing for one-year extensions with updated documentation, and no cap on the total number of extensions. The NOPR shall also include language requiring annual reporting to the Commission by WGL and Pepco.

iv. Expand Automatic Enrollment and Review and Enhance Existing Affordability Programs

56. By Order No. 22860, the Commission transferred any future associated determinations on the UDPE WG Report from *Formal Case No. 1176* to this proceeding.¹⁵² Councilmember Charles Allen, along with Councilmembers Lewis George, McDuffie, Nadeau, Parker, and R. White have also introduced legislation titled "Automatic Enrollment for Utility Affordability Programs Act of 2026" that was voted out of the Committee on Transportation & Environment on September 30, 2026. This Commission will wait for the Council's final vote on that legislation before moving forward with automatic enrollment in order to ensure that the enrollment proceeds according to the letter of the law.

57. In the meantime, to establish a baseline against which improvements to affordability programming can be measured, the Commission finds that additional utility reporting is necessary. Therefore, we direct Pepco and WGL, within thirty (30) days of the date of this Order, to file with the Commission comprehensive affordability data reports covering, at a minimum, the following information as of the most recent quarter available:

1. Number of customers enrolled in each low-income, reduced-rate, or assistance

¹⁵² *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* ("Formal Case No. 1176"), Report of the Utility Discount Education Working Group, filed July 31, 2025 ("UDPE WG Report"). Order No. 22860 also transferred future determinations on the Rate Design WG Report into this proceeding. See *Formal Case No. 1176, Report of the District of Columbia Rate Design Working Group Regarding Proposed Time-of-Use Rates for Pepco Customers*, filed January 30, 2026.

- program (including, but not limited to: UDP, AMP, LIHEAP, Solar for All, and any utility-administered equivalent);
2. Forecasted number of customers eligible for each such program who are not currently enrolled, to the extent determinable from utility records;
 3. Account-level data (on an anonymized, aggregated basis) regarding residential customer arrears, including total outstanding arrears, average arrears per customer, and arrears stratified by income tier where available;
 4. Residential disconnection data by month and by customer income category where available; and
 5. Average monthly residential bills, by rate schedule and associated average kWh usage, for the most recent twelve-month period, compared to the equivalent period three years prior.

These filings shall be uploaded to this docket and shall be updated quarterly.

v. *Coordinate PJM Intervention*

58. We agree with DOEE that the Commission, DOEE, OPC, and OAG should coordinate interventions at PJM and meet as often as necessary to effectively intervene. We request feedback from the District Government and OPC within fifteen (15) days of the date of this Order as to whether the *Formal Case No. 1183* Task Force is the entity best suited to that objective, or whether other proposals for coordination are preferred.

vi. *Explore Standard Offer Service Hedging Strategies*

59. Several commenters brought up the need for long-term PPAs or other hedging strategies to insulate SOS customers from market fluctuations. We agree that hedging options should be considered, and we also agree with multiple commenters that other states, such as Massachusetts, have implemented these strategies and succeeded in savings to ratepayers as a result. However, we do not have updated analysis of the potential for renewable PPAs available in PJM (or other hedging strategies), with the most recent analysis available from DOEE completed in *Formal Case No. 1017* in 2018.¹⁵³ Therefore, we direct the Task Force in *Formal Case No. 1183* to draft a Request for Proposals (“RFP”) for a Commission-hired consultant to perform a study to recommend hedging strategies for SOS procurement to the Commission within ninety (90) days from the date of this Order. The Commission must approve the RFP before release.

vii. *Improve DER Interconnection*

60. Multiple interested stakeholders brought up the need to expand DER access in the District, and cited interconnection reform as an important part of affordability. The Commission agrees that interconnection reform is necessary, which is why we opened an investigation into Pepco’s interconnection practices in *Formal Case No. 1050*. The Commission has reviewed an interim report provided by the parties in that case, we believe that alignment between our rules and the model interconnection procedures developed by the Interstate Renewable Energy Council

¹⁵³ *Formal Case No. 1017*, Comments by the Department of Energy and Environment on Behalf of the District of Columbia Government. Filed November 9, 2018.

(“IREC”) will address many, if not all, of the concerns raised. We direct Staff to release a proposed rulemaking aligning our Small Generator Interconnection Rules with IREC’s most recent model procedures within thirty (30) days of the date of this Order.

viii. Develop Affordability and Cost of Service Metrics

61. Multiple commenters have suggested other jurisdictions’ affordability dockets to review. Both OPC and DOEE have gone further, suggesting specific affordability and cost of service metrics. The development of a Commission affordability metric was the main impetus behind OPC’s request to open this investigation, and we believe that the development of such a metric will assist the Commission’s decision making. In addition to the NOI requesting input on the energy affordability definition, we direct Staff to include OPC’s proposal for a metric: total electric and natural gas utility bills measured as a share of household income for representative households at the 15th, 25th, and median percentiles of the District’s income distribution, using a 6% energy burden benchmark as a point of reference. OPC recommends this metric be reported quarterly to the Commission by the Companies. DOEE also requests that the Commission require the development of cost of service metrics based on tariff class and consumption profile. We direct Staff to include, in the NOI, a request for input in the development of one or more cost of service metrics, including what data should be reported by the Companies.

ix. Review Fixed Charges

62. LGG pointed out the relatively high cost of the customer charge for Pepco in DC vis-à-vis Maryland. Fixed customer charges are generally intended to cover the costs of services like metering, billing, and customer service. If fixed costs are a greater portion of customer bills than in other jurisdictions, it means that the District’s customers are at a disadvantage, because undertaking efficiency improvements, installing DER, or otherwise managing consumption only offsets volumetric tariff components. The Commission, therefore, agrees with LGG that we should scrutinize fixed charges. Within 45 days from the date of this Order, we direct both Pepco and WGL to provide the annual costs for the provision of metering, billing, and customer service for the District of Columbia, supporting evidence of all costs (i.e. timecards, invoices, receipts), and a breakdown of how those costs are assigned and recouped from fixed charges for each tariff class. The filings shall be provided with a link to a spreadsheet with all formulas enabled.

x. Improve Public Participation in Rate Cases

63. We agree with Ms. Smith that there is room for improvement to garner public input on cases that impact rates in the District. While some District ratepayers and members of the public participate by filing comments in the docket or testifying at public hearings, we believe that more direct public engagement is beneficial and that it may be worth providing additional education materials and fora for participation. Other jurisdictions have developed intervenor compensation programs, funding to hire expert witnesses, and educational videos and tutorials. We direct Staff to put together a proposed public engagement program within 90 days of the date of this Order. The Commission will release the plan for comment on our website, and share it with advisory neighborhood commissioners and other public channels to ensure a broader reach to garner public feedback on the plan.

xi. Adopt Benefit-Cost Analysis (“BCA”)

64. Multiple commenters urged the Commission to expediently adopt the BCA. Commissioner Beverly recently released an inquiry as to whether stakeholders would support the adoption of the OpenBCA tool and the Commission is reviewing those comments and will continue to move forward with the BCA case in *GD-2019-04-M*.

xii. Implement Green Button Connect My Data (“GBCMD”)

65. The Commission received an amended quote from Pepco for implementation of GBCMD in *Formal Case No. 1130* and will issue a decision once comments are received and reviewed.

xiii. Third-Party Supplier Market Oversight

66. Councilmember Charles Allen and Chairman Phil Mendelson introduced legislation titled the “Retail Energy Market Consumer Protection Amendment Act of 2026,” which had a mark-up hearing on October 1, 2026. This Commission is currently hearing from stakeholders regarding changes to the Purchase of Receivables (“POR”) in *PEPPOR-2026-01* and *WGPOR-2026-01*. Before making those or any additional structural changes to the regulation of energy suppliers, the Commission will wait for the Council of the District of Columbia’s vote on this bill to ensure we proceed according to the letter of the law.

xiv. Investigate Billing Practices

67. Ms. Smith urged the Commission to investigate and audit Pepco’s billing practices. In addition to Ms. Smith’s request, the Commission has, through *Formal Case No. 1171*, been petitioned to audit community net metering (“CNM”), and has also received consumer complaints regarding net-metering (“NEM”) practices. Due to these complaints, the Commission believes an audit is necessary to ensure that Pepco’s District customers are billed appropriately. The Commission will undertake an audit of Pepco’s overall billing practices, including customers without solar, customers subscribed to community renewable energy facilities (“CREF”), and NEM customers, across all tariff classes. The Commission directs Commission Staff to hire a contractor to audit Pepco’s billing system accuracy for the past three years within 120 days of the date of this Order. The RFP shall be approved by the Commission before release. The Commission opens *Formal Case No. 11XX, In the Matter of the Investigation into the Potomac Electric Power Company’s Billing Practices*. Once an audit is completed by the Commission’s contractor, it shall be filed in the docket for public comment.

xv. Transparent Rates and Tariffs

68. Ms. Smith also urged the Commission to ensure that charges to customers are easy to understand. We agree that the Commission’s website needs to be updated to include current tariffs and charges for review in combination with our existing bill calculator.¹⁵⁴ We direct

¹⁵⁴

<https://depsec.org/Utility-Information/Electric/Electric-Bill-Calculator.aspx>

Commission Staff, within 120 days of the date of this Order, to provide a plan to the Commission to publish tariff books on the website that will be consistently updated and feed directly into the calculator page. The tariff and calculator page should be easy to navigate to from our home page with a single click.

xvi. Improve Working Group Management

69. OPC and DOEE have outlined potential improvements to the Commission's working group process. We agree with OPC and DOEE and believe that working group meetings must have clear goals and direction, rather than present an opportunity for open-ended discussion. Therefore, we are not relying on working groups at this time in this proceeding. In the meantime, we direct Staff to release a proposed rulemaking amending 15 DCMR 1 to include regulations governing the use of working groups based on best practices from other jurisdictions, and taking into consideration OPC and DOEE's recommendations, within 90 days of the date of this Order.

xvii. Streamline Utility Service Upgrades

70. DOEE has raised utility service upgrades as a concern. Service upgrades may be required when a customer increases electric load by installing an electric heat pump or electric vehicle charging equipment. Given how critical this process is to the District's climate mandates and the Clean Energy DC Plan, which calls for switching away from fossil fuel usage, the Commission agrees with DOEE that this process should be seamless. Currently, in 15 DCMR 40, we have regulations governing the interconnection of DER to the distribution system. We do not, however, have any such chapter governing utility service upgrades. The Commission directs Commission Staff to release a proposed rulemaking with a new chapter governing utility service upgrades that covers cost transparency, timelines, and reporting, within 120 days of the date of this Order.

xviii. Rate Design, Demand-Side Management, and DER Aggregation

71. Several commenters raised the need for adequate demand management and DER aggregation opportunities, including VPPs. The Commission agrees that we need more active management of both load and DER in order to efficiently use the existing distribution system and avoid coincident peaks that raise PJM capacity prices. While we have undertaken a Value of DER ("VDER") Study, we have not yet adopted VDER tariffs, nor have we embarked on time-varying rates or other demand management strategies. We also have yet to develop regulations governing DER aggregation or VPP in the wake of FERC Order No. 2222. The Commission does have a forthcoming VPP pilot project that will help us develop regulations for governing VPPs, but without being able to send the right price signals, the type of load and DER management we are looking to implement will not happen. The first step in developing strong DR and DER programs is data. We will begin by directing Staff to release a NOI in 45 days from the date of this Order to ask stakeholders in *Formal Case No. 1130* and *Formal Case No. 1182* what type and granularity of grid data (whether Pepco currently collects it or not) should be reported, at what frequency, in order to develop time-varying rates, demand management programs, and VDER tariffs. We view this data collection as a critical first step before moving forward with program design.

xix. *Ensure Integrated Plans Include Robust Non-Wires and Non-Pipes Alternatives Evaluation*

72. Multiple entities raised infrastructure costs as a problem, and highlighted the need to rely on lower-cost solutions. We direct both the working groups in *Formal Case No. 1182* and *Formal Case No. 1187* to determine the granularity and frequency of data required to fully implement non-wires and non-pipes alternatives, as well as a plan for both stakeholder and Commission evaluation of infrastructure needs with sufficient documentation of review and consideration of non-traditional infrastructure investments. Integrated planning frameworks without robust non-wires or non-pipes solutions and data access will not be considered for Commission approval.

xx. *Review Cost of Equity (“COE”) and Return on Equity (“ROE”)*

73. We Power raised inflated ROE as an issue, urging the Commission to tie ROE to COE. The Commission recognizes that this is a nationwide discussion with multiple jurisdictions re-visiting ROEs, such as in Pennsylvania. An inflated ROE can result in capital bias, which may be a driver behind increasing infrastructure investments over the last 5-7 years, despite declining sales. The Commission agrees that we should study both Pepco and WGL’s COE in more detail and use the outcome of those studies to review the Companies’ ROE. We open *Formal Case No. 11XX, In the Matter of the Investigation into Utility Cost of Equity*, for the purposes of this analysis. We will begin with a review of Pepco’s COE. The Commission directs Commission Staff to prepare an RFP for a consultant to undertake a COE study of Pepco within 150 days of the date of this Order. The RFP shall be approved by the Commission prior to release. After the study is complete, it shall be filed in the docket for public comment.

xxi. *Ratebase Audit / Investigation*

74. We Power asked the Commission to review utility ratebase under its authority in under Title 31, Chapter 11 of the D.C. Code. Commissioner Beverly raised several concerns about increases in ratebase, the result of discrepancies resulting from multiple MRPs, and costs of removal from the PIPES program. The District of Columbia Council, in a bill introduced by Councilmember Janeese Lewis George, together with Councilmembers Parker, Nadeau, and T. White, titled the “Public Trust in Utility Regulation Act of 2026,” is considering additional requirements for financial audits of the utilities every three years. However, our authority under Title 34, Chapter 11 of the D.C. Code already requires the Commission “to publish in its annual reports the value of all property actually used and useful for the convenience of the public, of every public utility as to whose rates, charges, service, or regulations any hearing has been held by the Commission or the value of whose property has been ascertained by it under the provisions of this subtitle.”¹⁵⁵ We will ensure to comply with any additional audit requirements adopted by the Council, but at this time we will open two new formal cases¹⁵⁶ under our authority under Chapter 11 of Title 34 to investigate the value of ratebase for both WGL and Pepco. We will begin with

¹⁵⁵ D.C. Code § 34–1119

¹⁵⁶ *Formal Case No. 11XX, In the Matter of the Valuation of Washington Gas Light Company’s Ratebase; and Formal Case No. 11XX, In the Matter of the Valuation of Potomac Electric Power Company’s Ratebase*

WGL, and direct Staff to draft an RFP for an auditor to determine the value of WGL's ratebase within 180 days of the date of this Order. The RFP shall be approved by the Commission prior to its release. The results of the audit will be published in the docket for stakeholder comment.

xxii. Develop Performance-Based Regulatory ("PBR") Framework

75. Electrify DC raised the need for a PBR framework to ensure affordability. We agree with Electrify DC that this Commission needs to make an overall structural shift from cost-of-service regulation to PBR in pursuit of affordability goals and climate mandates. We open *Formal Case No. 11XX, In the Matter of the Investigation into Performance Based Regulation*, to consider making such a shift. We direct Staff, within 270 days of the date of this Order, to issue a whitepaper with a suggested pathway to transition from a cost-of-service regulatory framework to PBR. The whitepaper should include a detailed review of the Revenue = Incentives + Innovation + Outputs ("RIIO") framework implemented by the United Kingdom's energy regulator. After the whitepaper has been issued, we will ask for additional stakeholder feedback.

THEREFORE, IT IS ORDERED THAT:

76. The Commission **DIRECTS** Commission Staff to release a Notice of Inquiry within fifteen (15) days in accordance with paragraphs 53 and 61;

77. The Commission **DIRECTS** the Potomac Electric Power Company and the Washington Gas Light Company to include ward-level data in the monthly reports filed in the ARDIR docket beginning for the reporting month of January 2027;

78. The Commission **DIRECTS** Commission Staff to release a Notice of Proposed Rulemaking in accordance with paragraph 55 within thirty (30) days of the date of this Order;

79. The Commission **DIRECTS** the Potomac Electric Power Company and Washington Gas & Light Company to begin filing comprehensive affordability data reports as specified in paragraph 57 within thirty (30) days of the date of this Order;

80. The Commission **DIRECTS** the District Government Office of the Peoples' Counsel to respond to this Order within fifteen (15) days in accordance with paragraph 58;

81. The Commission **DIRECTS** the PJM Task Force in *Formal Case No. 1183* to provide a draft Request for Proposals in accordance with paragraph 59 within 90 days of the date of this Order.

82. The Commission **DIRECTS** Commission Staff to release an interconnection rulemaking in accordance with paragraph 60 within thirty (30) days of the date of this Order;

83. The Commission **DIRECTS** the Potomac Electric Power Company and Washington Gas Light Company to provide information on costs for the provision of metering, billing, and customer service in accordance with paragraph 62 within 45 days of the date of this

Order;

84. The Commission **DIRECTS** Commission Staff develop a stakeholder engagement plan within 90 days of the date of this Order in accordance with paragraph 63;

85. The Commission **OPENS** *Formal Case No. 11XX* and **DIRECTS** Commission Staff to hire a contractor to audit Pepco's billing system within 120 days of the date of this Order in accordance with paragraph 67;

86. The Commission **DIRECTS** Commission Staff to provide a plan for transparent tariff presentation in accordance with paragraph 68 within 120 days of the date of this Order;

87. The Commission **DIRECTS** Commission Staff to release a Notice of Proposed Rulemaking amending 15 DCMR 1 in accordance with paragraph 69 within 90 days of the date of this Order;

88. The Commission **DIRECTS** Commission Staff to release a proposed rulemaking with a new chapter governing utility service upgrades in accordance with paragraph 70 within 120 days of the date of this Order;

89. The Commission **DIRECTS** Commission Staff to release a NOI in accordance with paragraph 71 within 45 days of the date of this Order;

90. The Commission **DIRECTS** the working groups in *Formal Case No. 1182* and *Formal Case No. 1187* to address non-wires and non-pipes solutions in accordance with paragraph 72 of this Order;

91. The Commission **OPENS** *Formal Case No. 11XX* and **DIRECTS** Commission Staff to prepare an RFP in accordance with paragraph 73 within 150 days of the date of this Order;

92. The Commission **OPENS** *Formal Case Nos. 11XX* and *11XX* and **DIRECTS** Commission Staff to draft an RFP in accordance with paragraph 74 within 180 days of the date of this Order; and

93. The Commission **DIRECTS** Commission Staff, within 270 days of the date of this Order, to issue a whitepaper concerning performance-based regulation in accordance with paragraph 75 of this Order.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:

CHIEF CLERK:

BRINDA WESTBROOK-SEDGWICK
COMMISSION SECRETARY