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August 31, 2020

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

Re: GD-2020 and Formal Case No. 1164

Dear Ms. Westbrook-Sedgwick:

Per Order No. 20329, the Public Service Commission of the District of Columbia authorized Potomac Electric Power Company (Pepco) and Washington Gas Light Company to defer prudently incurred COVID-19 related incremental costs and related offsets into a regulatory asset. In compliance with this order, Pepco has tracked such costs, which are included in the attached report and are as of June 30, 2020. Going forward, Pepco plans to continue reporting these costs on a quarterly basis.

The COVID-19 related incremental costs which are included in Pepco's report are as follows: 1) bad debt expense, 2) lost late payment revenues, 3) lost connection and reconnection fees, and 4) personal protective equipment, cleaning costs, hospital feeder inspections, and other costs. Additionally, the filing includes informational data regarding aging of accounts receivable balances, as well as write-off information, and the number of reconnected customers.

Should you have any questions or concerns regarding the above, please do not hesitate to contact me.

Sincerely,

/s/ Kim F. Hassan

Kim F. Hassan

Enclosures

cc: All Parties of Record

Potomac Electric Power Company ("Pepco")
District of Columbia
COVID-19 - Incremental Costs
As of: June 30, 2020

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
Incremental Costs due to Waiver of Disconnections											
Note 1	Bad Debt Expense	\$ -	\$ 265,854	\$ 229,362	\$ 1,435,529						\$ 1,930,745
Note 2	Lost Late Payment Revenues	54,456	122,363	116,759	131,401						\$ 424,978
Note 3	Lost Reconnect/Connect Revenues	8,244	53,585	37,699	40,809						\$ 140,336
	Total Incremental Costs due to Waiver of Disconnections	\$ 62,699	\$ 441,802	\$ 383,819	\$ 1,607,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,496,059
Incremental PPE, Cleaning, Other											
	Personal Protective Equipment (PPE)	8,907	328,338	245,286	151,330						733,861
	Cleaning	17,827	40,425	48,388	44,476						151,116
	Hospital Feeder Inspections	-	48,561	58,443	26,982						133,986
	Health Screening	-	-	26,532	21,629						48,160
	Sequestering - Hotels	-	-	51,821	-						51,821
Note 4	Bright Horizons	-	4,774	211,216	130,241						346,231
Note 5	Other	5,648	20,129	21,855	21,849						69,482
	Total Incremental PPE, Cleaning, Other	32,382	442,228	663,541	396,506	-	-	-	-	-	1,534,657
	District of Columbia Allocation %	43.43%	43.43%	43.43%	43.43%	43.43%	43.43%	43.43%	43.43%	43.43%	43.43%
	Total Potomac Electric Power Company ("Pepco") District of Columbia Allocated	14,064	192,068	288,189	172,210	-	-	-	-	-	666,532
	Total Potomac Electric Power Company ("Pepco") District of Columbia	\$ 76,764	\$ 633,870	\$ 672,009	\$ 1,779,949	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,162,591
	Total Cumulative Potomac Electric Power Company ("Pepco") District of Columbia	\$ 76,764	\$ 710,634	\$ 1,382,643	\$ 3,162,591						

Footnotes:

- Note 1 Refer to "Bad Debt Expense" tab within this workbook.
- Note 2 Refer to "Late Payment" tab within this workbook.
- Note 3 Refer to "Reconnect" tab within this workbook.
- Note 4 The enhanced Bright Horizons pandemic benefit is a 60-day benefit (over the pre-pandemic 10-day benefit) per dependent and a \$100/day crisis care reimbursement option, under which the employee could be reimbursed for payment to a caregiver that the employee sourced through their own network.
- Note 5 "Other" costs include, but are not limited to: port-a-potty rentals, security services, truck rentals, and general supplies.

Potomac Electric Power Company ("Pepco")
 District of Columbia
 COVID-19 - Incremental Bad Debt Expense
 As of: June 30, 2020

	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Total</u>
1 Note 1 Baseline Bad Debt Expense (Per Rates)		113,470	129,741	136,729							379,940
2 Note 2 Actual Bad Debt Expense (GAAP)		379,324	359,103	1,572,258							2,310,685
3 Note 3 Incremental Bad Debt Expense	-	265,854	229,362	1,435,529	-	-	-	-	-	-	1,930,745

Footnotes:

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- Note 1** Pepco DC Distribution Bad Debt Expense recovered in rates is based on accrued expense. The amounts reflected in Line 1 represent the annual accrued expense included in FC 1150, pro rated monthly based on the Pepco DC monthly base distribution revenues in Case No. 1150
 - Note 2** Pepco DC Distribution Actual Bad Debt Expense is based on GAAP expense recorded on Pepco's books for the month in question.
 - Note 3** Incremental Bad Debt Expense = GAAP Bad Debt Expense vs. Bad Debt Expense in Rates.

Potomac Electric Power Company ("Pepco")
 District of Columbia
 COVID-19 - Incremental Late Payment Fees
 As of: June 30, 2020

		Note 2	Note 3	Note 3	Note 3							
		<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Total</u>
1	Note 1 Baseline Late Payment Fees (Per Rates)	65,366	110,330	116,272	125,856							417,825
2	Actual Late Payment Fees (GAAP)	10,911	(12,033)	(487)	(5,544)							(7,153)
3	Incremental Lost Late Payment Fees	54,456	122,363	116,759	131,401	-	-	-	-	-	-	424,978

Footnotes:

Note 1 The amounts reflected in Line 1 represent the annual late payment fees included in Formal Case No. 1150, pro rated monthly based on the Pepco DC monthly base distribution revenues in FC 1150.

Note 2 Please refer to GD2020-01, Order No. 20329, Page 1 for support regarding dates used for March pro-ration.

"By this Order, the Public Service Commission of the District of Columbia ("Commission") authorizes the Potomac Electric Power Company ("Pepco")...to create a regulatory asset account to record the incremental costs related to COVID-19 that were prudently incurred beginning March 11, 2020, to ensure that District of Columbia residents would continue to have essential utility services during the public health emergency."

Note 3 Negative actual late payment fees are primarily attributable to billing corrections and reversals for rebills.

Potomac Electric Power Company ("Pepco")
 District of Columbia
 COVID 19 - Incremental Lost Connection/ReConnection Fees
 As of: June 30, 2020

		Note 2										
		Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
1	Note 1	Baseline Connection/Reconnection Fees (Per Rates)	21,213	35,805	37,734	40,844						135,596
2		Actual Connection/Reconnection Fees (GAAP)	12,969	(17,780)	35	35						(4,741)
3		Incremental Lost Reconnection Fees	8,244	53,585	37,699	40,809	-	-	-	-	-	140,336

Footnotes:

Note 1 The amounts reflected in Line 1 represent the annual late payment fees included in Formal Case No. 1150, pro rated monthly based on the Pepco DC monthly base distribution revenues in FC 1150.

Note 2 Please refer to GD2020-01, Order No. 20329, Page 1 for support regarding dates used for March pro-ration.

"By this Order, the Public Service Commission of the District of Columbia ("Commission") authorizes the Potomac Electric Power Company ("Pepco")...to create a regulatory asset account to record the incremental costs related to COVID-19 that were prudently incurred beginning March 11, 2020, to ensure that District of Columbia residents would continue to have essential utility services during the public health emergency."

Potomac Electric Power Company ("Pepco")
District of Columbia
COVID-19 - Incremental Costs
As of: June 30, 2020

	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Receivable Aging Data (A/R \$)											
0-30 Days	\$ 47,203,689	\$ 39,592,727	\$ 37,132,494	32,765,613	38,183,792						
31-60 Days	\$ 6,896,272	\$ 6,930,325	\$ 8,200,193	7,407,253	5,765,676						
61-90 Days	\$ 2,612,139	\$ 3,267,192	\$ 4,264,461	5,382,088	3,321,243						
91-120 Days	\$ 1,647,913	\$ 2,013,613	\$ 2,652,283	3,144,486	3,516,908						
121-150 Days	\$ 1,436,240	\$ 1,040,682	\$ 1,486,157	2,407,147	2,403,619						
151+ Days	\$ 1,735,980	\$ 1,898,845	\$ 2,493,638	3,754,114	5,402,599						
Total	\$ 61,532,234	\$ 54,743,383	\$ 56,229,227	\$ 54,860,700	\$ 58,593,837	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivable Aging Data (Total Customers)											
0-30 Days	173,703	157,884	153,295	156,381	157,052						
31-60 Days	24,811	25,428	26,142	23,917	19,351						
61-90 Days	13,343	14,232	15,472	16,749	11,867						
91-120 Days	8,780	10,835	10,383	10,355	11,593						
121-150 Days	7,348	6,277	8,934	9,582	8,117						
151+ Days	41,505	42,021	44,365	49,635	53,878						
Total	269,490	256,677	258,591	266,619	261,858	-	-	-	-	-	-
Write-Offs Data											
Actual Write-Off	337,472	157,541	4,340	20,164	10,533						
Recoveries	(129,103)	(86,764)	(92,347)	(57,697)	(48,006)						
Net Write-Offs	208,369	70,778	(88,006)	(37,533)	(37,473)	-	-	-	-	-	-
Cumulative Number of Customers Reconnected		43	100	146	172						

CERTIFICATE OF SERVICE

I hereby certify that a copy of Potomac Electric Power Company's COVID 19 Costs has been served this August 31, 2020 on:

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