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February 11, 2021

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: Formal Case No. 1119

Dear Ms. Westbrook-Sedgwick:

In Order No. 18148, the Public Service Commission of the District of Columbia (“Commission”) directed the Potomac Electric Power Company (“Pepco”) to establish a Customer Base Rate Credit (“CBRC”) through which Pepco would provide \$25.6 million to its customers to offset future rate increases.¹ Through Order No. 19943 in Formal Case No. 1150, the Commission authorized Pepco to increase the total CBRC amount to \$29.1 million.

In Order No. 19943 (Paragraph 11), the Commission noted that Pepco’s estimated time by which residential customers would exhaust the amount of the CBRC allocated to residential customers was on or around March 2021 (which Pepco re-affirmed in multiple proceedings, most recently in its testimony in Formal Case No. 1156). Pepco now calculates that the portion of the CBRC allocated to residential customers will be fully utilized in mid-February 2021.

By this letter, Pepco notifies the Commission that Pepco will update the CBRC offset on residential customers’ bills from the current (\$1.37) credit to \$0.00 for bills generated beginning Tuesday, February 16, 2021.

In the likely event that the final amount of residential CBRC funds provided to customers is different than the available funds after the rate offset is set to \$0.00, Pepco proposes to true-up the funds to customers through the bill stabilization adjustment (BSA) mechanism within six months.

¹ In Formal Case No. 1139, the Commission issued Order No. 18846, which set the CBRC for residential and some small commercial classes.

This will ensure that the entirety of the CBRC funds allocated to residential customers will be utilized by those customers.

In Formal Case No. 1156, the Company proposed a continuation of the CBRC until December 31, 2021. However, at this time no decision has been issued in that case, and therefore Pepco must end the CBRC credit for residential customers in compliance with Order Nos. 18148, 18846, and 19943. If the Commission approves the Company's proposed extension of the CBRC for residential customers in Formal Case No. 1156, then the Company will reinstate the CBRC as directed in that proceeding.

In addition to providing rate offsets for residential and other customers, the CBRC also funds the Senior Citizen and Disabled Resident Rate Credit Rider ("SCDRRC"). In Order No. 19741 (Paragraph 26), the Commission directed Pepco to notify the Commission when there are 24 months of funds remaining in the CBRC allocated to support the SCDRRC. Please note that despite the depletion of the portion of CBRC funds allocated to residential customers, the portion of the CBRC that funds the SCDRRC remains intact and Pepco expects the SCDRRC will remain on customers' bills for more than 24 months from the date of this letter.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin McGowan".

Kevin M. McGowan

cc: All Parties of Record

CERTIFICATE OF SERVICE

I hereby certify that a copy of Potomac Electric Power Company's Letter regarding CRBC was served this February 11, 2021 on all parties in Formal Case No. 1119 by electronic mail.

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/s/ Dennis P. Jamouneau

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