

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

NOTICE OF PROPOSED TARIFF**PEPRADR-2021-01, THE POTOMAC ELECTRIC POWER COMPANY'S RESIDENTIAL AID DISCOUNT COMPLIANCE REPORTS AND FILINGS,**

1. The Public Service Commission of the District of Columbia (Commission) hereby gives notice, pursuant to Section 34-802 of the District of Columbia Code and in accordance with Section 2-505 of the District of Columbia Code¹ of its intent to act upon the Potomac Electric Power Company's (Pepco or Company) Rider - Residential Aid Discount Surcharge (Rider RADS) filed on April 23, 2021,² in not less than thirty (30) days from the date of publication of this Notice of Proposed Tariff (NOPT) in the *D.C. Register*.

2. The Residential Aid Discount (RAD) Surcharge allows Pepco to recover the costs of the subsidy for the RAD Program for low-income electricity customers in the District of Columbia.³ Pepco is required to file a true-up for the surcharge on an annual basis, in the event of an over or under collection of the RAD Surcharge and to address any changes in income eligibility criteria.⁴

3. By Order No. 18059, the Commission adopted a new methodology for computing the RAD subsidy, and implemented a Residential Aid Credit (RAC), which is equal to the full Distribution Charge plus certain applicable surcharges.⁵ On April 23, 2021, Pepco filed its annual update to the Rider RADS. Pepco states that this is the fourth RAD Surcharge filing since the new program was established.

4. Pepco explains that each RAD Surcharge filing consists of two main parts, the true-up from previous periods and the costs associated with RADS based on estimated costs for the next period, which typically is a year. In its filing, Pepco provides the RADS

¹ D.C. Official Code § 34-802 (2019 Repl.) and § 2-505 (2016 Repl.).

² *PEPRADR-2021-01, In the Matter of Potomac Electric Power Company's Residential Aid Discount Compliance Reports and Filings (PEPRADR-2021-01)* Potomac Electric Power Company's (Pepco) Rider - Residential Aid Discount Surcharge (Rider RADS), filed April 23, 2021.

³ *Formal Case No. 1053, In the Matter of the Application of Potomac Electric Power Company for Authority to Increase Existing Retail Rates and Charges for Electric Distribution Service*, Order No. 14712, rel. January 30, 2008.

⁴ *Formal Case No. 945, In the Matter of the Investigation into Electric Service Market Competition and Regulatory Practices, and Formal Case No. 813, In the Matter of Application of Potomac Electric Power Company for an Increase in its Retail Rates for the Sale of Electric Energy*, Order No. 15986, ¶¶ 6, 13, rel. September 20, 2010.

⁵ *Formal Case No. 1120, In the Matter of the Investigation into the Structure and Application of Low Income Assistance for Electricity Customers in the District of Columbia (Formal Case No. 1120)*, Order No. 18059, ¶¶ 31, 34, rel. December 15, 2015 (Order No. 18059).

true-up calculation from March 2020 through February 2021. According to Pepco, the RAD Surcharge collections from this period resulted in an under-collection of \$908,987. Pepco shows the forecasted under-collection of \$89,817 from March through May 2021, which is also included in the calculation of the surcharge.

5. Pepco asserts that projected costs for the proposed RADS differ from previous years because the Commission, by Order No. 20707, increased the eligibility thresholds for low-income programs overseen by the Commission, including RAD.⁶ Based on new estimates calculating both the number of eligible participants under the new thresholds and the participation rate of those that would be eligible, the Company projects a potential increase in the estimated RAD subsidy for June 2021—the proposed effective date of the new RAD Surcharge—through May 2022 to accommodate about 9,863 additional RAD participants. Pepco asserts that this estimated increase would represent an increase of approximately 56% over current average RAD enrollment figures.

6. In the Rider RADS Update, Pepco proposes to amend the following tariff pages:

Rate Schedules for Electric Service in the District of Columbia,

P.S.C. of D.C. No. 1

(Current) One Hundred Sixteenth Revised Page No. R-1
(New) One Hundred Seventeenth Revised Page No. R-1

(Current) One Hundred Sixteenth Revised Page No. 2
(New) One Hundredth Seventeenth Revised Page No. 2

(Current) One Hundred Ninth Revised Page No. R-2.1
(New) One Hundred Tenth Revised Page No. R-2.1

(Current) One Hundred Ninth Revised Page No. R-2.2
(New) One Hundred Tenth Revised Page No. R-2.2

(Current) Eleventh Revised Page No. R-46
(New) Twelfth Revised Page No. R-46

7. In its tariff filing, Pepco provides the RADS true-up calculation from March 2020 through May 2021 and the calculation of the new RAD Surcharge.⁷ Pepco asserts that the RAD Surcharge collections from March 1, 2020, to February 28, 2021, resulted in an under-collection of \$908,987.⁸ Pepco's filing forecasts an under-collection of

⁶ *Formal Case No. 1164, In the Matter of an Inquiry into the Impacts of the COVID-19 Pandemic on District Utilities and Consumers*, Order No. 20707, rel. March 3, 2021.

⁷ *PEPRADR-2021-01*, Rider RADS at 1; Attachment B.

⁸ *PEPRADR-2021-01*, Rider RADS at 1; Attachment B at 1.

\$89,817 from March through May 2021.⁹

8. Pepco asserts that the estimated cost of the RAC from June 2021 through May 2022 is \$7,505,689 and is also included in the calculation of the surcharge.¹⁰ Pepco calculates that the estimated cost is above the level of \$5.75 million established in Order Nos. 15986 and 17545.¹¹ Pepco states that the increased subsidy amount reflects an anticipated 56% increase in customer participation in the program.¹²

9. Pepco calculates that as a result of the under collection from June 2016 through February 2021 and the cost of the RAC from March 2020 through February 2021, the proposed RAD Surcharge would increase from the current surcharge rate of \$0.000477 per kilowatt-hour, which became effective July 10, 2020, to \$0.000861 per kilowatt-hour, effective on or after June 2021.¹³

10. Any person interested in commenting on the subject matter of this proposed tariff may submit written comments not later than thirty (30) days after publication of this notice in the *D.C. Register* to Brinda Westbrook-Sedgwick, Commission Secretary, Public Service Commission of the District of Columbia, 1325 G Street, N.W., Suite 800, Washington, D.C. 20005 and sent electronically on the Commission's website at https://edocket.dcpSC.org/public/public_comments. Copies of the proposed tariff may be obtained by visiting the Commission's website at www.dcpSC.org or at cost, by contacting the Commission Secretary at the address provided above. Persons with questions concerning this NOPT should call (202) 626-5150 or send an email to psc-commissionsecretary@dc.gov. After the comment period has expired, the Commission will take final action on Pepco's Rider RADS tariff filing.

⁹ PEPRADR-2021-01, Rider RADS at 1; Attachment B at 1, 3.

¹⁰ PEPRADR-2021-01, Rider RADS at 2; Attachment B at 1, 4.

¹¹ PEPRADR-2021-01, Rider RADS at 1.

¹² PEPRADR-2021-01, Rider RADS at 2.

¹³ PEPRADR-2021-01, Rider RADS at 2; Attachment A.