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October 4, 2019

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: BE-2019-01

Dear Ms. Westbrook-Sedgwick:

Enclosed please find Potomac Electric Power Company's Day 60 Billing Error Notification Report in the reference proceeding. Please note, this report is being filed prior to the October 15, 2019 due date.

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

Sincerely,

A handwritten signature in black ink that reads "Andrea H. Harper". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Andrea H. Harper

Enclosures

cc: All Parties of Record

**60-Day Pepco Billing Error Notification
District of Columbia**

Date: October 4, 2019

(a) Type of Billing Error:

PHI Customer Operations uncovered a billing error related to late payment charges (LPC) for 439 active and 592 inactive Pepco DC customers. This subset of customers had LPC's overstated. This error was introduced into Pepco's billing system with the implementation of collection activities in June of 2015 after the implementation of Pepco's new billing system, SAP.

(b) Date and time the billing the error was discovered:

After an investigation that began on July 30, 2019, Pepco concluded on August 16, 2019 that the error impacted the District of Columbia and rose to the level of a billing error report.

(c) Number of customers affected:

- 1) Active Customers – 439
- 2) Inactive Customers – 592

(d) The cause of the error corrective action(s) taken and preventative measure(s) taken:

Cause:

A programming error that occurred when the company instituted a new billing system resulted in a confluence of events causing late payment charges to be assessed in error when some customers broke their existing payment arrangements.

- a. Customers who had two payment arrangements broken on the same day (Deposit and Consumption) would create two collection paths leading to multiple LPC calculations.
- b. Customers who have an arrangement broken on the same day as payment or a collection lock expiration would result in two collection paths leading to multiple LPC calculations.

Corrective Actions/Preventative Measures taken:

- a. A daily report was created to identify accounts that are running through multiple collection paths and any errors are manually corrected.

- b. A programmatic fix to prevent an account from entering multiple collection paths has been developed and is in testing, We expect it to be released into production within several weeks.
- c. Bill credits were applied on Monday, 9/9/2019 to affected customers' accounts. Customers will receive the credit in their next monthly bill.
- d. All affected customers will receive a full credit, with interest, for any late payment charges that were assessed in error.
- e. Pepco will include a bill message in the bill that includes this credit and interest to inform customers of why this is included in their monthly bill.
- f. Inactive customers where the credit exceeds any outstanding balance will receive a letter and a refund check for any credit balance (144 customers for a total of \$2143.74).

(e) The timeline for completing any and all other required corrective action(s):

The final corrective action is to implement a control that will not allow the system to create more than one LPC in a billing cycle for each customer. Pepco will continue to monitor the LPC control to confirm it is working as expected. The control will be implemented by the end of October. In the interim, Pepco is checking bills to ensure that the error does not occur.

(f) The lessons learned:

The Company has three lessons learned from this error.

- Conduct an annual collections review with business owners for each jurisdiction and customer type
- Create a standard set of dunning test scripts to be run any time a change is made in the dunning process.
- Engage the business in reviewing test results before changes are moved to production.

CERTIFICATE OF SERVICE

I hereby certify that a copy of Potomac Electric Power Company's Day 60 Billing Error Notification Report on all parties in Case No. BE2018-01-E by electronic mail.

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