

Utility Headlines: Key 2010 Successes

Good News for Maryland

AOBA's Efforts Result in 80% Reduction in Pepco's Proposed MD Rate Increase

The Maryland Public Service Commission (MD PSC) issued an Order on August 6, 2010 lowering Pepco's distribution rate increase to \$7.75 million. Pepco had originally requested a rate increase of \$40 million. The rate increase became effective on August 19, 2010 and will increase Pepco's distribution rates by an average of 2.26%. AOBA strongly opposed Pepco's rate increase and also argued that commercial customers should not subsidize other rate classes. The MD PSC decision to reduce Pepco's rate increase request by 80%, coupled with its decision to give commercial customers increases averaging 1.15% while increasing residential customer rates by 3.07%, is demonstration of the successful arguments by AOBA against Pepco's proposals.

Good News for DC

AOBA Effective in Reducing Pepco's Requested Rate Increase in DC by More Than 60%

In a significant victory for AOBA members, on March 2, 2010, the DC Public Service Commission issued an Order reducing Pepco's \$51.7 million distribution rate increase to an overall increase of \$20.3 million. The effective date of the rate increase was March 23, 2010. AOBA strongly opposed Pepco's rate increase as well as its requests to create additional rate surcharges to recover pension costs, uncollectible expenses, and other post employment expenses. In addition to significantly reducing Pepco's proposed rate increase, the Commission denied Pepco's requested surcharges.

AOBA Prevails as DC PSC Denies Pepco's \$6 Million Rate Increase Surcharge

On November 8, 2010, the DC Public Service Commission denied Pepco's request for a \$6 million rate increase, in a new surcharge, to fund energy efficiency programs in FY 2011. Pepco's proposed new surcharge would have become effective with October 2010 bills. AOBA opposed Pepco's request because \$6 million in ratepayer funded charges, previously dedicated to fund these same Pepco energy efficiency programs for FY 2011, was confiscated by the District government to reduce its budget shortfall. DC ratepayers are currently paying for non-existent energy efficiency programs on their electric bills. While supporting energy efficiency AOBA argued that its members and ratepayers in general should not have to pay twice for the same Pepco energy efficiency programs.

AOBA Challenges Washington Gas Proposed Revenue Guarantee

AOBA filed testimony challenging the request by Washington Gas for approval by the DC Public Service Commission of a Revenue Normalization Adjustment (RNA) that would guarantee the revenues of Washington Gas from decline due to energy efficiency, weather, and other factors that could result in lost revenues to Washington Gas. AOBA has opposed the implementation of a RNA in prior Commission proceedings. AOBA is opposing the implementation of a RNA in this proceeding because it is unnecessary, inappropriate and tends to increase charges to commercial customers. Further AOBA argued that implementation of such a mechanism prior to October 1, 2011 violates the terms of an earlier settlement agreement entered into between WG and AOBA. A final decision from the DC Public Service Commission is pending (as of December 2010).

Good News for Virginia

AOBA Reaches Settlement of \$726 Million in Rate Reductions and Rate Credits from Dominion Virginia Power

AOBA achieved a settlement of Dominion Virginia Power's \$250 million base rate increase request which provides \$726 million in rate reductions and rate credits. On March 11, 2010 the Virginia State Corporation Commission approved the negotiated settlement which also bars Dominion Virginia Power from any further base rate increase prior to December 1, 2013. Under current Virginia law, however, the Company may seek additional rate surcharges and rate surcharges increases in the interim.