


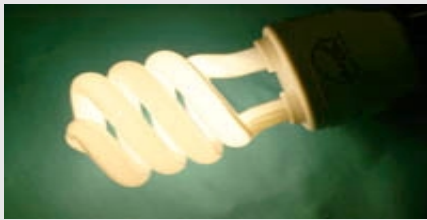

NOTE: The statements made in this flyer are for informational purposes only. These statements are not meant to forecast a decision in any matter currently pending before the Commission or as a pre-judgment of any matter to be filed before the Commission. Updated 11/29/06.



District of Columbia Public Service Commission (DCPSC)
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Winter 2006-2007 Forecast of Residential Utility Prices

The Impact on Your Bill

People Serving the Community	<h3>NATURAL GAS</h3> 	<h3>ELECTRICITY</h3> 	<h3>TELEPHONE</h3> 
	Prices Set by the DCPSC	<ul style="list-style-type: none"> The DCPSC sets the rate for the distribution portion of WGL's bill through a rate case. The distribution portion of the bill covers local delivery of natural gas to the customer. No change is expected for the 2006-2007 winter season for the distribution portion of natural gas bills. 	<ul style="list-style-type: none"> The DCPSC sets the rate for the distribution portion of PEPCO's bill through a rate case. Distribution service rates will remain capped through August 2007 for all residential customers. Distribution service rates for Residential Aid Discount (RAD) customers are capped until August 2009.
Prices Not Set by the DCPSC	<ul style="list-style-type: none"> WGL and three alternative natural gas suppliers (Econenergy, NOVEC Energy Solutions, and Washington Gas Energy Services) are accepting new residential customers in the District. Natural gas costs account for about 70% of total residential natural gas bills. The price for the natural gas itself is market-based meaning it varies with the market. WGL's natural gas prices were 30% lower than a year ago in November and prices for December are down about 12% over the year. The DCPSC audits WGL's natural gas procurement costs to ensure that WGL does not earn a profit on those costs. 	<ul style="list-style-type: none"> PEPCO and two alternative electric generation and transmission suppliers (Pepco Energy Services and Washington Gas Energy Services) are accepting new residential customers in the District. Generation and transmission prices account for about 70% of residential electric bills. PEPCO's winter rate (generation and transmission), beginning November, is up about 16% percent from a year ago. The caps on RAD customers' generation and transmission prices expire in February 2007. 	<ul style="list-style-type: none"> Verizon and five Competitive Local Exchange Carriers (CLECs) are accepting new District residential customers for local telephone service only. (Access Point, ATX, Comtel d/b/a Excel, Comtel d/b/a VarTec, and MetTel) Eight CLECs provide local service when bundled with other services. (ACN, Lightwave, NationsLine, Comtel d/b/a Excel, Comtel d/b/a VarTec, Starpower d/b/a RCN, Trinsic, and USTel) DCPSC does not set the prices for Verizon's competitors so their prices are market-based. The DCPSC expects a small increase in unregulated telephone service prices in the winter of 2006-2007.

BLUE = DECREASE
 YELLOW = NO CHANGE
 ORANGE = SMALL-MODERATE INCREASE
 RED = LARGE INCREASE