



**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA**  
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## **Press Release**

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### **D.C. Public Service Commission Announces Lower Standard Offer Service Rates for Electric Customers**

The District of Columbia Public Service Commission (“Commission”) approved today the results of a competitive auction for electricity supply that will result in lower rates for customers who buy their electricity through the Standard Offer Service (“SOS”) Program. Beginning June 1, 2010, residential SOS customers will see a rate decrease of 1.2% or about \$1.20 a month for the average user of 700 kwh/month. Small commercial SOS customers’s energy supply bills will decrease in energy supply rates of 1.1%, or about \$3.01 a month for the average user.

The SOS Program is the default source for electrical energy for customers who have not chosen to purchase power through a certified competitive provider. 97% of residential customers have remained with the SOS program, as have 79% percent of small commercial customers. On the other hand, 61% of large commercial customers have exercised the choice to purchase their electricity from competitive suppliers. Customers who have chosen competitive suppliers are not affected by the new SOS rates.

The SOS Program is administered by Pepco under rules established by the Commission. Under legislation passed by the D.C. Council in 1999, Pepco itself no longer owns any power plants. All customers may choose whichever supplier they want for electricity supply. The Commission has designated Pepco to purchase electricity for SOS customers through power supply contracts in an annual auction. Pepco remains the sole company authorized to *deliver* electricity to D.C. customers, from whichever supplier the customer has chosen.

To provide protection against the possibility of extreme volatility in energy markets and, in particular, to reduce the impact of one year’s electricity prices, the Commission’s rules provide for three-year rolling contracts for residential and small commercial supply. Thus, this year’s contracts will be replacing slightly higher priced, expiring contracts procured in 2006-2007. The 2010-2011 SOS load will be served by winning suppliers from the 2007-2008, 2008-2009, and 2009-2010 solicitations. SOS supply for large commercial customers is provided through two-year rolling contracts.

As a result of the most recent auctions, the average monthly residential bill for the period June 1, 2010-May 31, 2011 will be about \$100 for the average user of 700 kwh/ month.

The results of the District SOS solicitation are in line with the results in neighboring jurisdictions which also use an auction process. For example, Delaware completed its 2009-2010 solicitation in January. Residential customers there can expect to have a 1.2% decline in their bills, resulting in an average bill of \$136

per month. In New Jersey, customers of the four major utilities will see changes in their rates ranging from an increase of about 0.1% to a decrease of 1.1%, resulting in average monthly bills of between about \$115 and \$125 per month.

Based on the outcome of its competitive bidding process, Pepco's new proposed rates were filed with the Commission on January 29, 2010. A revised filing was made on February 8, 2010 and approved by the Commission today.

The District's process continues to provide customers with rates that are reflective of market conditions while at the same time providing them protection against extreme volatility. The Commission encourages consumers to take steps to reduce their bills by using energy more efficiently. Consumers may contact the District Department of the Environment (DDOE) for information on energy efficiency and low-income assistance programs. DDOE's hotline number is 202-673-6750.

Additional information is available from the Commission website at [www.dcpsc.org](http://www.dcpsc.org).

*The DC Public Service Commission is an independent agency established by Congress in 1913 to regulate electric, natural gas, and telecommunications companies in the District of Columbia.*

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