From: Ward 3 Democrats – June 12, 2020

To: Ms. Brinda Westbrook-Sedgwick <PSC-CommissionSecretary@dc.gov>

Cc: Phillips, Willie (PSC) wphillips@psc.dc.gov Beverly, Richard (PSC) rbeverly@psc.dc.gov

Subject: Support for Joint Emergency Motion in FC 1156 – Pepco Rate Case

As you know, the Ward 3 Democrats have been closely following Formal Case 1156, concerning Pepco DC’s application for increases in electric distribution rates as well as changes in the method used for setting rates under the authority of the DC Public Service Commission (PSC). We would like to express our support for the “Joint Emergency Motion to Strike Pepco’s Surrebuttal Testimony Pertaining to the Company’s New MRP Proposal and for Summary Judgment on Pepco’s Multiyear Rate Plan Application,” which was filed on June 8 by the Office of People’s Counsel, AOBA, LiUNA, and BWLDC.

After expressing our support for the Joint Motion to suspend the proceedings during the pendency of the COVID-19 emergency, we were disappointed to see the PSC’s May 20 order denying the Movants’ request. We were, however, encouraged that the PSC was asking the parties to submit comments on “how and to what extent the pandemic-related events affect the evaluation of the Potomac Electric Power Company’s Rate Application,” in their filings for the surrebuttal phase of the proceeding, with a due date of June 1, 2020.

But after all the work of the parties in this case over the past 12 months, on June 1 Pepco chose to submit not a final defense of its application for a three years of rate cases to cover past and future costs under its Multi-Year Ratemaking proposal (MRP) but instead filed a totally new proposal with a number of offers to assist ratepayers affected by the COVID-19 emergency, including a rate freeze through January 2022, and a rate increase at that point, calculated under a different approach to MRP. None of the Intervenors and no members of the public have had any chance to review those proposals or submit comments; there is also no space in the procedural schedule for that kind of review, which would surely require a period of many months.

We urge as strongly as we can express that the PSC accept the Joint Emergency Motion and not allow Pepco’s replacement proposal to go forward on the current procedural schedule. Instead, we support the Movants’ call for the Commission to separate Pepco’s offers for short-term benefits for ratepayers from the longer term proposals for rate increases, which is based on a new approach to Multi-Year Ratemaking (MRP) that no parties have had a chance to review or evaluate and comment on. As the motion notes, the PSC can and should consider offering rate relief to Pepco customers as the Commissioners find appropriate, over the next 18 months. But the PSC should defer consideration of Pepco’s proposal for a new Multi-Year Ratemaking plan until all the parties and the public have had sufficient time to fully evaluate its effects and present evidence, whether in another substantive phase of this formal case or as part of a more open pubic process as the Commission has used for other matters of broad general interest such as Grid Modernization. That is what we will hold the Commission accountable for providing.