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**For Immediate Release**

## **Maryland PSC Approves Partial Potomac Edison Rate Increase Request** *Customers to Also Receive Another Bill Credit for Tax Savings*

(BALTIMORE, MD-March 22, 2019) – The Maryland Public Service Commission has granted a portion of the Potomac Edison Company's (PE) \$19 million request to increase electric distribution rates, approving a \$6.2 million increase. Potomac Edison serves approximately 266,000 residential, commercial and industrial customers in all or parts of Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington counties.

As a result of the decision, the total monthly bill impact for an average residential customer will be approximately \$2.13. This includes an increase of 12 cents a month for an electric reliability program surcharge and an increase in the fixed customer charge from \$5.00 to \$5.70. The new rates represent an increase of just over two percent of a customer's total bill. Potomac Edison's last rate case was decided in 1994.

The Commission, in Order No. [89072](#), also directed PE to provide an additional bill credit to customers as a result of the federal Tax Cuts and Jobs Act of 2017. PE's first bill credit to refund the tax savings covered the period from January 1 to September 30, 2018. The second bill credit will cover the period from October 1, 2018 through the effective date of the new rates, and includes compound interest that has accrued since October of last year.

"As in prior rate cases, we have strived to limit rate impacts while allowing the Company to invest in safety and reliability and continue to modernize its distribution system for the benefit of its customers," the Commission stated in its order.

Additionally, given that several studies provided by Potomac Edison were not up to date, including its depreciation study (approximately 25 years old), the Commission is requiring the company to file updates to these studies. Potomac Edison is directed to file a new depreciation study within 18 months of the date of this order. A Phase II of this proceeding will review the results of that updated study.

The Commission denied the company's request for a return on equity (ROE) of 10.8%, instead approving an ROE of 9.65%, which "provides for a fair and appropriate return

and will allow Potomac Edison to obtain any necessary capital investment at reasonable interest rates.”

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**About the Public Service Commission:**

*The Maryland Public Service Commission regulates electric and gas utilities, telephone companies (land lines), certain water and sewer companies, passenger motor vehicle carriers for hire (sedans, limousines, buses, Uber, Lyft), taxicab companies (in Baltimore City and County, Cumberland and Hagerstown) and bay pilot rates.*

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