

**ORDER NO. 89660**

Potomac Electric Power Company’s  
Application for an Electric Multi-Year Plan

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BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF MARYLAND

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CASE NO. 9655

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**Issue Date: October 27, 2020**

**ORDER INITIATING DOCKET, SUSPENDING TARIFF REVISIONS,  
AND SCHEDULING PREHEARING CONFERENCE**

On October 26, 2020, Potomac Electric Power Company (“Pepco”) submitted to the Commission an application for authority to adjust its retail rates for the distribution of electric energy and implement a Multi-Year Plan (“MYP”) in its Maryland service territory pursuant to *Annotated Code of Maryland*, Public Utilities Article (“PUA”) §§ 4-203, 4-204 and 7-505(c)(1) (“Application”). In support of its Application Pepco also filed supporting testimony, data required by the Commission’s general filing requirements, and proposed rate schedules with an effective date of November 25, 2020. Pepco has also implemented an electronic discovery data base that will allow all parties to access discovery responses electronically.

Pepco proposes a three-year MYP covering the three-year period April 1, 2021 through March 31, 2024. The costs in the proposed MYP cover investments made since Pepco’s last base rate case<sup>1</sup> and forecasted to be made through March 31, 2024. Pepco

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<sup>1</sup> Case No. 9602; included a test year period ended January 31, 2019.

projects spending approximately \$259 million in 2020 and \$1.09 billion over the four-year calendar period 2021-2024 on upgrades and improvements to Pepco's Maryland distribution system, and requests authority to address claimed (*i.e.*, projected) electric revenue deficiencies of \$44 million for the 12 months ending March 31, 2022, \$78 million for the 12 months ending March 31, 2023 and \$110 million for the 12 months ending March 31, 2024.

Pepco's proposal includes the acceleration of certain tax benefits and a pause in amortization expense that results in no overall distribution rate increase for customers during the first two years of the MYP, and a partial offset to overall distribution rates in the third year of the MYP. Accordingly, in April of 2023, customers would see an overall distribution rate increase, after off-sets, of \$56 million. The impact of the requested April 2023 rate increase on the typical residential Standard Offer Service customer using 811 kWh per month is \$5.50 per month, representing a 4.4% increase.

Pepco also proposes including five "tracking only" Performance Incentive Mechanisms ("PIMs") as part of its proposed MYP, covering reliability measures (Customer Average Interruption Duration Index and Customers Experiencing Multiple Interruptions 4), customer service measures (First Call Resolution), and environmental related measures (Electric Vehicle charger installation and Green House Gas reductions).<sup>2</sup> Additionally, in accordance with Order No. 89542 in Case No. 9639,<sup>3</sup> Pepco has established a regulatory asset to record any incremental impacts related to the

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<sup>2</sup> The proposed tracking only PIMs do not include any penalty or reward and do not impact the revenue requirement over the MYP periods.

<sup>3</sup> *In the Matter of State of Emergency and Public Health Emergency in the State of Maryland Due to COVID-19*. Order Authorizing Establishment of a Regulatory Assets for COVID-19 Related Incremental Costs.

COVID-19 pandemic, and Pepco is seeking recovery of the regulatory asset over the term of the MYP.<sup>4</sup>

A virtual prehearing conference in this matter is hereby set for Monday, November 23, 2020, beginning at 10:00 a.m. The purpose of the hearing is to set a procedural schedule for this proceeding, consider any petitions to intervene that have been filed, and consider any other preliminary matters requested by the parties. Petitions to intervene shall be filed by Thursday, November 19, 2020. Furthermore, discovery commences immediately for Pepco, the Commission's Technical Staff, and the Maryland Office of People's Counsel.

Any party that wishes to actively participate in the virtual prehearing conference shall contact Susan Howard at [susan.howard@maryland.gov](mailto:susan.howard@maryland.gov) by 12:00 Noon on Thursday, November 19, 2020.<sup>5</sup> Otherwise, you may watch the live stream of the prehearing conference on the Commission's YouTube channel.<sup>6</sup> Please also direct any questions concerning the prehearing conference to Susan Howard.

**IT IS, THEREFORE,** this 27<sup>th</sup> day of October in the year Two Thousand Twenty, by the Public Service Commission of Maryland,

**ORDERED:** (1) That proceedings to consider the Application and the justness and reasonableness of Potomac Electric Power Company's Multi-Year Plan, proposed rates, terms, and conditions of its tariff revisions are hereby instituted by the Commission;

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<sup>4</sup> Also, in Case No. 9478, the Commission issued Order No. 88997, directing Pepco to submit an EV pilot project and authorizing Pepco to defer all pilot-related incremental costs into a regulatory asset for recovery in a base rate case. Pepco is also seeking recovery of those costs in the MYP.

<sup>5</sup> The meeting will be conducted through a Webex remote meeting platform. After the 12:00 Noon, November 19, 2020, deadline, participants will receive instructions on how to participate, which may include a required test run.

<sup>6</sup> <https://www.youtube.com/c/MarylandPSC>.

(2) That, pursuant to PUA § 4-204, the tariff revisions filed by Potomac Electric Power Company's are suspended for an initial period of 150 days from November 25, 2020;

(3) That discovery commences immediately for Potomac Electric Power Company, the Commission's Technical Staff, and the Maryland Office of People's Counsel;

(4) That interested parties shall file petitions to intervene by November 19, 2020;

(5) That Potomac Electric Power Company is hereby directed to cause a display advertisement to be published in a newspaper(s) in general circulation throughout its service area at least two times prior to November 16, 2020, that includes a description of the matter on which the prehearing conference is being held and the time, date, method, and purpose of the prehearing conference scheduled for November 23, 2020. The notice shall also advise persons who seek to intervene in this proceeding that any petition to intervene, shall be filed<sup>7</sup> with Andrew S. Johnston, Executive Secretary, Maryland Public Service Commission, William Donald Schaefer Tower, 6 St. Paul Street, 16th Floor, Baltimore, Maryland 21202, by November 19, 2020;

(6) That Potomac Electric Power Company shall file a proof of publication on or before the date of the prehearing conference;

(7) That Potomac Electric Power Company also shall place on its home page a notice of the prehearing conference and the date by which petitions to intervene in the

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<sup>7</sup> The Commission requests that parties use the Commission's E-file system, which eliminates the need to submit paper copies. Details of the E-file system are on the Commission's web page, [www.psc.state.md.us](http://www.psc.state.md.us) (Online Services or Tools).

matter must be filed in a manner that a customer need not click the link to determine the date, time, method, and purpose of the prehearing conference or the date by which a petition to intervene must be filed; and

(8) That Potomac Electric Power Company is directed to employ any routinely used social media platforms, such as Twitter or Facebook, and any other means of communication at its disposal to further notify its customers of the prehearing conference, as appropriate.

By Direction of the Commission,

*/s/ Andrew S. Johnston*

Andrew S. Johnston  
Executive Secretary