

New Distribution Rates Took Effect March 23, 2010; New Standard Offer Service Rates Take Effect June 1, 2010; Summer Rates Return with June Billing

NEW DISTRIBUTION RATES

The District of Columbia Public Service Commission has approved an increase in Pepco's distribution rates effective with service on and after March 23, 2010. The increase reflects rising costs to provide customers with reliable electric service including improvements to the electric system, inflation and the higher cost of capital.

NEW SOS RATES

The increase in distribution rates will be offset by a decrease in Pepco's Standard Office Service (SOS) that take effect June 1, 2010. If you have not chosen an alternative supplier, you are on Standard Office Service and Pepco buys electricity for you, charging you rates approved by the Public Service Commission.

New SOS rates are based on market prices obtained through a competitive bidding process and reflect lower fuel costs to produce electricity. Visit pepco.com and check out the District of Columbia Customer Choice section of our site to learn more about SOS rates. Our Web site also offers conservation ideas which help customers to better manage their energy costs.

RESIDENTIAL CUSTOMERS

Distribution rates increased with service on and after March 23, 2010. The overall impact to the average winter monthly bill (from March 23, 2010 through May 31, 2010) for the typical residential customer who uses 750 kilowatt-hours per month will increase 2.1 percent or \$2.15.

SOS rates for summer and winter will decrease with service on and after June 1, 2010. The combined effect of the distribution rate increase described above and the SOS rate decrease will increase the average monthly bill for the typical residential customer who uses 750 kilowatt-hours per month by less than 1 percent or \$0.86.

RESIDENTIAL AID DISCOUNT CUSTOMERS - RAD

Distribution rates increased with service on and after March 23, 2010. The overall impact to the average winter monthly bill (from March 23, 2010 through May 31, 2010) for the typical RAD customer who uses 750 kilowatt-hours per month will increase 1.9 percent or \$1.44.

SOS rates for summer and winter will decrease with service on and after June 1, 2010. The combined effect of the distribution rate increase described above and the SOS rate decrease will increase the average monthly bill for the typical RAD customer who uses 750 kilowatt-hours per month by less than 1 percent or \$0.73.

Listed in the chart below are the new Distribution Service Charges and new summer Standard Offer Service rates including a comparison on summer and winter rates. Please note that summer rates take effect with the billing month of June and reflect higher energy costs to meet the demand for electricity. Customers who have selected an alternative electricity supplier are subject only to the Distribution Service charges below modified as appropriate by the application of the Billing Credit.

To help current SOS customers evaluate offered from alternative suppliers, your bill contains the "price to compare" for "Generation and Transmission Services."

RATE SCHEDULE	Summer Billing Months (June-October)	Winter Billing Months (November-May)
RESIDENTIAL "R" - available to single-family homes, individually metered units in multi-family buildings and to many master-metered apartments.		
Distribution Service Charges		
Customer charge	\$6.65 per month	\$6.65 per month
First 400 kwh	\$0.00730 per kwh	\$0.00730 per kwh
In excess of 400 kwh	\$0.02120 per kwh	\$0.01473 per kwh
Delivery Tax	\$0.00700 per kwh	\$0.00700 per kwh
Public Space Occupancy Surcharge	\$0.00183 per kwh	\$0.00183 per kwh
Residential Aid Discount Surcharge	\$0.00005 per kwh	\$0.00005 per kwh
Administrative Credit	pepco.com for monthly rate	
Sustainable Energy Trust Fund	\$0.00130 per kwh	\$0.00130 per kwh
Energy Assistance Trust Fund	\$0.00040 per kwh	\$0.00040 per kwh
Transmission Service Charges		
Minimum charge *	\$0.12 per month	\$0.12 per month
In excess of 30 kwh	\$0.00344 per kwh	\$0.00344 per kwh
Generation Service Charges		
Minimum charge *	\$3.34 per month	\$3.23 per month
In excess of 30 kwh	\$0.11147 per kwh	\$0.10761 per kwh
Procurement Cost Adjustment	pepco.com for monthly rate	
*Minimum charge includes the first 30 kwh or fraction thereof of consumption		

RESIDENTIAL ALL ELECTRIC SERVICE "AE" - available where electricity is the only source of energy for space heating, or the primary source with use of an add-on heat pump, or solar space heating that is supplemented by electric space heating.

Distribution Service Charges		
Customer charge	\$6.65 per month	\$6.65 per month
First 400 kwh	\$0.00796 per kwh	\$0.00796 per kwh
In excess of 400 kwh	\$0.02353 per kwh	\$0.01306 per kwh
Delivery Tax	\$0.00700 per kwh	\$0.00700 per kwh
Public Space Occupancy Surcharge	\$0.00183 per kwh	\$0.00183 per kwh

RATE SCHEDULE	Summer Billing Months (June-October)	Winter Billing Months (November-May)
RESIDENTIAL ALL ELECTRIC SERVICE “AE” (cont. from pg.1)		
Residential Aid Discount Surcharge	\$0.00005 per kwh	\$0.00005 per kwh
Administrative Credit	pepco.com for monthly rate	
Sustainable Energy Trust Fund	\$0.00130 per kwh	\$0.00130 per kwh
Energy Assistance Trust Fund	\$0.00040 per kwh	\$0.00040 per kwh
Transmission Service Charges		
Minimum charge*	\$0.12 per month	\$0.12 per month
In excess of 30 kwh	\$0.00220 per kwh	\$0.00220 per kwh
Generation Services Charges		
Minimum charge *	\$3.29 per month	\$3.14 per month
In excess of 30 kwh	\$0.10960 per kwh	\$0.10470 per kwh
Procurement Cost Adjustment	pepco.com for monthly rate	
*Minimum charge includes the first 30 kwh or fraction thereof of consumption		

RESIDENTIAL AID DISCOUNT - STANDARD - RIDER “RAD” - available to customers for 18 months after certification of eligibility by the Government of the District of Columbia for participation in the Low-Income Home Energy Assistance Program (LIHEAP).

Distribution Service Charges		
Customer Charge	\$2.50 per month	\$2.50 per month
First 400 kwh	\$0.00730 per kwh	\$0.00730 per kwh
In excess of 400 kwh	\$0.02120 per kwh	\$0.01473 per kwh
Delivery Tax	\$0.00700 per kwh	\$0.00700 per kwh
Public Space Occupancy Surcharge	\$0.00183 per kwh	\$0.00183 per kwh
Administrative Credit	pepco.com for monthly rate	
Transmission Service Charges		
Minimum charge *	\$0.05 per month	\$0.05 per month
Next 370 kwh	\$0.00112 per kwh	\$0.00290 per kwh
In excess of 400 kwh	\$0.00446 per kwh	\$0.00446 per kwh
Generation Services Charges		
Minimum charge *	\$1.78 per month	\$1.86 per month
Next 370 kwh	\$0.04741 per kwh	\$0.06080 per kwh
In excess of 400 kwh	\$0.11137 per kwh	\$0.09639 per kwh
*Minimum charge includes the first 30 kwh or fraction thereof of consumption		

RESIDENTIAL AID DISCOUNT - ALL ELECTRIC - RIDER “RAD-AE” - available to customers for 18 months after certification of eligibility by the Government of the District of Columbia for participation in the Low-Income Home Energy Assistance Program (LIHEAP).

Distribution Services Charges		
Customer Charge	\$2.50 per month	\$2.50 per month
First 400 kwh	\$0.00263 per kwh	\$0.00263 per kwh
401 – 700 kwh	\$0.02353 per kwh	\$0.01306 per kwh
In excess of 700 kwh	\$0.02353 per kwh	\$0.01306 per kwh
Delivery Tax	\$0.00700 per kwh	\$0.00700 per kwh
Public Space Occupancy Surcharge	\$0.00183 per kwh	\$0.00183 per kwh
Administrative Credit	pepco.com for monthly rate	
Transmission Services Charges		
Minimum charge *	\$0.05 per month	\$0.05 per month
Next 370 kwh	\$0.00032 per kwh	\$0.00032 per kwh
401 – 700 kwh	\$0.00215 per kwh	\$0.00128 per kwh
In excess of 700 kwh	\$0.00349 per kwh	\$0.00349 per kwh
Generation Services Charges		
Minimum charge *	\$1.71 per month	\$1.71 per month
Next 370 kwh	\$0.04588 per kwh	\$0.04602 per kwh
401 – 700 kwh	\$0.09413 per kwh	\$0.06116 per kwh
In excess of 700 kwh	\$0.10812 per kwh	\$0.08157 per kwh
*Minimum charge includes the first 30 kwh or fraction thereof of consumption		

TIME METERED RESIDENTIAL SERVICE “R-TM” - this schedule is mandatory for residential customers who have qualified for residential time-of-use rates (TOU) and includes single-family homes or individually metered units in multi-family buildings.

Distribution Services Charges		
Customer Charge	\$11.17 per month	\$11.17 per month
All kwh	\$0.04356 per kwh	\$0.04356 per kwh
Delivery Tax	\$0.00700 per kwh	\$0.00700 per kwh
Public Space Occupancy Surcharge	\$0.00183 per kwh	\$0.00183 per kwh
Residential Aid Discount Surcharge	\$0.00005 per kwh	\$0.00005 per kwh
Administrative Credit	pepco.com for monthly rate	
Sustainable Energy Trust Fund	\$0.00130 per kwh	\$0.00130 per kwh
Energy Assistance Trust Fund	\$0.00040 per kwh	\$0.00040 per kwh
Transmission Services Charges		
All kwh	\$0.00308 per kwh	\$0.00308 per kwh
Generation Services Charges		
On-Peak	\$0.13351 per kwh	\$0.11586 per kwh
Intermediate	\$0.11396 per kwh	\$0.11317 per kwh
Off-Peak	\$0.10143 per kwh	\$0.10652 per kwh