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Divided Maryland PSC grants Pepco \$52.2M rate hike

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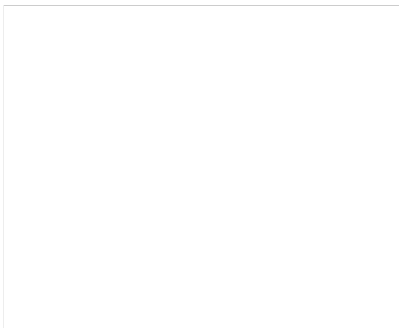
In a split decision this week, the Maryland Public Service Commission approved Potomac Electric Power Company’s (Pepco) multiyear rate plan, setting the stage for rate increases for typical Maryland Pepco residential customers of \$5.20 per month after two years.

Two of the five commissioners dissented, saying they would have denied Pepco’s multiyear proposal altogether.

The commission’s order approved \$52 million, much of which is new revenue for Pepco’s capital spending projects. The Office of People’s Counsel had argued that if the plan is accepted, any rate increase should be no more than \$32.7 million.

The commission approved Pepco’s plan to offset any rate increases for the first year of its plan, shifting those costs to later years to support pandemic recovery. The commission denied accelerated recovery of several high-price distribution substation projects, totaling more than \$56 million and denied Pepco’s streetlighting proposal, which would have converted all company-owned streetlights to LED lighting with so-called “smart nodes” for communications services. The commission stated that Pepco could resubmit its proposal in a different case.

The case revealed significant problems with Pepco’s forecasting of costs and was riddled with transparency issues, as several commissioners noted in concurring and dissenting opinions.



The Maryland Office of People’s Counsel is an independent state agency that represents Maryland’s residential consumers of electric, natural gas, telecommunications, private water and certain transportation matters before the Public Service Commission, federal regulatory agencies and the courts.

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