

# DC IS ELECTRIC<sup>★</sup>

District of Columbia residents  
and small businesses:  
Get the facts about changes  
to your electric bill

[www.DCisElectric.com](http://www.DCisElectric.com)

**M**any District of Columbia residents and businesses will soon experience a change in their electric bills. For the past four years, there has been a cap, or limit, on all of Pepco's electricity rates for District customers. But the cap on the electricity supply (generation) rates will end February 8, 2005, and a new structure for those rates will be in place. Pepco's transmission and distribution service rates will remain capped until August 2007.

The new rates for electricity supply will raise the average electric bill for residential customers by 18 percent annually, or about \$10 per month. This means the average residential bill, which is currently \$56.50 a month, will rise to \$66.50 after February 8.

The new rates were obtained through a bidding process conducted by Pepco, supervised by the District of Columbia Public Service Commission, and witnessed by the Office of the People's Counsel.

The increase in the generation rates is due mainly to rising prices for fuels used to produce electricity. In the past five years, the price of natural gas is up 54 percent, fuel oil prices are up 80 percent, and coal prices are up 113 percent. Due to the current cap, none of these increases have been reflected in your Pepco bill to date.

## WHO IS AFFECTED

**M**any District residents and small businesses will be affected by the lifting of the rate cap. The exceptions are low-income customers who participate in Pepco's Residential Aid Discount (RAD) program, whose electricity rates will remain capped until February 2007, and those residential and business customers who have already selected an alternative electricity supplier and are still under contracts.

## WHY THIS IS HAPPENING

**T**he lifting of the four-year cap is part of a fundamental change in the way District electricity consumers purchase electricity. In 1999, the District Council passed the Retail Electric Competition and Consumer Protection Act, allowing the District to transition to a competitive electricity marketplace. That same year, the Public Service Commission approved an agreement establishing the cap on all electricity rates after reducing Pepco's electricity rates 7 percent. It also allowed Pepco to sell most of its generating plants.

Since January 1, 2001, all residential and commercial electricity customers have been free to purchase electricity from a supplier other than Pepco. To date, about 17,500 residential and business customers have switched from Pepco to other suppliers.

## YOUR ELECTRICITY, YOUR CHOICE

**W**ith competition among the companies that supply electricity comes the ability for consumers to choose the company that supplies their electricity. The price for electricity is now determined by the competitive marketplace, not a regulatory body.

What has not changed is the way electricity travels to your home or business. Pepco still delivers the electricity over the same poles and wires, and the District of Columbia Public Service Commission continues to regulate Pepco's

distribution services. And, when the power goes out, you still call Pepco at 1 (877) PEPCO-62 to have service restored.

Electricity competition gives consumers and business owners the opportunity to determine the best electric supplier option for them. Pepco's current residential electricity supply customers may change electricity suppliers at any time. Businesses can go to [www.pepco.com](http://www.pepco.com) for details on new switching rules.

## IF YOU DO NOT CHOOSE AN ALTERNATIVE SUPPLIER

**I**f you decide not to change your electricity supplier, or simply take no action, Pepco will continue to supply electricity to your home or business. This is called Standard Offer Service, or SOS.

## HELP IS AVAILABLE

**L**ow-income customers who are experiencing difficulty paying their electric bill, no matter who their supplier is, may be eligible for assistance. For more information, call the D.C. Energy Office at (202) 673-6750, Monday – Friday, 8:30 a.m. – 4:30 p.m.

Customers can also contact Pepco at (202) 833-7500, Monday – Friday, 8 a.m. – 7 p.m., to inquire about payment programs. The Residential Aid Discount (RAD) program provides a discount on monthly electric bills for low-income customers. Keep in mind that the cap on Pepco supply rates will remain in place until February 2007 for customers participating in RAD.

## TAKE CONTROL OF YOUR ELECTRIC BILL

**N**o matter what your electric rates are, it always makes sense to use electricity wisely. There are many ways to make your home more energy efficient, which can reduce your electricity bill. For example:

- ★ Clean or replace air-conditioning filters and forced air heating filters once a month.
- ★ Install an insulating blanket on your electric water heater to save an easy \$10 to \$20 per year.
- ★ Use compact fluorescent bulbs to boost light output while using less energy.

There are a number of resources for consumers to learn how to reduce energy usage and lower electricity bills. Here are a few:

### DC ENERGY OFFICE (DCEO)

[www.dceenergy.org](http://www.dceenergy.org)  
(202) 673-6750

### DISTRICT OF COLUMBIA PUBLIC SERVICE COMMISSION

[www.dcpse.org](http://www.dcpse.org)  
(202) 626-5100

### OFFICE OF THE PEOPLE'S COUNSEL

[www.opc-dc.gov](http://www.opc-dc.gov)  
(202) 727-3071

### THE ALLIANCE TO SAVE ENERGY

[www.ase.org](http://www.ase.org)  
(202) 857-0666

### PEPCO

[www.pepco.com](http://www.pepco.com)  
(202) 833-7500

Residential Customers  
1(866) 889-3261

Small Business Customers  
(202) 872-2055

## FINDING ALTERNATIVE ELECTRICITY SUPPLIERS

**Y**ou can switch electricity suppliers by contacting the supplier of your choice. Currently, the number of suppliers is limited; however, the number may increase as competition in the electricity marketplace develops. The District of Columbia Public Service Commission is responsible for licensing companies to supply electricity to District customers. For a list of suppliers and more information on how to choose an electricity supplier, log on to [www.DCisElectric.com](http://www.DCisElectric.com) or call (202) 895-0950, TTY at (202) 895-0951; you can also view a list of suppliers at [www.dcpse.org](http://www.dcpse.org).

## QUESTIONS?

**T**o learn more about changes to the District's electricity market, please go to [www.DCisElectric.com](http://www.DCisElectric.com) or call our Answer Center at (202) 895-0950, TTY at (202) 895-0951.

### DC IS ELECTRIC

Pursuant to authority provided in D.C. Code 34-1504 (b) (A), the District of Columbia Public Service Commission ordered Pepco, in conjunction with the Commission, the Office of the People's Counsel (OPC) and the District of Columbia Energy Office, to implement a consumer education program informing consumers of changes in the electric industry.

To this end, the Customer Education Advisory Board (CEAB) was established. Its membership comprises the Consumer Utility Board (CUB); D.C. Energy Office; the National Association of Retired Federal Employees; the Office of the People's Counsel (OPC); Pepco; and the Public Service Commission.

The education program is authorized by the Public Service Commission and conducted by the CEAB. Participation in the CEAB does not reflect an endorsement of any one supplier or company.

