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**FOR IMMEDIATE RELEASE**

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**THE MARYLAND PUBLIC SERVICE COMMISSION AGREES WITH THE  
OFFICE OF PEOPLE'S COUNSEL IN REJECTING PEPCO'S REQUEST FOR  
LARGE RATE INCREASE**

In a decision issued on August 6<sup>th</sup>, the Maryland Public Service Commission ("PSC") granted an increase to Pepco for electric distribution rates of approximately \$7.8 million, which was less than one-fifth of the increase originally sought by Pepco. The Maryland Office of People's Counsel ("OPC") was a party in this case, and most of the adjustments advocated by OPC were accepted by the PSC.

When Pepco filed for a distribution rate increase in December, 2009, the company sought a distribution rate increase of approximately \$40 million, and later reduced it to about \$28 million. OPC objected to a number of elements included in PEPCO's request, and urged the PSC to limit the increase to approximately \$5 million. In its order, the PSC accepted most of the adjustments advocated by OPC. The PSC also agreed with OPC to reject the proposed increase in the fixed customer charge.

For residential customers, the approved increase amounts to a 3.1% increase in residential distribution rates. This results in an increase in average residential distribution charges of less than one dollar per month.

People's Counsel Paula Carmody expressed satisfaction with the decision, stating, "[T]his result shows the value of effective advocacy for consumers. While any increase in utility rates is not a welcome one for consumers, this limited increase will provide the Company the revenues it needs while protecting consumers from excessive rates."

*OPC, created in 1924, is the oldest utility consumer advocacy office of its kind in the United States. OPC is a State of Maryland agency, yet works independently to represent Maryland's residential customers of electric, natural gas, telecommunications, private water and certain transportation matters before the PSC, federal regulatory agencies and the courts.*