

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA  
1333 H STREET, N.W., SUITE 200, WEST TOWER  
WASHINGTON, DC 20005

NOTICE OF PROPOSED RULEMAKING

FORMAL CASE NO. 945, IN THE MATTER OF THE INVESTIGATION INTO  
ELECTRIC SERVICE MARKET COMPETITION AND REGULATORY  
PRACTICES

1. The Public Service Commission of the District of Columbia ("Commission") hereby gives notice, pursuant to Section 2-505 of the District of Columbia Code,<sup>1</sup> of its intent to act upon the tariff revisions filed by the Potomac Electric Power Company ("Pepco" or "Company") in connection with its standard Customer Net Energy Metering Contract ("Further Revised Proposed NEM Standard Contract"), in not less than thirty (30) days from the date of publication of this Notice of Proposed Rulemaking in the *D.C. Register*.<sup>2</sup>

2. On February 10, 2005, the Commission issued Order No. 13501<sup>3</sup> approving and adopting final rules and regulations implementing the net energy metering provisions of the District of Columbia Retail Electric Competition and Consumer Protection Act of 1999, as amended.<sup>4</sup> On February 18, 2005, a Notice of Final Rulemaking was published in the *D.C. Register*.<sup>5</sup>

3. On April 8, 2005, in compliance with Order No. 13501 and the Net Energy Metering Rules, Pepco filed its proposed Net Metering Service Rider ("Tariff Rider NEM"). Pepco's Tariff Rider NEM provides that "[t]his tariff shall serve as the contract for a Customer served under Net Energy Metering Service in the District of Columbia."<sup>6</sup> The Company requested that its Tariff Rider NEM become effective June 1, 2005.

<sup>1</sup> D. C. Official Code §§ 2-505.

<sup>2</sup> See *Formal Case No. 945, Phase II, In the Matter of the Investigation Into Electric Service Market Competition and Regulatory Practices ("F.C. 945")*, Proposed Customer Net Metering Contract of the Potomac Electric Power Company ("Further Revised Proposed NEM Standard Contract"), filed July 25, 2006.

<sup>3</sup> *F.C. 945*, Order No. 13501, rel. February 10, 2005.

<sup>4</sup> See Retail Electric Competition and Consumer Protection Act of 1999, D.C. Official Code §§ 34-1501-1520 (2005).

<sup>5</sup> See 52 D.C. Reg. 1586-1590 (2005).

<sup>6</sup> See Provision 9 of Pepco's Tariff Rider NEM.

4. On June 24, 2005, the Commission issued Order No. 13623 rejecting Pepco's Tariff Rider NEM because it was deficient and failed to include certain critical provisions.<sup>7</sup> Specifically, the Commission found it inappropriate to use a tariff to serve as the standard contract required under Rule 904.1 because the terms and conditions governing the relationship between Pepco and a net metering customer-generator are not likely to be sufficiently set forth in a tariff.<sup>8</sup> Consequently, the Commission directed Pepco to file a proposed standard net metering contract.<sup>9</sup>

5. On July 11, 2005, the Company filed a Proposed NEM Standard Contract that set forth specifications, requirements and standards for the provision of net energy metering services for customer-generators connected to the Pepco electric network. On July 25, 2005, the Office of the People's Counsel of the District of Columbia ("OPC") filed comments on Pepco's Proposed NEM Standard Contract.<sup>10</sup> On August 2, 2005, Pepco filed reply comments responding to OPC's comments.<sup>11</sup>

6. By Order No. 13890, the Commission accepted in part, and rejected in part, Pepco's Proposed NEM Standard Contract.<sup>12</sup> The Commission directed Pepco to revise its Proposed NEM Standard Contract consistent with the directives set forth in Order No. 13890.<sup>13</sup> On March 24, 2006, the Company filed a Revised Proposed NEM Standard Contract as directed in Order No. 13890.<sup>14</sup> On April 24, 2006, OPC filed comments on the Revised Proposed NEM Standard Contract.<sup>15</sup> No reply comments were filed.

7. By Order No. 13980, the Commission accepted in part, and rejected in part, Pepco's Revised Proposed NEM Standard Contract.<sup>16</sup> However, the Commission conditionally approved the filing provided that the Company investigate the feasibility of

<sup>7</sup> See *F.C. 945*, Order No. 13623, rel. June 24, 2005.

<sup>8</sup> See *Id.* at 2.

<sup>9</sup> See *Id.* at 2-3.

<sup>10</sup> See *F.C. 945*, Comments of the Office of the People's Counsel on Proposed Standard Net Metering Contract, filed July 25, 2005.

<sup>11</sup> See *F.C. 945*, Reply Comments of Potomac Electric Power Company, filed August 2, 2005.

<sup>12</sup> See *F.C. 945*, Order No. 13890, rel. February 23, 2006.

<sup>13</sup> See *Id.* at 12.

<sup>14</sup> See *F.C. 945*, Customer Net Energy Metering Contract of the Potomac Electric Power Company ("Revised Proposed NEM Standard Contract"), filed March 24, 2006.

<sup>15</sup> See *F.C. 945*, Comments of the Office of the People's Counsel Pursuant to Order No. 13890, filed April 24, 2006.

<sup>16</sup> See *F.C. 945*, Order No. 13980, rel. June 27, 2006.

any design changes, modifications, and/or installation of equipment, such as the provision of transfer-trip circuitry, that could be undertaken and/or provided to accommodate net energy metering participants on the LVAC System.<sup>17</sup> Further, the Commission directed Pepco to file a further revised net metering standard contract with attachments consistent with the directives set forth in Order No. 13980.<sup>18</sup> On July 25, 2006, Pepco filed its Further Revised Proposed NEM Standard Contract as well as proposed tariff changes reflecting the contract revisions.

8. Pepco requests authority to revise the following tariff pages:

**Electric--P.S.C. D.C. No. 1**  
**Fifth Revised Page No. 1**  
**Fifth Revised Page No. 2**  
**First Revised Page No. 8**  
**First Revised Page No. 9**

9. Pepco's proposed tariff revisions are on file with the Commission. A copy of the filing can be reviewed at the Office of the Commission Secretary, 1333 H Street, N.W., Seventh Floor East Tower, Washington, D.C. 20005, between the hours of 9:00 a.m. and 5:30 p.m., Monday through Friday. Copies of the filing are available upon request, at a per-page reproduction cost. The filing is also accessible via the Commission's website at [www.dcpssc.org](http://www.dcpssc.org).

10. Comments on Pepco's proposed tariff revisions must be made in writing to Dorothy Wideman, Commission Secretary, Public Service Commission of the District of Columbia, 1333 H Street, N.W., West Tower, Suite 200, Washington, DC 20005. All comments must be received within 30 days of the date of publication of this Notice in the *D.C. Register*. Persons wishing to file reply comments may do so no later than 45 days of the date of publication of this Notice in the *D.C. Register*. Once the comment and reply periods have expired, the Commission will take final rulemaking action.

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<sup>17</sup> See *Id.* at 8. The Commission will address Pepco's Further Revised Proposed NEM Standard Contract by separate order.

<sup>18</sup> See *Id.* at 9.