

ENROLLED ORIGINAL

A RESOLUTION

18-449

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

April 20, 2010

To declare the existence of an emergency with respect to the need to return control of the Residential Aid Discount program to the Public Service Commission and to provide for an increase in the assessment imposed upon the sales of the electric company to maintain the current form of the Residential Aid Discount program through Fiscal Year 2010.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the "Residential Aid Discount Subsidy Stabilization Emergency Declaration Resolution of 2010".

Sec. 2. (a) The Residential Aid Discount Program ("RAD") offers eligible Potomac Electric Power Company ("PEPCO") residential customers critical assistance in paying their electric bills. Under current rates and depending on the source of heating, household customer savings are approximately \$300 to \$500 per year.

(b)(1) The Clean and Affordable Energy Act of 2008 ("CAEA") amended the Retail Competition and Consumer Protection Act of 1999 to eliminate the Reliable Energy Trust Fund ("RETF") and associated charge. Pursuant to the CAEA, all fund balances in the RETF and the Natural Gas Trust Fund were transferred to 2 new established funds, the Sustainable Energy Trust Fund ("SETF") and the Energy Assistance Trust Fund ("EATF"). The EATF was created to fund existing low-income programs and the RAD and Residential Essential Service subsidies.

(2) The CAEA continued essential low-income programs, including the RAD subsidy, to offset the electric bills of low-income customers who are eligible for inclusion in the Low-Income Home Energy Assistance Program.

(3) Although no longer subject to the supervision of the Public Service Commission ("PSC"), the mechanism for funding the RAD subsidy remains essentially the same: the District Department of Energy ("DDOE") forwards funds for the discount program to PEPCO, which submits invoices to DDOE for subsidies provided to eligible customers.

(4) The program continues to be funded by a surcharge on electricity customers, which surcharge is approved by the PSC.

(c)(1) Because of increases in the participation rate of the RAD program, PEPCO has determined that a cap of \$5.207 million is required to maintain approved discount levels for

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Fiscal Year 2010.

(2) To fund the RAD program at the level of \$5.207 million for Fiscal Year 2010, PEPCO must increase its assessment imposed upon the sales of the electric company from \$.0004 to \$.0007507 per-kilowatt hour for the months of June through September 2010 only.

(3) If the new annual cap of \$5.207 million and the additional assessment are not approved, PEPCO will have no choice but to immediately cease its low-income RAD subsidies.

(4) Without the RAD subsidy, low-income electricity customers will lose basic necessities at a time when many of the customers may be losing their jobs or facing other financial difficulties during these uncertain economic times.

(d) There is also a need to provide for a long-term solution to the schism between the control of RAD policy and eligibility versus and control of RAD funding. The PSC controls the former and DDOE controls the latter.

(e) Enactment of the Residential Aid Discount Subsidy Stabilization Emergency Amendment Act of 2010 will address both the short-term and long-term problems with the RAD program by temporarily increasing the assessment for Fiscal Year 2010 and thereafter transferring the control of the program to the PSC.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Residential Aid Discount Subsidy Stabilization Emergency Amendment Act of 2010 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.