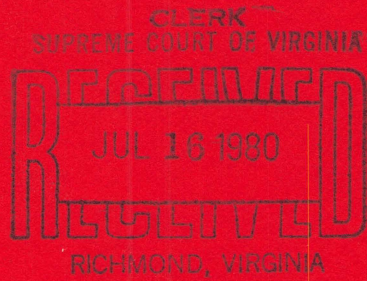


221VA632

IN THE
SUPREME COURT OF VIRGINIA
AT RICHMOND



RECORD NO. 800721

POTOMAC ELECTRIC POWER COMPANY,

Appellant,

v.

STATE CORPORATION COMMISSION
AND WASHINGTON METROPOLITAN AREA
TRANSIT AUTHORITY,

Appellees.

APPENDIX

Edward A. Caine
Allen C. Barringer
Potomac Electric Power Company
1900 Pennsylvania Avenue, N.W.
Washington, D. C. 20068

Counsel for Appellant

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BEFORE THE
VIRGINIA STATE CORPORATION COMMISSION

IN THE MATTER OF)
Application of POTOMAC ELECTRIC)
POWER COMPANY for an increase in)
its retail rates for the sale of)
electric energy.)

Case No. 20119

APPLICATION OF
POTOMAC ELECTRIC POWER COMPANY

Potomac Electric Power Company (Pepco; Company), pursuant to Section 56-237 of the Code of Virginia, herewith files increased rates for retail electric service in Virginia to become effective with respect to service rendered on and after May 7, 1979. These rates, as set forth in the appended exhibits, are designed to increase Pepco's annual revenue from base rates for electric service in Virginia by \$812,600, or 5%, above the level requested in Case No. 20119 (Annual Review), filed March 21, 1979. The increases in Case No. 20119 and in the present filing, taken together, total \$1,644,600 and these requests comply with federal voluntary wage and price guidelines.

In support of its Application, Pepco shows as follows:

I

Pepco is a Virginia and District of Columbia corporation having its principal place of business at 1900 Pennsylvania Avenue, N.W., Washington, D.C. 20068.

Pepco is also licensed to do business in the states of Maryland and Pennsylvania. All correspondence and communications concerning this Application should be sent to the following person at the address specified:

Edward A. Caine, Esquire
Deputy General Counsel
Potomac Electric Power Company
Room 841
1900 Pennsylvania Avenue, N.W.
Washington, D.C. 20068

Pepco sells electric energy at retail within a 643 square mile service area comprised of 12% of Arlington County, Virginia, all of the District of Columbia, and 61% and 51%, respectively, of the geographic areas of Montgomery and Prince George's Counties, Maryland. The population of these geographic areas totals approximately 1.9 million people.

II

Pepco's existing Virginia retail rates, based upon 1977 costs, became effective on July 1, 1978 pursuant to the Commission's Order in Case No. 19905. Those rates were intended to provide Pepco a reasonable opportunity to earn an overall rate of return of 9.1% on the Company's rate base investment in Virginia and to permit Pepco to attract new capital at reasonable costs. The Commission predicated its decision in Case No. 19905 on its finding that, under the economic conditions then prevailing (which have since deteriorated), a rate of return on common equity of 12.75% to 13% was the fair and reasonable return necessary to assure confidence in the financial integrity of Pepco so as to maintain its credit and to attract capital.

Although Pepco has intensive programs and controls to keep its costs to the minimum necessary to provide reliable service, unavoidable increases in those costs since 1977 have rendered the results in Case No. 19905 obsolete. Pepco's currently effective rates are inadequate to produce the overall return of 9.1% and the approximately 13% return on equity authorized by the Commission. Furthermore, even if they could be realized, the authorized return figures are substantially below current return requirements.

Pepco's evidence in this case demonstrates that an authorized overall rate of return of 10% and a return on equity of 14.5% are necessary to maintain investor confidence in Pepco and to enable the Company to attract capital at reasonable costs.

Pepco actually earned only a 7.60% rate of return on its 1978 Virginia year end rate base investment. On a fully adjusted basis, the Company earned a return of 7.95%. The relief requested by this Application is essential to provide Pepco a reasonable opportunity to earn a fair rate of return in Virginia in 1979 and 1980.

Pepco now forecasts that its rate of return in Virginia as of December 31, 1979 will fall to 6.78%, unless rates are increased promptly.

III

On March 21, 1979, Pepco filed an Application for an Annual Review Surcharge, pursuant to Sections 56-234.2 and 56-237 and 56-240 of the Code of Virginia. The Company therein proposed an effective date of May 1, 1979, and requested effectiveness, subject to refund, until such time as the Commission shall, after investigation, determine that the surcharge or substitute therefore is just and reasonable,

as provided in Section 56-240 of the Code. The Annual Review Surcharge is a "makewhole" surcharge designed to update the rates established pursuant to Case No. 19905 and to produce an annual revenue increase of \$832,000, constituting a test period revenue increase of 5.2% based upon calendar 1978 operating results.

IV

The rate increase sought herein is based upon the same test period as in Case No. 20119 (Annual Review) and, with one exception, follows the same basic accounting principles and practices applied by the Commission in Case No. 19905. That exception is a proposed adjustment to provide for \$144,000 in additional revenues which will be required to implement updated depreciation rates.

V

In accordance with the Commission's order in Case No. 19905, the proposed rate increase is assigned to classes of business in such a way as to move toward equal rates of return for all classes. The residential rate increase is designed to increase the monthly customer charge to \$5.00, with the balance of the increase spread uniformly across the block prices. The general service rate is designed to flatten both the demand and energy block prices, while keeping most of the increase in the demand charge. Street lighting increases are spread uniformly across all streetlighting categories. Finally, the "RT" rate for Rapid Transit Service is an initial rate based upon the cost of service for Virginia rapid transit operations and designed to recover the average rate of return.

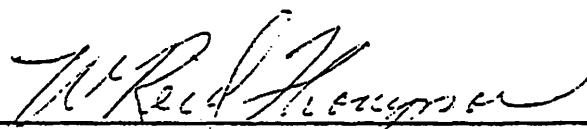
VI

Pepco submits that the proposed increase, which provides for an authorized rate of return of 10%, is essential and cost justified. It is the minimum required to assure continued, adequate and reliable service, to provide Pepco shareholders a reasonable return on their investment, and to achieve the minimum rate of return needed to attract additional capital at reasonable costs.

WHEREFORE, Pepco prays that the attached revised rate schedules for retail service be determined by the Commission to be just and reasonable and be permitted to become effective for service rendered on and after May 7, 1979.

Respectfully submitted,

Potomac Electric Power Company

By 
W. Reid Thompson
Chairman of the Board
and President

Edward A. Caine
Allen C. Barringer
William Dana Shapiro
1900 Pennsylvania Avenue, N.W.
Washington, D.C. 20068

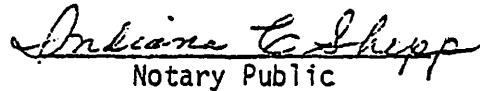
Of Counsel for Potomac Electric Power Company

Washington, D.C.
April 6, 1979

AFFIDAVIT

Before me this 6th day of April, 1979 came W. Reid Thompson, Chairman of the Board and President of Potomac Electric Power Company, to me personally known, who stated under oath that he has read the foregoing Application of Potomac Electric Power Company and that the contents thereof are true and correct to the best of his information, knowledge and belief.

Subscribed this 6th day of April, 1979 at Washington, D.C.


Notary Public

INDIANA C. SHEPP

Notary Public D. C.

My Commission Expires June 14, 1980

VA - R

RESIDENTIAL AND CHURCH SERVICE - SCHEDULE "R"

AVAILABILITY - Available in the Virginia portion of the Company's service area.

Available only for low voltage electric service in individual residences and in individually metered dwelling units in multi-family buildings, where the use is primarily for residential purposes, and for farm operations where the electricity for both farm and residential purposes is delivered through the same meter, and for individually metered church or synagogue buildings in which the sanctuary or principal place of worship is located.

Not available for residential premises in which five (5) or more rooms are for hire, seasonal loads metered separately from lighting and other usage in the same occupancy, temporary, auxiliary or emergency service.

CHARACTER OF SERVICE - The service supplied under this schedule normally will be alternating current, sixty hertz, single phase, three wire, 120/240 volts or three wire, 120/208 volts.

MONTHLY RATE -

	Billing Months of <u>June - October</u> (On Peak)	Billing Months of <u>November - May</u> (Off Peak)
Customer Charge.	\$5.00 per month	\$5.00 per month
First 200 kilowatt-hours .	3.35¢ per kwhr	3.35¢ per kwhr
Next 550 kilowatt-hours .	3.35¢ per kwhr	2.79¢ per kwhr
Consumption in Excess of 750 kilowatt-hours. .	3.35¢ per kwhr	1.78¢ per kwhr

RIDER NO. "FR" - FUEL RATE - Charges for fuel and interchange, computed in accordance with the provisions of "Fuel Rate - Rider FR", combined with monthly charges under the provisions of this schedule, constitute the total charge for the service which the Company furnishes.

Date of Issue:

Date Effective:

Issued by William F. Schmidt, Vice President
1900 Pennsylvania Avenue, N. W.
Washington, D. C. 20068

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VA - R

METER READING - Meters will be read to the nearest 10 kilowatt-hours and bills rendered accordingly.

GENERAL TERMS AND CONDITIONS - This schedule is subject in all respects to the Company's "General Terms and Conditions for Furnishing Electric Service" and the Company's "Electric Service Rules and Regulations".

Date of Issue:

Date Effective:

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1900 Pennsylvania Avenue, N. W.
Washington, D. C. 20068

VA - GS

GENERAL SERVICE SCHEDULE "GS"

AVAILABILITY - Available in the Virginia portion of the Company's service area.

Available for low voltage electric service.

Available for auxiliary or emergency service when modified by Rider No. "GS-2", for primary service when modified by Rider No. "GS-3A", and for high voltage service when modified by Rider No. "GS-3B".

Not available for temporary service or supplementary loads metered separately from lighting and other usage in the same occupancy, or railway propulsion service.

CHARACTER OF SERVICE -

SECONDARY SERVICE - The service supplied under this schedule normally will be alternating current, sixty hertz, either (i) single phase, three wire, 120/240 volts, or 120/208 volts, or (ii) three phase, four wire, 120/208 volts or 265/460 volts.

PRIMARY AND HIGH VOLTAGE SERVICE - The service under this schedule, when modified by Primary Service Rider "GS-3A", normally will be alternating current, sixty hertz, three phase, three wire, at 13.2 KV or 33 KV, and when modified by High Voltage Rider "GS-3B", will be 69 KV or above. Primary service voltage levels will be specified by the Company on the basis of its available facilities and the magnitude of the load to be served.

MONTHLY RATE -

	Billing Months of <u>June - October</u> (On Peak)	Billing Months of <u>November - May</u> (Off Peak)
(A) NON-DEMAND BILLING RATE		
Customer Charge . . .	\$7.50 per month	\$7.50 per month
Energy Charge . . .	5.062¢ per kwhr	4.377¢ per kwhr

Date of Issue:

Date Effective:

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VA - GS

MONTHLY RATE (continued)

Billing Months of
June - October
(On Peak)

Billing Months of
November - May
(Off Peak)

(B) DEMAND BILLING RATE

Energy Charge

First 6,000 kilowatt-hours at
Non-Demand Billing Rates

Next 200 hours use of billing
demand but not more than

200,000 kilowatt-hours . . .	2.176¢ per kwhr	1.646¢ per kwhr
All additional kilowatt-hours.	1.686¢ per kwhr	1.155¢ per kwhr

Demand Charge

First 25 kilowatts of monthly
billing demand

No Charge

No Charge

Next 75 kilowatts of monthly
billing demand

\$8.25 per kw

\$7.00 per kw

Excess of 100 kilowatts. . . .

\$6.65 per kw

\$5.40 per kw

Billing Months - June-October (On Peak)

- (1) The maximum demand recorded will be the billing demand. The average of the two highest such demands during the preceding group of summer months or 10 kilowatts, whichever is the greater, will be the "control demand" for the succeeding group of winter months except that the control demand shall be not less than 50% of the highest demand established during the preceding seven winter months nor less than 90% of the control demand established during the five summer months of the preceding year.

Billing Months - November-May (Off Peak)

- (1) If the maximum demand recorded for such month is not less than 65%, and not more than 150% of the control demand, the billing demand will be 65% of the control demand.

Date of Issue:

Date Effective:

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Washington, D. C. 20068

VA - GS

MONTHLY RATE (continued)

- (2) If such maximum recorded demand is less than 65% of the control demand, the billing demand will be such maximum recorded demand.
- (3) If such maximum recorded demand is greater than 150% of the control demand, the billing demand will be equal to the sum of 65% of the control demand and the number of kilowatts of such maximum recorded demand in excess of 150% of the control demand.
- (4) The "hours use" blocks of the energy charge will be based on the billing demand during such billing month.

Minimum Charge - The charge for 50 kilowatt-hours per kilowatt of billing demand at 14.00¢ per kilowatt-hour, but not less than \$7.50 per month.

The energy and demand charges under this provision (B) of the schedule are independent of each other. However, the combined energy and demand charge, computed at the above rates, shall not exceed 8.75¢ per kilowatt-hour, except as modified by the minimum charge provision.

Demand metering equipment will be installed and charges will be computed under the demand billing provision (B) when the customer's load is of such magnitude and of such a nature as to indicate a regular monthly energy consumption in excess of 6,000 kilowatt-hours.

RIDER NO. "FR" - FUEL RATE - Charges for fuel and interchange, computed in accordance with the provisions of "Fuel Rate - Rider FR", combined with monthly charges under the provisions of this schedule, constitute the total charge for the service which the Company furnishes.

METER READING - Watthour meters will be read to the nearest 10 kilowatt-hours and bills rendered accordingly.

Date of Issue:

Date Effective: 11

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VA - GS

RIDER NO. "GS-1" - POWER FACTOR - This Rider is applied to and becomes part of General Service Schedule "GS" if the customer is found to have a leading power factor or a lagging power factor of less than 85 percent. Until power factor corrective equipment satisfactory to the Company shall have been installed by the customer, the demand charges will be multiplied by the factor 1.111.

RIDER NO. "GS-2" - AUXILIARY OR EMERGENCY SERVICE - This Rider is applied to and becomes part of General Service Schedule "GS" when part or all of the customer's electric or other power requirements normally are supplied by his own power producing equipment and auxiliary service is desired for emergency or abnormal conditions. In any such case, the customer shall contract in advance for the maximum number of kilowatts which the Company is to stand ready to supply for his use which will be termed the "contract demand". If during any month the maximum metered demand on the Company exceeds the then existing contract demand, such metered demand becomes the contract demand for the following months until changed by agreement or by the substitution of a new and higher metered demand pursuant to this Rider. Any excess in any month of the contract demand over the maximum metered demand will be charged for at the rate of \$8.25 per kilowatt. This charge will be in addition to the regular monthly charges for the service. The minimum monthly charge under this Rider is \$412.50.

RIDER NO. "GS-3A" - PRIMARY SERVICE - This Rider is applied to and becomes part of General Service Schedule "GS" when the Company furnishes service directly from its electric system at voltages of 4 KV or above, the customer providing at his own expense, all necessary transformers, converting apparatus, switches, disconnectors, regulators and protective equipment. In such case the service will be measured at the primary voltage and a discount of 5% will be allowed on the total bill, excluding the Fuel Rate Charge. The minimum monthly demand charge for primary service customers will be the charge for 100 kilowatts of demand, except that this provision will not be applicable to customers with demands below that level who were taking service on January 1, 1975.

Date of Issue:

Date Effective:

12

Issued by William F. Schmidt, Vice President
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Washington, D. C. 20068

VA - GS

RIDER NO. "GS-3B" - HIGH VOLTAGE SERVICE - This Rider is applied to and becomes part of General Service Schedule "GS" when the Company furnishes service directly from its electric system at voltages of 69 KV or above, the customer providing at his own expense, all necessary transformers, converting apparatus, switches, disconnectors, regulators and protective equipment. In such case the service will be measured at the high voltage and a discount of 10% will be allowed on the total bill, excluding the Fuel Rate Charge. The minimum monthly demand charge will be the charge for 500 KW.

PERIOD OF CONTRACT - Contract continues in force until either party notifies the other of a desire to terminate the agreement.

GENERAL TERMS AND CONDITIONS - This schedule is subject in all respects to the Company's "General Terms and Conditions for Furnishing Electric Service" and the Company's "Electric Service Rules and Regulations".

Date of Issue:

Date Effective:

13

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Washington, D. C. 20068

VA - T

TEMPORARY OR SUPPLEMENTARY SERVICE SCHEDULE "T"

AVAILABILITY - Available in the Virginia portion of the Company's service area.

Available for low voltage electric service for construction or other commercial purposes furnished through service connection facilities of a temporary rather than a permanent nature, or for temporary electric service supplied for a limited time, such as for carnivals, festivals, Christmas tree lighting, street decorations, etc.

Available for supplementary loads which are metered and billed separately from the electricity used for lighting and other purposes in the same occupancy.

CHARACTER OF SERVICE - The service supplied under this schedule normally will be alternating current, sixty hertz, either (i) single phase, three wire, 120/240 volts, or (ii) three phase, four wire, 120/208 volts.

MONTHLY RATE -

	Billing Months of June - October (On Peak)	Billing Months of November - May (Off Peak)
Customer Charge	\$7.50 per month	\$7.50 per month
Energy Charge	6.680¢ per kwhr	5.590¢ per kwhr

MINIMUM CHARGE - \$7.50 per month

RIDER NO. "FR" - FUEL RATE - Charges for fuel and interchange, computed in accordance with the provisions of "Fuel Rate - Rider FR", combined with monthly charges under the provisions of this schedule, constitute the total charge for the service which the Company furnishes.

METER READING - Meters will be read to the nearest 10 kilowatt-hours and bills rendered accordingly.

Date of Issue:

Date Effective:

Issued by William F. Schmidt, Vice President
1900 Pennsylvania Avenue, N. W.
Washington, D. C. 20068

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VA - T

RIDER NO. "T-1" - POWER FACTOR - This Rider is applied to and becomes part of Temporary or Supplementary Service Schedule "T" when the customer is found to have a leading power factor, or a lagging power factor of less than 85 percent. Thereafter, in such case, until power factor corrective equipment satisfactory to the Company shall have been installed by the customer, the rate for all monthly consumption will be 7.422¢ per kwhr in the summer and 6.211¢ per kwhr in the winter.

PERIOD OF CONTRACT - Contract continues in force until either party notifies the other of a desire to terminate the agreement.

GENERAL TERMS AND CONDITIONS - This schedule is subject in all respects to the Company's "General Terms and Conditions for Furnishing Electric Service" and the Company's "Electric Service Rules and Regulations".

- Date of Issue:

Date Effective:

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Washington, D. C. 20068

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VA - OL

OUTDOOR LIGHTING SERVICE SCHEDULE "OL"

AVAILABILITY - Available in the Virginia portion of the Company's overhead service area for outdoor lighting purposes on customers' premises subject to local ordinance or other appropriate approval.

Not available for street lighting purposes.

CHARACTER OF SERVICE - A photoelectrically controlled outdoor suburban type lighting fixture with mercury vapor lamp to be owned by the Company will be installed on either an existing Company pole or an approved customer-owned pole installed and maintained at the customer's expense.

Electricity will be supplied from existing overhead secondary distribution system facilities on an unmetered basis. This service will be controlled for daily operation from dusk to dawn for an aggregate of approximately 4,200 burning-hours per year.

MONTHLY RATE - Charge for installation and maintenance of Company-owned equipment and the supply of electricity for operation:

<u>Lamp Rating Watts</u>	<u>Monthly Rate</u>
175	\$ 6.40 per lamp
250	\$ 7.95 per lamp
400	\$10.20 per lamp

Charge for overhead wire, per span - \$ 0.77

RIDER NO. "FR" - FUEL RATE - Charges for fuel and interchange, computed in accordance with the provisions of "Fuel Rate - Rider FR", combined with monthly charges under the provisions of this schedule, constitute the total charge for the service which the Company furnishes.

PERIOD OF CONTRACT - One year from commencement date and thereafter until either party notifies the other of a desire to terminate the service.

Date of Issue:

Date Effective:

Issued by William F. Schmidt, Vice President
1900 Pennsylvania Avenue, N. W.
Washington, D. C. 20068

VA - OL

OTHER TERMS AND CONDITIONS - This schedule is subject in all respects to the Company's "General Terms and Conditions for Furnishing Electric Service" and the Company's "Electric Service Rules and Regulations" and it is further understood that:

- (a) Lamp renewal and other necessary maintenance work will be performed by the Company as soon as reasonably practical after notification by the customer of the necessity therefore, but such work will be done during regular daytime working hours.
- (b) Normally, lighting fixtures will not be installed on poles carrying 34.5 KV or higher voltages, or on poles supporting voltage regulators, two or more transformers or other similar equipment.
- (c) The Company reserves the right to discontinue the service at any time when the lighting fixture involved has been frequently damaged, apparently as a result of vandalism.

Date of Issue:

Date Effective:

17

Issued by William F. Schmidt, Vice President
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Washington, D. C. 20068

VA - SL

STREET LIGHTING SERVICE SCHEDULE "SL"

AVAILABILITY - Available to agencies of Federal, State and Municipal Governments, for street, highway and park lighting purposes in the Virginia portion of the Company's service area.

CHARACTER OF SERVICE - Electricity supplied for series lights normally will be sixty hertz, single phase, 2,400 volts delivered to the series lighting transformers.

Electricity supplied to multiple lights normally will be sixty hertz, single phase, 120 volts.

MONTHLY RATE -

For electricity supplied for:

Standard Night Burning street lights	3.67¢ per kwhr
24-Hour Burning street lights	2.98¢ per kwhr

The charges under this schedule are for electricity only and do not include furnishing and/or maintaining street lighting equipment.

RIDER NO. "FR" - FUEL RATE - Charges for fuel and interchange, computed in accordance with the provisions of "Fuel Rate - Rider FR", combined with monthly charges under the provisions of this schedule, constitute the total charge for the service which the Company furnishes.

MEASUREMENTS OF ELECTRICITY - Electricity delivered for street lighting is unmetered. Monthly kilowatt-hour consumptions will be computed on the basis of manufacturers' wattage ratings of installed lamps, auxiliary devices where required, and scheduled 4,200 hours of burning time. The kilowatt-hours calculated from billing wattages will be reduced by 1.5% each month to provide for normal outages.

Date of Issue:

Date Effective:

Issued by William F. Schmidt, Vice President
1900 Pennsylvania Avenue, N. W.
Washington, D. C. 20068

VA - SL

GENERAL TERMS AND CONDITIONS - This schedule is subject in all respects to the Company's "General Terms and Conditions for Furnishing Electric Service" and the Company's "Electric Service Rules and Regulations".

Date of Issue:

Date Effective:

19

Issued by William F. Schmidt, Vice President
1900 Pennsylvania Avenue, N. W.
Washington, D. C. 20068

VA - SSL - OH

**CHARGES FOR SERVICING VIRGINIA
STREET LIGHTS SERVED FROM OVERHEAD LINES
SCHEDULE "VA-OH"**

APPLICABILITY - Applicable only to luminaires meeting EEI-NEMA Standards for street lighting equipment when owned by the Company and mounted on Company-owned wooden poles.

AVAILABILITY - Available in the Virginia portion of the Company's service area for servicing street, highway and park lighting equipment when the electricity supplying such equipment is furnished by the Company from overhead lines.

CHARACTER OF SERVICE - Service rendered under this schedule will consist of (1) furnishing, installing and maintaining street lighting fixtures and mounting arms or brackets, (2) furnishing, installing, connecting, operating, and maintaining the electric service circuits connecting the street lighting equipment to the Company's distribution system, (3) group relamping, (4) washing of globes, (5) furnishing and installing replacement globes, lamps, ballasts and light sensitive switches as needed; all limited, however, to items of equipment meeting EEI-NEMA Standards for street lighting equipment. Not available for installations utilizing special equipment.

MONTHLY CHARGES -

Incandescent Lights - Night Burning

Without Globe - all sizes	\$4.57 per lamp
With Globe - all sizes	\$5.13 per lamp

Mercury Vapor Lights - Night Burning

100 Watt	\$6.00 per lamp
175 Watt	\$6.10 per lamp
250 Watt	\$6.97 per lamp
400 Watt	\$7.67 per lamp

Date of Issue:

Date Effective:

20

Issued by William F. Schmidt, Vice President
1900 Pennsylvania Avenue, N. W.
Washington, D. C. 20068

VA - SSL - OH

MONTHLY CHARGES (continued)

High Pressure Sodium Lights - Night Burning

150 Watt	\$12.39 per lamp
250 Watt	\$13.64 per lamp
400 Watt	\$14.32 per lamp

Other

Attachments to poles owned by
another utility \$ 0.53 each

The above charges will be separate from and in addition to charges for electricity supplied under the provisions of Street Lighting Schedule "SL". Such service is furnished on an unmetered basis with the energy consumption determined from the rated wattage of the load served and the scheduled number of burning hours of operation.

INSTALLATION CHARGES - If along the street adjacent to the location of the street light or lights to be served there is not a low voltage electric circuit usable for supplying the street lighting, an installation charge will be made in the amount of the estimated cost to the Company of installing the necessary circuit.

Lights will be installed on existing Company-owned distribution poles or on existing poles owned by another utility. If a street light is ordered to be installed at a location less than 80 feet from an existing pole within a line of poles used for general distribution purposes, the customer will be charged the cost of furnishing and installing the additional pole required for mounting the street light.

Where the installation of a street light requires a change in an existing pole owned by another utility, or the installation of an additional pole by either the Company or another utility, when the pole is not otherwise necessary, the cost of furnishing and installing the replacement or additional pole shall be charged to the customer.

Date of Issue:

Date Effective:

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Issued by William F. Schmidt, Vice President
1900 Pennsylvania Avenue, N. W.
Washington, D. C. 20068

VA - SSL - OH

NON-STANDARD EQUIPMENT - Equipment not meeting EEI-NEMA Standards, if accepted by the Company for maintenance, will be subject to special contracts which may include an initial installation charge.

Date of Issue:

Date Effective:

Issued by William F. Schmidt, Vice President
1900 Pennsylvania Avenue, N. W.
Washington, D. C. 20068

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VA - SSL - UG

CHARGES FOR SERVICING VIRGINIA STREET LIGHTS SERVED FROM UNDERGROUND LINES SCHEDULE "VA-UG"

APPLICABILITY - Applicable only to posts and luminaires meeting EEI-NEMA Standards for street lighting equipment furnished by the customer.

AVAILABILITY - Available in the Virginia portion of the Company's service area for servicing street, highway and park lighting equipment when the electricity supplying such equipment is furnished by the Company from underground lines.

CHARACTER OF SERVICE - Service rendered under this schedule will consist of (1) furnishing, installing, connecting, operating and maintaining the electric service circuits connecting the street lighting equipment to the Company's distribution system, (2) furnishing and installing post foundations and setting posts on foundations, (3) installing street lighting fixtures, (4) group relamping, (5) washing of globes, (6) furnishing and installing of replacement globes, lamps, remote ballasts, and light sensitive switches as needed, (7) repainting of posts at approximately 6-year intervals; limited to items of street lighting equipment meeting EEI-NEMA Standards for street lighting equipment. Not available for installations utilizing special equipment.

MONTHLY CHARGES -

Incandescent Lights - Night Burning

Without Globe - all sizes	\$10.93 per lamp
With Globe - all sizes	\$15.89 per lamp
Viaduct* (closed)	\$28.46 per lamp
Aircraft*	\$14.24 per lamp
Fire Alarm Designation*	\$ 3.87 per lamp

Date of Issue:

Date Effective:

Issued by William F. Schmidt, Vice President
1900 Pennsylvania Avenue, N. W.
Washington, D. C. 20068

VA - SSL - UG

MONTHLY CHARGES (continued)

Mercury Vapor Lights - Night Burning

100 Watt	\$14.81 per lamp
175 Watt	\$14.90 per lamp
250 Watt	\$15.57 per lamp
400 Watt	\$16.27 per lamp
Viaduct* (closed)	\$28.46 per lamp

High Pressure Sodium Lights - Night Burning

150 Watt	\$16.65 per lamp
250 Watt	\$18.01 per lamp
400 Watt	\$18.58 per lamp

*(24 Hour Burning) - Service will be rendered as set forth under "Character of Service" except that fixtures will be furnished and installed by the customer and replacement globes, furnished by the customer, will be installed by the Company.

Other

Posts furnished by the Company, costing:

\$ 15.00 and less	\$ 0.39 each
\$ 15.01 to \$ 45.00, inclusive	\$ 0.53 each
\$ 45.01 to \$ 75.00, inclusive	\$ 1.25 each
\$ 75.01 to \$100.00, inclusive	\$ 2.13 each
\$100.01 to \$160.00, inclusive	\$ 3.79 each

The above charges will be separate from and in addition to charges for electricity supplied under the provisions of Street Lighting Schedule "SL". Such service is furnished on an unmetered basis with the energy consumption determined from the rated wattage of the load served and the scheduled number of burning hours of operation.

Date of Issue:

Date Effective:

24

Issued by William F. Schmidt, Vice President
1900 Pennsylvania Avenue, N. W.
Washington, D. C. 20068

VA - SSL - UG

**CUSTOMER RESPONSIBILITY AS TO FURNISHING,
INSTALLING AND MAINTAINING EQUIPMENT** - The street lighting posts, fixtures and brackets (if required) shall be furnished by the customer for installation by the Company as set forth under "Character of Service" above. Ballasts for all High Pressure Sodium lights, and any Mercury Vapor lights to be installed in or on upright posts shall be furnished by the customer.

All maintenance of equipment furnished by the customer will be performed at the customer's expense, except as set forth under "Character of Service".

INSTALLATION CHARGE - If along the street adjacent to the location of the street light or lights to be served there is not available, as part of the Company's distribution system, a low voltage electric circuit usable for supplying the street lighting, an installation charge will be made in the amount of the estimated cost to the Company of installing the necessary circuit.

When lights are to be supplied from underground lines in an area having existing overhead distribution, an installation charge will be made in the amount of the estimated cost to the Company of installing the necessary underground circuit. Also, if existing overhead lines must be raised to provide adequate clearance for the lights the estimated cost thereof will be charged to the customer.

NON-STANDARD EQUIPMENT - Non-standard, special, experimental and other such post and luminaires which do not meet EEI-NEMA Standards for street lighting equipment, if accepted by the Company for maintenance, will be subject to special contracts. Lights of this type will be installed in accordance with the customer's instruction, and all installation costs charged to the customer.

Date of Issue:

Date Effective:

25

Issued by William F. Schmidt, Vice President,
1900 Pennsylvania Avenue, N. W.
Washington, D. C. 20068

VA - EV

ELECTRIC VEHICLE SERVICE SCHEDULE "EV"

AVAILABILITY - Available for low voltage electric service used for electric vehicle battery charging purposes in premises where other electric requirements are furnished under Residential Service Schedule "R" or General Service Schedule "GS".

CHARACTER OF SERVICE - The service supplied under this schedule normally will be alternating current, sixty hertz, either (i) single phase, three wire, 120/240 volts or 120/208 volts, or (ii) three phase, four wire, 120/208 volts.

Service will be supplied from the regular service connection facilities but separately metered at the point of service entrance to the building.

An automatic disconnecting device will be installed by the Company so that service will be available only during the hours of 10 p.m. to 8 a.m.

MONTHLY RATE -

- | | |
|--------------------|------------------|
| A. Customer Charge | \$3.00 per month |
| B. Energy Charge | 2.00¢ per kwhr |

RIDER NO. "FR" - FUEL RATE - Charges for fuel and interchange, computed in accordance with the provisions of "Fuel Rate - Rider FR", combined with monthly charges under the provisions of this schedule, constitute the total charge for the service which the Company furnishes.

SUPPLY CAPACITY REQUIREMENT - Should additional service capacity be required for the "off peak" service, in excess of that provided for regular service, the customer will pay to the Company an amount equal to the estimated cost of the additional facilities. Such payment must be made prior to the commencement of service under this schedule.

Date of Issue:

Date Effective:

26

Issued by William F. Schmidt, Vice President
1900 Pennsylvania Avenue, N. W.
Washington, D. C. 20068

VA - RT

RAPID TRANSIT SERVICE - "RT"

AVAILABILITY - Available in the Virginia portion of the Company's service area.

Available for Rapid Transit electric service furnished directly from the Company's distribution, subtransmission or transmissions systems at available voltages of 13 KV and higher where the customer provides, at his own expense, all necessary transformers or converting apparatus, switches, disconnectors, regulators, and protective equipment.

Available only at points of delivery on the contiguous rapid transit right of way of the customer.

Not available for partial or auxiliary service.

CHARACTER OF SERVICE - The service supplied under this schedule normally will be alternating current, sixty hertz, three phase, three wire, high tension at 13.2 KV or such higher voltage as is specified by the Company on the basis of its available facilities and the magnitude of load to be served.

MONTHLY RATE -

Energy Charge:

All kilowatt-hours 0.4198¢ per kwhr

Demand Charge:

All kilowatts of monthly billing demand. . . \$8.25 per kw

Customer Charge:

For each delivery point. \$150.00 per point

Reactive Charge:

For each KVAR in excess of requirement
for each 85% Power Factor. \$0.15 per KVAR

Date of Issue:

Date Effective:

27

Issued by William F. Schmidt, Vice President
1900 Pennsylvania Avenue, N. W.
Washington, D. C. 20068

VA - RT

MONTHLY RATE - (continued)

Minimum Charge:

The minimum monthly charge will be the sum of the customer and demand charges.

BILLING DEMAND - The monthly billing demand will be the maximum 30 minute integrated coincident demand of all delivery points served, but shall not be less than the highest such demand previously established.

When new delivery points are added, the highest previously established billing demand will be adjusted for billing purposes to reflect the effect of the additional load served until said highest previously established demand has been exceeded.

BILLING ENERGY - The monthly billing energy will be the sum of the registrations of kilowatt-hours of all delivery points.

BILLING REACTIVE - The monthly billing reactive demand will be the maximum 30 minute integrated coincident KVAR demand of all delivery points served less the KVAR that would be supplied for an 85% power factor. The need for reactive metering will be determined by the Company.

RIDER NO. "FR" - FUEL RATE - Charges for fuel and interchange, computed in accordance with the provisions of "Fuel Rate - Rider FR", combined with monthly charges under the provisions of this schedule, constitute the total charge for the service which the Company furnishes.

GENERAL TERMS AND CONDITIONS - This schedule is subject in all respects to the Company's "General Terms and Conditions for Furnishing Electric Service" and the Company's "Electric Service Rules and Regulations", except as modified by the agreement by and between the Company and the customer.

Date of Issue:

Date Effective:

Issued by William F. Schmidt, Vice President
1900 Pennsylvania Avenue, N. W.

VA - RT

RIDER "RT" - ADJUSTMENT OF BILLING DEMAND

During the period beginning with the effective date of this schedule and ending December 31, 1979, the following provision for adjustment of billing demands to permit the testing of customer owned facilities shall apply.

When special tests are to be conducted by the customer on traction facilities which might increase his metered demand for billing purposes, adjustment for that portion of the demand attributable to testing will be made, provided the customer has given 48 hours advance notice to the Pepco Power Dispatching Department identifying those traction stations involved, and provided that mutual agreement has been reached as to the time and duration of the tests.

The Power Dispatcher shall have the right to refuse a specific request if anticipated loads on the Pepco system or emergency outages of Pepco equipment make the test undesirable at that particular time and will request that the customer reschedule his testing as soon as the limiting system conditions are no longer present.

It is understood that the customer will make every reasonable effort to schedule the testing of facilities in a manner which will not increase its demand at or near the time of occurrence of the Pepco system peak during each billing month and that any increase in customer load at that time will be of an infrequent nature.

Adjustment of billing demands will be made as follows:

(1) Billing months of October through June

If the customer's maximum metered demand occurs during the testing period (agreed upon in advance) then that portion of the customer's maximum demand attributable to testing will be waived for billing purposes.

(2) Billing months of July, August, and September

If the customer's maximum demand occurs during the testing period and exceeds his demand at the time of Pepco system peak during that billing month, no adjustment will be made for that portion of the testing period demand which is in excess of the customer's demand at the time of the system peak.

Date of Issue:

Date Effective:

Issued by William F. Schmidt, Vice President
1900 Pennsylvania Avenue, N. W.
Washington, D. C. 20068

VA - RT

- (3) Increases in demand attributable to testing of customer's facilities will be computed as the difference between the customer's maximum metered demand during the actual testing period and the average of his four highest daily peak demands established during the 10 weekdays immediately preceding and the 10 weekdays or fraction thereof immediately subsequent to the testing period within the billing month.

Adjustment for excess billing demand will not be made more than five times during the period beginning with the effective date of the schedule and ending December 31, 1979.

Date of Issue:

Date Effective:

Issued by William F. Schmidt, Vice President
1900 Pennsylvania Avenue, N. W.
Washington, D. C. 20068

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VA

FUEL RATE - RIDER "FR"

FUEL RATE - The net cost of Fuel and Interchange Energy Transactions per kilowatt-hour of total energy sales will be computed for billing purposes for each annual period in accordance with the following procedure:

- (a) The Net Cost of Fuel and Interchange Energy Transactions for the forecasted annual period will be determined by dividing the estimated total cost of fuel as cleared from the Company's Fuel Stock Account 151 less the estimated unit train lease, depreciation and maintenance expenses, pipeline depreciation and maintenance expenses and demurrage expenses charged to Account 151 and cleared to Expense Accounts 501 and 547 and the estimated net charge or credit during the same period to the Company's Purchased Power Account 555, excluding capacity and facility charges or credits, by the estimated total energy sales in kilowatt-hours to retail and wholesale customers for the annual period.
- (b) For the annual period beginning January 1, 1979 and until superseded thereafter, the amount per kilowatt-hour as developed in step (a) above will be 1.79¢ per kilowatt-hour.
- (c) The Company will provide quarterly for the Commission's review a reconciliation of the dollars of actual Net Cost of Fuel and Interchange Energy Transactions incurred in the most recent calendar quarter (beginning with the calendar quarter ending March 31, 1979) versus the projected Net Cost of Fuel and Interchange Energy Transactions for the same quarter so that any under or over recovery will be recovered or refunded over a three-month period beginning with the third billing month following the close of the calendar quarter. Any accumulated under or over recovery of any actual Net Cost of Fuel and Interchange Energy Transactions for the months of September - December 1978 as of December 31, 1981 will be recovered or refunded during the period of March - May 1979.
- (d) The amount per kilowatt-hour for billing purposes will be the sum of the amount per kilowatt-hour as developed in step (a) above and the amount per kilowatt-hour as developed in step (c) above, multiplied by the reciprocal of one minus the gross receipts tax and the State Corporation Commission assessment rate, expressed as a decimal to compensate for the incremental tax and assessment requirement.

Date of Issue:

Date Effective:

Issued by William F. Schmidt, Vice President
1900 Pennsylvania Avenue, N. W.
Washington, D. C. 20068

31

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 22, 1979

APPLICATION OF

POTOMAC ELECTRIC POWER COMPANY

CASE NO. 20119

To revise its tariffs

ORDER REQUIRING PUBLIC NOTICE
AND SCHEDULING HEARING

On March 21, 1979, Potomac Electric Power Company ("Pepco" or "Applicant") filed with the Commission revised tariffs to produce additional revenue of \$832,000. The revised schedule appended to the application is a temporary tariff. Company proposed that this tariff go into effect for service provided on and after May 1, 1979, and remain in effect subject to refund until such time as the Commission, after investigation determines that such surcharge is just and reasonable. The surcharge was suspended by Commission Order of March 22, 1979, for a period of sixty (60) days from and after the proposed effective date of May 1, 1979. Said surcharge remains under suspension.

On April 6, 1979, Company filed a second application for a permanent increase in rates. Company states that these rates, proposed to become effective on May 7, 1979, are designed to increase Pepco's annual revenue by \$812,000 or 5 percent above the level proposed for approval in the surcharge application. Company states that both increases, taken together, total \$1,644,000.

AND, THE COMMISSION, having considered both applications and revised tariffs filed by the Company, is of the opinion that approval of the surcharge should be denied, and that a hearing and investigation should be scheduled to consider the Company's proposed permanent increase in rates.

Accordingly, IT IS ORDERED:

(1) That the proposed surcharge designed to produce additional annual gross annual revenues of \$832,000 shall be, and hereby is, denied;

(2) That a public hearing is hereby scheduled for 10:00 a.m., August 7, 1979, in the Commission's Courtroom, 13th Floor, Blanton Building;

(3) That a Hearing Examiner preside over the public hearing to act for the Commission in accordance with §12.1-31 of the Code of Virginia;

(4) That, forthwith, Applicant make copies of its application available for public inspection during regular business hours at any Company office where bills may be paid;

(5) That, on or before July 26, 1979, all persons who intend to submit evidence, cross-examine witnesses or otherwise participate in the August 7 hearing as protestants under Rule 4:6 of the Commission's Rules of Practice and Procedure, file a Notice of Protest as provided by Rule 5:16(a);

(6) That the appropriate members of the Commission's Staff investigate the reasonableness of Company's proposals and report their findings in testimony filed on or before August 2, 1979;

(7) That, on or before August 2, 1979, all protestants previously filing Notices of Protest file with the Clerk of the Commission ten (10) copies of the prepared testimony and exhibits of each witness the protestant expects to present at the August 7 hearing, and simultaneously serve a copy upon Company and all other protestants (service upon Company should be addressed to Edward A. Caine, Esquire, Potomac Electric Power Company, 1900 Pennsylvania Avenue, N.W., Room 841, Washington, D.C. 20068;

(8) That, not later than the filing of their direct testimony and exhibits, all protestants file five copies of their Protests, as required by Commission's Rule 5:16(b) and simultaneously serve a copy upon Company and all other protestants;

(9) That Applicant give notice to the general public of the hearing by publishing the following notice as display advertising (not classified) in newspapers of general circulation in the territories served by Company, such publication to be made once a week for two consecutive weeks, the first publication to begin forthwith after issuance of this order:

NOTICE TO THE PUBLIC OF A PROPOSED
RATE INCREASE BY POTOMAC ELECTRIC POWER COMPANY

Notice is hereby given that on April 6, 1979, Potomac Electric Power Company filed revised tariffs with the State Corporation Commission that would increase electric rates. Company states in its application that the proposed rates are designed to increase annual revenues by approximately \$1,655,000. Copies of the application, which contains the proposed tariffs, are available for public inspection during regular business hours at the Commission Clerk's Office and at Company's Virginia offices where bills may be paid.

A public hearing is scheduled for 10:00 a.m., August 7, 1979, in the Commission's Courtroom, 13th Floor, Blanton Building, Bank and Governor Streets, Richmond, Virginia.

Interested persons (public witnesses) desiring to make a statement in their own behalf at the August 7, hearing, for or against the rate increase, but not otherwise to participate in the hearing, should appear in the Courtroom at 9:45 a.m. on that day. Such persons should notify the Commission Clerk in writing of their intention to make a statement.

Company has filed with the Clerk of the Commission copies of prepared testimony and exhibits it intends to present at the August 7 hearing. Copies of this testimony and these exhibits are available for review in the Clerk's Office of the Commission and at Company's Virginia offices where bills may be paid.

On or before July 26, 1979, all persons who intend to submit evidence at the August 7 public hearing as protestants, to cross-examine Company witnesses, must file a Notice of Protest in conformity with the Commission's Rules of Practice and Procedure. Service upon Company should be directed to Edward A. Caine, Esquire, Potomac Electric Power Company, 1900 Pennsylvania Avenue, N.W., Room 841, Washington, D.C. 20068.

On or before August 2, 1979, all parties who have filed a Notice of Protest must file with the Clerk of the Commission ten copies of prepared testimony and exhibits such parties intend to submit as evidence at the August 7 hearing and must serve a copy upon Company and all other protestants. No later than the date on which such testimony is filed, protestants must file five copies of their Protests with the Clerk of the Commission as required by Commission Rules.

All written communications to the Commission regarding this case to should be addressed to William C. Young, Clerk, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23209.

POTOMAC ELECTRIC POWER COMPANY

(10) That a copy of the foregoing notice be mailed forthwith by Company to each of its customers;

(11) That a copy of this order, together with a copy of all proposed tariff schedules be served forthwith by Company on the Commonwealth's Attorney and the Chairman of the Board of Supervisors of each county (or equivalent officials in counties having alternate forms of government) in which Company offers service, and on the mayor or manager and the attorney of every city and town (or on equivalent officials in town and cities having alternate forms of government) in which Company offers service. Service shall be made by personal delivery to the customary place of buiness of the person served, or to his residence, or shall be sent by certified mail, return receipt requested;

(12) That proof of publication and service herein provided by furnished the Commission at the commencement of the July 26 public hearing.

AN ATTESTED COPY shall be sent to Edward A. Caine, Esquire, Potomac Electric Power Company, 1900 Pennsylvania Avenue, N.W., Room 841, Washington, D.C. 20068; Anthony Gambardella, Esquire, 11 S. 12th Street, Shockoe Center, Richmond, Virginia 23219; and to the Commission's Divisions of Accounting and Finance, Energy Regulation, and Economic Research and Development.

BEFORE THE COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

APPLICATION OF)	
)	
POTOMAC ELECTRIC POWER COMPANY)	CASE NO. 20119
)	
TO REVISE ITS TARIFFS)	

PETITION OF THE WASHINGTON
METROPOLITAN AREA TRANSIT AUTHORITY
TO INTERVENE AND PROTEST POTOMAC ELECTRIC
POWER COMPANY'S APPLICATION TO INCREASE
RATES BY \$1.64 MILLION ANNUALLY

The Washington Metropolitan Area Transit Authority, (WMATA; Metro) by and through its attorney of record, pursuant to the Commission's Rules of Practice and Procedure hereby petition to intervene and protest in the above referenced proceedings of the Potomac Electric Power Company (PEPCO) for increasing its rates by approximately \$1.64 million annually.

The WMATA is a purchaser of electricity from PEPCO and has significant interest in the retail rates of PEPCO. For the twelve months period ended May 1979, WMATA paid approximately \$930,524.12 to PEPCO for electric charges. PEPCO has proposed to increase WMATA's rates by 18.1%. This proposed increase will have substantial impact on WMATA charges specially in view of the growing needs of WMATA in the Commonwealth of Virginia. The PEPCO has also proposed VA-RT tariff for the WMATA operations in Virginia.

In view of the proposed RT tariff and increase of 18.1%, WMATA respectfully protests and requests that it be allowed to intervene in the instant proceedings

with all rights to submit witnesses, cross examination, and hearing on brief and oral argument.

Respectfully submitted this 16th day of July, 1979.

WASHINGTON METROPOLITAN AREA
TRANSIT AUTHORITY
600 Fifth Street, N. W.
Washington, D. C. 20001
637-1463

By Onkar N. Sharma
Onkar N. Sharma
Assistant General Counsel
Public Utilities

CERTIFICATE OF SERVICE

I do hereby certify that I have this day served the foregoing petition upon all parties of record as per attached service list.

Onkar N. Sharma
Onkar N. Sharma

BEFORE
THE STATE CORPORATION COMMISSION
OF THE
COMMONWEALTH OF VIRGINIA
RICHMOND, VIRGINIA 23209

Application of

THE POTOMAC ELECTRIC POWER COMPANY
(PEPCO)

Case No. 20119

PROTEST

The Executive Agencies of the United States Government,
through duly authorized counsel, pursuant to Rule 5:16 of the
Rules of Practice and Procedure of the State Corporation Commission,
file this Protest in response to the above-captioned Application of
the Potomac Electric Power Company in Virginia (hereinafter also
referred to as "PEPCO" or "the Company"), filed on 21 March 1979
and 6 April 1979 stating as follows:

1. The Executive Agencies are interested in this case as it
affects the rates charged by the Company and the services provided
to them as customers of the Potomac Electric Power Company in
Virginia.

2. As the Applicant apparently seeks changes and increases in tariff revenues totalling \$1,644,000 annually the economic impact upon the Department of Defense is estimated to be at least hundred-thousand dollars annually. We anticipate that comparable increases are to be imposed upon all of the Company's customers collectively. We do not believe that the Company has provided the Commission with adequate financial, economic, and operations information and data to support an application for the increase in tariffs or charges upon any of its customers. We believe that these Protestants and Intervenors and others should be provided with an opportunity to secure such information and data from the Company, have an adequate period of time to analyze it and prepare testimony and exhibits for consideration by the Commission.

3. Furthermore, it is not now determinable if some such categories, classifications of service, and customers are already economically over burdened by PEPCO's present rate structure. For these reasons, we believe before any such application and requests for additional revenues by the Company should be entertained further, the Company must provide adequate cost of service, income, profitability, and earnings studies as well as other relevant information to the Commission and to any affected and interested Protestants and Intervenors.


4. These Protestants, believe that if themselves, the Commission staff, and other parties, are provided adequate information

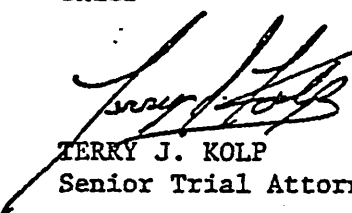
and opportunities for analysis and presentation to the Commission, as generally outlined above in paragraphs 2 and 3, it will be more likely to more fully inform the Commission in its consideration of this proceeding as well as any subsequent regulation of the Company in Virginia.

5. Accordingly, these Protestants seek to be included as participating parties in this proceeding and that the Commission grant consideration to all of the issues raised by these Protestants in the course of this proceeding.

Copies of all pleadings, testimony, orders and other documents filed in connection with this case are also requested.

Respectfully submitted,


DELLON E. COKER
Chief


TERRY J. KOLP
Senior Trial Attorney

Regulatory Law Office
U.S. Army Legal Services Agency
Room 422
Nassif Building
5611 Columbia Pike
Falls Church, Virginia 22041

For

THE SECRETARY OF DEFENSE

CERTIFICATE OF SERVICE

I hereby certify that I have this 1st day of August 1979
served by express delivery first class mail, postage prepaid, a
copy of this Notice of Protest on the following:

Office of the Attorney General
Supreme Court Building
1101 East Broad Street
Richmond, Virginia 23219

William Dana Shapiro
1900 Pennsylvania Avenue
Potomac Electric Power Company
Washington, D. C. 20068

Fran G. Frances, Esq.
Apartment & Office Building Association
1511 K Street, N.W.
Washington, D. C. 20005

Onkar Sharma, Esq.
Washington Metropolitan Transit Authority
600 Fifth Street, N.W.
Washington, D. C. 20001

Dated at Fairfax County, Virginia.


TERRY J. KOLP

Senior Trial Attorney

1 Q. AFTER DETERMINING THE JURISDICTIONAL RATES OF RETURN FROM
THE TEST YEAR, HOW DID YOU ESTABLISH THE COMPANY'S REVENUE
REQUIREMENTS FOR PURPOSES OF RATE DESIGN?

2 A. The computation of revenue requirements evolves directly
3 from the rate of return requested of 10.00%. The incremental
4 return for Virginia, plus the appropriate taxes, are calculated
5 in Section Five, on pages S-126 and S-127, entitled "Revenue
6 Requirements for 10.00% Rate of Return, Virginia, Year Ended
7 December 31, 1978." The revenue increase required in Virginia
8 for a 10.00% rate of return is \$1,644,600 for the test period
9 of the 12 months ended December 1978.

10 Q. HAVE YOU DEVELOPED RATE SCHEDULES DESIGNED TO PRODUCE THE
\$1,644,600 ADDITIONAL REVENUE REQUIRED?

11 A. Yes, revised rate schedules have been developed which
12 would have increased revenues from the Virginia sales by
13 \$1,644,600 if they had been in effect during the test period,
14 12 months ended December 31, 1978. These rate schedules and
15 supporting statements are shown in Exhibit No. (WFS-4).

16 Q. HOW WAS THE INCREASE ASSIGNED TO CLASSES OF BUSINESS?

17 A. In Case No. 19905, PEPCO's last rate case, the Commission
18 ordered the rate increase assigned to classes of business in
19 the direction toward equal rates of return for all classes.

20 The \$1,644,600 has been assigned to all classes continuing
21 the movement toward equal returns from all classes of business,
22 based on a Pro Forma class of business cost of service study for

1 a 10.00% rate of return for all classes. Rate increases for
2 Street Lighting and Metro service have been determined based
3 on a 10.00% return requirement. The rate increase for Outdoor
4 Lighting Service, which is not treated as a separate class of
5 service in the cost of service study has been set equal to the
6 overall increase requested of 10.2% on total revenues. The
7 Residential Service increase is proposed at about twice that of
8 the General Service Class, or 18.9% compared to 9.5% and General
9 Service High Voltage more than twice that of Low Voltage, or
10 14.4% compared to 5.4%. This is consistent with the Order in
11 Case No. 19905. Page S-302 shows the revenue increases required
12 to equalize class rates of return at the requested 10.00% return.
13 Residential Service would require a 58.9% increase, and total
14 General Service an 8.3% increase.

15 Q. HAVE YOU PREPARED A SUMMARY OF RATE INCREASES PROPOSED BY CLASSES
OF BUSINESS?

16 A. Yes, page S-301 summarizes the rate increases by class of
17 business, which are:

		<u>Increase Amount</u>	<u>Revenue %</u>
1			
2	Residential Service	\$ 78 800	18.9%
3	General Service		
4	Low Voltage	431 000	5.4%
5	High Voltage	<u>957 800</u>	14.4%
6	Total General Service	\$1 388 800	9.5%
7	Street Lighting	20 700	18.3%
8	Outdoor Lighting	100	10.4%
9	Metro	<u>156 200</u>	18.1%
10	Total	\$1 644 600	10.2%

11 Q. HAVE YOU PREPARED BILL COMPARISONS THAT SHOW THE INCREASE FOR
TYPICAL BILLS?

12 A. Yes, page S-303 shows the annual bill comparison for
13 average residential monthly bills. Pages S-304 through S-311
14 show typical monthly bill comparisons for Residential and
15 General Service rates and riders. The proposed rates are
16 shown on pages S-312 through S-336.

17 Q. HOW WERE THE RATES DESIGNED FOR EACH CLASS OF SERVICE?

18 A. The Residential Rate increase was designed to increase the
19 monthly customer charge to \$5.00 per month in recognition of the
20 cost at a 10.00% rate of return of \$7.42 per month. The balance
21 of the increase was spread uniformly across the block prices.

22 The General Service Rate was designed to flatten both the

1 demand and energy block prices, while keeping over half of the
2 increase in the demand charge. This was done to recognize both
3 the higher incremental costs of added load and the higher per-
4 centage increase required from larger High Voltage customers to
5 equalize High and Low Voltage rates of return. The goal was to
6 put most of the increase in the demand charge, but this could
7 not be done without increasing Low Voltage about the same amount
8 as High Voltage. The customer charge was increased to \$7.50
9 recognizing the Low Voltage class cost of \$21.80 per month for
10 both demand and non-demand metered accounts.

11 Street Lighting increases were spread uniformly across all
12 rates.

13 Q. PLEASE DESCRIBE HOW RATE SCHEDULE "RT" FOR RAPID TRANSIT SERVICE
HAS BEEN DESIGNED.

14 A. This is an initial rate based on the cost of service for the
15 Virginia Rapid Transit class of service, at the requested 10.00%
16 rate of return, for the test period year 1978. The rate has a
17 separate customer charge for each delivery point, a separate energy
18 charge per kilowatthour and a separate demand charge per kilowatt
19 of demand. This is the same form as the current schedule VA-RT
20 (DC) under which Metro has been taking service in Virginia, but
21 the prices are now based on the actual Virginia cost of service.

22 Q. HOW WAS THE COST OF SERVICE FOR THE VIRGINIA "RT" CLASS DETERMINED?

23 A. The 1978 Virginia Jurisdictional Cost of Service at a 10.00%
24 rate of return was allocated to classes of business using 1978

1 average and excess demand ratios, 1978 energy ratios, and 1978
2 class demand ratios. Rate base and expense items were assigned
3 to functional groups for allocation using 1978 assignments or
4 assignment ratios from the detailed 1977 Class of Business
5 Allocation Study. The results of this cost study are shown on
6 pages S-404 to S-410. The total costs have been reduced by the
7 amount recovered from the Virginia Fuel Rate - Rider "FR" to
8 provide the revenue requirement for base rates. The resulting
9 customer, energy and demand related costs for the class were unitized
10 by dividing by the number of delivery points, kilowatthour sales and
11 class maximum demands. The development of these costs are shown
12 on pages S-402 and S-403. Page S-401 shows the rate design and
13 evaluation for Schedule "RT" which is a generally applicable
14 schedule for Rapid Transit usage.

15 Q. WHY IS RATE SCHEDULE "RT" BEING FILED AS AN INITIAL RATE AT THIS
TIME?

16 A. PEPCO has only one Rapid Transit customer currently, which
17 is Metro, although the rate schedule will be available for other
18 qualified users. When the Washington Metropolitan Area Transit
19 Authority originally contracted with PEPCO for Metro's electric
20 service in June 1976, it was expressly agreed that electric
21 service would be at rates approved by this Commission, provided,
22 that for an initial two year transition period PEPCO would bill
23 Metro for Virginia service using the District of Columbia approved
24 rate. This was because initially there would be no operating
25 experience in Virginia to base a separate rate on. But now that

1 transition period has expired.

2 Q. IS ANY CHANGE BEING REQUESTED TO THE ELECTRIC VEHICLE SERVICE
SCHEDULE "EV"?

3 A. No increase is being requested for this off-peak service.

4 There are no customers taking service on this rate schedule.

POTOMAC ELECTRIC POWER COMPANY
SUMMARY OF DISTRIBUTION OF INCREASE IN VIRGINIA REVENUE
BY TYPE OF SERVICE
YEAR ENDING DECEMBER 31, 1978

	<u>Revenue at Present Rates</u>	<u>Revenue at Proposed Rates</u>	<u>Total Increase Dollars</u>	<u>Increase Percent</u>	<u>Distribution of Total Increase</u>
<u>Class of Business</u>					
<u>Residential</u>	\$ 415 979	\$ 494 779	\$ 78 800	18.9%	4.8%
<u>General Service</u>					
Low Voltage	\$ 7 995 737	\$ 8 426 737	\$ 431 000	5.4%	26.2%
High Voltage	<u>6 664 816</u>	<u>7 622 616</u>	<u>957 800</u>	14.4%	<u>58.2%</u>
Total General Service	\$14 660 553	\$16 049 353	\$1 388 800	9.5%	84.4%
<u>Street Lighting</u>	\$ 113 130	133 830	20 700	18.3%	1.3%
<u>Outdoor Lighting</u>	\$ 958	\$ 1 058	\$ 100	10.4%	0%
<u>Metro</u>	<u>\$ 863 879</u>	<u>\$ 1 020 079</u>	<u>\$ 156 200</u>	18.1%	<u>9.5%</u>
Revenue from Sales of Electricity	<u>\$16 054 499</u>	<u>\$17 699 099</u>	<u>\$1 644 600</u>	<u>10.2%</u>	<u>100.0%</u>
Other Operating Revenues	<u>\$ 36 485</u>	<u>\$ 36 485</u>			
Total Operating Revenues	\$16 090 984	\$17 735 584	\$1 644 600	10.2%	

BEFORE THE COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

APPLICATION OF POTOMAC ELECTRIC)
POWER COMPANY TO REVISE ITS) Case No. 20119
TARIFFS)

MOTION OF THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY
TO DISMISS PROPOSED INITIAL VA-RT TARIFF OR INSTITUTE SEPARATE PROCEEDINGS

Pursuant to oral motions made during the hearing dated August 7, 1979, on behalf of the Washington Metropolitan Area Transit Authority (Authority), the Authority hereby moves the Commission to dismiss Proposed Initial VA-RT Tariff or in the alternative institute separate proceedings. In support of this motion the Authority states as follows:

1. That the Authority has been established by Interstate Compact by and between the Commonwealth of Virginia, the State of Maryland and the District of Columbia, pursuant to Public Law 89-774, an Act to grant the consent of Congress to the establishment of an organization empowered to provide transit facilities in the National Capital Region. Pursuant to the Washington Metropolitan Area Transit Authority Compact (WMATAC) the Authority is an instrumentality and agency of the Commonwealth of Virginia engaged in operating and constructing a rapid transit system to serve the Washington Metropolitan Area (See Appendix A for certain provisions).

2. That the Authority purchases electric power from Potomac Electric Power Company (PEPCO) in the Commonwealth of Virginia pursuant to the WMATA contract with PEPCO dated June 29, 1976.

That the contract does not confer jurisdiction on the Virginia State Corporation Commission for electric service to the Authority in Virginia. Section II(b) of the contract calls for all electric service to be provided at the rates approved by and on file at "the appropriate" regulatory commission, the appropriate regulatory commission being the one having lawful jurisdiction over the rates and charges of PEPCO.

That as per Section II(a) of the contract:

"for a period of two years or until the Virginia State Corporation Commission assumes direct regulation over utility rates to governmental bodies, whichever shall occur first, the rate schedule RT applicable to the Authority in the District of Columbia shall apply to comparable sales of electricity to Authority in Virginia."

The expiration of the two year period on June 29, 1978, has set the stage for renegotiation of the rates for PEPCO service to WMATA in Virginia.

3. That Virginia Code Article 2 §56-234 (See Appendix B) exempts sales by PEPCO to the Authority from the jurisdiction of the Virginia State Corporation Commission (Commission).

4. That in view of the Virginia Statutory provisions and WMATA Compact, PEPCO's sales to the Authority have not been subject to the jurisdiction of the Commission since inception of PEPCO service to the Authority in Virginia on July 4, 1977.

5. That the Commission has an established regulatory policy of treating power sales by electric utilities to the Commonwealth of Virginia to the Authority as, not subject to the jurisdiction of the Commission and further treating the contractual dispute as a non jurisdictional matter.

6. That on or about April 6, 1979, PEPCO filed with the Commission a proposed initial VA-RT tariff as part of an application to increase rates by \$1.64 million annually. The proposed initial VA-RT tariff filed by PEPCO along with supporting data is contrary to the Virginia Statutory provisions (V.C. Art. 2 §56-234); the WMATA Compact; the established policy of the Virginia State Corporation Commission; the established practice of PEPCO; and the WMATA Contract with PEPCO. Accordingly, it is respectfully submitted that the Commission dismiss PEPCO's application dealing with proposed initial VA-RT tariff, the limitation proposals in the VA-GS tariff; and the supporting data in the current docket.

7. In the alternative and subject to the final determination of the jurisdictional issue, it is respectfully submitted, that the Commission institute separate proceedings to determine the justness, reasonableness, non preferential and non discriminatory nature of the proposed initial VA_RT tariff terms and conditions.


8. That this motion be treated as filed when received by the Commission.

For the foregoing reasons, it is respectfully submitted that this Commission maintain its present policy of treating power sales by electric utilities to the Authority as not subject to the jurisdiction of the Commission.

Respectfully submitted,

Dated:


WASHINGTON METROPOLITAN AREA
TRANSIT AUTHORITY
600 Fifth Street, N.W.
Washington, D.C. 20001
(202) 637-1463



Onkar N. Sharma
Assistant General Counsel
Public Utilities

CERTIFICATE OF SERVICE

I do hereby certify that I have this day served the foregoing Motion upon all parties of the record this 13th day of August, 1979.



Onkar N. Sharma

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
RICHMOND

20119 FF
RECEIVED JAN 18 1980

AT RICHMOND, JANUARY 16, 1980

APPLICATION OF

POTOMAC ELECTRIC POWER
COMPANY

To revise its tariffs

CASE NO. 20119
OPINION AND ORDER,
RE SCC JURISDICTION
OVER SALES TO WMATA

Opinion by HARWOOD, Commissioner

During the course of the hearing before a Hearing Examiner, Washington Metropolitan Area Transit Authority (WMATA) moved to dismiss Initial Va-Rt Tariff which was filed by Potomac Electric Power Company (Pepco) as part of its general rate application. In the alternative, WMATA moved to institute separate proceedings to investigate the reasonableness of the proposed Va-Rt tariff terms and conditions. The motions were filed with the Commission on August 14, 1979. Written briefs were filed by WMATA and Pepco, respectively supporting and opposing the motions, which were argued before the Commission on September 20, 1979.

The underlying question, dispositive of both motions, is whether this Commission is precluded by §56-234, Code of Virginia, from exercising regulatory jurisdiction over sales of electricity by Pepco to WMATA. In pertinent part that provision reads as follows:

§56-234. Duty to furnish adequate service at reasonable and uniform rates. - It shall be the duty of every public utility to furnish reasonably adequate service and facilities at reasonable and just rates to any person, firm or corporation along its lines desiring same, and to charge uniformly therefor all persons or corporations using such service under like conditions But nothing herein contained shall be construed as applicable to schedules of rates, or contracts for service rendered by any . . . public utility [other than telephone] to any municipal corporation or to the State or federal government. . . .

WMATA argues that it falls under the exemptive provisions of the statute. It is not contended that WMATA is a "municipal corporation" but that it is a "governmental entity" as that term is used in Commonwealth v. VEPCO, 214 Va. 457 (1974). In further reliance upon that decision, WMATA points to the holding that the Commission's authority to regulate electric rates ". . . for service furnished to governmental entities is subordinate to the power of the General Assembly to command otherwise." (214 Va. at 465)

Pepco, on the other hand, defends its contention that WMATA is not entitled to the exemption in §56-234. Pepco concludes that the language of that Code provision, ". . . simply does not embrace WMATA, which is neither federal, State, nor municipal in character." Pepco observes that WMATA does not fall within the four well-defined classes

of political subdivisions of this State, namely, counties, cities, towns and regional government, as set out in Article VII, Section 1 of the Virginia Constitution.

We agree with Pepco that WMATA does not appear to fit the role of any entity heretofore considered by this Commission or the Virginia Supreme Court concerning an electric utility's exemption from regulation under §56-234. WMATA is not a creature owing its existence solely to the General Assembly of Virginia. In fact, it is described by the enabling legislation as ". . . an instrumentality and agency of each of the signatory parties hereto [the District of Columbia and the States of Maryland and Virginia], . . . a body corporate and politic . . ." (Ch. 590, 1970 Acts of Assembly)

If we give the words of the enabling legislation their literal meaning, WMATA is a public corporation, as opposed to a private corporation, which is not solely State and not solely federal. To the extent that a portion of Virginia remains in the Washington Metropolitan Area Transit Zone, placed there by compact to which the Commonwealth of Virginia was a signator, it may be reasoned that WMATA - as it may concern this Commission - has sufficient nexus with the United States and the Commonwealth of Virginia to be in that class of governmental electric utility customers which

are exempted from the uniformity requirements of §56-234 and from our jurisdiction.

It is our opinion and we hold that WMATA is within the exemptive provisions of §56-234, and the rates, terms and conditions of service offered by Pepco to WMATA are not subject to the jurisdiction of this Commission.

It is ORDERED that the parties within (10) days advise the Commission if any further evidence need be taken on the pending application of Potomac Electric Power Company.

BRADSHAW, Chairman, and SHANNON, Commissioner, concur.

AN ATTESTED COPY of this order shall be sent to William Dana Shapiro, Assistant General Counsel, Potomac Electric Power Company, 1900 Pennsylvania Avenue, N.W., Washington, D.C. 20068; Anthony Gambardella, Assistant Attorney General, 11 South 12th Street, Shockoe Center, Richmond, Virginia 23219; Onkar N. Sharma, Assistant General Counsel, Washington Metropolitan Area Transit Authority, 600 Fifth Street, N.W., Washington, D.C. 20001; Joseph F. Garren, Jr., Purcell, Cherry, Kerns and Abady, 1012 Mutual Building, Richmond, Virginia 23219; Frann G. Francis, General Counsel, Apartment and Office Building Association of Metropolitan Washington, Inc., 1511 K Street, N.W., Washington, D.C. 20005; Dellon E. Coker, Chief, Regulatory Law Office, Nassif Building, 5611

Columbia Pike, Falls Church, Virginia 22041; and attested copies shall be delivered to the Commission's Divisions of Energy Regulation, Accounting and Finance, and Economic Research and Development.

A True Copy

Teste:

A handwritten signature in cursive script, reading "William C. Young".

Clerk of State Corporation Commission.

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

RECEIVED APR 28 1980
AT RICHMOND, APRIL 24, 1980

APPLICATION OF

POTOMAC ELECTRIC POWER COMPANY

CASE NO. 20119
FINAL ORDER

To revise its tariffs

On March 21, 1979, Potomac Electric Power Company ("Pepco" or "Applicant") filed with the Commission revised temporary tariffs intended to produce additional revenue of \$832,000. Company proposed that its temporary tariff go into effect for service provided on and after May 1, 1979, and remain in effect subject to refund until such time as the Commission, after investigation, determines that the surcharge is just and reasonable. The surcharge was suspended by Commission order of March 22, 1979, for a period of sixty (60) days from and after the proposed effective date of May 1, 1979.

On April 6, 1979, Company filed a second application for a permanent increase in rates. Company states that these rates, proposed to become effective on May 7, 1979, are designed to increase Pepco's annual revenue by \$812,000, or 5 percent above the level proposed for approval in the surcharge application. Company states that both increases, taken together, total \$1,644,000.

By order dated June 22, 1979, the Commission denied Pepco's March 21, 1979, application for a temporary surcharge and set for investigation and hearing a permanent increase in Pepco's annual rates of approximately \$1,644,000.

Pursuant to Commission's order dated June 22, 1979, the matter of the aforesaid increase came on for hearing on August 7, 1979, before Lewis S. Minter, Hearing Examiner. Additional testimony was taken on August 10, and 15, 1979.

Counsel appearing were William D. Shapiro, Esquire, Edward A. Caine, Esquire, and Allen C. Barringer, Esquire, for Pepco; Eric M. Page, Esquire, Assistant Attorney General for the Division of Consumer Counsel; Onkar N. Sharma, Esquire, Assistant General Counsel of the Washington Metropolitan Area Transit Authority; Joseph F. Garren, Jr., Esquire, and Frann G. Francis, Esquire, for Apartment and Office Building Association of Metropolitan Washington, Inc.; Dellon E. Corker, Esquire, Chief, Regulatory Law Office of the Department of the Army; Terry J. R. Kolp, Esquire, counsel for Department of Defense and U.S. Executive Agencies; and Edward L. Flippen, Esquire, for the Commission's Staff.

During the course of the hearings, Washington Metropolitan Area Transit Authority (WMATA) moved to dismiss Initial Va-Rt Tariff which was filed by Potomac Electric Power Company (Pepco) as part of its general rate application arguing that the Commission was precluded under §56-234, Code of Virginia, from exercising regulatory jurisdiction over sales of electricity by Pepco to WMATA. In the alternative, WMATA moved to institute separate proceedings to

investigate the reasonableness of the proposed Va-Rt tariff terms and conditions. The motions were filed with the Commission on August 14, 1979. Written briefs were filed by WMATA and Pepco, respectively supporting and opposing the motions, which were argued before the Commission on September 20, 1979.

By order dated January 16, 1980, the Commission ruled on jurisdictional issue, finding WMATA within the exemptive provisions of §56-234, and finding further that the rates, terms and conditions of service offered by Pepco to WMATA are not subject to the jurisdiction of this Commission.

On March 10, 1980, a Hearing Examiner's report written by Russell W. Cunningham, based upon the record in this proceeding, was filed. After summarizing the evidence in the record and after summarizing the Commission's disposition of the WMATA jurisdictional issue, the Examiner made the following findings:

- Company's test year period, the 12 months ended December 31, 1978, is reasonable for the purpose of evaluating the Company's proposed tariff revisions.
- Company's test period rate base (including WMATA) amounts to \$41,832,000.
- Company's test period jurisdictional rate base, excluding the portion of the rate base attributable to WMATA, amounts to \$39,159,000.
- Company's adjusted test period net operating income (including WMATA) amounts to \$3,331,000.
- Company's adjusted test period jurisdictional net operating income, excluding the operating income attributable to WMATA, amounts to \$3,145,000.

- A 13 percent return on equity for Company is reasonable.
- Company's overall cost of capital is 9.28 percent.
- Company's annual operating revenues should be increased by \$933,298.
- In revising its tariffs so as to yield the revenue increase approved by the Commission, the Company should follow the methodology it employed in its application, except: the Residential Service customer and charge should be \$4.00/month; and the General Service customer charge should be \$7.50/month, and the General Service 200 to 400 hours use block of the energy charge in the Demand Billing rate should be eliminated.

The Hearing Examiner then recommended that the Commission enter an order that would approve Company rates consistent with the Examiner's findings.

Exceptions to the report of the hearing examiner were timely filed by Pepco. In addition, Pepco filed a Motion requesting oral argument on its exceptions to the Hearing Examiner's report. Pepco states therein that oral argument is called for because the Hearing Examiner who wrote the report, summarizing the evidence and recommending findings, was not the Hearing Examiner who presided over the hearings on the application. Pepco also argues, among other things, that the current state of the general economy, as well as evidence in the record, supports a higher rate of return than that which was recommended by the Hearing Examiner. On April 10, 1980, the Division of Consumer Counsel of the Office of the Attorney General filed a "Memorandum in Opposition to Pepco Exceptions to Report of Hearing Examiner and Motion for Oral Argument."

Exceptions to the Hearing Examiner's Report were also timely filed by the Apartment and Office Building Association of Metropolitan Washington, Inc. (AOBA). AOBA also requests that the recommendation of the hearing examiner on General Service rate design be clarified.

NOW, THE COMMISSION, having considered the entire record, including the filed briefs of parties, the report of the Hearing Examiner and the exceptions thereto, is of the opinion that the findings of Hearing Examiner should be adopted with the following modifications:

- (1) That a 13.5 percent return on equity is reasonable.
- (2) That Company's overall cost of capital equals 9.47 percent.
- (3) That Company's annual gross operating revenues should be increased by no more than \$1,073,314.
- (4) That Pepco's General Service tariffs be revised in accordance with the findings of the hearing examiner so as to flatten both the energy and demand block charges.

And further, THE COMMISSION is of the opinion that Pepco's Motion for oral argument on exceptions to the Hearing Examiner's report should be denied. Accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and are hereby, adopted, as modified hereinabove.

(2) That Company be permitted to place into effect tariffs consistent with the findings adopted herein for service rendered on and after April 25, 1980.

(3) That the Motion of Potomac Electric Power Company requesting oral argument be, and the same is hereby, denied.

That there appearing nothing further to be done in this proceeding, the same is dismissed from the Commission's docket of active cases and the record developed herein shall be placed in the file for ended causes.

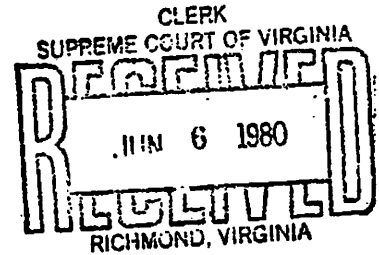
AN ATTESTED COPY of this order shall be sent to William Dana Shapiro, Assistant General Counsel, Potomac Electric Power Company, 1900 Pennsylvania Avenue, N.W., Washington, D.C. 20068; Anthony Gambardella, Esquire, Assistant Attorney General, 11 South 12th Street, Shockoe Center, Richmond, Virginia 23219; Onkar N. Sharma, Assistant General Counsel, Washington Metropolitan Area Transit Authority, 600 Fifth Street, N.W., Washington, D.C. 20001; Joseph F. Garren, Jr., Esquire, Purcell, Cherry, Kerns and Abady, 1012 Mutual Building, Richmond, Virginia 23219; Frann G. Francis, General Counsel, Apartment and Office Building Association of Metropolitan Washington, Inc., 1511 K Street, N.W., Washington, D.C. 20005; Dellon E. Corker, and Terry J. Kolp, Regulatory Law Office, Nassif Building, 5611 Columbia Pike, Falls Church, Virginia 22041; and attested copies shall be delivered to the Commission's Divisions of Energy Regulation, Accounting and Finance and Economic Research and Development.

A True Copy

Teste:

William C. Young

Clerk of State Corporation Commission.



IN THE
SUPREME COURT OF VIRGINIA

POTOMAC ELECTRIC POWER COMPANY, Appellant,
against

STATE CORPORATION COMMISSION and
WASHINGTON METROPOLITAN AREA
TRANSIT AUTHORITY, Appellees.

Record No. 800721
S.C.C. Case No. 20119

ASSIGNMENTS OF ERROR

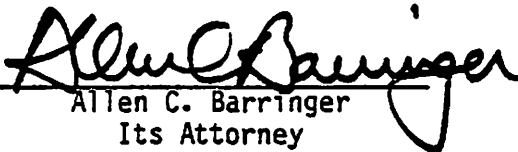
Potomac Electric Power Company (Pepco; Company), the Appellant herein, assigns errors as follows to the Order appealed from:

1. The State Corporation Commission (Commission) erred as a matter of law and fact in its determination that Washington Metropolitan Area Transit Authority (WMATA) is exempted from the uniformity requirements of Section 56-234, Code of Virginia.
2. The Commission erred as a matter of law in its determination that WMATA is an electric utility customer which is exempt from the Commission's jurisdiction.

3. The Commission erred as a matter of law and fact in its determination that the rates, terms, and conditions of service offered by Pepco to WMATA are not subject to the Commission's jurisdiction.

Respectfully submitted,

POTOMAC ELECTRIC POWER COMPANY


By 
Allen C. Barringer
Its Attorney

Edward A. Caine
Allen C. Barringer
1900 Pennsylvania Avenue, N.W.
Washington, D.C. 20068
(202) 872-2890

Of Counsel for Potomac Electric Power Company
Washington, D.C.
June 6, 1980

CERTIFICATE OF SERVICE

I hereby certify that I have this 6th day of June, 1980, mailed a copy of the foregoing Assignments of Error to Marshall Coleman, Attorney General of Virginia, Supreme Court Building, Richmond, Virginia 23219; Lewis S. Minter, General Counsel, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23209; and Onkar N. Sharma, Assistant General Counsel, Washington Metropolitan Area Transit Authority, 600 Fifth Street, N.W., Washington, D.C. 20001 in conformance with the Rules of Court.


Allen C. Barringer
Of Counsel for
Potomac Electric Power Company