



Average Payment Plan

What is a “settlement month”?

The “settlement month,” which is either February or July based on your account type, occurs at the end of your Plan year. At this time, you must pay any outstanding balance over the regular monthly payment amount. If you have a credit balance greater than \$1.00, we will send a refund check to you. If the credit amount is less than \$1.00, it is rolled into the next Plan year.

If I have received energy assistance, can I apply for the APP?

No. You should apply for the Utility Service Protection Plan (USPP), which is a budget billing plan for energy assistance participants in Maryland. It is similar to APP, but with USPP you can be enrolled on this plan with an outstanding balance.

What happens if I receive energy assistance and I am currently on the APP?

Your account will be converted to the USPP payment plan, and the energy assistance payment(s) will be deducted from your account balance. The remaining balance will be divided into twelve (12) equal monthly payments, and you will be expected to pay your historical usage amount plus one-twelfth of any existing arrears.

Do I have to make a payment every month, even if I have a credit balance on my account?

Yes. You must continue to make a payment every month, unless you are notified. From time to time during the Plan year, you will have a credit balance on your account. Credit amounts during part of the year are necessary to offset periods of heavy usage.

For additional information or to sign up for Pepco’s Average Payment Plan, call (202) 833-7500. One of our Customer Service Representatives will assist you.

Service Center Locations:

Maryland

8300 Old Marlboro Pike
Forestville, MD
10:00 a.m. - 2:00 p.m.

200 West Gude Drive
Rockville, MD
10:00 a.m. - 2:00 p.m.

Washington, D.C.

701 Ninth St., N.W.
8:30 a.m. - 5:15 p.m.

2806 Martin Luther King, Jr. Ave., S.E.
9:00 a.m. - 5:00 p.m.



Maryland



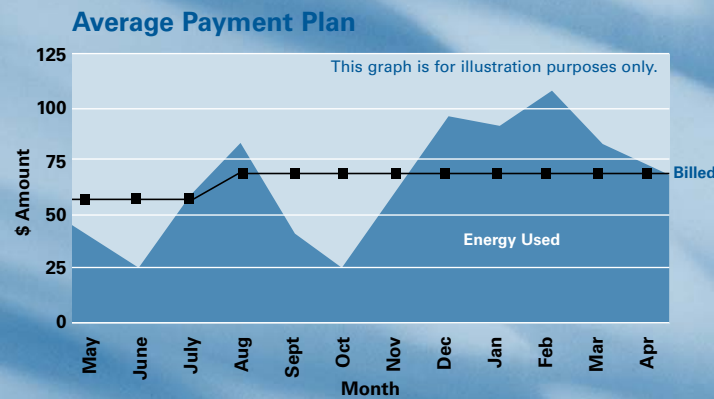
701 Ninth St., N.W.
Washington, D.C. 20068

www.pepco.com



*We’re connected to you
by more than power lines.®*

Pepco's Average Payment Plan is an alternative payment plan that allows you to pay your electric bill in equal monthly installments even though your actual electric usage fluctuates from month to month.



What is the Average Payment Plan?

The Average Payment Plan (APP) is a payment option that Pepco offers to residential customers. The Plan allows customers to make monthly payments that are based on their average annual consumption.

What are the benefits of the APP?

When you sign up for the APP with Pepco, your annual cost of electricity (excluding supplier charges) is estimated and then averaged based on the number of months remaining in your Plan year. You will be billed the same amount for electricity each month (unless your usage changes significantly) and you will be able to plan your monthly expenses more accurately. Many customers find that budgeting their energy dollars in this manner helps because it allows them to make a fixed level payment each month. Your account is reviewed monthly and the average payment amount is adjusted if necessary to reflect substantial changes in your usage.

Is this a discount plan?

No. Your billing rate will remain the same. APP is simply a convenient way for you to pay equal monthly installments on your annual consumption of electricity.

Am I eligible for the APP?

You must be a residential customer and your account paid in full (no outstanding balance, including no deposit balance) to qualify for APP. (Other restrictions may apply.)

How do I apply for the APP?

Call (202) 833-7500 and request placement on the APP. You may also visit one of our service centers (see back of brochure for locations), or visit our Web site at www.pepco.com.

Can I be in the Pre-Authorized Transfer Program (PAT) at the same time?

Yes. If you participate in PAT, your averaged bill will be paid automatically each month from your checking account.

Can I apply for the APP before I receive my first Pepco bill?

Yes, you may apply for APP, but your first bill will be a regular Pepco bill. Your second bill will show your average payment amount. To calculate your APP amount, we will use the prior resident's historical usage to determine a monthly payment amount. If there is no prior resident, we use a pre-determined average based on your account type.

How is my payment amount determined?

Your average monthly payment amount is based on historical usage and your projected consumption for the remainder of your plan year. If you remain with Pepco's Standard Offer Service, this calculation will include Generation, Transmission and Distribution Services.

If you select a supplier other than Pepco for Generation and Transmission Services, your Pepco APP amount will be based on the Distribution Services portion of your bill only.

If your usage of electricity changes, your monthly payment amount will change as well.

How often is my APP account reviewed?

Your account is reviewed monthly. Your monthly payment amount may be changed to reflect changes in your consumption levels. However, no more than two changes to your APP account will be made during the Plan year.

What could cause my APP amount to change?

An increase or decrease in your payment amount is a reflection of changes in your usage, which could be due to:

- weather changes
- change in living habits
- new appliances
- number of occupants

Your monthly payment amount is based on your own use of electricity. If your usage changes, your monthly payment amount will change also.

A change in supplier may impact your APP amount.