

Pepco Golf Event Helps Local Families Pay Energy Bills

Many deserving families struggling with high energy bills got help this winter from a new source. Proceeds from Pepco's 2006 Golf Classic were distributed to needy families through three local charities. The money was used to help keep the heat on and the lights burning.

As government resources become stretched, those less fortunate are turning to charities for help coping with higher energy prices.

"The grant has allowed us to provide emergency financial assistance to help persons across the city pay their utility bills," said Maudine R. Cooper, president and CEO, Greater Washington Urban League. "We applaud Pepco for making this grant that allows us to help people before their service is disconnected."

The other charities benefiting from the tournament were the Community Ministry of Montgomery County and United Communities Against Poverty, Prince George's County.

Pepco is building on the success of the first golf outing, which netted more than \$140,000. Plans are under way to hold the second annual event on September 17 at The Country Club at Woodmore in Mitchellville. This year's event also will feature a tennis tournament for added excitement.

The utility currently is soliciting for corporate sponsorship opportunities, hoping to make this year's tournament even more successful than the first.



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PEPCO NEWS FOR THE DISTRICT OF COLUMBIA

Community *focus*

A Letter from Vincent B. Orange, Sr.

Greetings, I'm Vincent B. Orange Sr., the new Pepco Region Vice President-District of Columbia. I'm extremely delighted about joining the Pepco team, and the unique opportunity it presents to continue serving the citizens of the District of Columbia.

Many of you know that I served on the Council of the District of Columbia representing Ward 5 from 1999 to 2007. During those years on the DC Council we thrived on the economic resurgence of the nation's capital. We trust that this economic resurgence will lead to improved education, employment and economic development.

Energy will be a key component in the economic resurgence of the Pepco region. Electricity plays a large role in all our lives and I look forward to addressing the many energy-related issues as they relate to the District of Columbia. It is my goal to continue building strong relationships with community, government and business leaders to ensure that Pepco is "connected to you by more than power lines."

On a personal note, I'm an attorney and certified public accountant with degrees in business and communications from the University of the Pacific; a law degree from Howard University; and a master of laws in taxation from Georgetown University. The District has been my home for the past 27 years. I'm married and have three children.

This is my first edition of *Community Focus*. It's my desire to feature articles that are timely and informative. Unfortunately, this issue announces a moderate rate increase that takes effect June 1. No one likes higher rates. However, I invite you to turn to page 2 for an article that helps put the increase into perspective.

This issue also features information on District students learning about the utility business and the availability of income tax credits for working families.

Once again, it is a joy to be on board with Pepco! Join me in keeping Pepco accessible and charitable to the communities we serve. Please feel free to call me at 202-872-2547. My e-mail address is vborange@pepco.com.



Sincerely,

Vincent B. Orange, Sr.

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District Students Learn About the Utility Business

Ten students from District of Columbia high schools are learning about the utility world through Pepco's Guiding Light Leadership Program.

The effort is designed to provide students with basic knowledge about utility careers and business in general.

Students include Kristel Taylor and Danielle Ali from Benjamin Banneker; Tricia Tarrance, Rachael Stevens, Lonnisha Butler and Kellee Herbert of McKinley Technology High School; Jemina Lyle of Hyde Leadership Charter School; LaChance Ngonzo-Biyo and Cinthya Quispe of Bell Multicultural and Anthony Bryant of H.D. Woodson Senior High School.



To participate, students had to meet rigorous selection criteria and have an overall grade point average of at least 3.0.

The program started with a get-acquainted meeting in early February at Edison Place, headquarters of Pepco Holdings, Inc., Pepco's parent company. Pepco Region President Tom Graham was the host for the session.

The kickoff meeting included an introduction to the business world and how Pepco keeps the lights on. Several Pepco executives covered topics that ranged from how electricity is generated and delivered to understanding the importance of having good communications skills.

Each student was assigned a Pepco mentor who will teach specific business areas.

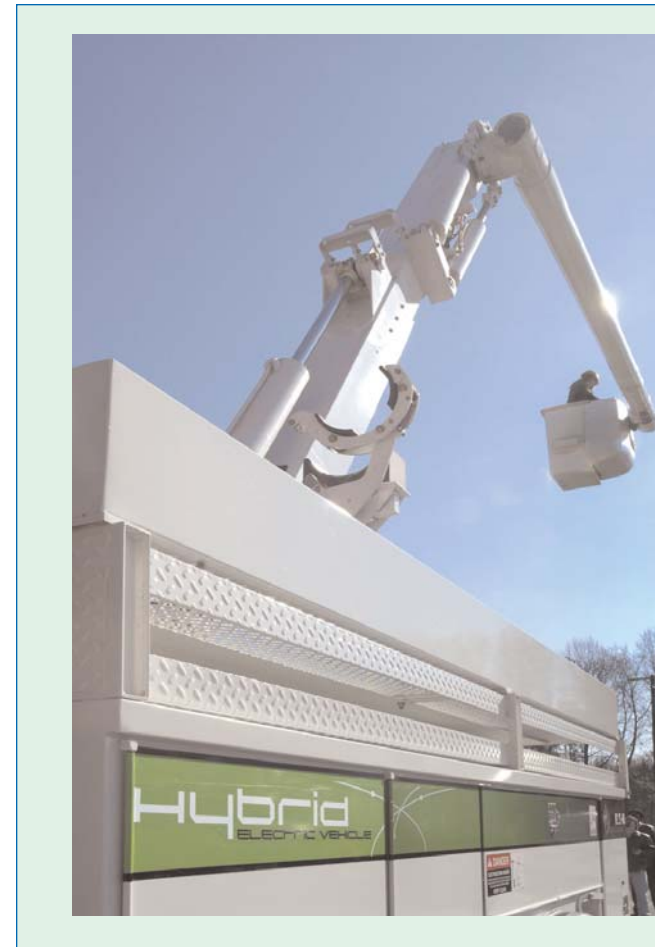


Linda Jo Smith, Pepco Public Affairs Representative, with awards.

District Police Department Honors Pepco Employee

Congratulations to Linda Jo Smith, Pepco Public Affairs Representative, who was recently awarded the District of Columbia Metropolitan Police Department's "Chief of Police Special Award" for her work in the community.

Linda Jo serves as chairman of the Police Citizens Advisory for the 6th District. During her eight years on the board she developed the Safe Street Program for children in that police district. The program provides safety support for Halloween, movie outings and lessons on dealing with bullies.



Maintaining the Environment while Maintaining Power Lines

As part of its environmental management program, Pepco has added a hybrid bucket truck to its overhead maintenance fleet in Rockville. Pepco and manufacturer Easton Industries will evaluate its performance over the next 12 months as part of a pilot program.

Pepco is one of just 14 utilities across the country that currently has this type of hybrid vehicle. If the testing proves successful, Pepco will consider adding more hybrids to its fleet.

The 42-foot truck will produce significantly less emissions. The utility bucket can be operated in an electric-only mode with the engine off. This feature not only reduces emissions, but it eliminates engine noise while workers maintain utility equipment.

Electricity Rates for SOS Customers Will Change in June

New electricity supply rates for Standard Offer Service (SOS) customers in the District will go into effect June 1, 2007, based on results from a recent bidding process.

The new rates will raise monthly residential electric bills by an average of about 12 percent to an average of \$87.16. This is up \$9.25 from the current monthly average of \$77.90.

Customers who have not chosen an alternate supplier are on SOS and Pepco buys electricity for them through a competitive bidding process held each year. The process is conducted under Public Service Commission rules.

"Our goal in the procurement process is to secure the lowest prices we can for our customers," says Thomas H. Graham, President of Pepco Region. "The prices that were bid to supply our residential customers for the 2007-2008 rate year reflect earlier price increases in the mix of fuels that go into generating electricity."

"As a result, even though market prices are not escalating like they were the last few years, prices for procurement that replace expiring contracts purchased at a time of lower energy prices will still reflect a 'catch-up' to bring them in line with current prices on the wholesale electricity market."

Between 1999 and 2005, natural gas prices rose a total of 400 percent; fuel oil prices rose 300 percent; and coal prices rose 150 percent. In 2005, the price of fuel oil rose 76 percent and natural gas was up 67 percent.

Graham recommends that customers take advantage of Pepco programs that help with bill paying and using energy wisely to reduce costs. These programs include:

- Budget Billing, where customers can spread their bills evenly over the year, avoiding the surges that come with the higher usage in summer and winter.
- Energy Know How Solutions, an online tool which conducts a personal energy audit and analyzes a customer's individual electric bill to offer ways to save energy and money.
- 85 Ways to Save Money and Energy, a helpful guide available from www.pepco.com, which has additional information as well as links to helpful Web sites.

