



A PHI Company

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Kirk J. Emge  
General Counsel

June 15, 2007

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O. Ray Bourland, Esquire  
Executive Secretary  
Public Service Commission of Maryland  
William Donald Schaefer Tower  
6 St. Paul Street, 19<sup>th</sup> Floor  
Baltimore, Maryland 21202

**Re: Case No. 9092**

Dear Mr. Bourland;

This is in response to the Commission's request communicated on June 14, 2007 by the Commission's Executive Director that Potomac Electric Power Company (Pepeco) not place the rates proposed in its November 17, 2006 Application for distribution rate increases into effect, subject to refund, beginning June 16, 2007, which is the date permitted under Section 4-204(b)(3) of the Public Utilities Companies Article. Pepeco hereby advises the Commission that the Company will not put the proposed rates into effect between June 16, 2007 and June 25, 2007. In accordance with applicable law, the Company proposes that any rate changes approved by the Commission in its decision on this matter will take effect for service rendered on or after June 16, 2007. This is, in practical effect, consistent with prior Commission practice which authorized rate increases for bills rendered on or after a decision date.<sup>1</sup> Using *service rendered* in lieu of *bills rendered* ensures that no customer will be charged the new rate for usage prior to June 16, 2007.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Kirk J. Emge', written over a horizontal line.

Kirk J. Emge

KJE/arb

cc: Service List Case No. 9092

<sup>1</sup> For example, in 1998, the Commission ordered a \$19 million rate increase by Order No. 8791 dated November 28, 1998 to be effective no sooner than with bills rendered on or after December 1, 1998. See, *Re Potomac Electric Power Company*, 89 MD PSC 250 (1998). Bills that would be issued on December 1 would include usage for at least several weeks prior to November 28. Therefore, as noted above, issuing an order in this proceeding for service rendered on or after June 16, 2007 benefits customers.