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June 25, 2007

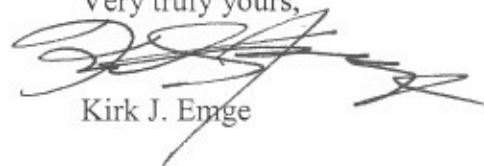
O. Ray Bourland, Esquire
Executive Secretary
Public Service Commission of Maryland
William Donald Schaefer Tower
6 St. Paul Street, 19th Floor
Baltimore, Maryland 21202

Re: Case No. 9092

Dear Mr. Bourland:

Pursuant to the Commission's request, on June 15, 2007, Potomac Electric Power Company (Pepco), agreed 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 was the date Pepco could have put rates into effect as permitted under Section 4-204(b)(3) of the Public Utilities Companies Article. In that June 15, 2007 letter, Pepco agreed to waive its authority to put the proposed rates into effect, subject to refund, until June 25, 2007. This letter is in response to the Commission's additional request, communicated on June 22, 2007 by the Commission's Executive Director, that Pepco agree to further suspend its authority to put the filed rates into effect, subject to refund, until July 3, 2007. Pepco hereby advises the Commission that the Company will not put the proposed rates into effect between June 16, 2007 and July 2, 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.¹ 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,



Kirk J. Emge

KJE/arb
cc: Service List Case No. 9092

¹ 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.