

Council Agenda Report

Date: October 24, 2016

Prepared by: Ginger Heatwole, Finance Director *geh*

Submitted by: Sandra Tripp-Jones, City Manager

SUBJECT: Opposition to proposed Delmarva Power and Light Company Rate Increase

Recommendation: That Council send a letter to the Maryland Public Service Commission in opposition to the proposed rate increase.

Discussion: Delmarva Power and Light Company (DPL) is proposing significant rate increases to the Eastern Shore of Maryland and Delaware. These rates average around 40-50% per household or \$21 a month per residential home with 1000kwh of energy consumption.

The rate increase effects residents, businesses, and governments. The short-term direct effect to the City is minimal in terms of increase in our bill as the City has a contract with Washington Gas locking in our distribution rate through 2018 and MUC has a contract with Constellation Energy though 2020. The increase to the City and MUC is projected to be less than \$2,500 total a year.

However, because of the impact of Delmarva Power's proposal, estimated \$252 a household a year, we are recommending that Council file a letter in opposition to the rate increase with the Maryland Public Service Commission who approves this increase.

Fiscal Impact: Less than \$2500/year if rate increase is approved as requested by DPL

Approved by:



Victoria Jackson-Stanley
Mayor

City of Cambridge

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October 25, 2016

David J Collins, Executive Secretary
Maryland Public Service Commission
William Donald Schaefer Tower
6 St. Paul Street
Baltimore, MD 21202

RE: Delmarva Power proposed rate increase (Case number 9424)

Dear Commission:

We are writing to express our opposition to the above referenced rate increase by Delmarva Power. As you know this rate increase effects all residents, businesses and consumers. No information has been provided to the City of the community as to what new benefits would be derived from the increased rates. The rate increase for residents is somewhere in the range of 40-50% or on average \$21 a month per residential home with 1000kwh of energy consumption. In addition, it increases the city's electric bill which is passed on to residents.

The City of Cambridge, Maryland is still recovering from the downturn in the economy. The median income in Cambridge is \$32,341 below the State average. The 6,212 households in Cambridge are struggling to pay their bills as it is. An additional increase of \$252 a year in utilities will make it difficult for many of our residents to cover the cost of living expenses.

We urge you to oppose this rate increase.

Thank you for your attention and consideration.

Very truly yours,

Victoria Jackson-Stanley
Mayor

cc: Dorchester County Council
Dorchester County Chamber of Commerce