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**PUBLIC SERVICE COMMISSION**

FOR IMMEDIATE RELEASE  
March 15, 2005

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**MARYLAND PUBLIC SERVICE COMMISSION ANNOUNCES COMPLETION  
OF BIDDING FOR ELECTRIC STANDARD OFFER SERVICE**

Baltimore, MD - Today the Public Service Commission of Maryland announced the results of the second year of the bidding process for the market priced electric Standard Offer Service ("SOS"). All SOS prices resulting from this year's procurement process will go into effect on June 1, 2005. Through a competitive bidding process electric suppliers compete to provide market priced electric SOS for Maryland customers of investor owned electric companies whose rate caps have expired. This year 20 wholesale electric suppliers offered electric supply 8 times in excess of the load solicited.

Electric customers who do not choose a competitive electric supplier will receive SOS for their electric supply needs. This is the second year of market priced SOS for Maryland residential customers of Pepco and Conectiv Power Delivery. For Pepco residential customers, an average bill on an annual basis will increase by approximately 4.5 percent. For residential customers of Conectiv Power Delivery, an average electric bill on an annual basis will increase approximately 5.8 percent.

The Commission Staff report on the SOS process noted that the total cost of residential service for Pepco and Conectiv since January 2000 (prior to the restructuring rate freezes) has increased less than the consumer price index ("CPI") for electricity in the Southeastern United States Region, which includes Maryland. Electric supply prices for residential customers of Baltimore Gas and Electric Company ("BGE") continue to be frozen until July 2006. Maryland residential customers of the Potomac Edison Company d/b/a Allegheny Power ("AP") will continue to have frozen electric supply prices until 2008.

For commercial and industrial customers of investor owned utilities, frozen generation rates have ended at various times during the last two years. Small commercial customers (called "Type 1" SOS) who do not buy their generation from a retail supplier will see the following average annual bill increases: 4% for AP, 4.1% for BGE, 5.6 % for Conectiv and 4.5% for Pepco. Mid-sized commercial and industrial customers (called "Type 2" SOS) who do not buy their generation from a retail supplier will see the following average annual bill increases: 10.3% for AP, 9% for BGE, 6.7% for Conectiv and 10.3% for Pepco.

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Chairman Kenneth D. Schisler stated, “The SOS prices announced today reflect a moderate increase for both residential and business customers. In light of continued increases in fuel prices used to generate electricity these results are in line with what we expected. The SOS procurement was very competitive and highly successful. The result is a reasonably priced service fully reflective of current market conditions.”

All investor owned utilities will post their full Standard Offer Service retail prices on March 15, 2005. The percentage increases presented above are averages for all customers of the indicated customer type. Because individual customer usage characteristics can differ from the average (in particular for commercial and industrial customers), customers are advised to use the actual SOS prices posted by the utilities to compare to offers from licensed retail electric suppliers.

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