

GOVERNMENT OF THE DISTRICT OF COLUMBIA

Executive Office of the Mayor

Office of Communications



PRESS RELEASE

FOR IMMEDIATE RELEASE: Monday, March 3, 2014

CONTACT: Doxie McCoy (EOM) 202.727.9691; doxie.mccoy@dc.gov
Tony Robinson (OCA) 202.724.5541; Tony.Robinson1@dc.gov
Myra Oppel (PEPCO) 202.872.2657; myra.oppel@pepcoholdings.com

Mayor Gray Signs Historic Power Line Undergrounding Law

Innovative Plan, Historic Financing Expected to Boost Electric Feeder Reliability by 95 Percent

(WASHINGTON, D.C.) – Today, Mayor Vincent C. Gray signed landmark infrastructure legislation into law creating a unique public-private partnership to bury overhead primary power lines to dramatically improve electric service reliability. The new law is the culmination of the work of the Mayor’s Power Line Undergrounding Task Force, established after a series of severe weather events in 2012 caused widespread outages and left extensive wind damage across the region. The D.C. City unanimously passed the legislation last month.

“After the 2012 storms, I promised a game-changer – and today we deliver,” said Mayor Gray. ***“The new law codifies the recommendations of my Task Force, spells out how this \$1 billion infrastructure effort will be financed, and will lead to the improved electric-grid reliability we need. I thank the Council for their quick consideration and vote. I especially want to thank the citizen members of the task force, who made clear that we must act as expeditiously as possible. I’m proud to say that the message was heard loud and clear, and we responded.”***

The law authorizes the issuance of revenue bonds for the first phase of the 7-to-10-year project, which focuses on the 60 most vulnerable overhead distribution lines. The law authorizes the District Department of Transportation (DDOT) to construct the necessary underground facilities to be used by Pepco, a subsidiary of Pepco Holdings Inc. (PHI), for the improvements. Through this innovative public-private partnership, every effort will be made to hire District residents and use local businesses.

The Task Force pooled the collective resources available in the District to produce an analysis of the technical feasibility, infrastructure options and reliability implications of undergrounding overhead distribution facilities. The 18-member task force — co-chaired by City Administrator Allen Y. Lew and PHI Chairman, President and Chief Executive Officer Joseph M. Rigby — included representatives from the D.C. Council, the Public Service Commission (PSC), the Office of the People’s Counsel, utilities, community representatives, experts and other stakeholders.

“We are meeting and even exceeding service reliability standards in the District. But this is a critical step beyond that to meet our customers’ expectations for reliable service with severe weather as the new normal,” said PHI’s Rigby. “Everyone in the District will benefit from these system improvements because it will mean better reliability overall.”

In its role on the task force, Pepco prepared a comprehensive evaluation of costs and benefits from undergrounding each overhead line in the District. That information will guide undergrounding priorities. Pepco and DDOT will develop a project plan and submit it to the PSC for review and approval. No work will be performed until the PSC has the opportunity to review the selection criteria and receive public comments on the plan.

For residential customers, the rate impact will start at about \$1.50 per month and will increase to a maximum of \$3.25 after seven years, or about a 3.23 percent increase in rates. Low-income customers will be exempt from the rate impact. For commercial customers, the rate impact will vary by the class of service and will generally average between 5 and 9.25 percent.

“This historic law is another important commitment by Mayor Gray to improve the District’s infrastructure,” said City Administrator Lew. “From improving the electric grid across the District, to resolving flooding issues in Mid-City neighborhoods, this Mayor has committed billions to improve long-standing infrastructure problems. I look forward to working closely with Pepco and DDOT to get the undergrounding project started as quickly as possible.”

The areas identified will include the high-voltage feeders most affected by overhead-related outages in Wards 3, 4, 5, 7 and 8. About half of the District is already served by underground lines. Secondary and service lines will still run overhead on the existing poles. Typically, these lines are a small factor in outage events. Historically, outages on these circuits are not prolonged. Restoration time for these low-voltage lines normally is much shorter than restoring the high-voltage primary lines, which can require several hours for repair.

To see the full recommendations of the Power Line Undergrounding Task Force and to track future developments for the program, go to the [Office of the City Administrator website](#).

###

Follow Mayor Gray on Facebook and Twitter!

Follow Mayor Gray on Twitter at <http://www.twitter.com/MayorVinceGray> and on Facebook at <http://www.facebook.com/MayorGray>