

NOTICE OF COMMUNITY HEARINGS

**PUBLIC INPUT SOUGHT ON TRIENNIAL UNDERGROUND
INFRASTRUCTURE IMPROVEMENT PROJECTS PLAN (THE “TRIENNIAL
PLAN”)**

**FORMAL CASE NO. 1116, IN THE MATTER OF THE APPLICATIONS FOR
APPROVAL OF TRIENNIAL UNDERGROUND INFRASTRUCTURE
IMPROVEMENT PROJECTS PLAN**

This Notice informs the public that the Public Service Commission of the District of Columbia (“Commission”) seeks input on the Potomac Electric Power Company (“Pepco”) and the District of Columbia Department of Transportation (“DDOT”) joint Application requesting (a) authority to implement a project to underground certain electric distribution feeders in the District of Columbia, to commence with the first three years of the undergrounding project (2015-2017), and (b) approval of the Underground Project Charge to be assessed by Pepco with respect to the costs it incurs for the underground project. The entire undergrounding project is expected to extend for a period of 7-10 years at a total cost of approximately \$1 billion.

- Pursuant to the Electric Company Infrastructure Improvement Financing Act of 2013 (“Act”), the Underground Project Charge is a non-by-passable distribution surcharge to be collected by Pepco from all customers, except low income customers served under Pepco’s Residential Aid Discount Rider, at Pepco’s authorized rate of return, for costs associated with the undergrounding project. Pepco has requested that the Underground Project Charge be permitted to become effective January 1, 2015, or on a later date as may be directed by the Commission in accordance with the Act.
- The Underground Project Charge represents a total increase of approximately 0.6 cents per day in the first year, 1.6 cents per day in the second year, and 2.8 cents per day in the third year for a typical residential customer who uses 695 kWh per month. Over the three year period, the requested rates are designed to collect \$43.5 million in total revenues. This charge represents the revenue requirement for construction and relocation costs including total plant closings and operation and maintenance costs for the initial three years of approximately \$223.2 million.
- The Application includes the triennial Underground Infrastructure Improvement Projects Plan (the “Triennial Plan”). The Triennial Plan identifies 21 electric distribution feeders that Pepco and DDOT propose to underground in the first three years of the project (2015-2017). Included as part of this work are an additional 8 feeders whose services will be transferred to one of the 21 feeders being undergrounded, and 16 feeders which currently share some overhead facilities with feeders that will be undergrounded, and which will be undergrounded along some portion of the shared length at the same time. In total,

all or parts of 45 feeders will be undergrounded in the first three years. The feeders proposed for undergrounding are located in Wards 3, 4, 5, 7, and 8. Pepco will underground the mainline and primary lateral portions of the feeders, and will not underground the secondary portion of the feeders.

- As part of the process to determine which feeders to underground, Pepco ranked every overhead feeder in the District of Columbia on a number of criteria, including the number and duration of outages and customer minutes of interruption on each feeder for the years 2010-2012 (including storm outage data). Based on this historical feeder performance data, as well as other reliability enhancement work and safety, value of service and community impact, Pepco selected the feeders identified for undergrounding in the Triennial Plan.
- As further described in the Triennial Plan, DDOT will undertake the construction and other civil work necessary to place conduit underground. Pepco will install the circuits and other electric distribution system improvements needed to underground the feeders. The Triennial Plan describes the location of the feeders, the civil and electrical improvements to be made to the feeders, and the itemized feeder cost estimates.
- The costs proposed to be recovered by Pepco through the Underground Project Charge are only those costs to be incurred by Pepco. The Act requires an additional application to be made for approval of a financing plan pursuant to which the District of Columbia will issue bonds to fund the cost of the work to be performed by DDOT and related costs. Those bonds will be secured by a separate surcharge to be imposed on customer electric bills. The Commission will issue a public notice following its receipt of the financing application, currently expected on or about August 1, 2014.

The Commission published a Public Notice on June 27, 2014, regarding this application in the *D.C. Register* to allow interested persons to intervene in Formal Case No. 1116, the formal case established to adjudicate Pepco and DDOT's application. The Public Notice can be accessed online at www.dcpsc.org or viewed at the public libraries listed in the notice. A hard copy of the Public Notice can be obtained by calling (202) 626-5150.

The Commission will convene seven (7) community hearings at the following locations on the specified dates to receive comments from residents in the affected communities:

July 21, 2014 - 10:00 a.m.

D.C. Public Service Commission
Hearing Room
1333 H Street, NW, 7th Floor East Tower
Washington, DC 20005

July 22, 2014 - 10:00 a.m.

St. Columba Church
4201 Albemarle Street, NW
Washington, DC 20016

July 23, 2014 - 6:30 p.m.

Kingsbury School (Great Room)
5000 14 St., NW
Washington, DC 20011

July 24, 2014 - 6:00 p.m.

UDC/Bertie Backus School
5171 South Dakota Avenue, NE
Washington, DC 20017

July 28, 2014 – 2:00 p.m.

Our Lady of Perpetual Help (Panorama Room)
1600 Morris Road, SE
Washington, DC 20020

July 29, 2014 - 2:00 p.m.

Francis Gregory Library
3660 Alabama Avenue, SE
Washington, DC 20020

July 29, 2014 - 6:00 p.m.

DC Public Service Commission
Hearing Room
1333 H Street, NW, 7th Floor East Tower
Washington, DC 20005

Those who wish to testify at the community hearings should contact the Commission Secretary by the close of business three (3) business days prior to the date of the hearing by calling (202) 626-5150. Representatives of organizations shall be permitted a maximum of five (5) minutes for oral presentations. Individuals shall be permitted a maximum of three (3) minutes for oral presentations. If an organization or an individual is unable to offer comments at the community hearings, written statements may be submitted to the Public Service Commission of the District of Columbia, 1333 H Street, NW, Suite 200, West Tower, Washington D.C. 20005.

Any person who is deaf or hearing-impaired, and cannot readily understand or communicate in spoken English, and persons with disabilities who need special accommodations in order to participate in the hearing, must contact the Commission Secretary by close of seven (7) business days prior to the date of the hearing. Persons who wish to testify in Spanish, Chinese, Amharic, or Korean must also contact the Commission Secretary by close of business three (3) business days before the day of the hearing. **The number to call to request special accommodations and interpretation services is (202) 626-5150.**