

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1325 G STREET N.W., SUITE 800
WASHINGTON, D.C. 20005**

PUBLIC NOTICE

**FORMAL CASE NO. 1159, IN THE MATTER OF THE APPLICATIONS FOR
APPROVAL OF BIENNIAL UNDERGROUND INFRASTRUCTURE IMPROVEMENT
PROJECTS PLANS AND FINANCING ORDERS,**

**NOTE THAT ALL DATES IN THIS NOTICE ARE BASED ON THE DATE THIS
NOTICE IS PUBLISHED IN THE *DC REGISTER* (OCTOBER 11, 2019).**

On May 17, 2017, the Electric Company Infrastructure Improvement Financing Emergency Amendment Act of 2017 (D.C. Law 22-067), amending the Electric Company Infrastructure Improvement Financing Act of 2014 (as amended, the “Undergrounding Act”) became effective. This amendment authorizes the collection and use by the District of Columbia and the Potomac Electric Power Company (“Pepco”) of certain charges to finance the undergrounding of certain electric power lines and ancillary facilities. This amendment governs Pepco’s and the District Department of Transportation’s (“DDOT”) public-private partnership to bury overhead primary power lines to improve electric service reliability and reduce the impact of storm-related outages in the District of Columbia. Commonly referred to as the District of Columbia Power Line Undergrounding (“DC PLUG”) project, the amended legislation sets out a pay-as-you-go structure with the cost of the project imposed on Pepco and recovered by Pepco through a tariff rider authorized under the new amended Act.

The Public Service Commission of the District of Columbia (“Commission”) hereby gives notice that, on September 30, 2019, DDOT and Pepco filed a Joint Application for Approval of the Second Biennial Underground Infrastructure Improvement Projects Plan and Financing Order Application (“Joint Application”) in compliance with the Undergrounding Act. This Notice describes the filing and sets deadlines, pursuant to that Act, for the filing of comments and petitions to intervene.

Second Biennial Underground Infrastructure Improvement Projects Plan

Pursuant to the Undergrounding Act, D.C. Code § 34-1313.07(a), DDOT and Pepco filed the Joint Application seeking approval of the second biennial Underground Infrastructure Improvement Projects Plan (“Second Biennial Plan”). The Second Biennial Plan identifies 10 electric distribution feeders that are currently overhead, all or parts of which DDOT and Pepco propose to place underground. As part of the feeder-selection process, Pepco ranked every overhead and combined overhead/underground feeder in the District of Columbia based on a number of criteria, including the number and duration of outages and customer minutes of interruption on each feeder for the years 2010-2018 (including storm outage data). DDOT and Pepco selected the feeders that will be placed underground as part of the Second Biennial Plan based on this historical feeder performance data, as well as other secondary criteria.

The Joint Application also requests approval of a change in the “Underground Project Charge” (“UPC”) to recover costs incurred by Pepco to underground the selected feeders and

other authorized costs and charges. Pursuant to the Undergrounding Act, the UPC is applicable to Pepco’s District of Columbia customers who purchase electric distribution service, except for low-income customers served under Pepco’s Residential Aid Discount (“RAD”) Rider. Pepco may file with the Commission an application to adjust the UPC no later than April 1 of each year to update forecasted expenditures for the calendar year in which the update is filed and to true-up costs and collections for the prior calendar year.

The proposed UPC for 2020 represents a total increase of approximately two (2) cents per month for a typical residential customer on Standard Offer Service (“SOS”) who uses 648 kWh per month. Over the two-year period in which these charges will be in effect, the UPCs are designed to collect \$3,167,258 in total revenues. In 2020 and 2021, Pepco expects to add approximately \$6.9 million in electric plant in service.

The initial UPC for the first year for each Rate Schedule is as follows:

<u>Rate Schedule</u>	<u>Underground Project Charge (per kilowatt-hour)</u>
R	\$0.00005
MMA	\$0.00004
GS ND	\$0.00013
T	\$0.00013
GS LV	\$0.00022
GS 3A	\$0.00019
MGT LV	\$0.00014
GT LV	\$0.00014
GT 3A	\$0.00009
GT 3B	\$0.00001
RT	\$0.00008
SL/TS/OL LED	\$0.00006
TN	\$0.00003

If granted in full, the average monthly effects of the proposed rates in the first year will be:

Underground Project Charge

<u>Rate Schedule**</u>	<u>Average Monthly Usage</u>	<u>Monthly Bill Change (Distribution Only)*</u>		<u>Monthly Increase for Standard Offer Service Customers (Total Bill)*</u>	
		<u>Percent Change</u>	<u>Dollar Amount</u>	<u>Percent Change</u>	<u>Dollar Amount</u>
Residential Service	648	0.06%	\$ 0.02	0.03%	\$ 0.02
Master Metered Apartment Service	460	0.06%	\$ 0.01	0.02%	\$ 0.01
General Service – Non-Demand	1,145	0.08%	\$ 0.07	0.04%	\$ 0.07
Temporary Service	6,744	0.08%	\$ 0.40	0.04%	\$ 0.40
General Service – Low Voltage	10,427	0.24%	\$ 1.67	0.11%	\$ 1.67
General Service - Primary Service	19,803	0.18%	\$ 2.18	0.07%	\$ 2.18
Time Metered Medium General Service – Low Voltage / Time					
Metered General Service – Low Voltage	111,526	0.14%	\$ 8.92	0.06%	\$ 8.92
Time Metered General Service – Primary Service	1,283,856	0.17%	\$ 77.03	0.06%	\$ 77.03
Time Metered General Service – High Voltage	14,891,308	0.07%	\$ 148.91	0.01%	\$ 148.91
Rapid Transit Service	286,356	0.14%	\$ 14.32	0.04%	\$ 14.32
Street Lighting Service	237,477	0.15%	\$ 7.12	0.04%	\$ 7.12
Traffic Signal Service	291,526	0.09%	\$ 8.75	0.03%	\$ 8.75
Telecommunications Network Service	421	0.07%	\$ 0.01	0.03%	\$ 0.01

* The effect of the proposed rates on any particular customer is dependent upon the actual usage of the customer.

Changes shown are for customers with average monthly usage per Formal Case 1150.

** OL LED is not modeled separately as average usage per Formal Case 1150 is not available. Further, GT-LV and MGT-LV are modeled together as separate data per Formal Case 1150 is not available.

Second Financing Order Application

In the Joint Application, pursuant to the Undergrounding Act, D.C. Code § 34-1313.02(a), Pepco included an application requesting that the Commission issue a financing order authorizing Pepco to assess a charge called the “Underground Rider” to recover charges imposed on Pepco by the District of Columbia. The charge imposed on Pepco by the District of Columbia is called the DDOT Underground Electric Company Infrastructure Improvement Charge or “DDOT Charge.”

Pursuant to the Undergrounding Act, DDOT will use amounts paid by Pepco in respect of the DDOT Charge to fund costs associated with work performed by DDOT to underground the distribution feeders included in the Second Biennial Plan and to be used by Pepco to provide electric distribution service in the District of Columbia. The work to be performed by DDOT includes civil engineering for, and the construction and installation of certain underground conduits, duct banks, electric vaults, manholes and similar facilities, and repaving and other road work.

The Underground Rider is applicable to all customers who take electric distribution service, except low-income customers served under Pepco’s RAD Rider. The proposed Underground Rider for 2020 represents a total decrease of approximately six (6) cents per month for a typical residential SOS customer who uses 648 kWh per month. Over the two-year period in which these charges will be in effect, the Underground Rider is designed to collect \$60 million, or \$30 million per year. Pepco may file to adjust the Underground Rider not more frequently than twice per year to true-up the difference between the DDOT Charge imposed on

Pepco for the period for which the adjustment is filed and actual amounts collected by Pepco through the Underground Rider for the corresponding period. The recovery for under-collection or over-collection shall be allocated to each customer class in the proportion to which the customer class contributed to the under-collection or over-collection.

The charges for the Underground Rider for the first year, for each Rate Schedule, are as follows:

Rate Schedule	Underground Rider (per kilowatt-hour)
R	\$0.00129
MMA	\$0.00100
GS ND	\$0.00340
T	\$0.00340
GS LV	\$0.00567
GS 3A	\$0.00498
MGT LV	\$0.00368
GT LV	\$0.00368
GT 3A	\$0.00221
GT 3B	\$0.00020
RT	\$0.00196
SL/TS/OL LED	\$0.00155
TN	\$0.00066

If granted in full, the average monthly effects of the proposed Underground Rider, in the first year, will be:

Underground Rider

<u>Rate Schedule**</u>	<u>Average Monthly Usage</u>	<u>Monthly Bill Change (Distribution Only)*</u>		<u>Monthly Increase for Standard Offer Service Customers (Total Bill)*</u>	
		<u>Percent Change</u>	<u>Dollar Amount</u>	<u>Percent Change</u>	<u>Dollar Amount</u>
Residential Service	648	-0.19%	\$ (0.06)	-0.08%	\$ (0.06)
Master Metered Apartment Service	460	-0.32%	\$ (0.07)	-0.12%	\$ (0.07)
General Service – Non-Demand	1,145	-1.51%	\$ (1.27)	-0.78%	\$ (1.27)
Temporary Service	6,744	-1.55%	\$ (7.49)	-0.80%	\$ (7.49)
General Service – Low Voltage***	10,427	1.18%	\$ 8.24	0.56%	\$ 8.24
General Service - Primary Service	19,803	-1.69%	\$ (20.60)	-0.68%	\$ (20.60)
Time Metered Medium General Service – Low Voltage / Time					
Metered General Service – Low Voltage	111,526	-0.39%	\$ (24.54)	-0.17%	\$ (24.54)
Time Metered General Service – Primary Service	1,283,856	-0.22%	\$ (102.71)	-0.07%	\$ (102.71)
Time Metered General Service – High Voltage	14,891,308	-0.79%	\$ (1,786.96)	-0.11%	\$ (1,786.96)
Rapid Transit Service	286,356	-0.60%	\$ (60.13)	-0.17%	\$ (60.13)
Street Lighting Service	237,477	-1.04%	\$ (49.87)	-0.25%	\$ (49.87)
Traffic Signal Service	291,526	-0.63%	\$ (61.22)	-0.21%	\$ (61.22)
Telecommunications Network Service	421	-0.32%	\$ (0.05)	-0.12%	\$ (0.05)

* The effect of the proposed rates on any particular customer is dependent upon the actual usage of the customer.

Changes shown are for customers with average monthly usage per Formal Case 1150.

** OL LED is not modeled separately as average usage per Formal Case 1150 is not available. Further, GT-LV and MGT-LV are modeled together as separate data per Formal Case 1150 is not available.

***Rate reflects a class revenue requirement decrease offset by relatively lower forecasted billing determinants for the applicable rate period.

Pepco has requested that the UPC and the Underground Rider become effective within 90 days of the Commission's issuance of an order in *Formal Case No. 1159* approving these charges.

NOTE THAT ALL THE TIMELINES SET FORTH BELOW ARE BASED ON THE DATE THIS NOTICE IS PUBLISHED IN THE *DC REGISTER* (OCTOBER 11, 2019).

Community Hearings, Intervention, and Comments

The Commission will hold a series of community hearings on the Joint Application to receive comments from residents and businesses in the affected communities. The dates, times, and locations of the community hearings will be posted on the Commission's website.

Any person desiring to intervene in this proceeding may file a petition to intervene with the Commission within 14 days from the date this Notice is published in the *D.C. Register*. The Joint Applicants and any party to the proceeding may file an answer or oppose the granting of a petition to intervene within 24 days from the date this Notice is published in the *D.C. Register*. All petitions to intervene and answers thereto shall conform to the requirements of the Commission's Rules of Practice and Procedure as set forth in Chapter 106 of Title 15 of the District of Columbia Municipal Regulations (15 DCMR Section 106).

Any person desiring to comment on the Joint Application may file written comments with the Commission within 60 days from the date this Notice is published in the *D.C. Register*.

All petitions for intervention and written comments should be sent to Ms. Brinda Westbrook-Sedgwick, Commission Secretary, Public Service Commission of the District of Columbia, 1325 G Street, NW, Suite 800, Washington, DC 20005.

Discovery and Evidentiary Hearings

Pursuant to the Undergrounding Act, D.C. Code §§ 34-1313.03(d) and 34-1313.16, the Commission's review of the Joint Application is required to be expedited. The issues to be considered by the Commission in reviewing the Joint Application are identified in D.C. Code §§ 34-1313.02, 34-1313.08, and 34-1313.10.

In accordance with D.C. Code § 34-1313.09(b)(1), "the period for discovery shall commence on the date the application is filed with the Commission [September 30, 2019] and shall continue for 60 days." The following discovery schedule is to be adhered to in this proceeding to comply with the statutory 60-day discovery period:

1. 60-Day Discovery Period Begins September 30, 2019;
2. Period for Filing First Round of Data Requests - Currently – October 18, 2019;
3. Period for Filing First Round of Data Responses - October 18, 2019 - October 30, 2019;
4. Period for Filing Second Round of Data Requests – October 30, 2019 - November 8, 2019;
5. Period for Filing Second Round of Data Responses - November 8, 2019 - November 29, 2019;

6. 60-Day Discovery Period Ends November 29, 2019. In the event the Commission is closed on Friday, November 29, 2019, due to the Thanksgiving holiday, the 60-Day Discovery Period will end on Monday, December 2, 2019.

Pursuant to D.C. Code §§ 34-1313.03(b)(2) and 34-1313.09(c)(2), an evidentiary hearing shall be required only if contested issues of material fact are present and those issues cannot be resolved by the Commission based on the pleadings and discovery responses filed, if any. The final day to request a hearing based on a contested material issue of fact is December 2, 2019.

The Joint Application is available for viewing on the Commission's website (www.dcpssc.org) and inspection in the Public Service Commission's Office of the Commission Secretary, 1325 G Street, Suite 800, between the hours of 9:00 am and 5:30 pm, Monday through Friday. Copies of the Joint Application can be purchased at the Commission at the actual reproduction cost. The Joint Application may also be inspected at the following public libraries:

District of Columbia Public Ward Libraries

Mount Pleasant Library
3160 16th St. NW
Washington, D.C. 20010
mtpleasantlibrary@dc.gov
202-671-3121

Southeast Library
900 Wesley Place SW
Washington, D.C. 20024
southwestlibrary@dc.gov
202-724-4752

Southwest Library
900 Wesley Place SW
Washington, D.C. 20024
southwestlibrary@dc.gov
202-724-4752

Petworth Library
4200 Kansas Ave. NW
Washington, D.C. 20011
petworthlibrary@dc.gov
202-243-1188

Cleveland Park Library
4340 Connecticut Ave NW
Washington, D.C. 20008
clevelandparklibrary@dc.gov
202-282-3080

Woodridge Library
1801 Hamlin Street NE
Washington, D.C. 20018
woodridgelibrary@dc.gov
202-541-6226

Bellevue Library. William O.
Lockridge
115 Atlantic St. SW
Washington, D.C. 20032
bellevuelibrary@dc.gov
202-243-1185

Capitol View Library
5001 Central Ave. SE
Washington, D.C. 20019
capitolviewlibrary@dc.gov
202-645-0755