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PRESS RELEASE

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OPC Calls DC Appeals Court Rejection of Challenge to DC PLUG Surcharges Good for Consumers

People's Counsel Sandra Mattavous-Frye today applauded the DC Court of Appeals (Court of Appeals) January 14, 2016 decision rejecting a challenge by the Apartment and Office Building Association of Metropolitan Washington (AOBA) to the DC Public Service Commission's (Commission or PSC) Orders approving the two surcharges that will fund construction for the DC Power Line Undergrounding (DC PLUG) initiative, which would place additional Pepco power lines underground to reduce weather-related outages. "Reliability improvements are critically important to the District, however, the changes proposed by AOBA would have been unjust and unduly costly for residential consumers. This is a major win for consumers because the decision removes a major roadblock to DC PLUG," stated the People's Counsel.

The Commission issued two separate Orders (one in Formal Case No. 1116 and the other in Formal Case No. 1121) in November 2014, approving the two surcharges that will be used to fund construction for DC PLUG. OPC fully supported the PSC's decisions, both during the Commission investigations regarding this matter as well as before the Court of Appeals.

Construction was initially scheduled to begin last summer. However, AOBA challenged the surcharges approved in the Commission's 2014 Orders, arguing that the PSC failed to allocate certain costs to residential ratepayers. The Court of Appeals disagreed, finding that the surcharges and underlying cost-sharing method ordered by the Commission fully complied with the statute authorizing DC PLUG. Had AOBA prevailed, monthly bills for residential ratepayers would have been significantly higher than those approved by the Commission.

Barring any further appeals in this matter, Pepco and the District Department of Transportation are expected to move forward with plans to arrange financing and resolve other issues that have delayed the start of construction on the multi-year reliability project.

“This decision represents a tremendous victory for consumers and brings them one step closer to receiving more reliable and affordable electric service they both demand and deserve,” said People’s Counsel Mattavous-Frye.