

Office of the People's Counsel

DC Power Line Undergrounding-DC PLUG Fact Sheet

Q: What is DC PLUG?

A: The District of Columbia Power Line Undergrounding Initiative is a historic public-private partnership between the District and Pepco intended to improve the District's electric system resiliency and reliability to stand up to severe weather events and avert power outages.

Under the \$500 million DC PLUG project, Pepco and the District Department of Transportation (DDOT) will underground approximately 30 of Pepco's poorest performing primary and lateral overhead power lines in Wards 3, 4, 5, 7, and 8 over the next 6 years (with the possibility of an extension).

Q: What's New with DC PLUG?

A: On September 30, 2019, Pepco and DDOT filed for Public Service Commission approval of their Second Biennial Underground Infrastructure Improvement Projects Plan and Financing Order Application. The Second Biennial Plan sets forth (for the two-year period in question) the construction projects, the related costs, and the surcharge Pepco will assess customers to recover its costs.

The Financing Application sets forth DDOT's construction costs and the rate rider Pepco will charge customers during the effective period of the Second Biennial Plan to recover charges imposed upon the electric company by the District of Columbia to fund costs associated with DDOT's construction. By law, Residential Aid Discount (RAD) customers will not be assessed the surcharge nor the rider.

Q: Which Feeders Are Pepco/DDOT Proposing to Underground in Their Second Biennial Plan?

A: During the period of the Second Biennial Plan, Pepco/DDOT propose to underground all or parts of 10 poor-performing feeders in Wards 3, 4, 5, 7, and 8. If approved, two overhead power lines would be placed underground in each of these Wards.

Pepco/DDOT propose to underground feeders serving Chevy Chase, Kent, Palisades, Fort Drive, Foxhall, Crescents, Berkley, and Wesley Heights in **Ward 3**; feeders serving 16th Street Heights, Crestwood, Rock Creek Park, Brightwood, Petworth, and Chillum in **Ward 4**; feeders serving Woodridge, Brentwood, Brookland, Brentwood, Woodridge, National Arboretum, and Gateway in **Ward 5**; feeders serving Twining, Hillcrest, Randle Highlands, Penn Branch, Fort Davis, Fairlawn, Randle Heights, Randle Highlands, Twining, Good Hope, and Skyland in **Ward 7**; and feeders serving Congress Heights, Congress Park, Randall Heights, Douglass Dwellings, Shipley, and Congress Heights in **Ward 8**. Pepco/DDOT selected these feeders by ranking every overhead and combined overhead/underground power line in the District using a number of criteria, including the number and duration of outages on each feeder for the years 2010-2018.

At this time, there are no estimated construction start and end dates. However, by law, Pepco/DDOT must file that information with the Commission within 90 days of the PSC's final decision on the Second Biennial Plan.

Q: How Much Will This Cost and Who Will Pay?

A: With the exception of RAD customers, if Pepco/DDOT's filing is approved without modification, ratepayers will pay an estimated monthly-bill increase of 90¢ for average electricity usage during the first year of the Second Biennial Plan.

Q: What's Next?

A: OPC carefully reviewed the Second Biennial Plan and Financing Application and submitted comments with the Commission on December 10, 2019. The Office does not object to the proposal as aligned with the DC PLUG authorizing statute. However, OPC took issue with three aspects of the plan:

- Pepco's practice of delaying undergrounding some feeders could result in ratepayers paying twice.
- The Company should be required to annually file geographic representations of reliability data to permit the Commission, and the parties to track the effectiveness of Pepco's area reliability plans and to identify neighborhoods in need of reliability and resiliency improvements.
- The Commission should deny Pepco's request to include in rate base \$213,000 for costs associated with conduits and manholes that Pepco/DDOT selected but never placed underground. The decision to not use these conduits is a decision made solely by Pepco. It is OPC's opinion that the Commission should deny Pepco's request to include in rate base these conduits and manholes that are not used or useful.

The Commission is currently reviewing Pepco/DDOT's submissions and the responding comments and will issue a decision within the next few weeks.

Q: Is the PSC Going to Hold Any Community Hearings on the Second Biennial Plan and Financing Application?

A: The PSC has scheduled one hearing on January 8, 2020, 6:30 pm, at the Commission offices, located at 1325 G Street NW.

Q: Can You Give Me Some General Background Information on DC PLUG?

A: Former Mayor Vincent C. Gray launched the undergrounding initiative back in 2012 by assembling a task force, which included OPC, to explore ways to avert power outages during storms. That task force ultimately recommended undergrounding as a solution, which led to the enactment of the law authorizing DC PLUG in 2014. The PSC approved Pepco/DDOT's First Biennial Plan on November 9, 2017.

After legal and other challenges, Mayor Muriel Bowser hosted the groundbreaking for the \$500 million project on June 14, 2019 in Ward 3.

On behalf of Pepco ratepayers, OPC has monitored and weighed-in on DC PLUG from the beginning.