



Public Service Commission of the District of Columbia
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Press Release

Public Service Commission Approves First Three Years of Power Line Undergrounding Plan

(Washington, D.C.) The Public Service Commission of the District of Columbia issued [Order No. 17697](#) approving the Joint Application of the Potomac Electric Power Company (Pepco) and the District Department of Transportation (DDOT) to undertake the first three years of a plan to significantly improve electric reliability in the District by placing selected electric distribution feeder lines underground. The Order also authorizes an Underground Project Charge (UPC) to recover Pepco's costs for the project and capping the total amount at \$42.472 million for the initial Triennial Underground Infrastructure Improvement Projects Plan. The Order approved 21 projects in Wards 3, 4, 5, 7 and 8. The full undergrounding project is expected to extend for a period of 7-10 years at a total cost of approximately \$1 billion. Work is expected to begin in the second quarter of 2015.

The undergrounding project is being carried out through a unique public-private partnership between the regulated investor owned utility and DDOT that was authorized by the "Electric Company Infrastructure Improvement Financing Act of 2014." The Act, which was unanimously approved by the D.C. Council in February 2014, implements the recommendations of the Power Line Undergrounding Task Force that was established by Mayor Vincent Gray in 2012 to provide recommendations on how to address a long standing concern about storm-related power outages. The 18 member Task Force included government officials, regulators, local utility industry executives, and neighborhood residents. Pursuant to the Act, DDOT will

undertake the construction of the underground conduits and associated roadwork and Pepco will undertake the work of removing overhead lines and transformers and placing them underground. Pepco's costs will be financed by the UPC approved in today's Order. The Act provides that DDOT's costs will be financed by up to \$375 million in bonds issued by the District and secured by a second charge on customer's bills. The application for the Financing Order authorizing the issuance of those bonds is pending before the Commission and is scheduled for consideration at the Commission's November 21st open meeting.

The plan that is the subject of today's Order was jointly filed by Pepco and DDOT on June 17, 2014. The Commission held six community hearings and a formal evidentiary hearing as part of a thorough review of the plan. The Order:

1. Approves and authorizes Pepco and DDOT to implement the first three years of the undergrounding project (2015-2017);
2. Approves and authorizes imposition, charging, and collection of the volumetric UPC for all customers except those participating in the assistance program for low income customers, January 1, 2015. For the typical residential customer using an average of 750 kWhs per month, the charge in 2015 is estimated to be 17 cents a month. \$0.17. Small commercial customers who use an average of 1,236 kWh per month, will pay an estimated 72 cents a month;
3. Approves and authorizes an annual true-up mechanism for the adjustment of the UPC, to assure that the amount collected matches actual costs incurred by Pepco in undertaking the undergrounding work;
4. Directs the Joint Applicants to create the UPC Education Task Force further implement the DC PLUG Education Plan and details additional requirements to keep District residents and businesses informed about the timing and other details of underground construction plans in their neighborhoods; and
5. Provides for ongoing submission and review of detailed plans for each feeder by the Commission and parties as construction proceeds.

The Commission expects that the undergrounding project will greatly enhance the reliability and resilience of the electric distribution system as well as minimize the impact of more frequent severe weather events on electric distribution customers in the District.

A copy of the Order and additional information about the [Application of the Triennial Underground Infrastructure Improvement Projects Plan](#) is available on the Commission's website at www.dcpsc.org/.

The Public Service Commission of the District of Columbia is an independent agency established by Congress in 1913 to regulate electric, natural gas, and telecommunications companies in the District of Columbia.