



**Office of the People's Counsel  
District of Columbia**

1133 15th Street, NW • Suite 500 • Washington, DC 20005-2710  
202.727.3071 • FAX 202.727.1014 • TTY/TDD 202.727.2876



**Brenda K. Pennington**  
Interim People's Counsel

April 26, 2010

**VIA ELECTRONIC FILING**

Ms. Dorothy Wideman  
Commission Secretary  
Public Service Commission of the  
District of Columbia  
1333 H Street, N.W., 7<sup>th</sup> Floor East  
Washington, D.C. 20005

**Re: Formal Case Nos. 766 & 991, Pepco's 2010 Consolidated Report**

Dear Ms. Wideman:

Enclosed for filing are an original and three (3) copies of "Office of the People's Counsel's Comments Addressing Pepco's 2010 Consolidated Report (Public)" in the above referenced proceedings.

If there are any questions regarding this matter, please contact me at (202) 727-3071.

Sincerely,

  
Maggie Sallah  
Assistant People's Counsel

Enclosure  
cc: Parties of Record

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF  
THE DISTRICT OF COLUMBIA**

**In the Matter of the** )  
**Fuel Adjustment Clause Audit and** ) **Formal Case No. 766**  
**Review Program** )

**and**

**In the Matter of the** )  
**Investigation into PEPCO's** ) **Formal Case No. 991**  
**Underground Distribution System** )

**OFFICE OF THE PEOPLES COUNSEL'S COMMENTS  
ADDRESSING PEPCOS 2010 CONSOLIDATED REPORT**

Pursuant to Section 513.8 the District of Columbia Public Service Commission's ("PSC" or "Commission") Fuel Adjustment Clause Audit and Review Program<sup>1</sup>, the Office of the People's Counsel ("OPC" or "Office"), the statutory representative of District of Columbia ratepayers in utility proceedings,<sup>2</sup> respectfully files these comments and recommendations addressing the Potomac Electric Power Company's ("PEPCO" or the "Company") 2010 Consolidated Report ("2010 Report").<sup>3</sup>

OPC has reviewed the 2010 Report and, as discussed below, concludes while the Company has made some progress, further effort by the Company is still necessary to ensure PEPCO's consolidated reports are "viable tools" that will facilitate the Commission's (and OPC's) ability to ensure the Company fulfills its statutory mandate to

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<sup>1</sup> 15 D.C.M.R. §513.8 (2004).

<sup>2</sup> D.C. Code § 34-804 (2009).

<sup>3</sup> Formal Case No. 766, *In the Matter of the Commission's Fuel Adjustment Clause Audit and Review Program*, PEPCO's 2010 Consolidated Report (Feb. 25, 2010); Formal Case No. 991, *In the Matter of the Investigation into Explosions Occurring in or Around the Underground Distribution Systems of the Potomac Electric Power Company*, PEPCO's 2010 Consolidated Report (Feb. 25, 2009) ("2010 Report").

provide safe and reliable service. Accordingly, OPC believes the Commission should withhold approval and direct PEPCO to reissue the 2010 Report addressing OPC's concerns and recommendations, as set forth below.

## **I. INTRODUCTION**

The electric industry is at a transformational stage. Advanced technology, innovation and dynamic market forces are changing the way consumers will receive and use electricity. Despite these changes, the fundamental precept of utility regulation remains unchanged; PEPCO is statutorily obligated to provide "safe and reliable" electric service to D.C. consumers.<sup>4</sup> PEPCO's annual consolidated report filing, the 2010 Report, is one of the primary tools available to the Commission and OPC to use in order to gauge PEPCO's performance, to learn what PEPCO has done, and to learn what PEPCO is planning to do in order to fulfill its statutory obligation to provide safe and reliable electric service.

The Commission in its Order approving PEPCO's 2009 Consolidated Report ("2009 Report") was unequivocal in its commitment to adhere to its mandate. It stated PEPCO had not adequately complied with its Order approving the 2008 Consolidated Report<sup>5</sup> and PEPCO ranked below the median in many industry benchmarks.<sup>6</sup> The Commission went on to point out PEPCO's consultant's report "confirms that PEPCO is "underperforming."<sup>7</sup> The Commission in its decision concurred with many of the

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<sup>4</sup> D.C. Code §34-1101 (2009).

<sup>5</sup> F.C. 766 & 991, Commission Order No. 15568, ¶ 1.

<sup>6</sup> *Id.* at ¶ 49.

<sup>7</sup> *Id.* at ¶ 24.

recommendations proffered by OPC and the Commission Staff and issued specific directives to PEPCO.

OPC has not shifted its focus in this proceeding, which remains singular: system reliability is the cornerstone of PEPCO's statutory obligation. Accordingly, OPC's Comments address six key areas: (1) PEPCO's Compliance with Commission's Directives; (2) Structural Organization and Format; (3) Introduction (4) the Productivity Improvement Plan ("PIP"); (5) the Comprehensive Plan for the Planning, Design and Operation of the District Distribution System ("Comprehensive Plan") and (6) the Manhole Event Report.

Overall, PEPCO shows a continuing pattern of uneven performance. In the 2008 industry comparisons, PEPCO continued to perform at the worst end of the scale against its peers for reliability indices - system average interruption duration index ("SAIDI"), customer average interruption duration index ("CAIDI") and system average interruption frequency index ("SAIFI"). While two out of three of PEPCO's reliability indices improved in 2009, PEPCO does not explain its failure to address the actual number of electric service interruptions (SAIFI). Moreover, despite the PSC's urging the Company to do so, the 2010 Report fails to provide any evidence of PEPCO's dedication to improving its performance. Indeed, in much the same fashion as the Company did in its 2009 Report, PEPCO states goals without providing definitive plan(s), omits important information, and fails to provide helpful explanation for its actions.

OPC appreciates PEPCO's effort to re-organize its annual filing. However, OPC believes further streamlining of the Consolidated Report is necessary, as discussed below.

## II. SUMMARY OF OPC'S COMMENTS

As more fully discussed below, OPC has the following observations, concerns and recommendations:

- OPC recommends several improvements in the organizational structure and format of the annual filing including editing and consistency, the inclusion of necessary materials in the annual filing and the inclusion of jurisdictional data.
- OPC recommends the Failure Analysis Report be presented to the Productivity Improvement Working Group ("PIWG") well in advance of filing the consolidated report.
- OPC discusses PEPCO's PIP and its lack of compliance with Commission Order No. 15568.<sup>8</sup>
- PEPCO's 2009 Comprehensive is discussed at length. OPC makes various recommendations including the re-issuance of problematic materials and proposes that PEPCO's actual performance experience and industry peer comparisons reflect the same reporting year.
- OPC also makes observations and comments in regard to PEPCO's Manhole Event Report, particularly in light of the fact that PEPCO's manhole events have increased by 19%.

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<sup>8</sup> F.C. 766 & 991, Commission Order No. 15568.

### **III. PROCEDURAL BACKGROUND**

On November 1, 1982, the Commission adopted final rules in Formal Case No. 766, regarding its “Fuel Adjustment Clause Audit and Review Program.” Pursuant to the Commission’s rules, PEPCO is required to file daily and monthly reports on its fuel procurement activities. Under the District of Columbia Municipal Regulations (“D.C.M.R.”), “Fuel Adjustment Audit and Review Programs,” PEPCO is required to file an annual PIP and a separate twelve-month progress report on both the Forecast and the PIP for the preceding year on February 15th of each year.<sup>9</sup>

Since February 2002, PEPCO has been filing a Comprehensive Plan. On May 16, 2003, the Commission issued Order No. 12735 directing PEPCO to file an updated Comprehensive Plan annually together with the PIP in a consolidated report. The Comprehensive Plan was supplemented with additional information on August 18, 2003, and filed along with the 2004 PIP as the “2004 Consolidated Report” in February 2004. On November 9, 2005, the Commission issued Order No. 13812 directing PEPCO to include an annual Manhole Event Report with the consolidated report. Thus, the annual consolidated report now consists of the PIP, Comprehensive Plan and Annual Manhole Event Report.

Pursuant to 15 D.C. M. R. § 513.8 (2006), the Office has filed annual comments on the PIP (now known as the Consolidated Report). OPC filed comments on the 2009 Consolidated Report (“2009 Comments”) on April 15, 2009. On February 25, 2010, PEPCO filed its 2010 Consolidated Report. OPC’s Comments on the 2010 Consolidated Report follow.

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<sup>9</sup> 15 D.C.M.R. § 511 (2006).

#### **IV. DISCUSSION AND RECOMMENDATIONS**

OPC's comments and recommendations are organized as follows: Section I discusses PEPCO's Compliance with Commission Order No. 15568; Section II cites recurring flaws reflected throughout the 2010 Report; Section III comments on PEPCO's Introduction; Section IV discusses the PIP; Section V comments on the Comprehensive Plan; and Section VI comments on the Manhole Event Report.

**A. SECTION I: PEPCO IS NOT IN COMPLIANCE WITH PARAGRAPH 57 OF COMMISSION ORDER NO. 15568**

Paragraph 57 of Order No. 15568 directed PEPCO to include in the 2010 Report a Best Practices Report consistent with paragraph 50 of the referenced Order.<sup>10</sup> The Best Practices Report was to include the reliability and outage restoration best practices of the best quartile performing utilities **in the benchmarking studies of** which PEPCO participates.<sup>11</sup> (Emphasis added). PEPCO failed to submit the required study and, instead, used a PA Consulting survey entitled “2009 Polaris Transmission and Distribution Benchmarking Program.”<sup>12</sup> What PEPCO has included in the 2010 Report is nothing more than a survey of sixteen utilities, which are not named, except for PEPCO, **rating themselves** on best practices.<sup>13</sup> As the Commission discussed in its Order, “PEPCO ranks below the median in many industry benchmarks...”<sup>14</sup> As this is the case, it follows to reason that PEPCO is not one of the best quartile performing utilities in the benchmarking studies. Therefore, PEPCO rating itself on best practices makes little sense.<sup>15</sup> The purpose of the required Best Practices Report was to educate PEPCO, the Commission and interested parties as to how and why utilities in these benchmarking studies achieve performance in the best quartile and to encourage PEPCO to consider the adoption of such practices, not for PEPCO to tell the Commission how it feels it ranks.

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<sup>10</sup> *Id.* at ¶ 57. OPC believes the Commission meant to reference ¶ 49 not ¶ 50.

<sup>11</sup> *Id.*

<sup>12</sup> F.C. 766 & 991, PEPCO’s 2010 Consolidated Report, pages 94-96.

<sup>13</sup> *Id.* at 95.

<sup>14</sup> F.C. 766 & 991, Commission Order No. 15568, ¶ 49.

<sup>15</sup> F.C. 766 & 991, PEPCO’s 2010 Consolidated Report, Appendix 2D.

In addition, the Best Practices Report was to include an actual description of these best practices.<sup>16</sup> The “2009 Polaris Transmission and Distribution Benchmarking Program”, included in Appendix 2D, does not include an actual description as required.<sup>17</sup>

The Commission further directed PEPCO in ¶ 57 to submit a continuous improvement plan, including resourcing, specific performance targets, and milestone dates to achieve the reliability and outage restoration performance of the best quartile performing comparable utilities in the Benchmarking Studies.<sup>18</sup> PEPCO failed to create and include the implementation plan with the 2010 Report, but states the Company should have a plan by June 2010.<sup>19</sup> OPC submits the “2009 Polaris Transmission and Distribution Benchmarking Program” does not comply with the Commission’s Order; therefore, spending additional resources on a non-compliant implementation plan is not a prudent course of action. Rather, OPC recommends the Commission find PEPCO not in compliance with ¶ 57 of Order No. 15568 and direct PEPCO to create a Best Practices Report in accordance with the specifics of ¶¶ 49 and 57.

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<sup>16</sup> F.C. 766 & 991, Commission Order No. 15568, ¶ 49.

<sup>17</sup> F.C. 766 & 991, PEPCO’s 2010 Consolidated Report, Appendix 2D.

<sup>18</sup> F.C. 766 & 991, Commission Order No. 15568, ¶ 57.

<sup>19</sup> F.C. 766 & 991, PEPCO’s 2010 Consolidated Report, page 96.

## **B. SECTION II: RECURRING FLAWS ARE REFLECTED THROUGHOUT THE 2010 REPORT**

### *1. PEPCO Must Further Reorganize and Edit the Consolidated Report.*

In Order No. 15568, the Commission supported the comments of OPC and Staff regarding the format of the Company's 2009 Report, particularly with respect to apparent redundancies and inaccuracies. It stated "over the years it has become an unwieldy instrument" and urged PEPCO to take corrective action to edit the Report more carefully.<sup>20</sup> OPC recognizes and acknowledges PEPCO's effort to better organize its 2010 Report. PEPCO moved some of the verbiage from the main report to the appendices and restructured some information to flow more logically. However, it seems prudent that the re-organization would have been accompanied by some explanation as to how PEPCO transitioned to this new format; for example, a before and after index table listing the specific contents of each section so the reader would know where the information is now located instead of having to search through a 200+ page document.<sup>21</sup> As presented, the 2010 Report remains, in essence, three separate reports rather than a single "consolidated" report. The size of PEPCO's filing has been reduced from 283 to 242 pages. This is a good first step; however, there remains much room for improvement regarding reorganization and editing. While not exhaustive, OPC submits the following as examples and proposes appropriate revisions:

- Previously, the PIP contained six sections, one of which was, "Section 5: Reliability Standards & Electric Quality of Service Standards - Order

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<sup>20</sup> F.C. 766 & 991, Commission Order No. 15568, ¶ 48.

<sup>21</sup> For example, a portion of Part 1, Section 5 was moved to Part 4, Section 4 beginning on page 229 and another portion was relocated to Part 2, Section 3.4 beginning on page 121.

12395 and Notice of Final Rulemaking Case Nos. 1002 and 982.”<sup>22</sup> When PEPCO moved some of the reliability information in Section 5 to an appendix, it relocated important information. In the 2010 Report, the 2009 SAIDI, SAIFI and CAIDI benchmarks and the goals for 2010 appear in the table of the Electric Quality of Service Standards (“EQSS”) Results on page 121.<sup>23</sup> This is approximately 60 pages after the discussion on Targeted Reliability Indices on pages 63 and 64.<sup>24</sup> The reliability indices information is crucial to the understanding of reliability performance and the information should be contained together. OPC recommends the Commission require PEPCO to reissue the Targeted Reliability Indices portion of the 2010 Report to include 2009 reliability results and 2010 goals (benchmarks), along with some meaningful discussion of PEPCO’s results.

- PEPCO’s Service Reliability Indices discussion appears on pages 61 through 64 of the 2010 Report.<sup>25</sup> Table 2.3-F and Figure 2.3-C contain the actual 2009 reliability indices for PEPCO system-wide and D.C. specific.<sup>26</sup> This information, which should also include the 2009 and 2010 benchmarks, should be relocated to just before Part 2, Section 3.3 Industry

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<sup>22</sup> See, PEPCO’s 2009 Consolidated Report, Table of Contents and PEPCO’s 2008 Consolidated Report, Table of Contents.

<sup>23</sup> F.C. 766 & 991, PEPCO’s 2010 Consolidated Report, page 121.

<sup>24</sup> *Id.* at 63-64.

<sup>25</sup> *Id.* at 61-64.

<sup>26</sup> *Id.* at 62 & 64.

Comparisons and Best Practices, which begins on page 92.<sup>27</sup> Rearranging this information would allow the reader to see how PEPCO actually performed for the year, followed by how it fared against its peers using the same reliability indices. Although, the industry comparisons lag by one year; i.e., the 2010 Report contains industry comparisons from 2008.

- Part 2 of PEPCO's 2010 Report is its Comprehensive Plan. The title page still reflects the year "2009."<sup>28</sup> The footer in Part 3 of the 2010 Report reflects "2009 Manhole Event Report" and the header in Part 4 of the 2010 Report reflects "2009 Consolidated Report" and "February 2009."<sup>29</sup>
- In the Industry Comparisons and Best Practices Section, PEPCO lists the industry comparisons in which it has participated and the entities that conducted them.<sup>30</sup> One of the comparisons is performed by Public Service Enterprise Group ("PSEG").<sup>31</sup> While PSEG is the holding company of PSE&G ("Public Service Electric and Gas Company"), the accompanying charts (and past consolidated reports) state the source as PSE&G. PEPCO also states it has included, among other things, results for "Vegetation Management Cycle Time" and "Cable Failures per Conductor Mile."<sup>32</sup> While PEPCO did include results for both in its 2009 Report, they were

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<sup>27</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 92.

<sup>28</sup> *Id.* at 23.

<sup>29</sup> *Id.* at 169-242.

<sup>30</sup> *Id.* at 92.

<sup>31</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 92.

<sup>32</sup> *Id.*

not included in the 2010 Report.<sup>33</sup> Each of the errors above, by itself, is small, but the cumulative effect is troubling. OPC strongly encourages greater oversight and editing of consolidated reports in the future.

In addition to the specific examples cited above, OPC's 2009 Comments recommended the Company use change bars along one border or colored text to indicate changes to the materials.<sup>34</sup> Similarly, Commission Order No. 15568 stated, "if sections of the 2010 Report are taken almost verbatim from the 2009 Report, we ask that these be identified as well."<sup>35</sup> OPC notes that PEPCO did neither and renews its recommendation. This would clearly demonstrate to the Commission (as well as other outside interested parties) how much of the annual filing actually changes each year.

## *2. PEPCO Removed Important Information from the 2010 Report.*

Many of the items identified by OPC last year in its 2009 Comments or Analysis Report<sup>36</sup> as being inaccurate or questionable have been simply removed by PEPCO with the Company neither addressing, explaining or correcting the issues nor acknowledging the removals. This also contributes to the size reduction of the 2010 Report. To illustrate the impact of the deletions:

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<sup>33</sup> F.C. 766 & 991, PEPCO's 2009 Consolidated Report, pages 67-68.

<sup>34</sup> F.C. 766 & 991, OPC's Comments Addressing PEPCO's 2009 Consolidated Report, page 5 (April 15, 2009) ("OPC's 2009 Comments").

<sup>35</sup> F.C. 766 & 991, Commission Order No. 15568, ¶ 48.

<sup>36</sup> See, OPC's Analysis of the Potomac Electric Power Company's Distribution System in the District of Columbia filed in Formal Cases 766, 982, 991, 1002, 1026 & 1062 on September 25, 2009 ("Analysis Report").

- OPC's 2009 Comments questioned PEPCO's use of the CPI process for selecting priority feeders at length.<sup>37</sup> Rather than address the CPI process for selection of priority feeders, PEPCO removed the information from the 2010 Report.<sup>38</sup> As a result, OPC and the Commission have no indication as to how PEPCO selected its priority feeders.
- PEPCO's definition of reliability and what it does or does not entail appears to have changed significantly from last year to this year without any explanation provided by PEPCO.<sup>39</sup> OPC questioned PEPCO's definition and discussed power quality and its relation to reliability at length.<sup>40</sup> As both the Commission and the Company are aware, PEPCO is legally obligated to provide reliable service and dedicates a significant portion of its annual consolidated reports to reliability. Therefore, any modification, even simply removing the statement OPC called into question, warrants an explanation by PEPCO.
- The Standards and Equipment, Part 2 - Section 3.3 of the 2009 Report, approximately 11 pages in length, discussed new technology investigations PEPCO preformed.<sup>41</sup> Over five pages of the Section was

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<sup>37</sup> F.C. 766 & 991, OPC's Comments Addressing PEPCO's 2009 Consolidated Report, pages 41-42.

<sup>38</sup> See, page 158 of PEPCO's 2009 Consolidated Report.

<sup>39</sup> F.C. 766 & 991, Pepco's 2009 Consolidated Report, page 122; Pepco's 2010 Consolidated Report, page 45.

<sup>40</sup> F.C. 766, 982, 991, 1002, 1026 & 1062, OPC's Analysis Report, pages 10 and 39-41.

<sup>41</sup> F.C. 766 & 991, PEPCO's 2009 Consolidated Report, pages 169-180.

dedicated to the use of limiters on the PEPCO system in the District<sup>42</sup> followed by additional technologies including fault locating equipment and PEPCO's Very Low Frequency Testing ("VLF") test program. This Section of the 2010 Report has been reduced to three paragraphs of generalities.<sup>43</sup> Other than mentioning a "Standards Group," there is no indication as to what new technologies PEPCO is investigating or considering investigating.<sup>44</sup> Keeping the Commission and interested parties apprised of this subject matter is extremely important for a variety of reasons; such as, PEPCO requesting recovery of these pilot programs through rates, how these new technologies will improve the efficiency and management of the system especially if they will be implemented throughout the system.

While PEPCO may not want to address all of the questions and inquiries posed by the PSC and OPC, it is obligated to provide safe, adequate and reliable service in the District. The Company should not simply remove information it does not want to clarify or explain. It should respond to its reliability concerns regarding the system in a straightforward manner.

### *3. PEPCO Must Present Jurisdictional Data Consistently.*

It is PEPCO's responsibility to ensure the jurisdictional data it presents in the 2010 Report is consistent. D.C. specific data and analysis is a necessity. This allows the Commission and interested parties to make valid comparisons from year to year, with

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<sup>42</sup> *Id.* at 169-171.

<sup>43</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, pages 46-47.

<sup>44</sup> *Id.* at 47.

regard to PEPCO's performance in the District. System-wide data is also important as it allows the Commission to gauge PEPCO's performance system-wide versus performance in the District. OPC recommends that for important information, such as reliability indices, PEPCO should present D.C. specific and system-wide data. Showing both sets of data permits the Commission to be sure the District is receiving even treatment. However, system-wide data, by itself, does little to assist the Commission and OPC in its statutory duties. In addition, not clearly distinguishing between D.C. specific and system-wide data can be confusing and lead to misinterpretation of the data. To help illustrate:

- The number of substations varies in the 2010 Report. On page 25, PEPCO states it has 178 substations system-wide.<sup>45</sup> Table 2.2-E shows that PEPCO has 116 substations<sup>46</sup> (no jurisdiction given) and Table 2.2-B shows that PEPCO has 33 substations in the District.<sup>47</sup>
- Pages 25 through 29 of the 2010 Report provide an overview of PEPCO's planning process to meet load growth.<sup>48</sup> System-wide numbers are mixed with D.C. specific numbers.
- The text from pages 25 until the second to last paragraph on page 28 refers to PEPCO on a system-wide basis and does not provide any planning information specifically for the District. While the planning process to meet load growth may be the same for both Maryland and the District, the

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<sup>45</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 25.

<sup>46</sup> *Id.* at 33.

<sup>47</sup> *Id.* at 30.

<sup>48</sup> *Id.* at 25-29.

information should focus on what occurs in the District.

- The 2010 Report states PEPCO has 769,000 customers covering 640 square miles with more than 23,000 miles of overhead and underground lines and 178 substations at 134 locations.<sup>49</sup> While this information is useful, it should be followed by the breakdown for the District. The number of PEPCO customers in the District does not appear until the chart on page 29.<sup>50</sup> While it is appropriate to list both areas for comparison purposes, PEPCO must make it clear which geographical area they are reporting on at all times and for all comparisons of data.

*4. PEPCO Must Clearly Identify Changes from One Year to the Next.*

Presumably, one of the reasons for the annual filing is not only to see how PEPCO performed the previous year, but to allow the Commission (and interested parties) to compare PEPCO's performance over a period a time. When the information contained in the annual filing changes from year to year, this makes the task difficult, if not impossible. OPC is not suggesting that changes and/or new information to the consolidated report are never warranted. Rather, OPC is simply suggesting if PEPCO decides to report something differently, it not only point out the change, but provide rationale for the change. While not exhaustive, the following are illustrative examples.

- Tables 2.2-B and 2.2-C provide the historical and future forecasted substation loading.<sup>51</sup> Each table represents a six year period; the historical

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<sup>49</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 25.

<sup>50</sup> *Id.* at 29.

<sup>51</sup> *Id.* at 30-31.

from 2004 to 2009 and the forecasted from 2010 to 2015. Previous consolidated reports contained eight years of historical and ten years of future forecasted substation loading.<sup>52</sup> PEPCO fails to provide an explanation for the change in years presented.

- PEPCO's consolidated reports also include tables showing the amount of money it has spent on routine and underground distribution projects. The tables show a five year span of historical (e.g. 2005-2009) as well as projected amounts (e.g. 2010-2015). These figures can be found in Tables 2.2-F and 2.2-G of the 2010 Report.<sup>53</sup> 4kV to 13kV conversion projects have been occurring on the distribution system for years and included in the PIP as productivity improvement projects or more recently as reliability projects.<sup>54</sup> The 4kV to 13kV Conversions column is missing from the historical data shown in Table 2.2-F of the 2010 Report. According to the 2009 Report, PEPCO projected spending money in 2009<sup>55</sup> and included four specific 4kV to 13kV conversions.<sup>56</sup> How much money PEPCO spent in 2009 is a mystery and an explanation for the missing Conversions column was not given. If PEPCO spent no money in 2009 on these projects, it should be required to provide an explanation.

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<sup>52</sup> See PEPCO's 2009 Report, pages 91-92; PEPCO's 2008 Consolidated Report, pages 78-79 and PEPCO's 2007 Consolidated Report, part 2, pages 21-22.

<sup>53</sup> F.C. 766 & 991, 2010 Report, page 35.

<sup>54</sup> *Id.* at 80-87.

<sup>55</sup> F.C. 766 & 991, 2009 Report, page 99.

<sup>56</sup> *Id.* at 21-28.

Finally, for the comparative reliability studies, PEPCO substituted an Institute of Electronics and Electrical Engineers (“IEEE”) survey in place of the PA Consulting used in the 2009 Report.<sup>57</sup> PEPCO’s constant changing of studies confuses the issue and eliminates any hope for consistent comparisons.<sup>58</sup> Participating consistently in one study for several years is a good indicator as to whether PEPCO’s performance is improving or worsening as compared to its peers. OPC submits PEPCO must explain why the selected group of industry comparison surveys keeps changing from year to year. In the absence of a compelling explanation, these comparison studies should be the same each year. At the very least, PEPCO should explain to the Commission why the change is necessary and obtain the Commission’s permission for the variations.

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<sup>57</sup> *Id.* at 92.

<sup>58</sup> See, page 18 of OPC’s 2009 Comments for additional explanation.

**C. SECTION III: PEPCO'S "INTRODUCTION" ILLUSTRATES ITS CONTINUING PATTERN OF UNEVEN PERFORMANCE.**

While PEPCO did not include an Executive Summary in the 2010 Report, its Introduction includes a new useful section, entitled "2009 Performance Results."<sup>59</sup>

PEPCO reports:

- The Company met the 2009 benchmark levels for SAIFI, SAIDI and CAIDI.
- SAIDI improved 32% over 2008 and CAIDI improved 33%
- SAIFI increased (got worse) by 1% with relatively flat performance for the past three years following a 39% increase over the four year period 2004 – 2007.
- The Company had 90%+ compliance for 17 of the 21 (81%) EQSS measures.
- Non-major Outages (NMO) increased by 6%.
- Outages longer than 24 hours decreased by 64%.
- Manhole Events were up 19%.
- New service installations completed on time were up from 89% to 91%.

This listing illustrates the continuing pattern of uneven performance by PEPCO. While PEPCO met the 2009 reliability benchmarks, OPC maintains that as established the benchmarks were not even a minimal challenge. SAIDI and CAIDI improved considerably and outages longer than 24 hours decreased. On the other hand, SAIFI remains at the same elevated level with Non-major Outages increasing and Manhole Events increasing by 19%. While highlighting the duration improvements, PEPCO does not explain its failure to address the actual number of interruptions. With regard to the other EQSS measures, PEPCO achieved 90%+ in 17 out of 21 measures. PEPCO fails to mention the other four measures and how it plans on getting to 100% compliance, which should be its goal. PEPCO made only marginal progress on achieving its service installation goal and fails to explain why it has not reached 100% compliance.

The Introduction also explains the annual Failure Analysis Report is scheduled to

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<sup>59</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 6.

be presented to PIWG at the March 2010 meeting.<sup>60</sup> Based on continuing concerns with this portion of the consolidated reports (to be discussed more fully in a subsequent section), OPC recommends in the future the Failure Analysis Report presentation should be made to PIWG well in advance of the filing of the annual consolidated report.<sup>61</sup>

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<sup>60</sup> This meeting was cancelled and rescheduled for April 8, 2010.

<sup>61</sup> See, OPC's discussion of Appendix 2A in the Comprehensive Plan section of these comments.

## **D. SECTION IV: PIP**

### *1. The 2009 Productivity Improvement Projects Status Report Is Deficient and the Project is Significantly Over Budget.*

PEPCO includes one productivity improvement project in the 2010 Report - Automate 4kV Distribution Substations.<sup>62</sup> The discussion regarding the project and the included table, Table 1.3-1, fail to provide essential information and do not constitute a status report.<sup>63</sup> PEPCO provides no details on the status and or progress of the project. Based upon the expenditures, there is no doubt that some sort of work on this project was performed; what that work consisted of is not revealed. PEPCO spent \$180,000 more on the project in 2009 than it had budgeted, yet the Company provides no explanation for the budget overrun.<sup>64</sup> There is no indication if the over expenditure was due to more work being done, an incorrect estimate, or due to delays, as no work was performed on the project in 2008.<sup>65</sup>

The project is stated as being on schedule for completion in June 2012.<sup>66</sup> Without any further explanation PEPCO's schedule "status" is confusing. PEPCO states that Installation is scheduled to be complete in June 2006 but the status states "partial."<sup>67</sup> One is left to wonder whether installation is complete or not. PEPCO goes on to state that the project will be complete in June 2012, but fails to explain what could take 6 years after

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<sup>62</sup> *Id.* at 19-21.

<sup>63</sup> *Id.*

<sup>64</sup> *Id.* at 20-21.

<sup>65</sup> F.C. 766 & 991, 2009 Report, page 17.

<sup>66</sup> F.C. 766 & 991, 2010 Report, page 21.

<sup>67</sup> *Id.*

installation to make the project complete.<sup>68</sup> It is imperative that PEPCO provide project schedules with milestones and projected budgets for all PIP projects, as well as, all reliability projects so progress can be followed.

PEPCO's 2009 Report included only one productivity improvement project – Install Motor Operated Disconnect [“MOD”] Switches on 13kV Overhead Feeders.<sup>69</sup> PEPCO reported that the MOD project would be rolled into “other projects yet to be determined.”<sup>70</sup> This year the MOD project was relegated to a footnote.<sup>71</sup> While activity in the MOD project presumably continued in 2009 (it is unclear if it did), PEPCO failed to include any kind of progress report.<sup>72</sup> Regardless of where PEPCO chooses to list PIP projects, PEPCO should not be relieved of its reporting responsibilities.

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<sup>68</sup> *Id.*

<sup>69</sup> F.C. 766 & 991, Pepco's 2009 Consolidated Report, pages 19-20.

<sup>70</sup> *Id.* at 19.

<sup>71</sup> F.C. 766 & 991, Pepco's 2010 Consolidated, page 19.

<sup>72</sup> *Id.*

## **E. SECTION V: 2009 COMPREHENSIVE PLAN**

### *1. Section 2: Planning Process, Meeting Load Growth*

#### a. PEPCO Must Provide The Appropriate and Accurate Customer Count.

PEPCO provides District customer counts per substation for the previous six years in Table 2.2-A.<sup>73</sup> OPC is unsure if these are the customer counts PEPCO uses to calculate its reliability indices. If these customer counts are not used to calculate the reliability indices, OPC recommends the Commission direct PEPCO to provide and clearly identify the appropriate customer counts.

#### b. PEPCO's Historical and Forecasted Substation Loading Tables Warrant Modification.

Tables 2.2-B and 2.2-C provide the historical and future forecasted substations loading for the District.<sup>74</sup> As previously mentioned in Section II, the 2010 Report only provides six years of load projections, instead of ten years.<sup>75</sup> OPC submits previously provided ten-year load forecasting projections is more appropriate. Since it takes time to plan for and to build new substations, to make additions to existing substations or to provide significant load relief in another manner, a ten-year load forecast is a good indicator with regard to when such large asset investments will be needed and should be utilized by PEPCO.

OPC's 2009 Comments recommended the Commission direct PEPCO to revise its historical load and forecasted load growth projected tables to include a column that

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<sup>73</sup> *Id.* at 28. OPC notes that in previous consolidated reports PEPCO provided seven years of data.

<sup>74</sup> *Id.* at 30-31.

<sup>75</sup> See, PEPCO's 2009 Report, page 92; PEPCO's 2008 Report, page 79 and PEPCO's 2007 Report, part 2, page 22.

indicates the capability of each substation.<sup>76</sup> Accordingly, OPC renews its recommendation. This data is important in order to determine how close to capacity each substation is as well as when overloads will occur in the future load forecast.

c. The Purpose of PEPCO's Control Area and Zonal Loads Remains Unknown.

Page 32 of the 2010 Report contains two tables with system-wide data.<sup>77</sup> The first is PEPCO's control area loads spanning a 10 year period. The second is PEPCO's projected monthly and annual zonal loads for 2010. PEPCO provides no explanation as to the purpose of these figures and why they should be included in the consolidated report for the District.

d. PEPCO Needs to Provide a Detailed Explanation for the New Southwest Substation Delay.

PEPCO anticipates a new substation will be needed to support the waterfront development along M Street SE and Buzzard Point areas.<sup>78</sup> PEPCO has picked a site in Southwest Washington with an estimated in-service date of 2016.<sup>79</sup> This new Southwest substation is also discussed in PEPCO's 2009 Report.<sup>80</sup> However, in the 2009 Report the in-service date is 2014.<sup>81</sup> The 2010 Report contains no explanation as to why the anticipated need for this new substation has been pushed back two years until 2016. OPC recommends the Commission direct PEPCO to provide a detailed explanation as well as

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<sup>76</sup> F.C. 766 & 991, OPC's Comments Addressing PEPCO's 2009 Consolidated Report, pages 7 & 31.

<sup>77</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated, page 32.

<sup>78</sup> *Id.* at 34.

<sup>79</sup> *Id.*

<sup>80</sup> PEPCO's 2009 Consolidated Report, page 96.

<sup>81</sup> *Id.* at 96.

the analysis it used to make the decision.

e. PEPCO's Discussion on its Distribution Projects Must Provide Clear Explanations, Details and be Transparent.

Section 2.3 of the 2010 Report discusses PEPCO's distribution projects for the District.<sup>82</sup> PEPCO includes historical and planned projects in Tables 2.2-F and 2.2-G.<sup>83</sup> It is virtually impossible to follow what PEPCO has done, what it is doing and why its numbers have changed from those in the 2009 Report.<sup>84</sup> In the 2009 Report, PEPCO allotted a little over \$5 million dollars for 4-13kV conversions.<sup>85</sup> It also expended capital on these conversions the previous five years.<sup>86</sup> This line item is missing from Table 2.2-F in the 2010 Report.<sup>87</sup> PEPCO allocated almost \$5 million dollars for the Buzzard Point New LVAC Group and Transfer Load project in the 2009 Report.<sup>88</sup> This project is also missing from Table 2.2-F in the 2010 Report.<sup>89</sup> There is a significant decline in PEPCO's projected spending on Distribution System Changes and System Improvements for the years 2010 and 2011 when comparing the tables from the 2009 and 2010 Reports.<sup>90</sup> This section contains no explanations, details or even acknowledgement by PEPCO. It is vital that the Commission (and interested parties) have a clear

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<sup>82</sup> *Id.* at 34-37.

<sup>83</sup> *Id.* at 35.

<sup>84</sup> F.C. 766 & 991, PEPCO's 2009 Consolidated Report, page 99.

<sup>85</sup> *Id.* at 99.

<sup>86</sup> *Id.*

<sup>87</sup> F.C. 766 & 991, Pepco's 2010 Consolidated Report, page 35.

<sup>88</sup> F.C. 766 & 991, Pepco's 2009 Consolidated Report, page 99.

<sup>89</sup> F.C. 766 & 991, Pepco's 2010 Consolidated Report, page 35.

<sup>90</sup> F.C. 766 & 991, Pepco's 2009 Consolidated Report, page 99; Pepco's 2010 Consolidated Report, page 35.

understanding of PEPCO's past and future projects including the costs.

The Distribution Projects section also includes PEPCO's 4kV to 13kV conversion project.<sup>91</sup> PEPCO lists several substations that are scheduled for conversion.<sup>92</sup> According to the list, Substation 98 was completed in 2009. However, PEPCO shows no expenditures for this project on Table 2.2-F.<sup>93</sup> PEPCO fails to include any schedules, milestones or individual project budgets, which makes monitoring progress on these projects impossible. OPC recommends the Commission direct PEPCO to provide detailed schedules and budgets, measurable milestones and completion dates for these projects. OPC also recommends the Commission direct PEPCO to include detailed schedules and budgets, measurable milestones and completion dates for its distribution projects in future consolidated reports.

## 2. Section 3: Maintaining System Reliability

### • 3.1 SYSTEM MONITORING AND INFORMATION SYSTEMS

#### a. PEPCO Fails to Explain the Delay in Decommissioning Maximo.

Maximo is the existing work management system at Pepco Holdings, Inc. ("PHI").<sup>94</sup> The 2009 Report stated Maximo is being phased out and scheduled for decommissioning at the end of 2009.<sup>95</sup> The 2010 Report states Maximo is now scheduled

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<sup>91</sup> F.C. 766 & 991, Pepco's 2010 Consolidated Report, pages 35-37.

<sup>92</sup> *Id.* at 35.

<sup>93</sup> *Id.* at 35.

<sup>94</sup> F.C. 766 & 991, PEPCO's 2009 Consolidated Report, page 118.

<sup>95</sup> *Id.*

to be decommissioned in March 2010.<sup>96</sup> No explanation is given regarding the cause(s) or reason(s) for the delay. OPC submits PEPCO must fully explain the cause(s) and reason(s) for the delay.

b. PEPCO Must Provide a Full Accounting of Power Delivery Information System Projects.

Table 2.3-A lists PEPCO's power delivery information system projects and the amounts spent from 2000 through 2009.<sup>97</sup> Very little has been spent in recent years on information system projects. Out of 14 projects, only two had expenditures in 2009. Other projects, like Outage Management System and Secondary Network Analysis System, have had no expenditures in over seven years. In order for any utility to compete in the 21st century, it must take full advantage of technology, including information systems technology that enables it to keep costs down. OPC recommends that the Commission direct PEPCO to file a full accounting of projects listed in Table 2.3-A.

• 3.2 RELIABILITY

a. PEPCO Failed to Provide Information on the New Technologies it is Assessing.

As previously mentioned Section II, PEPCO has significantly reduced its subsection on Standards and Equipment. The 2009 Report specifically mentions three technologies, three-phase CLiP fuses, TEC X35 above-the-ground fault locating meter and Very Low Frequency ("VLF"), the Company was testing and evaluating.<sup>98</sup> The 2010 Report mentions none of these technologies nor any new technologies PEPCO is testing

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<sup>96</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 43.

<sup>97</sup> *Id.* at 45.

<sup>98</sup> F.C. 766 & 991, PEPCO's 2009 Consolidated Report, pages 174-178.

subsequent to the filing of the 2009 Report.<sup>99</sup> PEPCO spent ratepayers' funds to evaluate these new technologies. The ratepayers deserve a full accounting of the results of the evaluation and a determination on the use of all new technologies evaluated under the direction of the Commission. OPC recommends that the Commission direct PEPCO to file full and complete final reports or if the evaluation/testing is still underway, interim reports on the CLiP fuses, the above-the-ground fault locating meter and VLF.

OPC submits a proposed addition to this subsection. The PHI Standards Group establishes and maintains material specifications, engineering and construction standards and practices and operating guidelines to ensure the efficient, safe and reliable operation of the distribution system in the District.<sup>100</sup> OPC's Analysis Report discussed at length PEPCO's poor performance with regard to its revisions of standards and specifications.<sup>101</sup> This subsection is the ideal spot for PEPCO to discuss its plans for compliance with its own rules in this area. Instead of taking advantage of this opportunity, PEPCO chooses to be mute. OPC recommends that the Commission direct PEPCO to file a report on its plan including dates to update all current specifications, including engineering and construction standards and practices as well as operating guidelines. The plan should include management controls to ensure that revision/review of these documents do not again fall behind.

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<sup>99</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, pages 46-47.

<sup>100</sup> *Id.* at 45.

<sup>101</sup> F.C. 766, 982, 991, 1002, 1026 & 1062, OPC's Analysis Report, pages 70-73.

b. PEPCO Must Provide Additional Information on its Equipment Inspection and Substation Monitoring.

In the 2009 Report, PEPCO took more than five pages to discuss equipment inspection and substation monitoring.<sup>102</sup> This year the discussion of this topic has been reduced to two paragraphs.<sup>103</sup> No details are given except for the list of inspections and tests PEPCO performs.<sup>104</sup> This section should contain important information detailing the number of inspections of the various types of equipment that were required, the number of inspections were actually performed, the reasons for not completing inspections (if that is the case), what types of problems were found and the corrective actions that were initiated. OPC has previously commented at length regarding PEPCO's failure to establish critical failure and trend analysis capability.<sup>105</sup> This section is the place for this critical discussion. It is absent. OPC recommends the Commission direct PEPCO to provide to PIWG, within six months, the results of its trend analysis for any grouping of failures (i.e. trifurcating joints or PILC cables) that contribute to 10% or more of its total failures. If necessary, the PIWG should request additional information so the members can thoroughly understand PEPCO's analysis. The Commission should also direct PEPCO, with PIWG's approval of the format, to include these results in future consolidated reports.

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<sup>102</sup> F.C. 766 & 991, PEPCO's 2009 Consolidated Report, pages 163-167.

<sup>103</sup> F.C. 766 & 991, Pepco's 2010 Consolidated Report, page 47.

<sup>104</sup> *Id.*

<sup>105</sup> F.C. 766 & 991, OPC's Comments Addressing PEPCO's 2009 Consolidated Report, pages 42-47; F.C. 766, 982, 991, 1002, 1026 & 1062, OPC's Analysis Report, pages 19, 44-45,50,55,80 & 85-89.

c. PEPCO's Vegetation Management Subsection Fails to Contain an Analysis of the Program's Effectiveness.

While the subject-matter of this subsection is not new to the consolidated reports,<sup>106</sup> PEPCO was required by the Commission in Order No. 15621 to include additional data regarding its yearly tree trimming by feeder and by ward as well as the number of tree-related outages in the same areas.<sup>107</sup> OPC is concerned with the statements on pages 48 and 49 that, "During 2009, there were 191 tree-related outages on feeders that were trimmed during the course of 2009. Note several of the feeders that experienced tree-related outages were not trimmed until the latter part of 2009."<sup>108</sup> OPC hopes the Company is not attempting to excuse those failures because of its tree trimming schedule.

The timing with regard to some of PEPCO's tree trimming raises questions. Order No. 15621 was issued on December 14, 2009.<sup>109</sup> Nineteen of the 41 feeders that experienced tree-related outages were trimmed on December 30, 2009.<sup>110</sup> OPC does not possess PEPCO's tree-trimming schedule. However, attempting to trim 19 feeders in one day in the middle of the winter is not indicative of a well-developed tree trimming schedule, which would take tree growing cycles into account based on the types of trees. According to the Arbor Day Foundation tree pruning guide, pruning during dormancy (in the winter) results in a vigorous burst of new growth in the spring and should be used, if

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<sup>106</sup> See, PEPCO's 2007 Consolidated Report, Part 2, pages 96-98, PEPCO's 2008 Consolidated Report 142-144 and PEPCO's 2009 Consolidated Report, pages 167-196.

<sup>107</sup> F.C. 766 & 991, Commission Order No. 15621 (Dec. 14, 2009).

<sup>108</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, pages 48-49.

<sup>109</sup> F.C. 766 & 991, Commission Order No. 15621.

<sup>110</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 52.

that is the desired effect.<sup>111</sup> While PEPCO may rely on standards from some other organizations to develop its tree trimming program, the Arbor Day Foundation carries credibility in this area and their advice should certainly be heeded.

PEPCO's full analysis should be included in this subsection, beginning with a composite of Table 2.3-C and Table 2.3-D to demonstrate how many tree-related outages occurred on the feeders **after** they were trimmed, which is an indication of the effectiveness of PEPCO's tree trimming efforts. Our review of the data indicates there were 41 feeders that experienced tree-related outages out of the 83 feeders that were trimmed as listed in Table 2.3-B. Of the listed 192 outages that were tree-related on the feeders that were trimmed, a total of 56 occurred (on 18 feeders) after tree trimming. This means 44% (18 of 41) had tree-related failures after trimming.<sup>112</sup>

The above numbers are seriously skewed, however, by PEPCO trimming 19 of the 41 feeders on December 30, 2009.<sup>113</sup> Re-calculating the above numbers to exclude these nineteen feeders and only report on the other 22 feeders shows: 104 tree-related outages on the 22 feeders, with 56 of these outages after trimming. Thus, 18 of the 22 feeders (82%) had tree-related failures after the tree trimming was completed.<sup>114</sup> The results demonstrate the ineffectiveness of PEPCO's tree trimming practices.

OPC recommends this section should also include the total number of feeders involved in tree-related outages (not just those that have been trimmed) and the total

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<sup>111</sup> See Arbor Day Foundation, Tree Pruning Guide <http://www.arborday.org/trees/pruning/animation/launch.cfm> (last accessed April 4, 2010).

<sup>112</sup> See, Attachment A.

<sup>113</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 52.

<sup>114</sup> See, Attachment A.

number of tree-related outages for the entire District. OPC recommends the Commission direct PEPCO to include this data in future consolidated reports. A comparison with the PEPCO system performance would also be useful information. Therefore, OPC recommends the Commission direct PEPCO to include such comparison.

d. PEPCO Must Make the Outage Causes Documentation Transparent.

From the data presented, it would appear PEPCO made great strides in 2009 in its efforts to minimize the “Other” and “Unknown” categories of outages.<sup>115</sup> Unfortunately, PEPCO has given no indication as to how it managed to reduce (restrict) the use of the “Unknown” category. PEPCO also gave no indication of the method its personnel have used to put these statistics, along with those that went into the programmatically eliminated “Other” category, into the remaining categories. On the surface, while the category percentages all vary, OPC questions whether the “Equipment Failure” category became the new default category, since it went up by 24.3% from last year (from 20.1% of outages up to 44.3%), as shown in the chart below.<sup>116</sup>

**Table 1**  
**PEPCO System Outage Causes 2009 v. 2008**

	<u>2009</u>	<u>2008</u>	<u>difference</u>
Vandalism	0.8%	0.5%	0.3%
Fire	0.9%	0.3%	0.6%
Overload	2.1%	3.0%	-0.9%
Others	3.3%	5.1%	-1.8%
Accident	4.3%	2.6%	1.7%
Unknown	6.1%	24.8%	<b>-18.7%</b>
Animal	6.9%	5.5%	1.4%
Weather	7.7%	8.8%	-1.1%
Tree	23.7%	29.3%	-5.6%
Equip. Failure	<u>44.3%</u>	<u>20.1%</u>	<u><b>24.2%</b></u>
	100.1%	100.0%	0.1%

<sup>115</sup> *Id.* at 58-60.

<sup>116</sup> F.C. 766 & 991, PEPCO’s 2010 Consolidated Report, page 59 and PEPCO’s 2009 Consolidated Report, page 140. It should be noted that only system-wide data was presented by PEPCO in the 2009 Report.

e. The Data Filed by PEPCO Fails to be Reliable.

OPC has two more concerns with the data presented by PEPCO in Table 2.3-E and Table 2.3-E1.<sup>117</sup> First, the causes of outages listed for the District, in Table 2.3-E, should agree with the causes listed in the sustained outage data provided to the Commission on a monthly basis.<sup>118</sup> Second, and more importantly, the number of outages for each category must agree with data previously supplied (i.e., the list of all sustained outages for 2009). Numerous discrepancies are revealed when comparing the data of three of the categories in Table 2.3-E with the outage data filed monthly at the Commission:

<u>Cause</u>	<u>Table 2</u> Reported <u>In Table 2.3-E</u>	2009 <u>All Sustained Outages</u>
Equipment Failure	1,070	1,170
Unknown	200	339
Tree	383	471

It is unacceptable for PEPCO to continue to produce this kind of data.<sup>119</sup> It is unfathomable that PEPCO somehow manages to report one thing in its monthly sustained outage listing and another when it extracts information from the same listing.

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<sup>117</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 59.

<sup>118</sup> Formal Case 982, *Report of Potomac Electric Power Company Regarding Interruption to Electric Energy Service*, Commission Order No. 15131 (Dec. 2, 2008); Commission Order No. 15155 (Jan. 12, 2009) and Commission Order No. 15360 (Aug. 19, 2009).

Formal Case 1002, *In the Matter of the Joint Application of PEPCO and the New RC, Inc. for Authorization and Approval of Merger Transaction*, Commission Order No. 15131 (Dec. 2, 2008) and Commission Order No. 15155 (Jan. 12, 2009).

The filing on made on January 15, 2010 contained the full 2009 calendar year.

<sup>119</sup> See, OPC Comments Addressing PEPCO's 2009 Consolidated Report and OPC's Analysis Report for additional detailed discussion on unreliable data.

f. PEPCO Must Address the Continuing Problems with Data Transparency.

PEPCO continues to present data that lacks transparency. PEPCO has been filing monthly outage data with the Commission for over a year.<sup>120</sup> Table 2.3-E reports 2,270 sustained outages for 2009, yet the monthly outage reporting lists 2,587 sustained outages.<sup>121</sup> It is literally impossible to follow how PEPCO combined lines of data into a fewer number of sustained outages. Not only should this be shown on the monthly outage reports, but PEPCO should include a thorough explanation in the 2010 Report since PEPCO uses these numbers in it. PEPCO has recently started including a new heading on the sustained outages spreadsheet of its monthly filing. The heading contains a number followed by the phrase “XXXX Outage Line Entries for YYYY Outage Events.” For example, PEPCO filed revised outage data for 2009 on February 16, 2010.<sup>122</sup> The heading reads “2,587 Outage Line Entries for 2,270 Outage Events.”<sup>123</sup> If PEPCO is going to combine entries on the sustained outage list, it must show which entries it has combined as well as the reason(s) for the combination. Simply stating that PEPCO has XXXX Outage line Entries for YYYY Outage Events without explanation leaves one to question whether all customer outages are being reported accurately. PEPCO frequently makes a change without explanation and expects the reader to deduce

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<sup>120</sup> *Supra*, n. 110.

<sup>121</sup> F.C. 766 & 991, 2010 Consolidated Report, Page 59.

F.C. 982 & 1002, PEPCO Monthly Report as required by Order Nos. 15131, 15155 & 15360, Attachment 1 (Jan. 15, 2010).

<sup>122</sup> F.C. 982 & 1002, PEPCO Monthly Report as required by Order Nos. 15131, 15155 & 15360 (Feb. 16, 2010).

OPC notes that Pepco failed to indicate, even in its cover letter, that it was filing revised data and the reason(s) for the revision.

OPC notes that PEPCO also failed to provide it with the revised electronic spreadsheets.

<sup>123</sup> *Id.* at Attachment 1.

what has been done and why. Any changes to PEPCO's outage reporting format, even if intended for clarification purposes, should not be done without prior Commission approval. OPC recommends the Commission direct PEPCO to explain, in detail, the reasons for the combinations, which entries it actually combined and when it adopted this new methodology.

g. PEPCO Fails to Provide Transparent Data Regarding the Reliability Benchmark Calculations.

PEPCO fails to provide its calculations of the reliability benchmarks, how it determined what major event days ("MED") to exclude from its reliability calculations, as well as, any details showing how it arrived at the TMED (threshold value) described in the IEEE Standard 1366.<sup>124</sup> Even though there may not have been any MEDs in 2009, the TMED should still have been calculated from previous year's data and explained within the 2010 Report. The calculation of the TMED is very important because it is used in the classification of MEDs. If a system's SAIDI exceeds the TMED, that day is not included in the calculations of the reliability indices; in this case SAIDI, SAIFI and CAIDI. This is a recurring issue as OPC's 2009 Comments also discussed the subject at length.<sup>125</sup>

PEPCO's use of terminology adds to the problem. If PEPCO is applying the IEEE standard, it should use the terminology in that standard. On page 61 PEPCO states, "Each index is calculated twice, once with all outage data and once with **significant**

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<sup>124</sup> Institute of Electrical Engineers, Inc., *1366 IEEE Guide for Electric Power Distribution Reliability Indices*, 4.5 Major event day classification, page 9 (May 14, 2004).

<sup>125</sup> F.C. 766 & 991, OPC's Comments Addressing PEPCO's 2009 Consolidated Report, pages 25-28.

**event** related outage data excluded.”<sup>126</sup> (Emphasis added). On the following page, Table 2.3-F shows PEPCO’s reliability indices system-wide. The chart lists each index calculated with “sustained outages” and “sustained less **major storms.**”<sup>127</sup> (Emphasis added). Below the chart, PEPCO lists the exclusions as “**Significant (Major) Event** Interruption Data.”<sup>128</sup> (Emphasis added). If PEPCO is indeed applying the IEEE standard, the only phrase it should be using and the only data it should be excluding is that from a **Major Event Day**. Whether PEPCO’s use of the phrases “significant event,” “major storm” or “significant (major) event” are synonymous with MED is unclear since PEPCO provides no definitions (not even within PEPCO’s references in Part 4, Sections 1 and 2). It is also important to note that the Commission’s definition of a “major service outages” is not synonymous to IEEE’s MED.<sup>129</sup>

A set of calculations regarding excluded data should be contained in an appendix in each year’s consolidated report. OPC requests the Commission clarify what PEPCO is allowed to exclude from its calculations of reliability indices. In addition, no data should be excluded from reliability indices calculations **without a through explanation and** without being specifically authorized by the Commission. OPC recommends the Commission require PEPCO to report the specifics for all data it wants to exclude from

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<sup>126</sup> F.C. 766 & 991, 2010 Consolidated Report, page 61.

<sup>127</sup> *Id.* at 62.

<sup>128</sup> *Id.*

<sup>129</sup> IEEE Standard 1366 defines major event day as: A day in which the Daily system SAIDI exceeds a threshold value, TMED. For the purposed of calculating daily SAID, any interruption that spans multiple calendar days is accrued to the day on which the interruption began. Statistically, days having a daily SAIDI greater than TMED are days on which the energy delivery system experienced stressed beyond that normally expected (such as severe weather). Activities that occur on major event days should be separately analyzed and reported. (See 4.5.)

15 DCMR § 3699 (LEXIS 2008).

its reliability indices calculations and to receive permission from the Commission before actual exclusion.

h. PEPCO Failed to Calculate the District's Reliability Indices Without Exclusions.

Despite PEPCO's assertion on page 61 that it calculates each index twice, once without any exclusions and once with exclusions, the D.C. specific data presented in Figure 2.3-C shows only one set of numbers for each year.<sup>130</sup> Presumably, the numbers represent the reliability indices with exclusions. However, if PEPCO is going to make the assertion, it should present the data for the District as it does for the PEPCO system as a whole.

i. PEPCO Did Not Present the Calculations of the Reliability Indices to PIWG as Stated.

OPC does not agree with the PEPCO statement on page 63 "the calculations of the reliability indices was given to PIWG."<sup>131</sup> PEPCO presented the IEEE standard and explained how the numbers were punched into each reliability index equation. PEPCO did not work through the data, in particular the IEEE TMED and MED, as it would when it calculates its own indices, as requested by OPC and Commission Staff.

In addition, it was during these two meetings that there was significant discussion regarding the miscalculation and re-calculation of MEDs as footnoted in the 2009 Report.<sup>132</sup> It was here that PEPCO divulged that it is calculating its MEDs on a system-

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<sup>130</sup> F.C. 766 & 991, 2010 Consolidated Report, pages 61-62.

<sup>131</sup> *Id.* at 63.

<sup>132</sup> The meetings referred to took place on August 27 and October 6, 2009.

wide basis, meaning it includes MEDs in Maryland, and then subtracts them from the DC specific data when calculating the DC specific benchmarks.

OPC recognizes that something such as a major event on the transmission system in Maryland could cause outages in the District. However, on the other hand, a localized wind storm which causes downed trees in Maryland would not affect outages in the District except for an inability to address the District outages due to manpower constraints. Allowing PEPCO to exclude District outages based on system-wide MEDs could potentially hide manpower (and other) issues from the Commission. It is important for the Commission to know the reasons for any and all data exclusions. If PEPCO wants to exclude data based on events within or outside of the District, the Commission should be fully aware of PEPCO's reasoning and concur that it is appropriate for PEPCO to do so.

j. PEPCO Must Verify the Data Regarding D.C. Feeders.

PEPCO states there are currently 806 feeders in the District.<sup>133</sup> In the 2009 Report, PEPCO reported 750 feeders in the District.<sup>134</sup> Either PEPCO established 56 new feeders in the course of one year, with little to no detail on the 56 new feeders, or the numbers are inaccurate. It is questionable that PEPCO established 56 new feeders in the course of one year.<sup>135</sup> If indeed, PEPCO established 56 new feeders in one year, this merits some discussion by PEPCO. If PEPCO did not, then the accuracy and detail of this subsection comes into question. OPC recommends that the Commission direct PEPCO to verify the number of feeders in the District, as well as, the number of new

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<sup>133</sup> *Id.* at 65.

<sup>134</sup> F.C. 766 & 991, PEPCO's 2009 Consolidated Report, page 146.

<sup>135</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 36.

feeders established in 2009 and to provide discussion on the data presented. In addition, the same paragraph states that Table 2.3-G provides “individual CPI” for the 2010 priority feeders. These CPI numbers are not displayed in the referenced table.<sup>136</sup> OPC recommends that the Commission direct PEPCO to confirm whether they continue to use CPI to establish the priority feeder list or not and correct and reissue Table 2.3-G.

k. PEPCO’s Feeder Performance Subsection Lacks Analysis.

Every year PEPCO selects the least reliable 2% of the feeders in the District to present in its consolidated report. The purpose of this requirement is for PEPCO to analyze these worst performing feeders and to develop a course of action for each, with the intent of improving the individual feeder’s reliability. The 2010 Report does not include an adequate level of analysis. In fact, no analysis is included. Table 2.3-G simply lists the corrective actions, not the reasons for them, causing interested parties to question if an analysis was actually performed or if PEPCO simply does not want to share the information.<sup>137</sup> For example:

**Feeder 15206**

- This is an underground feeder that ranks #1 on the 2010 list and is a repeat from the 2008 program. It underwent VLF testing in 2008, but still had poor performance in 2009. (It could not be included in the 2009 list because PEPCO excludes from analysis feeders that appeared on the prior year’s list.) This feeder also contributed to the February 2009 outages, which are the subject of a Commission inquiry in Formal Case 1062. The proposed corrective action for 2010 begins with performing VLF testing, which was performed just two years ago. Where is the analysis as to why VLF testing was not effective in 2008? In addition, PEPCO states that it

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<sup>136</sup> F.C. 766 & 991, Pepco’s 2010 Consolidated Report, page 66.

<sup>137</sup> *Id.*

is transferring part of the feeder to another feeder. Transferring part of the feeder to another feeder does not improve performance, it merely moves part of the outage initiators to another feeder, thereby, hiding the issue from further analysis.

**Feeder 233**

- This is an underground feeder that ranks #2 on the 2010 list and is scheduled to be converted from 4kV to 13kV beginning in 2010. PEPCO inexplicably fails to address this poor performing feeder when discussing the Substation 126 4kV to 13 kV reliability project.<sup>138</sup> As the failures appear to be occurring on the underground portion of the feeder, unless PEPCO replaces the entire underground portion during the conversion, it is unclear how the conversion to 13kV will improve the feeder's reliability.

**Feeder 15707**

- This is an overhead feeder that ranks #3 on the 2010 list. The corrective action is to “install lightning arrestor grounds at forty-nine (49) locations.”<sup>139</sup> This indicates that the grounds had not been previously installed. If the grounds had been installed and were broken or otherwise compromised, PEPCO would have said it had to repair them. Missing lightning arrestors is a serious concern. If grounds had been installed, how do they go missing? Lightning arrestors are completely ineffective if their grounds are missing.

OPC recommends the Commission direct PEPCO to reissue this section to include discussion showing PEPCO's analysis of the causes of the outages on each of the worst performing feeders and how the corrective actions listed in Table 2.3-G are intended to prevent similar outages from occurring.

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<sup>138</sup> *Id.* at 86.

<sup>139</sup> *Id.* at 66.

I. PEPCO's Review of 2008 Least Reliable Feeders Lacks Clarity.

Because PEPCO does not include feeders that appeared on the previous year's list in the analysis for the subsequent year (i.e., feeders on 2008 list [feeder performance in 2007] are not analyzed for the 2009 list [feeder performance in 2008]), PEPCO includes a separate review of these feeders.<sup>140</sup> Table 2.3-I provides a comparison of the feeders' performance in 2007 and in 2009.<sup>141</sup> OPC is confused by the single asterisk designated note, which states, "Feeder 166 & 14767 have a high CPI ranking but were not considered Priority Feeders."<sup>142</sup> PEPCO stated the ranking of the 2% least performing feeders is based on the CPI score for each feeder.<sup>143</sup> Therefore, removing a feeder with a high CPI from the list makes little sense especially when there is no explanation or justification. OPC recommends the Commission direct PEPCO to reissue this section of the 2010 Report and report on the analysis that lead them to remove feeders with a high CPI score from the list of priority feeders for the last five years.

m. The Corrective Actions Undertaken by PEPCO in Response to the Identified Poor Performing Feeders Have Not Been Successful.

Four out of 15 (more than 25%) of the 2008 priority program feeders also appear on PEPCO's 2010 priority feeder list.<sup>144</sup> The number would be six out of 15 (40% repeating) if feeders 166 and 14767 had not been excluded by PEPCO for unknown

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<sup>140</sup> F.C. 766 & 991, Pepco's 2010 Consolidated Report, page 65.

<sup>141</sup> *Id.* at 69.

<sup>142</sup> *Id.*

<sup>143</sup> *Id.* at 65.

<sup>144</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, pages 69 & 73.

reasons.<sup>145</sup> This indicates the corrective actions undertaken by PEPCO have not been successful.

PEPCO's annual plan for repeat priority feeders subsection lacks details and calls into question the effectiveness of PEPCO's failure analysis efforts. For example, PEPCO discusses repeat feeder 15206 on page 74.<sup>146</sup> The initial cause of the failure was a cable fault on feeder 15204.<sup>147</sup> PEPCO states later in the paragraph that feeder 15206 (the subject of the example) failed due to a trifurcating joint which was found under water.<sup>148</sup> First, the failure of feeder 15204 should not have contributed to the failure of feeder 15206, if feeder 15206 had been operated within its design limits. PEPCO has indicated it transferred load from feeder 15204 after it failed to 15206.<sup>149</sup> If feeder 15206 could not support the load from 15204, it should not have been transferred there. Secondly, PEPCO seems to imply the trifurcating joint failure was due to water.<sup>150</sup> Water is not the root cause of underground equipment failures. There has to be some way for the water to penetrate the equipment and subsequently cause the failure. The mechanism (and cause) of the water intrusion is the root cause.

In addition, PEPCO failed to include, in accordance with ¶ 72 of Commission Order No. 15152, whether the corrective actions taken improved performance of the

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<sup>145</sup> *Id.* at 69.

<sup>146</sup> *Id.* at 74.

<sup>147</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 74.

<sup>148</sup> *Id.*

<sup>149</sup> Formal Case No. 1062, *In the Matter of the Investigation into the Electric Power Outage in the District of Columbia on June 13, 2008*, Commission Staff's email with PEPCO's July 31, 2009 Outage Report attached (Jan 4, 2010).

<sup>150</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 74.

feeders.<sup>151</sup> For feeder 15206, PEPCO proposes VLF testing in 2010.<sup>152</sup> PEPCO did not comply with the Commission's directive to explain whether the corrective action, VLF testing in 2008, improved the feeder's performance.<sup>153</sup>

PEPCO's 2010 Report contains two different reporting sections covering the same topic – reappearing priority feeders.<sup>154</sup> The first, PEPCO's annual program of corrective action for reappearing priority feeders, consists of the possible application of four aggressive initiatives to those feeders that had also appeared on the priority list two years prior.<sup>155</sup> The second, stemming from a Commission directive, requires a plan of corrective action specifically targeting feeders that have appeared multiple times on the priority feeder list over the past seven years.<sup>156</sup> The goal of both reporting sections is clear – taking action in order to improve the performance of feeders that are continually having problems. In order to reduce PEPCO's reporting requirements as well as to make the feeder section easier to follow, OPC requests the Commission consider streamlining these two reporting requirements into one requirement. OPC submits the requirement to look back seven years overrides the requirement to look back two years. In addition, while the four aggressive initiatives are important, other corrective actions should also be considered when evaluating repeating poorly performing feeders. OPC recommends the Commission review the various existing directives regarding review of reappearing

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<sup>151</sup> F.C. 766 & 991, Commission Order No. 15152, ¶ 72 (Jan. 6, 2009).

<sup>152</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 74.

<sup>153</sup> *Id.* at 68.

<sup>154</sup> *Id.* at 69 & 73-79.

<sup>155</sup> *Id.* at 69.

<sup>156</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, pages 77-79.

priority feeders with the aim of combining them into one superseding directive to require a look back seven years. PEPCO should be required to report on the results of the most recent engineering analysis, which concluded whether the corrective actions previously taken improved performance of the feeders, the application (at a minimum) of the four aggressive initiatives, any other proposed corrective actions and a plan to address the feeder's performance with timelines and milestones.

n. PEPCO Must Explain the Table Representing Causes of Outages for Reappearing Least Reliable Feeders.

OPC's Comments discussed PEPCO's table representing causes of outages for reappearing feeders.<sup>157</sup> This data is for a "Rolling 12 months" that is not identified by PEPCO. PEPCO claims these outage causes contribute to the specific feeder's SAIFI and SAIDI. If PEPCO is trying to identify the cause for the repeated poor performance of its priority feeders, it should provide some discussion and analysis. OPC renews its recommendation to the Commission to direct PEPCO to explain the table and in future consolidated reports include explanations for all the tables PEPCO includes throughout its report.

o. PEPCO's Plan of Action for Feeders Appearing Multiple Times on the Priority List is Confusing and Insufficient.

OPC's 2009 Comments noted that 23 feeders, which constitute roughly 3% of the PEPCO population of approximately 750 feeders, have accounted for 48.6% of the occurrences on this Priority Feeder listing over the past seven years.<sup>158</sup> Commission Order No. 15568 directed PEPCO to identify all feeders appearing on the Priority Feeder

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<sup>157</sup> F.C. 766 & 991, OPC's Comments Addressing PEPCO's 2009 Consolidated Report, page 40.

<sup>158</sup> F.C. 766 & 991, OPC's Comments Addressing PEPCO's 2009 Consolidated Report, page 39.

List more than once in the past seven years and to provide a plan of corrective action in the 2010 Consolidated Report specifically targeting those feeders.<sup>159</sup> Of the 19 feeders appearing multiple times, four are also included in PEPCO's 2010 Priority Feeder list.<sup>160</sup> PEPCO then includes a sentence or two regarding its plans for five of the 15 remaining feeders. PEPCO neglects to mention the other ten feeders, as well as, why these five feeders were chosen to be discussed.

Table 2.3-K contains a list of the 19 feeders along with "Completed Corrective Actions" for each feeder. How one is supposed to interpret this part of the table is beyond comprehension. Were these corrective actions performed by PEPCO in 2009? Are these the corrective actions that PEPCO performed each time the feeder appeared on the priority list? Are these corrective actions that PEPCO will be performing? For example, for Feeder 14729 PEPCO states "a thorough engineering review will be performed during 2010 to identify necessary corrective actions to improve feeder performance."<sup>161</sup> Yet, the chart for Feeder 14729 states "performed manhole inspection, VLF testing, thermal vision. Routine maintenance corrections such as cable re-racking, porcelain replacement and minor splice taping performed."<sup>162</sup> The question is, was an engineering analysis already performed and corrective actions based on the analysis completed before the filing of the 2010 Report? If so, does this point to poor engineering analysis or poorly performed corrective actions or both? If an engineering analysis was not performed prior to the corrective actions being done, how were the corrective actions

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<sup>159</sup> F.C. 766 & 991, Commission Order No. 15568, ¶ 53.

<sup>160</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 66.

<sup>161</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 78.

<sup>162</sup> *Id.* at 79.

chosen? Is an additional engineering analysis being performed? The analysis that PEPCO performed on each feeder in order to craft the necessary corrective actions is missing, as well as, PEPCO's plan of further corrective actions, which is what ¶ 53 required. OPC recommends the Commission direct PEPCO to submit the full analysis performed, including delineating those corrective actions PEPCO completed in 2009 from those that still remain.

p. PEPCO's 2009 Reliability Projects have Become PEPCO's 2010 Reliability Projects.

PEPCO's 2009 Report included four reliability projects.<sup>163</sup> As explained by OPC in its 2009 comments, these projects are essentially all the same, the conversion of existing 4kV load to PEPCO's higher load density 13kV system – a project that has been on-going for the past forty years.<sup>164</sup> OPC maintains the conversions should be presented as one project with the description of the four newly planned locations. These conversion projects are really based upon a corporate decision to upgrade the system toward one common distribution voltage platform and to provide additional load capability.

PEPCO's project sheets remain as deficient as those from the previous year. In fact, the four conversion projects contained in the 2010 Report are worded exactly as they were in the 2009 Report, including the heading that they are 2009 reliability projects. The project sheets contain no milestones, schedule or budget. No analysis is provided with regard to the comparison of the alternatives nor are any details of the economics of each alternative given. PEPCO did provide limited information regarding the economics; however, the analysis provided is of poor quality and of limited usefulness. OPC

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<sup>163</sup> F.C. 766 & 991, PEPCO's 2009 Consolidated Report, pages 21-28.

<sup>164</sup> F.C. 766 & 991, OPC's Comments Addressing PEPCO's 2009 Consolidated Report, page 23.

recommends the Commission direct PEPCO to provide project descriptions in a manner that progress can be monitored, i.e., milestones with dates, schedules and annual budgets as well as discussions on progress.

q. PEPCO's Current Project Status For The Palisades Project Is Outdated.

Pages 88 through 91 discuss the Palisades reliability project.<sup>165</sup> The end of the section explains that PEPCO provided the community with two tree-friendly options but is unable to move forward with any work until the residents choose an option.<sup>166</sup> According to a letter from PEPCO dated December 28, 2009, the community selected an option.<sup>167</sup> Since the 2010 Report was not filed until February 25, 2010, PEPCO should have updated this section, including the details of the option chosen by the community, the schedule for work and projected budget.

•3.3 INDUSTRY COMPARISONS AND BEST PRACTICES

a. PEPCO's Participation in Industry Comparisons/Benchmarking Studies Needs to Remain Consistent.

As previously mentioned in Section II, PEPCO's constant changing of studies confuses the issue and eliminates any hope for consistent comparisons.<sup>168</sup> Participating consistently in one study for several years is a good indicator as to whether PEPCO's performance is improving or worsening as compared to its peers and arguably is one of the reasons the Commission requires participation. As an example, the expenditure data

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<sup>165</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, pages 88-91.

<sup>166</sup> *Id.* at 91.

<sup>167</sup> See Attachment B for a copy of PEPCO's letter.

<sup>168</sup> See page 18 of OPC's Comments Addressing PEPCO's 2009 Consolidated Report for additional explanation.

presented this year is from the PSE&G study as opposed to the PA Consulting survey data presented in the 2009 Report.<sup>169</sup> Such a change denies the Commission and interested parties the ability to gauge where PEPCO ranks as compared to last year. In addition, without knowing what expenses are included in the PSE&G and PA Consulting studies, it is impossible to compare the numbers PEPCO reports for itself from one year to the next.

b. PEPCO's Industry Comparisons and the Timing for Filing the Consolidated Reports.

For 2008 PEPCO continues to perform at the worst end of the scale in all reliability indices, SAIDI, CAIDI and SAIDI, in each industry comparison.<sup>170</sup> PEPCO reported improved reliability performance in 2009. However, from the industry comparison data provided by PEPCO, it is not possible to determine if all of the utilities improved equally or not in 2009 as the year being reported upon for the industry comparisons is 2008. If all of the reporting utilities had uniform improvement, the improvements reported by PEPCO for 2009 within the 2010 Report would appear to be less encouraging. One should not have to wait a full year to gauge PEPCO's latest performance against their peers. The industry comparison data in the 2010 Report is from 2008.

OPC requests the Commission require PEPCO begin submitting the industry studies in their full, un-redacted, original format to OPC, the Commission, and Commission Staff. OPC is not requesting the full, un-redacted studies be included in the

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<sup>169</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, pages 97-98; PEPCO's 2009 Consolidated Report, pages 52-53.

<sup>170</sup> *Id.* at 99-110.

public filing of the consolidated reports. Simply, that PEPCO submit the full, un-redacted surveys at the same time it files its consolidated report.<sup>171</sup> The Commission did not order PEPCO to participate in industry comparisons and then expect no one other than PEPCO see or analyze the study.<sup>172</sup> There is no way to verify the industry comparisons in the consolidated reports. And, it is pointless for PEPCO to participate in the industry comparisons if it can only use the information internally. Last year, a separate order was required before PEPCO provided the 2006 and 2007 comparison studies. The importance of these studies merits the Company provide them without requiring individual orders.

The industry comparison data in the 2010 Report is from 2008. The PEPCO data elsewhere in the 2010 Report is from 2009. Because of this, it is not really possible to create a uniform performance picture for PEPCO. OPC understands the Commission rules would mostly likely need to be amended to accommodate a new filing date. Therefore, OPC recommends the Commission consider requiring PEPCO to report its performance and industry comparisons for the same year. For example, the 2011 Report would contain PEPCO's performance and industry comparisons for 2010.

OPC understands if this proposal is adopted the filing of the consolidated report for each year, beginning in 2011, may have to be delayed depending on when the industry studies results become available to PEPCO. OPC believes a new filing date should be determined and set by the Commission no later than one month after the last study is available. For example, if the last study is generally available on April 1, then

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<sup>171</sup> There is an executed confidentiality agreement in place between OPC and PEPCO.

<sup>172</sup> The industry comparisons from the 2007 and 2008 Consolidated Reports were submitted to OPC pursuant to Commission Order No. 15203.

the consolidated report would be due on May 1. This allows PEPCO some time for development and presentation of its analysis of the industry comparisons. Delaying the report will also have a secondary beneficial effect. It will allow PEPCO to perform more complete and meaningful analyses on other issues, which are discussed elsewhere in these comments.

Depending on how late in the year the consolidated report is filed, it may be prudent to have PEPCO report not just on the prior year's progress and the current year's plan, but also on the progress year-to-date in carrying out the current year's plan. However, if in order to ensure the 2010 industry comparisons are reported in 2011, the Commission should require two reports by PEPCO, OPC suggests the Commission consider having only the industry comparison information (for 2010 data) filed after the normal February 15 due date for the annual consolidated report (at the date to be determined) so that all of the 2010 data can still be reviewed together.

c. Achieving Performance in Accordance with Commission Order Nos. 15568 and 15632.

Commission Order No.15568 requires PEPCO to achieve performance equal to the best (quartile) of the performing (comparable) utilities in the Benchmarking Studies.<sup>173</sup> Commission Order No. 15632 requires PEPCO to improve CAIDI and SAIDI to at least the average of the PA Consulting benchmarks.<sup>174</sup> It is difficult to measure PEPCO's compliance with both directives. OPC requests the Commission clarify or perhaps combine the directives so it is clear as to which studies are to be used and whether it is average or best quartile performance that is to be used as the measure.

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<sup>173</sup> F.C. 766 & 991, Commission Order No. 15568, ¶ 57.

<sup>174</sup> F.C. 766 & 991, Commission Order No. 15632, ¶ 5 (Dec. 22, 2009).

OPC notes Commission Order No. 15632 requires improvement to at least the average of the PA Consulting Study's benchmarks.<sup>175</sup> As stated above, PEPCO did not report on the PA Consulting Study in the 2010 Report. It is not possible to measure PEPCO's performance in achieving at least the average of PA Consulting Study's benchmarks when PEPCO does not report on it.

• 3.4 ELECTRIC QUALITY OF SERVICE STANDARDS

a. Additional Details Regarding EQSS Compliance should be Included in the Consolidated Reports.

PEPCO reports quarterly to the Commission regarding its compliance with the EQSS.<sup>176</sup> The quarterly submissions contain PEPCO's compliance with each standard per month. In addition, PEPCO reports to the Commission semi-annually on power quality complaints and new residential service installations.<sup>177</sup> Unfortunately, this section of the 2010 Report contains little more than the aggregate of PEPCO's compliance for the calendar year. OPC submits a more detailed commentary on each item beyond the Corrective Action column would be helpful, even if only for the standards that are below full compliance. In this case, seven of the twenty-two with numerical compliance numbers are below the 100% level (32%).

PEPCO's first entry on page 115 addresses sections 3601.2 and 3601.6.<sup>178</sup> PEPCO was only 44% compliant and states the Company will report on the investigation

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<sup>175</sup> *Id.*

<sup>176</sup> F.C. 982 & 1002, Commission Order No. 14814 (May 15, 2008).  
15 DCMR § 3606.1.

<sup>177</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 115.  
15 DCMR §§ 3601.23 & 3602.16.

<sup>178</sup> These sections address PEPCO reporting major and non-major service outages by telephone and email to Commission Staff and OPC no later than one hour after the utility has determined a major outage has

in the next quarterly filing, April 2010.<sup>179</sup> However, PEPCO lists the due date for corrective action as 2/15/10, which was before the filing of the 2010 Report filing. In addition, PEPCO shows the status as “in progress.”<sup>180</sup> PEPCO repeats the same information for the second entry on page 116 addressing sections 3601.9 and 3601.11. In this instance, additional commentary, including the scope of the investigation, would help to explain what appears to be contradictory information. OPC recommends the Commission direct PEPCO reissue this section removing contradictory information and providing additional commentary for those items that are not in compliance.

b. PEPCO’s Corrective Actions for New Residential Service Installation Requests have Produced Stagnate Results.

If PEPCO fails to meet the standard for new residential service installation requests, it is required to develop a corrective plan.<sup>181</sup> PEPCO is then required to report on the progress of the corrective actions in the consolidated reports.<sup>182</sup> The standard for completing new residential service installation requests is within ten business days.<sup>183</sup> This was met only 91% of the time in 2009 and 89% of the time in 2008.<sup>184</sup> The reported corrective actions are identical to what was stated in the 2009 Report on page 44.<sup>185</sup>

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occurred or becomes aware of the non-major outage.

<sup>179</sup> F.C. 766 & 991, PEPCO’s 2010 Consolidated Report, page 115.

<sup>180</sup> *Id.*

<sup>181</sup> 15 DCMR § 3602.19.

<sup>182</sup> 15 DCMR § 3602.21.

<sup>183</sup> 15 DCMR § 3602.14.

<sup>184</sup> F.C. 766 & 991, PEPCO’s 2010 Consolidated Report, page 124; PEPCO’s 2009 Consolidated Report, page 44.

<sup>185</sup> F.C. 766 & 991, PEPCO’s 2009 Consolidated Report, page 44.

Since PEPCO still has not met the standard for two years in a row, OPC questions whether implementing the same corrective actions will increase the level of compliance. OPC's long term concern is that PEPCO's performance does not plateau, but reaches 100%.

c. More Commentary from PEPCO is Warranted Regarding Non-Major Outages that are not Restored within 24 Hours.

PEPCO is required to include in the consolidated reports the number and percentages of non-major service outages that extend beyond 24 hours and the reason(s) why.<sup>186</sup> OPC recommends PEPCO use dialog similar to the new residential service installation request subsection for this section. Several of the items in the EQSS table on pages 114 – 123 are quite important to the understanding of information in other sections (for example, the reliability indices benchmarks on page 121) and the results should be more thoroughly reported in the applicable sections.<sup>187</sup>

OPC has been unable to reproduce PEPCO's data shown in Table 2.3-M.<sup>188</sup> By extracting the outages greater than 1440 minutes (24 hours) from the sustained outage data provided by PEPCO monthly to the Commission, the table shown below is obtained.<sup>189</sup>

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<sup>186</sup> 15 DCMR § 3603.8 & 3603.9.

<sup>187</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 125.

<sup>188</sup> *Id.*

<sup>189</sup> F.C. 982 & 1002, PEPCO Monthly Report as required by Order Nos. 15131, 15155 & 15360, Attachment 1 (Jan. 15, 2010).

**Table 3 - Extract from All Sustained Outages for 2009**

Date of Outage	Outage Duration	Customers Affected	Customer Minutes	Feeder
2/20/2009	2112	7	14,784	15204
11/13/2009	1843	1	1,843	14505
7/31/2009	1644	15	24,668	372
4/10/2009	1597	7	11,186	233
6/29/2009	1583	1	1,583	15200
8/21/2009	1468	1	1,469	15801

This extract shows six events while PEPCO’s data in Table 2.3-M shows only five events. It should be noted that when comparing the data from the sustained outages listing to Table 2.3-M (five lines of data total) only the dates and feeder numbers actually match – (1) all five outage durations are different and (2) three of the numbers of customers affected are different. And, of course, one of the events is completely missing. OPC recommends the Commission direct PEPCO to reissue table 2.3-M and explain any differences between this table and information previously submitted to the Commission.

• 3.5 STATUS REPORT ON PA CONSULTING RECOMMENDATIONS

- a. PEPCO’s Status Report on the PA Consulting Recommendations is Insufficient.

Commission Order No. 15632 requires PEPCO include in the consolidated report data on its measures to continue to address each recommendation made in the PA Consulting report.<sup>190</sup> The response provided by PEPCO is an exact duplicate of its July 10, 2009 filing.<sup>191</sup> In the July 10, 2009 filing, PEPCO indicates all items are completed

<sup>190</sup> F.C. 766 & 991, Commission Order No. 15632, ¶ 4.

<sup>191</sup> F.C. 766 & 991, PEPCO’s Final Status Report on the Implementation of its Action Plan on the Staffing

except for one, which involves hiring, training and on-boarding to have the staff fully trained and available sooner than the current approach. The status given was “On-going.” PEPCO should have updated its status regarding what it is doing to address the remaining issue in the 2010 Report.

Commission Order No. 15632 requires an assessment of the effectiveness of the Company’s approaches.<sup>192</sup> On page 128, PEPCO reports a significant (47%) improvement in 2009 CAIDI over 2006 and states “The ‘Action Plan’ contributed to this improvement. However, PEPCO is unable to quantify the contribution.”<sup>193</sup> PEPCO does not say why the Company cannot quantify the contribution or what steps will be taken so they are able to do so in the future.

In addition, SAIDI was not a consideration in the PA Consulting Report.<sup>194</sup> However, PEPCO states that “SAIDI has declined by 34% over the past two years.”<sup>195</sup> OPC is uncertain if PEPCO attributes this improvement to the implementation of the recommendations from the PA Consulting Report.

- 3.6 SERVICE RESTORATION AND STORM READINESS

- a. PEPCO Fails to Address the Difference of Opinion Between Itself and PA Consulting.

OPC’s 2009 Comments addressed PEPCO’s comment that restoration time is not the most accurate measure of the general customer experience. Therefore, “CAIDI is the

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Level Assessment Recommendations Contained in the 2009 Consolidated Report (July 10, 2009).

<sup>192</sup> F.C. 766 & 991, Commission Order No. 15632, ¶ 4.

<sup>193</sup> F.C. 766 & 991, PEPCO’s 2010 Consolidated Report, page 128.

<sup>194</sup> F.C. 766 & 991, PEPCO’s 2009 Consolidated Report, Appendix 2D, PEPCO Holdings Staffing Level Assessment Contracting Consultant, Foreword, page i.

<sup>195</sup> F.C. 766 & 991, PEPCO’s 2010 Consolidated Report, page 128.

metric, along with SAIDI and SAIFI that we will be reporting on in the future.”<sup>196</sup> This is in opposition to the PA Consulting Staffing Report which states, “Outage analysis focused primarily on average frequency and duration, which is not the same as SAIFI or CAIDI/SAIDI. Focusing on average duration allows a much more sophisticated analysis ...”<sup>197</sup> The 2010 Report makes the exact same statement with no additional discussion regarding the difference of opinion.

b. PEPCO’s Presentation of Annual Restoration Time Skews PEPCO’s Performance.

Figure 2.3-T represents PEPCO’s annual restoration times from 2005 to 2009.<sup>198</sup> The 2009 experience of 185 minutes is better than the previous four year average of 192.3 minutes (4 percent better). In the 2009 Report, Figure 2.3-L included nine prior years of data.<sup>199</sup> When comparing the 2009 performance of 185 minutes to the ten year average (1999 to 2009) of 150.4 minutes, PEPCO’s performance is actually 23% worse.

c. PEPCO’s Drills and Functional Exercises Subsection Does Not Provide the Results or Effectiveness of its Drills.

This subsection is new to the consolidated report. It provides information on the types of exercises conducted by PHI or PEPCO. Unfortunately, it does not provide any information regarding the effectiveness of the drills, the results, lessons learned or changes that have been implemented as a result of the drills. Most of the information refers to PHI or PEPCO with very little specific to the District. In addition, PEPCO does

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<sup>196</sup> F.C. 766 & 991, PEPCO’s 2009 Consolidated Report, page 183.

<sup>197</sup> *Id.* at Appendix 2D, page 14.

<sup>198</sup> F.C. 766 & 991, PEPCO’s 2010 Consolidated Report, page 132.

<sup>199</sup> F.C. 766 & 991, PEPCO’s 2009 Consolidated Report, page 183.

not address the lack of an unannounced call-in drill, as recommended in the Witt Report.<sup>200</sup>

- APPENDIX 2A: 2009 FAILURE ANALYSIS REPORT

- a. PEPCO should Combine the Manhole (“MH”) Events Portion of the Failure Analysis Report with Part 3 of the Consolidated Report.

In this appendix, PEPCO provides a graphical presentation of its recent history of MH events. PEPCO’s Manhole Event Report has been included as Part 3 of the consolidated report since 2006. OPC’s 2009 Comments recommended in future consolidated reports, PEPCO combine the MH events portion of the failure analysis report with Part 3 of the consolidated report.<sup>201</sup> OPC renews its recommendation because this would create a single presentation of MH events. In addition, PEPCO’s use of terminology should not only be consistent within the same section, but throughout the entire 2010 Report; in this instance, using the term Manhole Events and not Reportable Events.

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<sup>200</sup> F.C. 982, PEPCO Holdings, Inc. Hurricane Isabel Response Assessment prepared for PEPCO Holdings, Inc. by James Lee Witt Associates, LLC, page 102 (Jan. 12, 2003).

<sup>201</sup> F.C. 766 & 991, OPC’s Comments Addressing PEPCO’s 2009 Consolidated Report, page 42.

The table below represents the information contained in Figures 1 through 3 of Appendix 2A, as well as, PEPCO's data from 2003 and 2004.<sup>202</sup> In the 2009 Report, PEPCO showed the number of total MH events as decreasing during 2008, as compared to the 2007 year's results.<sup>203</sup> This trend has not continued and, in fact, has reverted to almost exactly the same numbers for the previous six year average.

**TABLE 4**  
**PEPCO Manhole Events**

<u>Event Type</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>6 year</u> <u>Average</u>	
Smoking	55	62	62	33	57	39	51.3	62.3%
Fire	6	5	7	3	12	3	6.0	7.3%
Explosion	27	22	25	22	27	27	25.0	30.4%
Totals =	88	89	94	58	96	69	82.3	100.0%

<u>Event Type</u>	<u>2009</u>	<u>7 year</u> <u>Average</u>	
Smoking	51	51.3	62.3%
Fire	5	5.9	7.2%
Explosion	26	25.1	30.5%
Totals =	82	82.3	100.0%

While every manhole event is a potentially dangerous occurrence, the number of manhole explosions has remained virtually constant throughout the past seven year period (representing almost one-third of the events on average). These events are the most potentially hazardous of the three categories, as a manhole cover being lifted (even a small distance) from its position represents a direct hazard to the public.

OPC reiterates that any real effort at determining the root causes and major contributors to Manhole Events (indeed every failure) requires every event or failure, particularly those involving primary feeders, be examined, tracked and trended against

<sup>202</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, pages 142-143; PEPCO's 2008 Consolidated Report, pages 163-164.

<sup>203</sup> F.C. 766 & 991, PEPCO's 2009 Consolidated Report, pages 196-197.

many factors (i.e., type of cable or component, age, manufacturer, installed environment, mechanic or splicer for workmanship, type of joint, etc.).<sup>204</sup> Failure rates need to be developed for all variables so the poorer performing components can be identified and considered for preemptive replacement or upgrade. This presumes an asset management database is being maintained so PEPCO knows where each type of component is installed on its system.

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<sup>204</sup> F.C. 766 & 991, OPC's Comments Addressing PEPCO's 2009 Consolidated Report, pages 42-47;  
F.C. 766, 982, 991, 1002, 1026 & 1062, OPC's Analysis Report, pages 19, 44-45,50,55,80 & 85-89.

## **F. SECTION VI: 2009 MANHOLE EVENT REPORT**

### *1. The Number of Manhole Events in 2009 Increased by 19%.*

PEPCO reported a manhole event reduction of 28% (from 96 to 69) in the 2009 Report.<sup>205</sup> When the Commission found PEPCO had not included its proposed plan for significantly reducing manhole events, as required by Commission Order No. 15152,<sup>206</sup> PEPCO's Application for Reconsideration explained the Company was already in compliance and the data clearly shows PEPCO has already significantly reduced the number of manhole events through its on-going programs, which are a "plan."<sup>207</sup> This great improvement in manhole event reduction reported has been almost entirely given back in 2009 with an increase in events of 19% (from 69 to 82), calling into question the effectiveness of PEPCO's "plan," particularly, when it performed many more manhole inspections than planned (12,668 inspections vs. 10,000 planned).<sup>208</sup>

### *2. More Analysis on the Effects of the Use of Slotted Manhole Covers Needs to be Performed.*

In the subsection on "Slotted Manhole Covers," PEPCO makes some limited positive conclusions without providing any valid data.<sup>209</sup> PEPCO reports 31 (38%) of the 82 manhole events occurred within structures with slotted covers. Is this a good relative

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<sup>205</sup> F.C. 766 & 991, PEPCO's 2009 Consolidated Report, page 226.

<sup>206</sup> F.C. 766 & 991, Commission Order No. 15568, ¶ 46.

<sup>207</sup> F.C. 766 & 991, PEPCO's Application for Reconsideration of Commission Order No. 15568, page 7 (Nov. 9, 2009).

<sup>208</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, pages 171 & 185.

<sup>209</sup> *Id.* at 173.

performance or a poor one? Without including the percent of slotted covers in the District, it is not possible to tell.

In the 2009 Report, PEPCO states the Company is monitoring the short and long-term effects of various intrusions into the manholes due to the slotted covers as part of their on-going trend analyses.<sup>210</sup> This year PEPCO says nothing. Discerning whether more manhole events are occurring on the system due to the infiltration of debris, salt and/or water into the structures with slotted covers is an important concern. PEPCO should be including what the trend analyses are demonstrating in this subsection.

### *3. PEPCO's Cable Splice and Joint Database is Underutilized.*

OPC commented on PEPCO's underutilization of its Cable Splice and Joint Database last year.<sup>211</sup> PEPCO's last sentence under the Cable Splice or Joint Database section states "this information will be used in the future to identify potential problems with quality of construction" is exactly the same as in the 2009 Report.<sup>212</sup> This sentence is an understatement. PEPCO should use this database for a lot more than just tracking workmanship concerns. It is critical information that is needed to assist in establishing an overdue root cause and trending analysis program of underground equipment failures. It should contain cable type, age, type of splice, and other pertinent information which will allow PEPCO to perform a thorough root cause analysis of underground equipment failures and discern if there are any trends that should be addressed. OPC has seen no evidence in Part 3 of this Report of an attempt by PEPCO to identify anything resembling

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<sup>210</sup> F.C. 766 & 991, PEPCO's 2009 Consolidated Report, page 234.

<sup>211</sup> F.C. 766 & 991, OPC's Comments Addressing PEPCO's 2009 Consolidated Report, page 47.

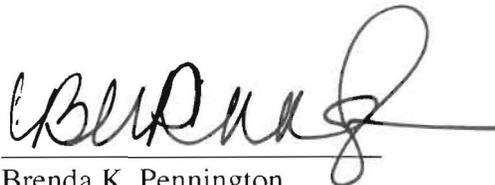
<sup>212</sup> F.C. 766 & 991, PEPCO's 2010 Consolidated Report, page 173; PEPCO's 2009 Consolidated Report, page 234.

the root cause of even one MH event. Without finding, or at least attempting to find the root cause of these failures, which almost 20% of the time cause customer outages, OPC doubts that PEPCO will have much success in addressing the issue of MH events.

**IV. CONCLUSION**

**WHEREFORE**, based upon its examination of the 2010 Consolidated Report and due to numerous concerns, as have been pointed out above, the Office believes the Commission should withhold approval and direct PEPCO to reissue the 2010 Report addressing the concerns and to utilize change bars to identify what it has changed from the original February 2010 submittal.

Respectfully submitted,



Brenda K. Pennington  
Interim People's Counsel  
D.C. Bar No. 478941

Sandra Mattavous-Frye  
Deputy People's Counsel  
D.C. Bar No. 375833

Maggie Sallah  
Assistant People's Counsel  
D.C. Bar No. 982618

OFFICE OF THE PEOPLE'S COUNSEL  
FOR THE DISTRICT OF COLUMBIA  
1133 15th Street, N.W., Suite 500  
Washington, D.C. 20005-2710

Dated: April 26, 2010

**ATTACHMENT A**

**Recapitulation of Tables 2.3-C and 2.3-D**  
**Feeders Trimmed in 2009**  
**That Experienced Tree-Related Outages in 2009**

	Feeder #	<u>Trimming</u>	<u>Outages</u>		Total	Ward(s)
		Date Completed	Before	After		
1	14015	1/30/2009	0	1	1	5
2	14200	2/15/2009	2	2	4	5
3	14005	2/28/2009	1	0	1	5
4	14007	2/28/2009	1	5	6	5
5	14014	2/28/2009	0	9	9	5
6	14016	2/28/2009	0	2	2	5
7	14017	2/28/2009	0	1	1	5
8	14900	3/10/2009	1	0	1	3
9	15705	3/28/2009	0	3	3	7,8
10	14006	3/30/2009	0	5	5	5
11	14093	3/30/2009	0	2	2	5
12	15171	3/30/2009	0	3	3	8
13	271	4/15/2009	1	0	1	8
14	15009	4/15/2009	0	8	8	4, 5
15	15014	4/15/2009	0	1	1	4, 5
16	323	4/25/2009	0	1	1	8
17	332	4/30/2009	0	2	2	3
18	343	4/30/2009	0	2	2	8
19	14768	5/30/2009	4	5	9	3
20	181	9/5/2009	8	2	10	3
21	14767	10/7/2009	13	0	13	3
22	15801	10/7/2009	17	2	19	3
<b>Subtotal (feeders prior to 12/30/09) =</b>			<b>48</b>	<b>56</b>	<b>104</b>	
1	65	12/30/2009	1	0	1	3
2	82	12/30/2009	3	0	3	3
3	87	12/30/2009	2	0	2	3
4	101	12/30/2009	1	0	1	3
5	144	12/30/2009	3	0	3	3
6	292	12/30/2009	30	0	30	3
7	309	12/30/2009	6	0	6	3
8	394	12/30/2009	1	0	1	3
9	14132	12/30/2009	3	0	3	3
10	14133	12/30/2009	10	0	10	3
11	14136	12/30/2009	1	0	1	3
12	14146	12/30/2009	3	0	3	3
13	14150	12/30/2009	1	0	1	3
14	14766	12/30/2009	2	0	2	3
15	14769	12/30/2009	6	0	6	3
16	15867	12/30/2009	1	0	1	3
17	15943	12/30/2009	10	0	10	3
18	15945	12/30/2009	2	0	2	3
19	15949	12/30/2009	2	0	2	3
<b>Subtotal (12/30/09 feeders only) =</b>			<b>88</b>	<b>0</b>	<b>88</b>	
<b>41</b>		<b>TOTALS</b>	<b>136</b>	<b>56</b>	<b>192</b>	

**ATTACHMENT B**



OFFICE OF THE  
GENERAL COUNSEL  
REGULATORY AFFAIRS

701 Ninth Street, NW  
Washington, DC 20068

**Michael W. Maxwell**  
Vice President, Asset Management  
Atlantic City Electric • Delmarva Power • Pepco

NOV 23 2009 10 05 55

202 872-3055

RECEIVED

Mr. William Spence Spencer  
President  
Palisades Citizens Association  
P. O. Box 40603  
Palisades Station  
Washington, DC 20016

Dear Spencer:

I trust that all is well with you and your holidays are going well. Thank you, for working with Pepco and coordinating meetings with your community to review our formal presentation, made November 3, 2009. This presentation, outlined the two alternative workplans devised for enhancing electric reliability in the Palisades/Foxhall communities, with minimal impact on vegetation. Pepco's proposed "tree friendly" options were developed after much strategic deliberation and modifications to the original system design by our engineers. We are confident that they have addressed the concerns of the community. Per your correspondence, the community has selected **Option Number Two (2)** and Pepco is committed to complying with the described workplan associated with this option.

**Option Number Two (2)** would allow Pepco to begin construction/line work on the Trolley line and resume all work in the Foxhall community to enhance electric reliability. This option also eliminates the need to remove the remaining four trees originally identified for removal at the end of the Trolley line near Chain Bridge Road. However, minor pruning will be required. All of the aforementioned work will help to enhance the reliability of Feeder 15801 (Trolley Line), which continues to be on the District of Columbia worst-performing feeder list. Your community has also elected to forego any work planned for Feeder 14767 (MacArthur Boulevard). This feeder has been removed from the worst performing feeder list, due to earlier corrective actions that were taken by the corporation.

The option selected by the community meets both the stated intent and spirit of the Mayor's request of Pepco to develop a more "tree friendly" plan. The option selected will not result in any additional tree removals and only minor pruning.

Your letter also references pole design and placement. This information was also contained in the November 3<sup>rd</sup> presentation. I have attached the presentation for your records. All poles identified for installation/replacement are denoted, commencing on page 28 of the presentation. In addition, Pepco has provided information on wire installation, along with visuals of each type. This information is on page 25 of the

presentation. We have also enclosed information on EMF, in response to your question, concerning health effects.

In furtherance of your efforts to ensure that the community remains informed throughout the scheduled construction period, Pepco will have its construction supervisors and contractor crew leaders available to meet with each of the impacted homeowners along the Trolley line to make adjustments, as required. These discussions would include, but not be limited to, the placement of poles, pole construction and contractor access.

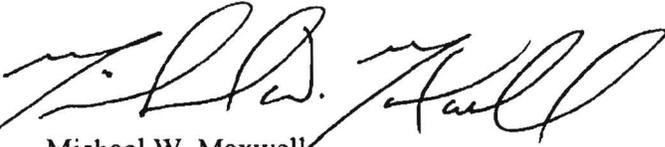
They will also be available to discuss any health-related questions you may have, but please be advised that the levels of EMF on distribution feeders, at the distance/height these lines are designed to be installed, are less than those generated by ordinary household appliances and televisions. In fact, the pre-assembled aerial cable is designed in a configuration that virtually negates the field generated at the cable.

In closing, Pepco recognizes that the PCA has concerns with regards to ongoing equipment and system maintenance, and its impact on the community. To that end, we are identifying three members of our team to serve as points of contact to represent Pepco and to work with the PCA as you move forward with your plans in the future. Those representatives are:

Mr. Steve Genua, System Forester – 202-388-2623  
Ms. Linda Jo Smith, Public Affairs Representative – 202-872-2024  
Mr. Clay Anderson, Sr. Media Representative – 202-872-2357

Thank you for your help in pulling this effort together and I look forward to continuing this dialogue as well. I can be reached at (202) 872-3055.

Regards,



Michael W. Maxwell

cc: Thomas Graham  
Vincent Orange  
Adrian Fenty, Mayor  
ANC 3C Commissioners  
Vincent Gray, Council Chairman  
Mary Cheh, Councilmember  
Phil Mendelson, Councilmember  
Michael Brown, Councilmember  
Muriel Bowser, Councilmember  
Betty Ann Kane, Chairman, Public Service Commission

✓ Elizabeth Noel, Office of People's Counsel  
Gabe Klein, DC Department of Transportation  
Maureen McGowan, Department of the Environment  
John Thomas, Urban Forestry Administration  
Mark Buscaino, Executive Director, Casey Trees

**CERTIFICATE OF SERVICE**

**Formal Case No. 766, In the Matter of the Commission's Fuel Adjustment Clause Audit and Review Program; and  
Formal Case No. 991, In the Matter of the Investigation into Explosions Occurring in or Around the Underground Distribution Systems of the Potomac Electric Power Company**

I hereby certify that on this 26th day of April, 2010, a copy of the "Office of the People's Counsel's Comments Addressing Pepco's 2010 Consolidated Report" was served on the following parties of record by hand delivery; first class mail, postage prepaid; or, electronic mail:

Richard Beverly, Esq.  
General Counsel  
Public Service Commission of the  
District of Columbia  
1333 H Street, N.W., 7<sup>th</sup> Floor East  
Washington, D.C. 20005

Deborah M. Royster  
Deputy General Counsel  
Potomac Electric Power Company  
701 Ninth Street, N.W., Suite 1100  
Washington, D.C. 20068  
dmroyster@pepcoholdings.com

Honorable Betty Ann Kane  
Chairman  
Public Service Commission of the  
District of Columbia  
1333 H Street, N.W., 7<sup>th</sup> Floor East  
Washington, D.C. 20005

Honorable Richard E. Morgan  
Commissioner  
Public Service Commission of the  
District of Columbia  
1333 H Street, N.W., 7<sup>th</sup> Floor East  
Washington, D.C. 20005

Honorable Lori Murphy Lee  
Commissioner  
Public Service Commission of the  
District of Columbia  
1333 H Street, N.W., 7<sup>th</sup> Floor East  
Washington, D.C. 20005

Phylicia Fauntleroy Bowman  
Executive Director  
Public Service Commission of the  
District of Columbia  
1333 H Street, N.W., 6<sup>th</sup> Floor East  
Washington, D.C. 20005

Honorable Muriel Bowser, Chairperson  
Spencer Maguire, Legislative Director  
Committee on Public Services  
and Consumer Affairs  
Council of the District of Columbia  
1350 Pennsylvania Avenue, N.W., Suite 406  
Washington, D.C. 20004

  
Maggie Sallah  
Assistant People's Counsel