

**Testimony of**  
**The Office of the**  
**People’s Counsel for the District of Columbia**  
  
*on*  
**Potomac Electric Power Company and District Department of**  
**Transportation’s Second Biennial Plan and Financing Application**  
**Submitted in PSC Formal Case No. 1159**  
  
*Before the*  
**Public Service Commission**  
  
*of the*  
**Council of the District of Columbia**

**January 8, 2020**

**I. OPENING REMARKS**

Good evening Chairman Phillips, Commissioners Beverly and Gillis, representatives from the Potomac Electric Power Company (“Pepco”) and the District Department of Transportation (“DDOT”), and members of the public in attendance here this evening. My name is Travis Smith, and I am the Trial Supervisor for the Office of the People’s Counsel for the District of Columbia (“OPC” or “Office”).

With me this evening are OPC's Deputy People's Counsel, Ms. Karen Sistrunk, and the Director of OPC's Consumer Services Division, Mr. Aaron Ward. Thank you for providing me and those persons in effected communities an opportunity this evening to be heard with respect to DC PLUG, in general, and Pepco/DDOT's recent filing, in particular. In light of the five-minute time limit for organizations that are testifying this evening, I'll be brief.

## **II. OPC HAS BEEN THERE FROM THE BEGINNING OF DC PLUG**

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Before addressing Pepco/DDOT's Biennial Plan and Financing Application, for those of you in attendance this evening who may be otherwise unaware, I would be remiss if I did not first take a few moments to talk about the length and extent of OPC's involvement with the DC PLUG initiative. OPC has played a central role in DC PLUG ever since its nascence and will continue to do so until the initiative's terminus.

**(1) OPC was on former-Mayor Gray’s Undergrounding Task Force.**

OPC was a member of former-Mayor Gray’s Undergrounding Task Force, whose findings and recommendations formed the basis of the legislation that authorized DC PLUG, and actively participated on a number of the Task Force’s committees. Through its advocacy on the Task Force, the Office successfully ensured DC PLUG would provide reliability and resiliency benefits to the maximum number of District ratepayers and consumers at the lowest possible cost and that recipients of the Residential Aid Discount would not incur any costs associated with this initiative.

**(2) OPC actively participated in re-writing the first DC PLUG statute.**

The Office also played a central role in drafting the 2017 amendment to the original authorizing legislation, a process which took several months to complete. This amendment was required to surmount the impediment to the commencement of DC PLUG brought about by the General Service Administration’s refusal to pay one of the original surcharges.

**(3) OPC has, and continues to, engage in extensive DC PLUG outreach.**

In addition, OPC has been very active with respect to outreach. Since 2014, the Office has met with numerous ANC leaders and their respective constituencies and conducted outreaches at OPC's office, civic association meetings, places of worship, community centers, and schools throughout the District in an attempt to educate District ratepayers and consumers about the DC PLUG initiative. The Office is also a member of the Underground Project Consumer Education Task Force, which was established by Mayor Bowser in 2015, at the request of the Commission, to oversee and improve upon (where needed) Pepco/DDOT's Commission-approved DC PLUG consumer education plan.

**(4) OPC participated in the June 2019 DC PLUG groundbreaking ceremony.**

Penultimately, after a 4-year delay, on June 14, 2019, the groundbreaking for DC PLUG took place in Ward 3 with the undergrounding of Feeder 308. The People's Counsel, Ms. Sandra Mattavous-Frye, and several members of her staff were among those in

attendance. Moreover, Ms. Mattavous-Frye had the honor of participating in the ceremonial ribbon-cutting ceremony along with Mayor Bowser, Chairman Phillips, and other key stakeholders.

**(5) OPC has participated in every DC PLUG proceeding before the Commission and the DC Court of Appeals.**

Lastly, the Office has actively participated in the Commission proceedings and related court challenges pertaining to Pepco/DDOT's original Triennial Application and the currently-effective Biennial Application. The Office continues to do so with respect to Pepco/DDOT's Second Biennial Plan and Financing Application, which were filed with the Commission on September 30, 2019.

**III. THE CONTINUED NECESSITY/URGENCY OF DC PLUG**

I will next briefly address the continued necessity/urgency of DC PLUG. During our extensive outreach efforts throughout the District related to various PSC proceedings, PJM/FERC matters, and emerging energy policies, the Office is occasionally asked about the continued need for DC PLUG and for District ratepayers to be saddled with its substantial costs. It's a fair question: DC PLUG is currently expected to

cost Pepco's District ratepayers \$500 million and, though they have been trending downward of late, Pepco's reliability numbers have improved dramatically since DC PLUG's inception.

**(1) DC PLUG Will Provide Effected Ratepayers/Consumers Maximum Resiliency and Reliability Benefits at Minimal Cost.**

When asked this question, I typically start with the cost component and remind those who ask that when I was a member of former-Mayor Gray's Undergrounding Task Force, I advocated indefatigably for an undergrounding program that would provide Pepco's District ratepayers/consumers the maximum customer benefits at minimal cost. That is why OPC ardently opposed proposals that favored undergrounding more of Pepco's overhead infrastructure at substantially higher costs and instead supported one that focused on the poorest performing feeders that served the most customers.

By doing so, OPC was able to deliver District ratepayers an undergrounding program that would provide them maximum reliability/resiliency benefits at minimal costs. And the resulting surcharge/rider, which have added a total of roughly \$2 to Pepco's

District ratepayers' monthly bills, is a small fraction of the monthly bill impact that would have resulted from a more expansive program – some of which could have added in excess of \$20-\$30 a month to ratepayers' bills.

**(2) As Long as Pepco's Poorest-Performing Feeders Remain Above Ground, They Remain Vulnerable to Extreme Weather Events.**

As for whether Pepco's improved system reliability has obviated the need for DC PLUG, I remind those who ask of two things – first, the purpose of DC PLUG is to make a select number of Pepco's poorest performing overhead power lines in the District invulnerable to calamitous weather events; as long as a feeder remains above ground, it can be downed by trees, high winds, heavy snows, and the like, regardless of the reliability improvements that may have been made to that line previously.

Second, reliability does not equal resiliency; Pepco's system reliability numbers do not reflect major storm outage data. That means, their reliability numbers, and any improvements made thereto, speak to Pepco experiencing fewer outages during normal weather and "blue sky"

days. In other words, there has been an improvement in Pepco's electric distribution system operating when it is supposed to. However, DC PLUG is intended to improve the reliability/resiliency of Pepco's distribution system by making it invulnerable to extreme weather events.

Because there have been very few such events during the intervening period between the passage of the original undergrounding statute and the present, Pepco's electric distribution system here in the District has not had to contend with derechos, Super Storm Sandys, or "Snowmagedons" – particularly its poorest-performing overhead feeders. Consequently, it cannot credibly be stated that those overhead lines operating in a "Tree City" like the District will perform any better today during extreme weather events than they did before the advent of DC PLUG. And it would be absolutely impossible for them to better withstand extreme weather above ground than they would if they were below ground.

#### **IV. CLOSING**

That concludes my prepared remarks for this evening. Thank you, again, Chairman Phillips and Commissioners Beverly and Gillis for

allowing me this opportunity to testify this evening on behalf of OPC and Pepco's District ratepayers/consumers regarding this extremely important initiative.