

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1325 G STREET, N.W., SUITE 800
WASHINGTON, D.C. 20005**

ORDER

May 1, 2024

**PEPACR-2022-01, IN THE MATTER OF THE ANNUAL CONSOLIDATED REPORT OF
THE POTOMAC ELECTRIC POWER COMPANY, and**

**PEPACR-2023-01, IN THE MATTER OF THE ANNUAL CONSOLIDATED REPORT OF
THE POTOMAC ELECTRIC POWER COMPANY, Order No. 21987**

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia (“Commission”) accepts, as being in substantial compliance with its rules and directives, the Potomac Electric Power Company’s (“Pepco” or “Company”) 2022 and 2023 Annual Consolidated Reports.¹ The Commission also grants the Office of the People’s Counsel’s (“OPC”) Unopposed Motion to Late File its Initial Comments Regarding Pepco’s 2022 Annual Consolidated Report.²

II. BACKGROUND

2. Pepco’s Annual Consolidated Report (“ACR”) is a single, integrated document filed each year that contains key information (with an emphasis on recent changes) regarding the operation and maintenance of Pepco’s electric distribution system, typically as occurring during the prior calendar year.³ It includes a description of Pepco’s currently applicable methodology and decisions regarding system planning and related capital investments. The ACR provides other information that facilitates the Commission’s and Pepco’s stakeholders’ understanding of Pepco’s

¹ *PEPACR-2022-01, In the Matter of the Annual Consolidated Report of the Potomac Electric Power Company (“PEPACR-2022-01”), Potomac Electric Power Company’s 2022 Annual Consolidated Report (“2022 ACR”), filed April 15, 2022.*

² *PEPACR-2022-01, In the Matter of the Annual Consolidated Report of the Potomac Electric Power Company, and Formal Case No. 1119, In the Matter of the Joint Application of Exelon Corporation, Pepco Holdings, Inc., Potomac Electric Power Company, Exelon Energy Delivery Company, LLC And New Special Purpose Entity, LLC For Authorization And Approval of Proposed Merger Transaction (“Formal Case No. 1119”), Motion of the Office of the People’s Counsel for the District of Columbia to Late File Its Initial Comments Regarding PEPACO’s 2022 Annual Consolidated Report (“OPC’s Motion”), filed July 13, 2022.*

³ The origin of the Annual Consolidated Report is described in detail in Order No. 19119. *See PEPACR-2015-01, In the Matter of the Annual Consolidated Report of the Potomac Electric Power Company (“PEPACR-2015-01”), and PEPACR-2016-01, In the Matter of the Annual Consolidated Report of the Potomac Electric Power Company (“PEPACR-2016-01”), Order No. 19119, ¶¶ 6-9, rel. September 21, 2017.*

operations and maintenance, reliability performance, its capital improvements, and similar matters pertaining to Pepco's provision of electric distribution service in the District of Columbia ("District") and its associated infrastructure.⁴ The ACR also provides information regarding discussions among members of the Productivity Improvement Working Group ("PIWG")⁵ about reliability and load-driven distribution construction projects that are undertaken by the Company. These discussions are designed to provide PIWG members with any additional clarity that may be necessary to understand these undertakings.

3. **2022 ACR.** On April 15, 2022, Pepco filed its 2022 ACR.⁶ On May 13, 2022, Pepco filed a supplemental report to the 2022 ACR.⁷ On May 10, 2022, OPC filed a Notice of Agency Fund Requirements,⁸ requesting funding for necessary expenses, which was granted on May 24, 2022.⁹ The supplemental report revised the EQSS Section 302 New Residential Service Data table and Table 12 (Historical Information System Projects).¹⁰ In addition, Pepco updated the Ward 8 load forecast information in this report.¹¹ On June 13, 2022, OPC filed an unopposed Motion for an enlargement of time to submit comments on the 2022 ACR and for Pepco's subsequent reply comments.¹² By Order No. 21170, the Commission granted this unopposed Motion and extended the deadline for OPC's filing comments to July 12, 2022.¹³ OPC filed a

⁴ See *PEPACR-2015-01 and PEPACR-2016-01*, Order No. 19119, ¶ 9.

⁵ The PIWG consists of representatives from OPC, Pepco, and Commission Staff.

⁶ *PEPACR-2022-01*, Potomac Electric Power Company's 2022 Annual Consolidated Report ("2022 ACR"), filed April 15, 2022.

⁷ *PEPACR-2022-01*, Potomac Electric Power Company's 2022 Annual Consolidated Report Supplement ("2022 ACR Supplement"), filed May 13, 2022.

⁸ *PEPACR-2022-01*, Office of the People's Counsel for the District of Columbia's Notice of Agency Fund Requirements, filed May 10, 2022.

⁹ *PEPACR-2022-01*, Order No. 21159, rel. May 24, 2022.

¹⁰ 2022 ACR Supplement at 2-3.

¹¹ 2022 ACR Supplement at 4-5.

¹² *PEPACR-2022-01*, Office of the People's Counsel for the District of Columbia's Unopposed Motion for Enlargement of Time to Submit Comments Regarding PEPCO's 2022 Annual Consolidated Report, filed June 13, 2022.

¹³ *PEPACR-2022-01*, Order No. 21170, rel. June 17, 2022.

Motion to late file its initial comments on July 13, 2022,¹⁴ and submitted its initial comments on the same day.¹⁵

4. On July 15, 2022, Pepco filed its 2022 Repeat Priority Feeder Improvement Plan, consistent with Commission Order No. 15941.¹⁶ On July 22, 2022, Pepco filed a response to Commission Data Request 1, issued July 12, 2022, which provided further details to the Downtown Resupply Project.¹⁷ On September 9, 2022, Pepco filed a Response to address OPC's Initial Comments.¹⁸

5. **2023 ACR.** On April 18, 2023, Pepco filed its 2023 ACR.¹⁹ On May 9, 2023, OPC filed a Notice of Agency Fund Requirements,²⁰ requesting funding for necessary expenses, which was granted on May 22, 2023.²¹ On May 24, 2023, OPC filed an unopposed Motion for an enlargement of time to submit comments on the 2023 ACR and for Pepco's subsequent reply comments.²² By Order No. 21637, the Commission granted this unopposed Motion and extended the deadline for OPC's filing comments to July 21, 2023.²³ On July 14, 2023, Pepco filed its 2023

¹⁴ *PEPACR-2022-01*, Office of the People's Counsel for the District of Columbia's Motion to Late File its Initial Comments Regarding Pepco's 2022 Annual Consolidated Report ("OPC Motion for Late Filing"), filed July 13, 2022.

¹⁵ *PEPACR-2022-01*, Office of the People's Counsel for the District of Columbia's Initial Comments Regarding Pepco's 2022 Annual Consolidated Report ("OPC 2022 Comments"), filed July 13, 2022.

¹⁶ *PEPACR-2022-01*, Potomac Electric Power Company's 2022 Repeat Priority Feeder Improvement Plan, filed July 15, 2022, ("2022 Repeat Priority Feeder Report"). See also *Formal Case No. 766, In the Matter of the of the Commission's Fuel Adjustment Clause Audit and Review Program* ("Formal Case No. 766"), *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* ("Formal Case No. 991"), Order No. 15941, ¶¶ 13, 17, rel. August 18, 2010.

¹⁷ *DRPEPACR-2022-01*, Potomac Electric Power Company's Response to Staff's Data Request Set No. 1 ("Pepco DR-1 Response"), filed July 22, 2022; See also *DRPEPACR-2022-01*, Commission Data Request No. 1 ("Commission DR-1"), filed July 12, 2022.

¹⁸ *PEPACR-2022-01*, Potomac Electric Power Company's Response to the Office of the People's Counsel's Comments ("Pepco 2022 Reply Comments"), filed September 9, 2022.

¹⁹ *PEPACR-2023-01, In the Matter of the Annual Consolidated Report of the Potomac Electric Power Company* ("*PEPACR-2023-01*"), Potomac Electric Power Company's 2023 Annual Consolidated Report ("2023 ACR"), filed April 18, 2023.

²⁰ *PEPACR-2023-01*, Office of the People's Counsel for the District of Columbia's Notice of Agency Fund Requirements, filed May 9, 2023.

²¹ *PEPACR-2023-01*, Order No. 21625, rel. May 22, 2023.

²² *PEPACR-2023-01*, Office of the People's Counsel for the District of Columbia's Unopposed Motion for Enlargement of Time to Submit Comments Regarding Pepco's 2023 Annual Consolidated Report, filed May 24, 2023.

²³ *PEPACR-2023-01*, Order No. 21637, rel. June 2, 2023.

Repeat Priority Feeder Improvement Plan, consistent with Commission Order No. 15941.²⁴ OPC submitted its initial comments on July 21, 2023.²⁵ On August 30, 2023, Pepco filed a Response to address OPC's Initial Comments.²⁶

III. DISCUSSION

A. 2022 Annual Consolidated Report

6. **OPC's Motion:** Pepco filed its 2022 Annual Consolidated Report on April 15, 2022. Pursuant to Commission rules, comments are due within 45 days of the filing of the ACR.²⁷ OPC filed a Motion to late-file its initial comments on July 13, 2022,²⁸ and submitted its initial comments on the same day.²⁹ OPC stated it was unable to file its response on time due to technical and administrative delays.³⁰ The Commission has previously accepted comments into the record late when good cause is shown and the delay did not cause harm to other parties.³¹ No opposition was filed, and no party or stakeholder has asserted they would be prejudiced by the granting of the Motion. Therefore, the Commission grants OPC's Motion, and OPC's out-of-time comments are accepted into the record.

7. **Pepco's 2022 Repeat Priority Feeder Report.** In accordance with Order No. 15941, Pepco provided the 2022 Priority Feeder Improvement Plan to identify, by year, any 4kV feeders that have appeared at least three (3) times on the Priority Feeder List, and any 13kV feeders that have appeared four (4) times.³² In 2022, five 13kV feeders (14014, 14717, 14767, 15171, and

²⁴ *PEPACR-2023-01*, Potomac Electric Power Company's 2023 Repeat Priority Feeder Improvement Plan, filed July 14, 2023 ("2023 Repeat Priority Feeder Report"). *See also Formal Case No. 766 and Formal Case No. 991*, Order No. 15941, ¶¶ 13, 17.

²⁵ *PEPACR-2023-01*, Office of the People's Counsel for the District of Columbia's Initial Comments Regarding Pepco's 2023 Annual Consolidated Report ("OPC 2023 Comments"), filed July 21, 2023.

²⁶ *PEPACR-2023-01*, Potomac Electric Power Company's Response to the Office of the People's Counsel's Comments ("Pepco 2023 Reply Comments"), filed August 30, 2023.

²⁷ 15 DCMR § 513.8 (2022).

²⁸ OPC Motion for Late Filing at 1.

²⁹ OPC 2022 Comments at 1.

³⁰ OPC Motion for Late Filing at 1.

³¹ *See, e.g., Formal Case No. 1175, In the Matter of Washington Gas Light Company's Application for Approval of PROJECTpipes 3 Plan*, Order No. 21573, ¶ 10, rel. February 17, 2023. *See also, e.g., RM29-2020-02, In the Matter of 15 DCMR Chapter 29-Renewable Energy Portfolio Standard*, Order No. 20740, ¶¶ 5, n.7, n.9, n.15, rel. May 13, 2021 (accepting late-filed comments).

³² *Formal Case No. 766 and Formal Case No. 991*, Order No. 15941, ¶¶ 13, 17.

15710) are included in the report.³³ No 4kV feeders meet the criteria for this year's 2022 Repeat Priority Feeder Report.³⁴

8. **2022 ACR.** By Order No. 19119, the Commission delineated the scope of its review of the ACR as primarily addressing filed comments seeking clarification of ambiguities or inconsistencies in the reported information, to resolve uncertainty with respect to the meaning of the information provided, to correct factual errors,³⁵ and to identify the information required by existing Commission rules or directives that may be lacking in a particular year's ACR.³⁶ Thus, this Order, like previous years, does not describe the voluminous detail of information contained in the 2022 ACR, as the Commission is not making any regulatory decision on the reasonableness of the Company's activities.

9. The Commission reviewed OPC's Comments on Pepco's 2022 ACR and determined that the majority of OPC's Comments have been either corrected or clarified by Pepco in its Reply Comments, a PIWG meeting, or would be duplicative of information already in OPC's possession through its participation in other Commission proceedings, all as further described below. Moreover, some of OPC's Comments are not being addressed in this Order because they go beyond Pepco's filing requirements for the ACR.

10. *Pepco Should Clarify Load Forecasting.* OPC continues to be concerned about the viability of Pepco's "bottom up" approach for projecting loads used to justify substations, because this approach may be overestimating capital investment and spending.³⁷ In the 2021 ACR, Pepco indicated it would revise the load forecasting methods to use a new software that would forecast in a "top down" method.³⁸ Indeed, in its 2022 ACR, Pepco indicated it has implemented a new planning tool, the "Distribution System Planning Load Forecasting (DSP-LF) program."³⁹ This method utilized a comparative analysis of the previous year's weather patterns against a thirty-year record of weather patterns.⁴⁰ During the summer and winter months, "Feeder and Substation loads are adjusted to match the values expected during temperature extremes projected to occur once in

³³ 2022 Repeat Priority Feeder Report at 1.

³⁴ 2022 Repeat Priority Feeder Report at 1.

³⁵ *PEPACR-2015-01 and PEPACR-2016-01*, Order No. 19119, ¶ 123.

³⁶ *PEPACR-2015-01 and PEPACR-2016-01*, Order No. 19119, ¶ 122.

³⁷ OPC Comment at 4.

³⁸ OPC Comment at 4; *see also PEPACR-2021-01, In the Matter of the Annual Consolidated Report of the Potomac Electric Power Company*, Potomac Electric Power Company's 2021 Annual Consolidated Report ("2021 ACR"), Order No. 21558, ¶ 9, rel. December 14, 2022.

³⁹ 2022 ACR at 8.

⁴⁰ 2022 ACR at 8.

a ten-year period.”⁴¹ The historical values are used to project future demand on the electrical grid.⁴² These projections allow Pepco to take “corrective measures that adjust the energy use over the day, such as Battery Energy Storage Solutions (BESS) and Targeted Demand Response (TDR).”⁴³ However, COVID caused variances in weather-load patterns for the past two years, which should normalize with the reduction in COVID protocols.⁴⁴ While OPC “recognizes the effects COVID has had on [the] construction of new commercial and residential loads and use of existing commercial buildings,”⁴⁵ OPC remains concerned that short-term load forecasting will use the “bottom-up” approach with historical peak load data plus projected new load growth and energy reduction initiatives.⁴⁶

11. **Commission Decision.** The Commission concludes that there is no need to take any action at this time on OPC’s requests for clarification or correction of the above matters. OPC agreed with Pepco’s current method for load forecasting in its 2023 ACR comments, stating that it appears to be yielding results that are more in line with reasonable expectations for Pepco’s system growth.

12. *Pepco Should Provide More Details on New Ward 8 Substation.* In the 2021 ACR, Pepco indicated that the Company had identified the need for a new, load-driven substation in Ward 8.⁴⁷ However, OPC states its review indicates that the Alabama Avenue Substation 136 in Ward 8 “has had relatively flat growth of 3% from 2016 to 2021, which is consistent with a growth of total customers served by this substation of 4%.”⁴⁸ Conversely, Pepco has projected an increase of 1.73 times the current peak for 2025.⁴⁹ The projected data for the area to be served by the new substation show a significant increase in load over a short period of time, following a preceding decade of relatively modest load growth, with little explanation of the cause of this projected load growth.⁵⁰ Pepco did not provide information about the new substation in the 2022 ACR, as OPC states should be required by Order No. 16975. OPC questions the necessity of the proposed substation and

⁴¹ 2022 ACR at 8.

⁴² 2022 ACR at 8.

⁴³ 2022 ACR at 9.

⁴⁴ 2022 ACR at 9.

⁴⁵ OPC 2022 Comments at 4.

⁴⁶ OPC 2022 Comments at 4-5.

⁴⁷ OPC 2022 Comments at 5.

⁴⁸ OPC 2022 Comments at 5.

⁴⁹ OPC 2022 Comments at 5.

⁵⁰ OPC 2022 Comments at 6.

recommends that the Commission require Pepco to provide more justification for the new Ward 8 substation.⁵¹

13. Pepco responds that Order No. 16975 directs Pepco to provide updates on major projects but does not require the Company to list every substation under consideration.⁵² Pepco is in the process of considering multiple options in relation to the Ward 8 substation, and the Company will provide more details in future reporting as plans and related information are finalized.⁵³ Additionally, the load differences between 2021 and 2022 stem from the fact that growth had slowed over the past few years but is now projected to increase.⁵⁴ The 2022 ACR includes a load transfer from the Alabama Avenue Substation, which had not occurred before the filing of the 2021 ACR. However, the comparison is inapt because the focus should be on the load forecasting methodology, not the actual/forecasted load.⁵⁵

14. **Commission Decision.** To gain more visibility into the potential load demands in Ward 8, the Commission directs Pepco to provide an update regarding the potential new load-driven substation in Ward 8 within 90 days of the date of this Order and discuss the latest load growth projection in a PIWG meeting within 120 days of the date of this Order.

15. *Pepco Should Update the Downtown Resupply Project Plan.* OPC argues that Pepco's treatment of the Downtown Resupply Project in the 2022 ACR "lacks the detail necessary for stakeholders to understand precisely what Pepco is planning, including what additions to or modifications of existing facilities are needed to complete that project."⁵⁶ The Office argues that Pepco does not comply with the requirements of Order No. 20203, which requires Pepco to provide annual reports that include "updated cost estimates with an explanation of any significant changes and an updated construction schedule."⁵⁷ For example, the 2022 ACR does not discuss modifications needed for the Georgetown and F Street Substations, equipment upgrades to the L Street Substation, proposed retirement of the I Street Substation, or changes to be made at Buzzard Point Station B.⁵⁸

16. Pepco counters that the Company has fully complied with all requirements to report information in Attachment F and other specific information is also provided annually in the Capital

⁵¹ OPC 2022 Comments at 7.

⁵² Pepco 2022 Reply Comments at 1.

⁵³ Pepco 2022 Reply Comments at 2.

⁵⁴ Pepco 2022 Reply Comments at 2.

⁵⁵ Pepco 2022 Reply Comments at 2.

⁵⁶ OPC 2022 Comments at 7.

⁵⁷ OPC 2022 Comments at 7-8.

⁵⁸ OPC 2022 Comments at 9.

Grid proceeding, *Formal Case No. 1144*.⁵⁹ Moreover, Pepco argues that the relevant plans are in the design phases, and further reporting would be an inefficient use of time.⁶⁰

17. **Commission Decision.** In Order No. 20203,⁶¹ we required Pepco to provide updated and comprehensive plans for the Downtown Resupply Project in the ACR, including updated cost estimates with an explanation of significant changes and updated construction schedule(s) each year unless otherwise directed, and to include its plans for Downtown Resupply Project in the Annual Report every year. In Order No. 20332, which followed, we directed Pepco to file a Capital Grid Project Annual Report in *Formal Case No. 1144* by August 9, 2020, and file its following Annual Reports no later than forty-five (45) days after the end of each calendar year.⁶² Pepco provided an update on the Downtown Resupply Project on December 13, 2022, during the PIWG meeting.⁶³ Considering the recent updates to the project, the Commission directs Pepco to discuss the updated Downtown Resupply Project plan in a PIWG meeting within 180 days of this Order.

18. *Pepco Should Provide More Detail on Other Substation Enhancements.* OPC references a partial list of substation transformer projects provided in Attachment B of the 2022 ACR but states that Pepco fails to mention the enhancements that are required for the relevant substations and leaves out the enhancements at several other substations.⁶⁴ OPC believes that these enhancements fall within the scope of Order No. 16975 and recommends that Pepco report on and provide justifications for these substation changes.⁶⁵

19. Pepco disagrees with the purported scope of Order No. 16975, as stated by OPC.⁶⁶ Additionally, the Company states, “Attachment B is the work plan, which shows 2021 actuals and 2022 budget items.”⁶⁷ Pepco states that if a substation enhancement is not provided in Attachment B, it is because the enhancement was not a standalone project in 2021 or 2022.⁶⁸

⁵⁹ Pepco 2022 Reply Comments at 3; *see also* Pepco’s Annual Report on the Capital Grid proceeding, *Formal Case No. 1144, In the Matter of the Potomac Electric Power Company’s Notice to Construct Two 230KV Underground Circuits from the Takoma Substation to the Rebuilt Harvard Substation, and from the Rebuilt Harvard Substation to the Rebuilt Champlain Substation (Capital Grid Project)* (“*Formal Case No. 1144*”), filed April 15, 2022.

⁶⁰ Pepco 2022 Reply Comments at 3.

⁶¹ *Formal Case No. 1144*, Order No. 20203, ¶ 46, rel. August 9, 2019.

⁶² *Formal Case No. 1144*, Order No. 20332, ¶ 4.

⁶³ *See PEPPIWGR2022-01-E*, December 13, 2022, PIWG Meeting Minutes, filed January 20, 2023.

⁶⁴ OPC 2022 Comments at 10.

⁶⁵ OPC 2022 Comments at 10.

⁶⁶ Pepco 2022 Reply Comments at 4.

⁶⁷ Pepco 2022 Reply Comments at 4.

⁶⁸ Pepco 2022 Reply Comments at 4.

20. **Commission Decision.** The Commission concludes that there is no need to take any action at this time on OPC's requests for clarification of the above matters since Pepco's explanations and corrections address the ambiguities or errors identified by OPC in its Comments.

21. *Pepco Should Provide More Details on Their Purchase of Spare Substation Transformers.* OPC cites a list of substation transformer projects below, which are also referenced in Attachment B of the 2022 ACR and show significant spending on spare transformers.⁶⁹ The cost of the spare transformers listed above roughly totals \$23.5 million.⁷⁰ However, there is no clear justification for the spare transformers and "why so many spare transformers are required in such a short period of time."⁷¹

Substation	Type	Project #
12th and Irving	Spare Only	64396: Pepco DC: Dist- Three 42MVA Spare Transformers
22nd	Spare Only	64396: Pepco DC: Dist- Three 42MVA Spare Transformers
9th Street	Spare Only	64396: Pepco DC: Dist- Three 42MVA Spare Transformers
Benning	Spare Only	68608: Pepco DC Benning T19 Spare
Benning	Spare Only	69097: Pepco DC Benning T12 Spare
Fits Multiple stations	Spare Only	64407: Pepco DC DIST-33MVA Spare Transformer
Florida, I St, NE	Spare Only	64922: Pepco DC: DIST-Two 56 MVA Spare Transformers
L Street	Spare Only	68616: Pepco DC L St Spare Transformer Replacement
Waterfront	Spare Only	68523: Pepco DC Harvard Spare Transformer

22. Pepco responds that due to the Florida Avenue Substation outage several years ago, Pepco concluded that increasing its number of spare transformers was a prudent business decision.⁷² As such, Pepco has endeavored to implement measures to increase its access to spare transformers to improve grid resiliency.⁷³

23. **Commission Decision.** The Commission concludes that there is no need to take any action at this time on OPC's requests for clarification or correction of the above matters since the explanations and corrections provided by Pepco address the ambiguities or errors identified by OPC in its Comments. Understanding that OPC questions the transformers' costs, the Commission will determine whether those costs are prudent when Pepco seeks recovery in a base rate case proceeding.

⁶⁹ OPC 2022 Comments at 11.

⁷⁰ OPC 2022 Comments at 11.

⁷¹ OPC 2022 Comments at 11.

⁷² Pepco 2022 Reply Comments at 4.

⁷³ Pepco 2022 Reply Comments at 4.

24. *Pepco Should Provide Status Reports for the Remote Monitoring System (RMS) on the Underground Network.* OPC states that in 2021, 653 switches were installed, and another 48 were planned for installation in 2021.⁷⁴ Pepco plans to facilitate the installation of 4,400 units with remote monitoring system (“RMS”) technology.⁷⁵ However, Pepco has failed to report “the location or number of units scheduled to be installed in 2022.”⁷⁶ OPC argues that Order No. 12804 requires Pepco to provide details related to RMS programs that are not currently reflected in the 2022 ACR.⁷⁷

25. Pepco disagrees with the purported scope of Order No. 12804 as stated by OPC.⁷⁸ Additionally, the Company states that the RMS provided in the 2022 ACR is virtually the same as was provided in the 2021 ACR.⁷⁹

26. **Commission Decision.** Commission Order No. 12804 requires Pepco to provide status reports that include current accomplishments, plans for the future, and anticipated completion dates on RMS. However, to better understand the Company’s upcoming plans, the Commission directs Pepco to provide information on its planned RMS installations within 90 days of the date of this Order.⁸⁰

27. *Pepco Should Provide More Details on the Equipment Condition Assessment (“ECA”) Substation Equipment.* OPC states that in Order No. 20776, the Commission required a holistic analysis of substation equipment in the District to avoid outages and directed Pepco to file an ECA summary table that included the following:

- (1) Existing condition of various equipment within each of the distribution substations in the District;
- (2) Date of the last performed maintenance; and
- (3) Outstanding issues to be remediated.⁸¹

OPC asserts that the Commission also directed Pepco to provide the ECA summary table in future ACRs.⁸² OPC argues that “the table in Attachment G to the 2022 ACR does not meet the

⁷⁴ OPC 2022 Comments at 11.

⁷⁵ OPC 2022 Comments at 11.

⁷⁶ OPC 2022 Comments at 11.

⁷⁷ OPC 2022 Comments at 12.

⁷⁸ Pepco 2022 Reply Comments at 4.

⁷⁹ Pepco 2022 Reply Comments at 4.

⁸⁰ *Formal Case No. 766*, Order No. 12804, rel. August 6, 2003.

⁸¹ OPC 2022 Comments at 12.

⁸² OPC 2022 Comments at 12, citing *PEPACR-2020-01, In the Matter of the Annual Consolidated Report of the Potomac Electric Power Company* (“PEPACR-2020-01”), *PEPACR-2015-01, In the Matter of the Annual*

requirements of Order No. 20776 because Pepco does not provide information regarding outstanding issues to be remediated.”⁸³ As such, OPC recommends that the Commission direct Pepco to update the table in Attachment G “with specific remediation plans, including projected retirement dates of specific units.”⁸⁴

28. Pepco agrees with OPC and has provided an updated table.⁸⁵

29. **Commission Decision.** The Commission concludes that there is no need to take any action at this time on OPC’s requests for correction of the above matters since the explanations and corrections provided by Pepco address the ambiguities or errors identified by OPC in its Comments.

30. *Pepco Should Address Concerns on Protocols on the Overhead Feeder Inspection Program.* OPC questions the thoroughness of Pepco’s inspection program for overhead feeders.⁸⁶ The program includes the inspection of 24,000 poles, of which “only 48 poles had issues to be corrected, and this list includes five (5) missing pole tags.”⁸⁷ By comparison, OPC notes that Pepco inspects 10,000 manholes each year and identifies problems in nearly 50% of the manholes.⁸⁸ Therefore, OPC recommends a future PIWG meeting to address this issue and that “Pepco should be directed to provide additional details on the protocols of the overhead feeder inspection program and any checklists that field workers are required to complete when performing an inspection.”⁸⁹

31. It is Pepco’s belief that OPC’s comments stem from a misunderstanding of the project; the purpose of the Circuit Patrol program is to identify apparent safety concerns or issues that require immediate repairs. Misabeled major equipment poles will not lead to hazardous or unsafe operating conditions.⁹⁰ Pepco also performs repairs in emergency situations and as part of regular maintenance. However, a broader inspection for major and minor issues is also completed on a 10-year cycle as part of its Comprehensive Feeder assessment.⁹¹

Consolidated Report of the Potomac Electric Power Company (“PEPACR-2015-01”), PEPACR-2016-01, In the Matter of the Annual Consolidated Report of the Potomac Electric Power Company (“PEPACR-2016-01”), Order No. 20776 rel. July 23, 2021 (“Order No. 20776”).

⁸³ OPC 2022 Comments at 12.

⁸⁴ OPC 2022 Comments at 13.

⁸⁵ Pepco 2022 Reply Comments at 6.

⁸⁶ OPC 2022 Comments at 13.

⁸⁷ OPC 2022 Comments at 13.

⁸⁸ OPC 2022 Comments at 13.

⁸⁹ OPC 2022 Comments at 13-14.

⁹⁰ Pepco 2022 Reply Comments at 8.

⁹¹ Pepco 2022 Reply Comments at 8.

32. **Commission Decision.** The Commission directs Pepco to provide a detailed explanation discussing the differences between the Circuit Patrol Program and Overhead Feeder Inspection Program and an updated status of both programs, including the completed remediation actions within 90 days of the date of this Order.

33. *Pepco Should Amend the 4kV Conversion Report.* OPC states Pepco has been reporting on Productivity Improvement Projects (“PIP”) for over 15 years in the ACR on the conversion of the 4kV distribution system to 13 kV.⁹² OPC observed a reduction in priority based on the actual expenses reported by Pepco over the past six (6) years.⁹³

4kV to 13kV Conversion Projects		
Year	Actual	Budget
Year 2021	\$ 8,226	\$ 16,876
Year 2020	\$ 4,738	\$ 12,111
Year 2019	\$ 3,458	\$ 17,801
Year 2018	\$ 27,636	\$ 12,521
Year 2017	\$ 22,166	\$ 26,886
Year 2016	\$ 15,420	\$ 15,503

Additionally, OPC observes various inconsistencies that require further explanation related to whether unspent balances are carried over to the following year, totals for projects, and consistency of numbers across various reports.⁹⁴ OPC emphasizes the need for the PIP section of the ACR to be consistent with the data presented in the Neighborhood Analysis and that these two (2) sections be aligned in future ACR reports.⁹⁵

34. Pepco concedes a prior error in table 17 and states the “actual spend on 4kV conversions in 2021 was \$6,756,611 and not \$8,255,654.”⁹⁶ However, the Company takes issue with the framing of reduced actual expenses as a “reduced priority.”⁹⁷ Rather, Pepco proposes “lower-than-anticipated spending in any given year is a function of timing, construction schedules, permitting and other similar issues.”⁹⁸

⁹² OPC 2022 Comments at 14.

⁹³ OPC 2022 Comments at 14.

⁹⁴ OPC 2022 Comments at 14-15.

⁹⁵ OPC 2022 Comments at 15.

⁹⁶ Pepco 2022 Reply Comments at 9.

⁹⁷ Pepco 2022 Reply Comments at 9.

⁹⁸ Pepco 2022 Reply Comments at 9.

35. **Commission Decision.** The Commission agrees with OPC that the PIP section of the ACR must be consistent with the data presented in the Neighborhood Analysis and that these two (2) sections be aligned in future ACR reports. Further, the Commission directs Pepco to provide an explanation within 90 days of the date of this Order for the large variance in budgeted versus actual expenses and also clarify if the unused remaining budget is rolled into future years in the next ACR.

36. *Pepco Should Provide More Details on Repeat Priority Feeders.* OPC cites priority feeders 15710, 15171, and 14146 as requiring additional remedial measures.⁹⁹ OPC notes that Pepco recommends using similar improvements from the 2021 ACR to address issues for the Benning Feeder 15710 in the 2022 ACR and questions the potential effectiveness of using the same remedial measures.¹⁰⁰ Regarding Feeder 15171, OPC recommends implementing enhanced animal protection measures to prevent damage from wildlife.¹⁰¹ Regarding Feeder 14146, OPC states that “Pepco neglected to note that the feeder was added to an automatic sectionalizing and restoration (“ASR”) scheme in 2021.”¹⁰²

37. In response to concerns involving Feeders 15710 and 15171, Pepco states that the Repeat Priority Feeder plan “explains in detail the remediation strategy employed by the Company.”¹⁰³ Pepco does not know any requirement to cite to operational issues, such as Feeder 14146 being part of an ASR scheme, in the priority reporting.¹⁰⁴

38. **Commission Decision.** The Commission concludes that there is no need to take any action at this time on OPC’s requests for correction of the above matters since the explanations and corrections provided by Pepco in its Repeat Priority Feeder Plan filed on July 15, 2022, address the ambiguities or errors OPC raised.¹⁰⁵

39. *Pepco Should Provide More Details on the Customer Experiencing Multiple Interruptions (“CEMI”) for the Neighborhood Analysis.* OPC asserts there appear to be inconsistent numbers of customers used to calculate Pepco’s CEMI values in the analysis of the reliability of distribution service in District neighborhoods.¹⁰⁶ OPC seeks greater clarity to the

⁹⁹ OPC 2022 Comments at 16.

¹⁰⁰ OPC 2022 Comments at 16.

¹⁰¹ OPC 2022 Comments at 16.

¹⁰² OPC 2022 Comments at 16.

¹⁰³ Pepco 2022 Reply Comments at 10.

¹⁰⁴ Pepco 2022 Reply Comments at 10.

¹⁰⁵ See 2022 Repeat Priority Feeder Report.

¹⁰⁶ OPC 2022 Comments at 17.

CEMI values presented by Pepco's providing "either the total system CEMI-3 or by providing the values used in the ratio for determining CEMI-3."¹⁰⁷

40. Pepco observes that OPC interprets the ACR reports to have two different numbers for the CEMI values for 2020.¹⁰⁸ The Company states that this is an incorrect interpretation. Additionally, the 2019 CEMI value was corrected in Pepco's 2022 ACR.¹⁰⁹

41. **Commission Decision.** The Commission concludes that there is no need to take any action at this time on OPC's requests for clarification of the above matters since the explanations and corrections provided by Pepco address the ambiguities or errors identified by OPC in its Comments.

42. *Pepco Should Provide More Details on the Top Three Equipment Failure Modes.* Pepco identifies the top three (3) equipment failure types in 2022 as cables, distribution circuit breakers, and switches.¹¹⁰ OPC asserts Pepco "reported 14 distribution circuit breaker related outages but did not truly analyze the outages to discover the root cause."¹¹¹ OPC stated that the outage on June 3, 2021, impacted feeders "14713, 14717, 15711, 15705, 15710, and 14809, resulting in approximately 9,179 customers without power for an average of 115 minutes."¹¹² These feeders are all served by the Benning Substation. OPC is concerned that the feeders are part of an ASR scheme that caused all six (6) feeders to fail at the same time. OPC recommends that additional information be provided to clarify the cause of the outage, and should be presented at a subsequent PIWG meeting.¹¹³ Regarding switch failures, which are the third most common cause of outages, OPC states that the information and analysis provided by Pepco are insufficient and should be improved upon.¹¹⁴ In addition, OPC argues that Table 37, which ostensibly contains outage-cause data, is confusing and misleading.¹¹⁵

43. Pepco clarifies that the June 3, 2021, outage was caused by a bolted fault in the cubicle for feeder 14716, "causing catastrophic damage that also impacted another cubicle and associated relays."¹¹⁶ The damage resulted in the "operation of the differential schemes on both

¹⁰⁷ OPC 2022 Comments at 17.

¹⁰⁸ Pepco 2022 Reply Comments at 10.

¹⁰⁹ Pepco 2022 Reply Comments at 11..

¹¹⁰ OPC 2022 Comments at 17.

¹¹¹ OPC 2022 Comments at 18.

¹¹² OPC 2022 Comments at 18.

¹¹³ OPC 2022 Comments at 18.

¹¹⁴ OPC 2022 Comments at 18.

¹¹⁵ OPC 2022 Comments at 19.

¹¹⁶ Pepco 2022 Reply Comments at 11-12.

the #2 and #4 13kV busses.”¹¹⁷ Regarding the switch failures, Pepco provides the information below which documents no commonality in failure type:¹¹⁸

Feeder	Substation	Date	CI	CMI	Cause	Comment
15204R/1520 4W	Tenth St	5/23/2021	3258	591,859	Oil Switch Bushing Failure	The bushing on the oil switch failed.
15004/15002	Ft. Slocum	9/30/2021	2257	20,012	600A Elbow Failure	Switch did not fail. Upon failure analysis investigation it was determined that the elbow failed due to Workmanship related issue.
15707	Benning	10/21/2021	1737	18,094	600A Elbow Failure	600A elbow failed and damaged the oil switch resulting in it needing to be replaced. Root cause of failure could not be determined because elbow was unrecoverable from the event.

44. **Commission Decision.** While the explanations and corrections provided by Pepco resolve the ambiguities identified by OPC in its Comments, the Commission agrees with OPC that the Outage Cause Table in the ACR must be updated to provide the cause of the outage instead of specifying the equipment type. Accordingly, the Commission directs Pepco to provide an updated Outage Cause Table identifying the cause of the interruption, which includes an appropriate categorization and a brief explanation of the outage cause as necessary within 90 days of the date of this Order. The Commission also directs Pepco to reflect this information in the Outage Cause Table in its future ACR filings.

45. *Pepco Should Provide More Details on the Vegetation Management Budget.* OPC notes Pepco’s vegetation management actual spending budget has been roughly \$2.0 million each year for the last three (3) years.¹¹⁹ Additionally, the performance of tree-trimming programs has exceeded expectations.¹²⁰ OPC seeks clarification related to the variance between estimated and

¹¹⁷ Pepco 2022 Reply Comments at 12.

¹¹⁸ Pepco 2022 Reply Comments at 12.

¹¹⁹ OPC 2022 Comments at 19.

¹²⁰ OPC 2022 Comments at 19.

actual expenses and requests that the Vegetation Management budget should be discussed at an upcoming PIWG meeting.¹²¹

46. Pepco responds that the budget is prepared based on historical, actual spend, and forecasted work for the upcoming year.¹²² The Company clarifies that the variance in the 2021 budget is “mainly due to an expected increase in certain administrative costs, which did not come to fruition.”¹²³

47. **Commission Decision.** The Commission concludes that there is no need to take any action at this time on OPC’s requests for clarification or correction of the above matters since the explanations and corrections provided by Pepco address the ambiguities or errors identified by OPC in its Comments.

48. *Pepco Should Provide More Details on the 2021 Manhole Events.* OPC references the 25 manhole events detailed in Table 48, as required by Order No. 11716, and is concerned with the frequency of manhole inspections that are scheduled to occur on a six (6) year cycle.¹²⁴ Ten of the 25 either were not inspected or did not show updated records of inspection. OPC recommends that the Commission inquires “as to why the past inspection dates are not available or are beyond the 6-year cycle for such a high percentage of manholes with events such as explosions and smoking manholes.”¹²⁵

49. In response, Pepco references its continued efforts to “refine its processes and update its GIS database as it continues its six-year inspection cycle.”¹²⁶ Additionally, Pepco includes a table providing more information related to 10 manhole events that were not included in the 2022 ACR.¹²⁷

50. **Commission Decision.** The Commission concludes that there is no need to take any action at this time on OPC’s requests for clarification or correction of the above matters since the explanations and corrections provided by Pepco address the ambiguities or errors identified by OPC in its Comments.

B. 2023 Annual Consolidated Report

51. **Pepco’s 2023 Repeat Priority Feeder Report.** In accordance with Order No. 15941, Pepco provided the 2023 Priority Feeder Improvement Plan to identify, by year, any 4kV feeders that have appeared at least three (3) times on the Priority Feeder List, and any 13kV feeders

¹²¹ OPC 2022 Comments at 19.

¹²² Pepco 2022 Reply Comments at 13.

¹²³ Pepco 2022 Reply Comments at 13.

¹²⁴ OPC 2022 Comments at 20.

¹²⁵ OPC 2022 Comments at 20-21.

¹²⁶ Pepco 2022 Reply Comments at 13.

¹²⁷ Pepco 2022 Reply Comments at 13-14.

that have appeared four (4) times.¹²⁸ In 2023, seven 13kV feeders (15014, 15021, 15130, 15170, 15174, 15197, and 15707) were included in the report.¹²⁹ No 4kV feeders meet the criteria for this year's 2023 Repeat Priority Feeder Report.¹³⁰

52. **2023 ACR.** By Order No. 19119, the Commission delineated the scope of its review of the ACR as primarily addressing filed comments seeking clarification of ambiguities or inconsistencies in the reported information, to resolve uncertainty with respect to the meaning of the information provided, to correct factual errors,¹³¹ and to identify the information required by existing Commission rules or directives that may be lacking in a particular year's ACR.¹³² Thus, this Order, like the last five years, does not describe the voluminous detail of information contained in the 2023 ACR, as the Commission is not making any regulatory decision on the reasonableness of the Company's activities.

53. The Commission reviewed OPC's Comments on Pepco's 2023 ACR and determined that the majority of OPC's Comments have been either corrected or clarified by Pepco in its Reply Comments or a PIWG meeting or would be duplicative of information already in OPC's possession through its participation in other Commission proceedings, all as further described below. Moreover, some of OPC's Comments are not being addressed in this Order because they go beyond the scope of what Pepco is presently required to provide in the ACR.

54. *Pepco should provide a report on annual system energy losses at PIWG.* OPC notes that there is an upward trend in annual system energy losses between 2016 and 2021. OPC suggests Pepco report on its understanding of the increase in system losses at a PIWG meeting.¹³³

55. Pepco discussed this topic at the September 28, 2023, PIWG meeting.¹³⁴

56. **Commission Decision.** The Commission concludes that there is no need to take any action at this time on OPC's requests for clarification or correction of the above matter since the explanations provided by Pepco during the September 28, 2023, PIWG meeting addressed the ambiguities identified by OPC in its Comments. OPC is free to raise any additional concerns at a future PIWG meeting.

57. *Pepco should provide more detail in the Overhead Feeder Inspection Program reports.* As in 2022, OPC recommends the Commission require Pepco to file protocols on a more

¹²⁸ *Formal Case No. 766 and Formal Case No. 991*, Order No. 15941, ¶¶ 13, 17.

¹²⁹ 2023 Repeat Priority Feeder Report at 1.

¹³⁰ 2023 Repeat Priority Feeder Report at 2.

¹³¹ *PEPACR-2015-01 and PEPACR-2016-01*, Order No. 19119, ¶ 123.

¹³² *PEPACR-2015-01 and PEPACR-2016-01*, Order No. 19119, ¶ 122.

¹³³ OPC 2023 Comments at 6-7.

¹³⁴ *See PEPPIWGR2023-01-E*, September 30, 2023, PIWG Meeting Minutes, filed February 5, 2024.

detailed overhead inspection program and continue to report on the findings of the inspection program in the ACR.¹³⁵

58. Pepco states it is in compliance with Order No. 16975.¹³⁶ Pepco contends that the Company reports annually on this program and believes no further detail is required.¹³⁷

59. **Commission Decision.** As directed in paragraph 32, Pepco is to provide a detailed explanation discussing the differences between the Circuit Patrol Program and Overhead Feeder Inspection Program and an updated status of both programs, including the completed remediation actions within 90 days of the date of this Order. The Commission also directs Pepco to discuss the overhead inspection program in a future PIWG meeting within 240 days of the date of this Order.

60. *Pepco should develop a new comprehensive 4kV Long Range Plan with annual filing requirements for schedules and budgets for new 4kV conversions.* First, OPC asserts that while Pepco has retired or planned to retire a number of 4kV substations, it is unclear how many retirements have been completed.¹³⁸ In accordance with the productivity improvement projects approved in Order No. 12804,¹³⁹ OPC suggests Pepco provide a long-term plan for completion of substation automation or retirement. Additionally, OPC recommends that the Commission direct Pepco to develop a new comprehensive 4kV Long Range Plan since the current plan is 18 years old and there have been changes since then that warrant a new review of 4kV systems.

61. Pepco responds that plans and projects related to 4kV conversions are currently being litigated in the Pepco rate case and should be addressed in that forum.

62. **Commission Decision.** The Commission concludes that there is no need to take any action at this time on OPC's requests for clarification or correction of the above matters since the explanations and corrections provided by Pepco address the ambiguities or errors identified by OPC in its Comments. The Commission agrees that any costs related to Pepco's plans and projects will be addressed in base rate cases for which the Company is seeking recovery.

63. *Pepco should provide a long-term plan for the completion of the 4kV Distribution Substation Automation Projects in accordance with Order No. 12804.* OPC notes that while Pepco reported the completion of Automatic Sectionalizing and Restoration ("ASR") schemes in 2022,

¹³⁵ OPC 2023 Comments at 8.

¹³⁶ *Formal Case No. 766-ACR-12, In the Matter of the Commission's Fuel Adjustment Clause Audit and Review Program – Annual Consolidated Report*, Order No. 16975, rel. November 29, 2012.

¹³⁷ Pepco 2023 Reply Comments at 1.

¹³⁸ OPC 2023 Comments at 9.

¹³⁹ *Formal Case No. 766, In the Matter of the Commission's Fuel Adjustment Clause Audit and Review Program ("Formal Case No. 766")*, Order No. 12804, rel. August 6, 2003.

Pepco did not note any ASR schemes planned for installation in 2023. If Pepco plans future ASR schemes, the Company should be directed to provide future plans.¹⁴⁰

64. Pepco states that the Company planned to activate one new feeder (15178) into the ASR system in 2023, and after completion of 15178, all DC feeders meeting the current criteria for ASR enablement will have been completed.¹⁴¹ However, Pepco states it intends to continue working on the ASR project, as there are new devices that have yet to be installed and integrated into existing feeders. Pepco asserts the Company analyzes feeder eligibility for ASR schemes on a yearly basis and will continue doing so as changes to system configurations are completed.¹⁴²

65. **Commission Decision.** The Commission concludes that there is no need to take any action at this time on OPC's requests for clarification or correction of the above matters since the explanations and corrections provided by Pepco address the ambiguities or errors identified by OPC in its Comments. In addition, we note that the updates were discussed at the March 21, 2024, PIWG meeting.¹⁴³

66. *Pepco should provide additional information on their priority feeder projects.* OPC had several questions on how feeders were identified in the 2023 report and how the number of customers served by the feeders was identified in tables in the 2023 ACR. Additionally, OPC questioned the difference between the budget for feeder repairs was exceeded in actual costs.¹⁴⁴

67. Pepco provided clarification to OPC concerns on priority feeder reports. Pepco explains the Priority Feeder report is generated and finalized in November of each year based on outage data, but because the amount of improvement is unknown at that time, fund allocations are based on the prior year's spending level, which may be altered at the time of repair.¹⁴⁵

68. **Commission Decision.** The Commission concludes that there is no need to take any action at this time on OPC's requests for clarification or correction of the above matters since the explanations and corrections provided by Pepco address the ambiguities or errors identified by OPC in its Comments.

69. *Pepco should update Customers Experiencing Multiple Interruptions ("CEMI") heat maps with 250 customer limitations.* In the 2021 and 2022 ACRs, Pepco stated that the Company included neighborhoods in which greater than 250 customers experiencing three (3) or

¹⁴⁰ OPC 2023 Comments at 13.

¹⁴¹ Pepco 2023 Reply Comments at 3.

¹⁴² Pepco 2023 Reply Comments at 3.

¹⁴³ See *PEPPIWGR2024-01-E*, March 21, 2024, PIWG Meeting Minutes, filed April 10, 2024.

¹⁴⁴ OPC 2023 Comments at 13.

¹⁴⁵ Pepco 2023 Reply Comments at 4.

more outages in a single year within the last two years were selected as the “most susceptible neighborhoods.”¹⁴⁶ In the 2023 ACR, this 250-customer limit was not included.¹⁴⁷

70. Pepco responds that the CEMI data is based on current regulations (15 DCMR § 3603.16(b)), which require reporting by District, Ward, and neighborhood.¹⁴⁸ Pepco states that additional data is also reported as part of Pepco’s Performance Incentive Mechanism reporting in *Formal Case No. 1156*.¹⁴⁹

71. **Commission Decision.** The Commission directs Pepco to provide an update on its current Most Susceptible Neighborhood (“MSN”) program, including an explanation of any similar programs that might have replaced the Company’s MSN program within 90 days of the date of this Order.

72. *Pepco should change its analysis and methodology in categorizing outages in its reporting of Equipment Failure Modes.* OPC notes that in the 2023 ACR Pepco identified the top three equipment failure types as cables, distribution gang-operated switches, and fuse failures.¹⁵⁰ OPC objects to the way Pepco identified some of the outages in September 2022 due to gang-operated switch issues.¹⁵¹ Moreover, OPC notes that Pepco did not include a program for the maintenance of gang-operated switches in its list of preventative maintenance practices. Therefore, OPC recommends that Pepco reevaluate its analysis of gang-operated switch failures with a focus on its maintenance practices. OPC also believes that Pepco has miscategorized some of its outage causes and recommends Pepco correct and improve the methods used for collecting outage data.¹⁵²

73. In response to OPC’s question regarding the maintenance of gang-operated switches, Pepco states that the gang switches are inspected visually in conjunction with other inspection programs (*i.e.*, manholes). Pepco disagrees with OPC’s contention that further improvements are necessary with respect to the categorization of outage causes. Pepco states that outages are categorized first in the field by responding crews and later reviewed as part of the outage review and validation process based on available information.¹⁵³

¹⁴⁶ OPC 2023 Comments at 16.

¹⁴⁷ OPC 2023 Comments at 16.

¹⁴⁸ Pepco 2023 Reply Comments at 4.

¹⁴⁹ Pepco 2023 Reply Comments at 4; *see also Formal Case No. 1156, In the Matter of the Application of Potomac Electric Power Company for Authority to Implement a Multiyear Rate Plan for Electric Distribution Service in the District of Columbia.*

¹⁵⁰ OPC 2023 Comments at 17.

¹⁵¹ OPC 2023 Comments at 17.

¹⁵² OPC 2023 Comments at 18.

¹⁵³ Pepco 2023 Reply Comments at 5.

74. **Commission Decision.** The Commission directs Pepco to discuss the gang-operated switch failures with a focus on its maintenance practices in a future PIWG meeting within 180 days of the date of this Order. Also as directed in paragraph 44, the Commission expects Pepco to include the cause of the outage in the Outage Cause Table, reflecting an appropriate categorization of the outage in its future ACR filings.

75. *Pepco should discuss any non-major service outages extending beyond 24 hours at the following PIWG meeting.* While OPC agrees that Pepco exhibits “excellent compliance” with the EQSS reporting rules on performance standards, incidents, and outages, OPC suggests Pepco bring any non-major service outage extending beyond 24 hours at an upcoming PIWG meeting for discussion.¹⁵⁴

76. Pepco does not object to discussing applicable non-major service outages at an upcoming PIWG meeting.¹⁵⁵

77. **Commission Decision.** The Commission concludes that there is no need to take any further action at this time, noting Pepco provided an update at the September 28, 2023, PIWG meeting.¹⁵⁶ Moreover, the matter can be discussed further at a future PIWG meeting.

78. *Pepco should document the Company’s Paper Insulated Lead Cable (“PILC”) replacement and deployment of new manhole covers.* OPC asserts Pepco has significantly increased its PILC cable replacement efforts but has not fulfilled its reporting requirements under Order No. 17074, which requires Pepco to report on the screening of all feeders with faults over the last 10 years.¹⁵⁷ Order No. 17074 also requires Pepco to report on “the actualization of its strategy,” which it appears Pepco has changed as of 2018.¹⁵⁸ OPC recommends the Commission require Pepco to document its current strategy for PILC replacement. In addition, in 2018, Pepco introduced a new design for slotted manhole covers using a 3% vented design, which is Americans with Disability Acts (“ADA”) compliant, unlike the current 23% vented design.¹⁵⁹ However, OPC states Pepco has not yet provided a strategy for the deployment of these new manhole covers. OPC recommends the Commission direct Pepco to provide a deployment strategy and also track outages for the 3% versus 23% vented manholes, in order to determine the effectiveness of the design.¹⁶⁰

¹⁵⁴ OPC 2023 Comments at 20.

¹⁵⁵ Pepco 2023 Reply Comments at 5.

¹⁵⁶ See *PEPPIWGR2023-01-E*, September 30, 2023, PIWG Meeting Minutes, filed February 5, 2024.

¹⁵⁷ OPC 2023 Comments at 21; see also *Formal Case No. 766* 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*, Order No. 17074, rel. February 15, 2013.

¹⁵⁸ OPC 2023 Comments at 22.

¹⁵⁹ OPC 2023 Comments at 24.

¹⁶⁰ OPC 2023 Comments at 24-25.

79. Pepco responds that the Company does have an internal PILC replacement strategy, which identifies and prioritizes replacement areas based on the following criteria: (i) Performance data – 3+ outages in 5 years, 5+ outages in 10 years; (ii) Manhole events – feeders with the highest number of network events; (iii) Manhole inspections – number of deficiencies; (iv) Substation view – addressing all feeders with PILC out of one area or group; (v) Conduit is installed when field condition is warranted.¹⁶¹

80. **Commission Decision.** The Commission directs Pepco to include its current strategy for PILC replacement and the status of its new slotted manhole cover deployment in future ACR filings. The Commission also directs Pepco to explain and provide an update on outages experienced with 3% vented and 23% vented manhole covers within 90 days of the date of this Order.

IV. FINDINGS AND CONCLUSIONS

81. The Commission has reviewed OPC's comments on Pepco's 2022 and 2023 ACRs and, as described above, finds that OPC's comments have been satisfactorily addressed by Pepco's Response, have been satisfied by Pepco's commitment to discuss OPC's concerns in a future PIWG meeting, or are met by our directives below. Based upon our review of the 2022 and 2023 ACRs, the Commission concludes that the Reports are in substantial compliance with our rules and applicable past Commission directives, subject to the directives below.

82. In addition, the Commission reiterates that the ACR is a report, and the format and organization are at Pepco's discretion. To avoid unnecessary filings, we encourage OPC to first bring errors or clarifications in the ACR to Pepco's attention for resolution before filing Comments on the ACR.

THEREFORE, IT IS ORDERED THAT:

83. Potomac Electric Power Company's 2022 Annual Consolidated Report is **HEREBY ACCEPTED** as being in substantial compliance with applicable Commission rules and orders;

84. Potomac Electric Power Company is **DIRECTED** to provide an update regarding the potential new load-driven substation in Ward 8 within 90 days of the date of this Order and discuss the latest load growth projection in a Productivity Improvement Working Group meeting within 120 days of the date of this Order, as described in Paragraph 14 of this Order;

85. Potomac Electric Power Company is **DIRECTED** to provide information on its planned Remote Monitoring System installation for the next year within 90 days of the date of this Order, as described in Paragraph 26;

¹⁶¹ Pepco 2023 Reply Comments at 6. Pepco also refers the Commission to *Formal Case No. 1176*, Potomac Electric Power Company Response to OPC Data Request 4-52, filed August 18, 2023.

86. Potomac Electric Power Company is **DIRECTED** to provide explanations on the Circuit Patrol Program and Overhead Feeder Inspection Program within 90 days of the date of this Order, as described in Paragraph 32 of this Order;

87. Potomac Electric Power Company is **DIRECTED** to provide explanations on the Productivity Improvement Projects within 90 days of the date of this Order, as described in Paragraph 35 of this Order;

88. Potomac Electric Power Company is **DIRECTED** to provide an updated Outage Cause Table within 90 days of the date of this Order, as described in Paragraph 44 of this Order;

89. Potomac Electric Power Company is **DIRECTED** to discuss the updated Downtown Resupply Project plan in a Productivity Improvement Working Group meeting within 180 days of this Order, as described in Paragraph 17 of this Order;

90. The Motion of the Office of the People's Counsel for the District of Columbia to Late File Its Initial Comments Regarding Potomac Electric Power Company's 2022 Annual Consolidated Report is **GRANTED**, and its Comments are **ACCEPTED** for the record;

91. Potomac Electric Power Company's 2023 Annual Consolidated Report is **HEREBY ACCEPTED** as being in substantial compliance with applicable Commission rules and orders;

92. Potomac Electric Power Company is **DIRECTED** to provide explanations on the Circuit Patrol Program and Overhead Feeder Inspection Program within 90 days of the date of this Order and discuss the Overhead Feeder Inspection Program in a Productivity Improvement Working Group meeting within 240 days of the date of this Order, as described in Paragraph 59 of this Order;

93. Potomac Electric Power Company is **DIRECTED** to provide an update on its current Most Susceptible Neighborhood program within 90 days of the date of this Order, as described in Paragraph 71 of this Order;

94. Potomac Electric Power Company is **DIRECTED** to provide an updated Outage Cause Table within 90 days of the date of this Order, as described in Paragraph 74 of this Order;

95. Potomac Electric Power Company is **DIRECTED** to discuss the gang-operated switch failures, with a focus on its maintenance practices, in a Productivity Improvement Working Group meeting within 180 days of the date of this Order, as described in Paragraph 74 of this Order;

96. Potomac Electric Power Company is **DIRECTED** to provide an update on outages experienced with 3% vented and 23% vented manhole covers within 90 days of the date of this Order, as described in Paragraph 80 of this Order; and

97. The Office of the People’s Counsel of the District of Columbia is **ENCOURAGED** to raise errors or clarifications in future Annual Consolidated Reports with Pepco for attempted resolution prior to filing Comments on the Annual Consolidated Report at issue, as described in Paragraph 82 of this Order.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:

A handwritten signature in black ink, reading "Brinda Westbrook-Sedgwick". The signature is written in a cursive, flowing style.

CHIEF CLERK:

**BRINDA WESTBROOK-SEDGWICK
COMMISSION SECRETARY**