

Dennis P. Jamouneau
Assistant General Counsel

EP9628
701 Ninth Street NW
Washington, DC 20068-0001

Office 202.428.1122
Fax 202.331.6767
pepco.com
djamouneau@pepcoholdings.com

December 4, 2024

Ms. Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission
of the District of Columbia
1325 G Street, N.W., Suite 800
Washington DC, 20005

Re: PEPACR-2024

Dear Ms. Westbrook-Sedgwick:

Enclosed please find Potomac Electric Power Company's responses to the comments filed by the Office of People's Counsel for the District of Columbia ("OPC") regarding Pepco's 2024 Annual Consolidated Report.

Please feel free to contact me if you have any questions regarding this matter.

Sincerely,

/s/ Dennis P. Jamouneau

Dennis P. Jamouneau

Enclosures

cc: All Parties of Record

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

**IN THE MATTER OF)
)
THE ANNUAL CONSOLIDATED REPORT OF) PEPACR-2024
POTOMAC ELECTRIC POWER COMPANY)**

**PEPACR 2024
PEPCO’S RESPONSE TO OPC’S OCTOBER 29, 2024 COMMENTS**

The following are Potomac Electric Power Company’s (“Pepco” or the “Company”) responses to the comments filed by the Office of People’s Counsel for the District of Columbia (“OPC”) regarding Pepco’s 2024 Annual Consolidated Report (“ACR”). As Pepco has explained in previous years’ responses, Pepco has summarized OPC’s comments, including some contextual dialogue regarding OPC comments, where appropriate.¹ Following each comment or set of comments, Pepco has provided its response.

Pepco notes, as OPC has in its comments,² that the Company and OPC had discussions prior to the filing of OPC’s comments, which clarified several issues and was productive. Pepco appreciates OPC’s willingness to have informal dialogues as a way to gain greater understanding of Pepco’s reporting and reduce unnecessary disputes.

A. System Power Factor

¹ Specifically, not every comment included by OPC necessitated response. The Company would note, as well, that failure to respond to a comment should not be understood as agreement.

² *See, e.g.*, OPC Comments at page 7.

OPC explains that Pepco's system power factor analysis in the ACR uses the percentage of substations with a power factor of greater than 98%.³ OPC, however, suggests that Pepco take a new look at how to demonstrate the system power factor and recommends that Pepco present options at a PIWG meeting.

PEPCO RESPONSE:

Pepco does not plan for the system power factor, per se. Rather, Pepco plans for individual substation power factors to be 98% or greater, which minimizes the losses through the substation transformers, to as small as can reasonably be achieved. Pepco provides a percentage of those substations that met the planned power factor as an indicator of the success of the loss reduction efforts. As substation transformers are a major source of losses, it is optimal to reduce the apparent power flowing through the devices as much as reasonably possible, which is reflected by a power factor approaching unity. Pepco finds it reasonable, for most substations, to plan for a power factor of 98% or higher. Pepco provides a percentage of those substations that met the planned power factor during each summer historical peak as an indicator of the success of the loss reduction efforts, with the understanding that achieving a power factor at 98% may not be cost effective at some substations, and that emergent issues may lead to other substations to be unable to achieve 98% during the summer peak.

B. Distribution Automation

OPC comments that Pepco has not provided full explanations for all new technologies, including current accomplishments, plans for the future, and completion dates, in its ACR citing Order No. 12804.⁴ These technologies, according to the OPC comments, include 13 kV remotely

³ *Id.* at 4.

⁴ *Id.*

operated switches, UG SCADA interrupters, remote controllers for voltage regulators and capacitors, automatic circuit reclosers, smart relays and replacement of remote terminal units, and Advanced Distribution Management Systems.

PEPCO RESPONSE:

Pepco does not disagree that there is a general requirement included Order No. 12804, which was issued over 20 years ago, that directs Pepco to provide information about new “technology initiatives.”⁵ As OPC itself notes, Pepco has provided this information for many projects in the ACR.⁶ The majority of projects that OPC cites in its comments, however, come from Attachment C to Pepco’s ACR, which provides current-year budgets for individual, planned projects and not the type of programmatic work provided in the body of the report. Thus, given the inclusion of the programmatic work and efforts in the ACR, Pepco believes it is compliant with Commission directives. However, Pepco does have an entire section of the ACR devoted to new technologies and initiatives and has committed to providing more detail in future ACRs.

C. Aggressive Initiatives

OPC cites two orders, Order Nos. 15152 and 15809, and states that Pepco was directed to include “aggressive initiatives” explanations for Pepco’s 2% worst performing feeders. OPC states that recent ACRs have not included explanations for these “aggressive initiatives” and that Pepco be required to update its ACR to be compliant.⁷

⁵ Order No. 12804 at pg. 22.

⁶ OPC Comments at page 4.

⁷ OPC Comments at 6-7.

PEPCO RESPONSE:

Pepco disagrees that it is not in compliance. Order No. 15152 required Pepco to investigate the viability of aggressive initiatives for all least performing feeders and file a progress report as part of the 2009 ACR.⁸ Similarly, Order No. 15809 directs Pepco to file a list of aggressive initiatives for its least performing feeders in its 2011 ACR. Later Commission Orders, not cited by OPC, also discuss the use and explanation of “aggressive initiatives” on 2% feeders.⁹

To the extent that these directives remain in effect rather than being specific to historic reporting within past ACRs, which is a reasonable interpretation based on the language in those orders, Pepco has complied and the compliance is demonstrated in the ACR. For example, in its 2024 ACR, pages 73 and 74 provide what “aggressive initiatives” are considered in remediating certain feeders, while the specific measures employed by the Company are listed along with each individual feeder. In addition, on page 73, the ACR states:

For various reasons, not all of the “Aggressive Initiatives” are applied to each of the Priority Feeders. For example, if a particular feeder is completely underground, installing tree wire, PAC, ACR and remote operated load-break switches would not be applicable as these types of equipment are not used on underground feeders. Similarly, if a feeder is already equipped with remote switching capabilities and the switches are functioning properly, then simply increasing the number of remotely operated switches will generally not yield improvement. Further, if the predominant outage cause for a feeder is not tree-related, installing tree wire along the previous outage locations, will not yield performance improvement.

Finally, as Pepco has stated formally and informally to the Commission, Commission Staff, and OPC in the past, remediation of conditions for priority feeders often occurs coincident with the outage restoration process rather than in post-outage, planned work. As such, and particularly

⁸ Order No. 15152 at page 27.

⁹ *See e.g.*, Order No. 16975 at P 58 (citing Order No. 15941 at P 13).

considering the significant improvement in the system – which has also resulted in significant improvements to even the poorest performing feeders – Pepco employs the most cost-effective and efficient remediation measures that may or may not fit precisely into the category of “aggressive” initiatives.

D. Top Three Equipment Failure Modes

OPC comments that Pepco’s analysis and descriptions for the top three equipment failure modes do provide information about equipment failures and minutes of interruption but do not sufficiently explain the root causes.¹⁰

PEPCO RESPONSE:

As provided in Section 2.7 of the 2024 ACR, the top three equipment failure modes are identified. While this section is intended to identify the top driving equipment failure modes and provide an analysis of their impact, distinct root causes may not always be available, due to a variety of factors, such as severe damage, weather conditions, or a combination of factors. Regardless, Pepco evaluates each event regardless of failure mode when developing a solution to prevent future outages to customers.

E. Most Susceptible Neighborhood (MSN) Analysis

For the MSN section of the ACR, OPC describes outages related to certain neighborhoods served by Feeder 15171 and states that Pepco did not adequately provide an in-depth analysis of the root cause for each outage on that feeder.¹¹ OPC also notes that this feeder is scheduled for undergrounding under DC PLUG.

¹⁰ OPC Comments at 8-9.

¹¹ OPC Comments at 10.

PEPCO RESPONSE:

As OPC states, the cited feeder is part of the DC PLUG initiative and, as such, the longer-term plans for the feeder are those included in the undergrounding program. Moreover, the outage summary for feeder 15171 in the 2024 ACR Priority Section is consistent with those provided in previous ACR reports and for other feeders. Priority feeders are selected based on their outage history during the evaluation period, using the methodology described in the ACR. Once a priority feeder is identified, Pepco engineers assess the outage causes and, more importantly, analyze the current field conditions to develop a comprehensive scope of work. This approach aims to proactively address asset deficiencies across the entire feeder, rather than just focusing on the causes of outages.

As noted in the Planned Remediation (Current Year) section of the report on page 96, there are plans to re-conductor 4,240 feet of smaller conductors to 477 on the main trunk line. This segment will not be undergrounded as part of the DC PLUG project, where the scope was agreed upon by both the Company and DDOT, the program partner.

F. 3% Slotted Manhole Covers

OPC recommends that Pepco be required to provide the Company's plans for deployment of 3% vented manhole covers. OPC notes that Pepco's 90-day compliance filing to Order No. 21987 stated that only 1 of 24 reportable events in 2023 involved 3% covers.

PEPCO RESPONSE:

The issue of 3% vented manhole covers has been explained in previous PIWG meetings, including on July 19, 2024. Pepco's statement and plan have not changed in the interim period. The Company has no specific plan for the implementation of 3% covers; rather, this type of

cover is available for use by the Company’s engineering design team with criteria laid out within the standard on when this cover may be suitable to use.

G. Downtown Resupply Project

OPC comments that this project, which OPC asserts will cost over \$1.4 billion, has “changed over the years” and requests that Pepco and OPC continue to have meaningful exchanges of information at future PIWG meetings.

PEPCO RESPONSE:

Per Order No. 21987, Pepco presented its current plans for the Downtown Resupply Project¹² at a PIWG meeting held on October 25, 2024. At the meeting, Pepco provided its most current plans for the project and other, long-term projects. Pepco also explained the changes that have been made to the project that differ from the original scope presented in Formal Case No. 1144. Pepco takes no issue with OPC’s recommendation to continue dialogue and, in addition to the annual reporting of the project in both the ACR and Formal Case No. 1144, Pepco can commit to an annual PIWG meeting that can focus on Downtown Resupply and other significant projects that relate to or may be impacted by it.

¹² Pepco would note that the cost identified by OPC (\$1.4 billion) is incorrect. The current cost for the Downtown Resupply Project was factually rebutted in Formal Case No. 1176.

CERTIFICATE OF SERVICE

I hereby certify that a copy of Potomac Electric Power Company's responses to the comments filed by the Office of People's Counsel was served this December 4, 2024 on all parties in Docket PEPACR2024 by electronic mail.

Ms. Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission
of the District of Columbia
1325 G Street N.W. Suite 800
Washington, DC 20005
bwestbrook@psc.dc.gov

Sandra Mattavous-Frye, Esq.
Laurence Daniels
People's Counsel
Office of the People's Counsel
655 15th Street NW, Suite 200
Washington, DC 20005
smfrye@opc-dc.gov
ldaniels@opc-dc.gov

Richard Beverly, Esq.
General Counsel
Public Service Commission
of the District of Columbia
1325 G Street N.W. Suite 800
Washington, DC 20005
rbeverly@psc.dc.gov

Frann G. Francis, Esq
Apartment and Office Building
Association of Metropolitan Washington
1050 17th Street, NW, Suite 300
Washington, DC 20036
ffrancis@aoba-metro.org

Bruce R. Oliver
Revilo Hill Associates, Inc.
7103 Laketree Drive
Fairfax Station, Virginia, 22039
revilohill@verizon.net

Brian Caldwell
Office of the Attorney General
441 4th Street, N.W. Suite 1130 N
Washington, D.C. 20001
Brian.caldwell@dc.gov

Nancy White
Counsel
Squire Patton Boggs
2550 M Street, N.W.
Washington, D.C.
Nancy.white@squirepb.com

Brian J. H. Lederer, Esq.
International Brotherhood of
Electric Workers (IBEW)
Local 1900
3003 Van Ness Street, NW
Suite W228
Washington, DC 20008
Brian.lederer@att.net

David J. Arkush
DC Sun and Public Citizen
901 Fifteenth Street, N.W.
Washington, DC 20005
darkush@citizen.org

Robert Robinson
Convenor, Grid 2.0 Working Group
1631 Newton Street, NW
Washington, DC 20010
robobin@me.com

James K. McGee, Esq.
Law Offices of Alexander & Cleaver, P.A.
on behalf of the Washington, D.C. Chapter of
the Sierra Club and the Grid 2.0 Working
Group
11414 Livingston Road
Fort Washington, MD 20744
jmcgee@alexander-cleaver.com

Carolyn Elefant
2200 Pennsylvania Avenue Fourth Floor
Washington, D.C. 20037
Carolyn@carolynelefant.com

Olivia Wein
NCLC
1001 Connecticut Avenue Suite 510
Washington, DC 20036
owein@nclc.org

/s/ Dennis P. Jamouneau

Dennis P. Jamouneau