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November 24, 2025

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

Re: RM40- 2024-01

Dear Ms. Westbrook-Sedgwick:

Enclosed please find Potomac Electric Power Company's Application or clarification, or in the alternative, reconsideration of the Notice of Final Rulemaking.

Please feel free to contact me if you have any further questions.

Sincerely,

/s/ *Taylor W. Beckham*

Taylor W. Beckham

Enclosures

cc: All Parties of Record

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

IN THE MATTER OF 15 DCMR)	RM40- 2024-01
CHAPTER 40 – SMALL)	
GENERATOR INTERCONNECTION)	
RULES)	

**APPLICATION OF POTOMAC ELECTRIC POWER COMPANY FOR
CLARIFICATION OR IN THE ALTERNATIVE, RECONSIDERATION, OF NOTICE OF
FINAL RULEMAKING**

Pursuant to Rule 140.1¹ of the Rules of Practice and Procedure of the Public Service Commission of the District of Columbia (“Commission”), Potomac Electric Power Company (“Pepco” or the “Company”) applies for clarification, or in the alternative, reconsideration of the Notice of Final Rulemaking (“NOFR”) issued on October 24, 2025 in RM40-2024-01, which contains amendments to Chapter 40 of Title 15 of the District of Columbia Municipal Regulations (the “Final Rules”). Specifically, Pepco respectfully requests that the Commission clarify, or reconsider, that:

- With the effective date of the Final Rules being October 24 (the date indicated in the NOFR), these amendments are applicable only to applications received after October 24, 2025; and
- The cost estimate and subsequent invoice for actual costs do not require a breakdown of labor, O&M, and capital expenditures for each proposed piece of equipment.

¹ Any person affected by any final order or decision of the Commission may, within thirty (30) days after the publication of the order or decision, file with the Commission an application in writing requesting a reconsideration or modification of the matters involved. (See Paragraph 64 of the Act of March 4, 1913, as amended, D.C. Code § 43-904 (1981 Ed.)) [D.C. Code Mun. Regs. tit. 15 § 140.1 \(Lexis Advance through D.C. Register, Vol. 72, Issue 45, November 7, 2025\)](#)

I. Argument

a. Pepco Requests Clarification that the NOFR Applies to Projects Applied For After The Effective Date.

It is well-settled that new regulations generally have prospective application only, and if an agency intends for a newly passed regulation to have retrospective application, that agency must include explicit language regarding the retroactive application and clearly explain why that is appropriate.² Here, while Pepco does not seek clarification that the new regulations are not applied retroactively, Pepco does seek clarification regarding prospective application of the rule to project steps for projects that were received by the Company prior to the adoption and effective date of the new regulations. Pepco requests that the Commission clarify that the rules do not apply to projects that had submitted applications to Pepco before the new rules were adopted.

The Final Rules contain amendments to the regulations that impact all phases of a solar project. The Final Rules, among other things, change the process by which the Company provides a cost estimate, an invoice for any actual costs of a project, and the reporting that the Company provides to the Commission and interested stakeholders. Pepco requests that the Commission clarify that the Final Rules only apply to projects that are applied for after the effective date of the regulations, which Pepco understands to be October 24, 2025. To illustrate, at the time of the adoption of the Final Rules, Pepco had over 600 projects in the interconnection queue in the District at various stages of the interconnection process such as: (1) Application Acknowledgement, (2) In Technical Review, (3) Authorization to Install, with upgrades required, (4) in the construction

² *1880 Columbia Rd., N. W., Tenants' Ass'n v. D.C. Rental Accommodations Comm'n*, 400 A.2d 333, 338 (D.C. 1979) (“We are of the opinion that regulations should be applied prospectively absent a showing (1) that the intention of the Commission was to make the newly released regulations effective retroactively, (2) that such retroactive application is necessary, (3) that the Commission, indeed, has the authority to make regulations retroactively applicable, and (4) that such application of the regulations would not work fundamental unfairness to those concerned.”). *See also* *Washington Gas Energy Servs., Inc. v. D.C. Pub. Serv. Comm'n*, 893 A.2d 981, 990 (D.C. 2006).

queue, (5) under construction, (6) awaiting Part II documents, or (7) in service and pending a true-up invoice. As the Final Rules are not retroactive, Pepco seeks clarification that the Final Rules are not applicable to projects that may have just received their completion acknowledgement, have just received an Authorization to Install, are pending construction, are pending Authorization to Operate, or are pending a final invoice prior to October 24, 2025.

In addition, it is in the interest of fairness and efficiency that the Final Rules only apply to projects initiated on or after October 24, 2025. If the Final Rules are not clarified, projects initiated prior to October 24, 2025 that have not yet received a cost estimate or an actual invoice could subject the Company to the penalties contemplated within the Final Rules. To illustrate, from the lens of the Final Rules related to invoices, Pepco estimates that 26 invoices could possibly be subject to penalties under D.C. Code § 34-706.³ Given that all of the projects with open invoices were initiated prior to the effective date of the rules, the Company could be assessed penalties for projects initiated prior to a rule adopting the penalty.⁴ For ease of Commission oversight and to avoid confusion, Pepco would recommend that the Commission clarify that the Final Rules are applicable to applications filed on or after October 24, 2025. Such a clear bright line would be equitable, administratively efficient, and would avoid ambiguity.

³ If any public utility shall violate any provision of this subtitle, or shall do any act herein prohibited, or shall fail or refuse to perform any duty enjoined upon it for which a penalty has not been provided, or shall fail, neglect, or refuse to obey any lawful requirement or order made by the Commission, or any judgment or decree made by any court upon its application, for every such violation, failure, or refusal such public utility shall forfeit and pay to the District of Columbia the sum of \$5,000 for each such offense. D.C. Code §34-706.

⁴ With this statement, Pepco does not admit that penalties are warranted and reserves the right to challenge any imposition of penalties at the appropriate time.

- b. *Pepco Requests that the Commission Clarify, or in the Alternative Reconsider, the Requirement to Provide a Breakdown of Labor, Operations and Maintenance, and Capital Expenditures for Each Piece of Equipment.*

The Final Rules include an amendment that requires Pepco to provide, within the cost estimate, a breakdown of labor, operations and maintenance, and capital expenditures for each job activity and installed piece of equipment. The Commission should reconsider the requirement that Pepco provide a breakdown of labor for each piece of equipment. The Company does not track nor does it have the ability to provide the labor breakdown per piece of equipment. Company labor is broken down by the type of crew that is assigned to do, among other things, overhead work, underground work, cable work, paving work, or telemetry work. Each crew installs all equipment allocated to its function and the total cost of installing all equipment related to that function is charged to the project. Functions are further broken down into compatible units with unit prices for each including both labor and material combined but not delineated. For example, to install a transformer, the overhead department will install all minor and major compatible units⁵ associated with the transformer including fault indicators, bushing adapters, sleeves for conductors and the total labor and material amount will be charged in one lump sum to the project.

Put simply, the Company can provide a breakdown of the total/aggregate labor, material, telemetry, and taxes for a project. Therefore, the Company requests that the Commission clarify that the Final Rules that would require that the Company provide in its cost estimates, invoices, and the subsequent Interconnection Variance report an itemized breakdown of labor, operations and maintenance, and capital expenditures for each piece of equipment and job activity means a breakdown of the labor for a project, the materials for a project, the operations and maintenance

⁵ A compatible unit is a standardized, pre-defined package of materials, labor, and other resources used in utility and construction industries to streamline the planning, estimating, and execution of projects. These units are designed to simplify the process of ordering and installing common assemblies.

costs for a project, and the capital expenditures for a project. This clarification still results in the Company providing additional detail than it currently provides regarding the labor and materials for a project. For reference, attached as **Exhibit A** is a redacted example of cost estimate that the Company provided to a customer. Instead of just providing “Distribution System Upgrades” as seen in Exhibit A, the Company would be providing additional information regarding labor and material. If the Commission were to require that the Company provide labor for each piece of equipment used in a project, the Company would have to make costly changes to its cost tracking and billing systems that it uses for all the construction projects the Company completes. This would take additional time to design and implement if required.

c. Pepco requests clarification of the Final Rules as to the reporting requirements and the impact of the effective date on the reporting requirements.

The Final Rules require that the Company maintain records for: “all itemized cost estimates and actual itemized costs in invoices for completed Level 2 and Level 3 interconnections. All cost estimates and actual costs in invoices for completed Level 4 interconnections. For each interconnection request where actual costs are more than twenty-five percent (25%) above the initial cost estimate, the EDC shall include a description of the cause(s) for the inaccurate estimate, a variance description, and an explanation of how the EDC has or will mitigate this cost variance.” In addition, the Final Rules then require that the EDC provide a report to the Commission containing the information listed above within 90 calendar days of the close of each year.⁶ The Company requests clarification that the annual report that it files pursuant to §4008.5, in this case on March 31, 2026, only requires the information listed in §4008.4 for those projects initiated after October 24, 2025.

⁶ 15 D.C.M.R. § 4008.4 and 15 D.C.M.R. § 4008.5.

Pepco would recommend that the Commission affirm that the updated reporting requirements only apply to those projects applied for after October 24, 2025 and that Pepco cannot be required to provide the information listed in §4008.4 for projects that were not only completed prior to the Final Rules being adopted, but also were in various stages of the interconnection process prior to the Final Rules being adopted.

II. Conclusion

For the foregoing reasons, Pepco respectfully requests that the Commission clarify and reconsider the Notice of Final Rulemaking issued on October 24, 2025 in RM40-2024-01 as discussed herein.

Respectfully submitted,

POTOMAC ELECTRIC POWER COMPANY

By: /s/ Taylor W. Beckham
Taylor W. Beckham, DC Bar No. 1534117
Assistant General Counsel

701 Ninth Street, N.W., 9th Floor
Washington, D.C. 20068
Counsel for Potomac Electric Power Company

November 24, 2025

EXHIBIT A



pepcoSM
AN EXELON COMPANY

June 11th, 2025

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

Based upon the results of screening your project, Potomac Electric Power Company ("Pepco" or the "Company") has concluded that the following interconnection requirements shall apply before Pepco will be able to proceed with approval of interconnecting the Project with the Company's electric distribution system. The identified upgrades, facilities and/or operating requirements are necessary to ensure a safe and reliable operation of the electric system while safely interconnecting. (You will be referred to in this attachment as the "Owner" or the "Customer".)

The information herein presented summarizes *Attachment 2 – Description, Costs and Time Required to Build and Install EDC'S Interconnection Facilities*, *Attachment 3 – Operating Requirements for Small Generator Facilities Operating in Parallel* as noted in the *District of Columbia Level 2, 3, & 4 Interconnection Application and Agreement*.

I. System Information

The proposed interconnection Project has been studied in consideration of the system criteria noted in Table 1.

Table 1- System Information Criteria

Category	Detail
Voltage Level at the Point of Interconnection ("POI")	480V
Current # of phases to POI	3 Phase
Circuit/Feeder ID	14200
Substation	12th & Irving 133

Applicable sections of the Company's operating manuals applying to the small generator interconnection can be found at <https://www.pepco.com/smart-energy/my-green-power-connection>

II. Interconnection Facilities & Upgrades

The scope of work pertaining to the Company's facilities, and required to accommodate the subject Project, includes the labor, material, and construction of the following:

Distribution Facilities:

- Distribution System Upgrades: Install 1 – 300KVA padmount transformer (277/480V), one 20' #2 EPJ Pri Cable, one 20' 2 sets 500 KCM secondary cable.

III. Project Schedule

Due to factors outside of Pepco's control, any schedules, and estimated times provided herein are subject to change throughout the Project interconnection process and may not be considered final. The estimated time to complete this work is 6-9 months, but any number of factors can alter the estimated period. A more detailed schedule will be provided after Project commencement.

Before Pepco begins field construction, full payment shall be issued by the Customer, any applicable certification of private property work by a Pepco Inspector shall be obtained, and the DCRA Temporary Pending Final (TPF) inspection report shall be received by Pepco.

IV. Billing and Payment Procedures

The table below delineates the cost for Interconnection Facilities, Distribution System Upgrades, and Telecommunications, as applicable. The estimated cost for the Company's scope of work is \$80,219.00, excluding any applicable Customer labor and equipment necessary to meet established operating requirements. This preliminary estimate is subject to final project costs, which will reflect the actual expenses incurred. The estimate also includes an applicable CIAC gross-up tax rate of 16.26%, applied based on the year the project is billed. Consequently, progress billing across multiple years may result in varying invoice amounts.

Cost Estimate Breakdown	
Distribution Upgrades	\$69,000.00
CIAC Tax 16.26%	\$11,219.00
Total Estimated Cost	\$80,219.00

Upon project completion, after actual costs have been reconciled with the collected payment, any excess funds will be refunded to the Customer. Conversely, if actual costs exceed the estimate, the Customer will be responsible for the additional amount due. Moreover, the Customer is liable for the payment of any state and/or federal taxes or other applicable fees assessed.

V. Conclusion

The Company's commitment to providing safe and reliable service is paramount. By signing below, the Customer acknowledges (i) their understanding of the required information, inverter operation, and operating requirements associated with the Company's willingness and ability to interconnect with the Project, and (ii) that the Customer and/or their duly authorized representatives will implement and adhere to the "PHI DER Operating Requirements – Level 2, 3, and 4 Interconnections" document.

To proceed with the application, please indicate your intention to move forward by signing, dating, and returning the attachment to the Company within 30 days. A response or a written request for an extension must be provided within this timeframe; otherwise, the application may be considered withdrawn. The Company will then issue an invoice, which must be paid within 30 days of receipt. Once payment is made, the charges are non-refundable.

This Cost Letter is a binding legal agreement; however, it is not intended to confer rights upon either party that are inconsistent with any applicable laws or regulations governing interconnection.

Best Regards,


IKE ASONYE
06/12/2025

Ike Asonye
Section Engineer
Distribution Program Management
Pepco Holdings, An Exelon Company

VII. Customer Acknowledgment

FOR THE CUSTOMER:

Signature:	_____	Date:	_____
Name:	_____		
Title	_____		

FOR THE OWNER (If different than Customer):

Signature:	_____	Date:	_____
Name:	_____		
Title	_____		

CERTIFICATE OF SERVICE

I hereby certify on behalf of Pepco that a copy of Pepco's Application or clarification, or in the alternative, reconsideration of the Notice of Final Rulemaking ("NOFR") issued on October 24, 2025 was served this November 24, 2025 on all parties in RM40-2024-01- E by electronic mail to:

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