

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

ORDER

March 18, 2026

**FORMAL CASE NO. 1050, IN THE MATTER OF THE INVESTIGATION OF THE
IMPLEMENTATION OF INTERCONNECTION STANDARDS IN THE DISTRICT OF
COLUMBIA, Order No. 22802**

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia (“Commission”) directs the Potomac Electric Power Company (“Pepco” or “Company”) to provide a sample cost letter filing that complies with 15 DCMR § 4005.6 and Order No. 22760 within fourteen (14) days of the date of this Order.

II. BACKGROUND

2. On October 24, 2025, the Commission published a Notice of Final Rulemaking adopting certain amendments to increase cost transparency to Title 15, Chapter 40, of the District of Columbia Municipal Regulations (“DCMR”), Small Generator Interconnection Rules.¹ On November 24, 2025, Pepco filed an application for clarification of the general applicability of the rules and for reconsideration of a provision regarding cost itemization.²

3. Through Order No. 22760, the Commission granted Pepco’s Application for Clarification, denied Pepco’s application for reconsideration, and directed Pepco to file a sample cost breakdown letter within fifteen (15) business days of the date of the Order. Order No. 22760 also stated that “if Pepco makes a good faith attempt to comply with the rule by providing labor costs in aggregate, and provides quarterly status update filings in *Formal Case No. 1050* to update the Commission on its progress towards completion of IT and/or process changes to achieve compliance, then we will waive any imposition of penalties under D.C. Code §34-706 for twelve (12) months, beginning October 24, 2025.” (emphasis added).³

4. On January 9, 2026, Pepco filed a Sample Cost Breakdown, which included Exhibit B, an interim cost estimate letter, and Exhibit C, the projected final version of the cost estimate letter.⁴ Pepco’s Sample Cost Breakdown Filing states that the interim cost letter provides the

¹ *RM40-2024-01, In the Matter of 15 DCMR Chapter 40 - Small Generator Interconnection Rules (“RM402024-01”), Notice of Final Rulemaking, 72 D.C. Reg. 11793-11796 (October 24, 2025).*

² *RM40-2024-01, Application of Potomac Electric Power Company for Clarification or in the Alternative, Reconsideration, of Notice of Final Rulemaking, filed November 24, 2025.*

³ *RM40-2024-01, Order No. 22760 ¶ 8, rel. December 17, 2025 (“Order No. 22760”).*

⁴ *Formal Case No. 1050, In the Matter of the Investigation of the Implementation of Interconnection Standards*

additional information required by 15 DCMR § 4005.6 (b).⁵ Pepco also states that the interim cost estimate letter requires manual data entry and is only a temporary solution while an automated system is being developed.⁶

5. On January 15, 2026, Commission Staff issued a data request requesting information that was not included in the Sample Cost Breakdown Filing.⁷ On January 26, 2026, Pepco responded to the data request.⁸

III. DECISION

6. Pepco's Sample Cost Breakdown Filing, Exhibit B, does not satisfy the requirements of 15 DCMR § 4005.6 or the directives in Order No. 22760. Pepco's filing aggregates equipment costs rather than itemizing per-piece costs and excludes itemization of substation work and telemetry costs. This does not meet the requirements of 15 DCMR §§ 4005.6 (a) and (b). While Pepco has been given a reprieve from a penalty for providing labor costs in aggregate, no such reprieve has been issued for equipment costs, exclusion of telemetry costs (which constitute interconnection facilities), or substation costs (which constitute distribution system upgrades). Therefore, the Company is not eligible for a penalty waiver at this time.

7. Additionally, Paragraph 8 of Order No. 22760 directs Pepco to clearly indicate which items require a system change and the extent of those changes.⁹ Pepco's Sample Cost Breakdown Filing does not provide this information. The Sample Cost Breakdown Filing also does not include a construction schedule and expected completion timelines as required by 15 DCMR §§ 4005.6 (a-b). Pepco claims in the Sample Cost Breakdown Filing that the final version of the cost estimate letter will include Operations and Maintenance ("O&M") and detailed breakdowns; however, it did not include this information in Exhibit C. The Company's response to Staff Data Request No. 19-4 (c) clarified that the template will be edited to include O&M expenses.

8. Accordingly, Pepco is directed to provide a cost letter filing within fourteen (14) days of the date of this Order, using the template included in Appendix A of this Order, complying with the directives in Order No. 22760 by clearly indicating which items require a system change and the extent of those changes.

in the District of Columbia ("Formal Case No. 1050"), Pepco's Sample Cost Breakdown Filing, filed January 9, 2026 ("Pepco's Sample Cost Breakdown").

⁵ *Formal Case No. 1050*, Pepco's Sample Cost Breakdown at 1.

⁶ *Formal Case No. 1050*, Pepco's Sample Cost Breakdown at 2.

⁷ *Formal Case No. 1050*, Commission Staff Data Request No. 19 to Pepco, filed January 15, 2026.

⁸ *Formal Case No. 1050*, Pepco's Responses to Commission Staff Data Request No. 19, filed January 26, 2026.

⁹ *RM40-2024-01*, Order No. 22760 ¶ 8.

THEREFORE, IT IS ORDERED THAT:

9. The Potomac Electric Power Company is **DIRECTED** to provide a sample cost letter filing that complies with 15 DCMR § 4005.6 and Order No. 22760 within fourteen (14) days of the date of this Order, using the template appended to this Order. Continued failure to comply may result in penalties under D.C. Code § 34-706.

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**

APPENDIX A

Potomac Electric Power Company

Interconnection Cost Estimate and Construction Schedule

Prepared in compliance with 15 DCMR §4005.6

Project Information

Customer Name: _____

Project ID: _____

Point of Interconnection: _____

Date of Estimate: _____

Interconnection Facilities

Distribution System Upgrades

Itemized Cost Breakdown

Job Activity / Installed Equipment	Capital Expenditure (\$)	Labor (\$)	Operations & Maintenance (\$)	Total (\$)
Engineering & Design		2,100.00	0	2,100
OH Construction - 55' Pole	3,749.20	12,161.88	0	15,911.08
OH Construction - Fuses	500	1200	0	1,700
Padmount Transformer Install - kVA Padmount	38,655.67	10,268.19	0	48,923.86
	TOTAL CAPITAL EXPENDITURE (\$)	TOTAL LABOR (\$)	TOTAL O&M (\$)	OVERALL TOTAL (\$)
	42,904.87	25,730.07	0	68,634.94

Note: This estimate must include all Interconnection Facilities and Distribution System Upgrades, in accordance with 15 DCMR §4005.6. Required equipment may not be excluded from this cost breakdown. In accordance with District of Columbia Public Service Commission Order No. 22760, the labor column may be presented in aggregate until October 24, 2026. All other costs must be itemized.

Construction Schedule

Start Date _____

End Date _____

Compliance Certification

Pepco certifies that this cost estimate and construction schedule have been prepared in accordance with 15 DCMR §4005.6. This estimate includes an estimated overall timeline for completion, itemization of costs by job activity, and installed equipment with separate breakdowns for Labor, Operations and Maintenance, and Capital expenditures.

Pepco further certifies that this estimate is provided within the required 30 business-day timeframe following notification of Level 2 Interconnection Review results.

Authorized Representative:

Name: _____

Title: _____

Date: _____

COMMISSION ACTION

FORMAL CASE NO. 1050, IN THE MATTER OF THE INVESTIGATION OF THE IMPLEMENTATION OF INTERCONNECTION STANDARDS IN THE DISTRICT OF COLUMBIA,

Date 3/18/26 Formal Case No. 1050 Tariff No. _____ Order No. 22802

	Approve Initial & Date	Partially Concur Initial & Date	Abstain Initial & Date
Chairman Emile Thompson	<u>ET/DJ 3/18/26</u>	_____	_____
Commissioner Richard A. Beverly	<u>RB/DJ 3/18/26</u>	_____	_____
Commissioner Ted Trabue	<u>TT/DJ 3/18/26</u>	_____	_____

Certification of Action

Dionne Joemah
General/Deputy General Counsel

Hunter Davis
OGC Counsel/Staff