

Andrea H. Harper Associate General Counsel Office 202.428.1100 pepco.com ahharper@pepcoholdings.com

EP9628 701 Ninth Street NW Washington, DC 20068-0001

October 21, 2020

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: Formal Case Nos. 1145 and 1159

Dear Ms. Westbrook-Sedgwick:

Attached is the amended annual report that was filed in Formal Case No. 1159 on October 15, 2020. At the request of staff PEPCO submits it for filing in Formal Case No. 1145.

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

Sincerely,

Isl Andrea H. Harper

Andrea H. Harper

cc: All Parties of Record

BEFORE THE PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

)

)

IN THE MATTER OF

APPLICATIONS FOR APPROVALS OF
BIENNIAL UNDERGROUND
INFRASTRUCTURE IMPROVEMENT
PROJECTS PLANS AND
FINANCING ORDERS

Formal Case Nos. 1145 & 1159

ANNUAL STATUS REPORT ON ELECTRIC COMPANY INFRASTRUCTURE IMPROVEMENT ACTIVITY

Pursuant to § 34-1313.07(b) of the D.C. Official Code ("D.C. Code"), and Order Nos. 19167 and 20285,¹ issued by the Public Service Commission of the District of Columbia ("Commission"), and the Joint Stipulation of the Office of the People's Counsel ("OPC"), Potomac Electric Power Company ("Pepco") and the District Department of Transportation ("DDOT"),² DDOT and Pepco (collectively, "Joint Applicants") hereby submit this Annual Status Report on Electric Company Infrastructure Improvement Activity ("Annual Report") as part of the District of Columbia Power Line Undergrounding ("DC PLUG") initiative.

I. BACKGROUND

On May 19, 2017, the Mayor signed into law the Electric Company Infrastructure Improvement Financing Emergency Amendment Act of 2017 (the "Amendment Act"),³ which

¹ In the Matter of Applications for Approval of Biennial Underground Infrastructure Improvement Projects Plans and Financing Orders, Formal Case No. 1145, Order No. 19167 ("Order No. 19167") at P 269 (Nov. 9, 2017); In the Matter of Applications for Approval of Biennial Underground Infrastructure Improvement Projects Plans and Financing Orders, Formal Case No. 1159, Order No. 20285 ("Order No. 20285") (Jan. 24, 2019).

² In the Matter of the Application for Approval of Triennial Underground Infrastructure Improvement Projects Plan, Formal Case No. 1116, Joint Stipulation of the Office of the People's Counsel, Potomac Electric Power Company and the District Department of Transportation (Sept. 15, 2014) ("Joint Stipulation").

³ D.C. Law 22-05, effective July 11, 2017.

permanently amended the Electric Company Infrastructure Improvement Financing Act of 2014 (the "Original Act")⁴ (the Original Act, together with the Amendment Act is referred to as "the Undergrounding Act").⁵ In accordance with the Undergrounding Act, on November 9, 2017, the Commission issued Order No. 19167, as clarified on January 18, 2018 by Order No. 19237,⁶ approving the Joint Applicants' first Biennial Plan, the Underground Project Charge, the imposition of the DDOT Charge on Pepco, and the Underground Rider. Subsequently, on January 24, 2020, the Commission issued Order No. 20285, approving the Joint Applicants' Second Biennial Plan, the Underground Rider. On July 14, 2020, the Joint Applicants held a Semi-Annual Meeting reporting on the status of the DC PLUG initiative and subsequently filed the Thirty-Day Report on August 13, 2020.

By September 30th of each year in which a biennial Underground Infrastructure Improvement Project Plan ("Biennial Plan") is not filed, D.C. Code § 34-1313.07(b) of the codified Undergrounding Act requires Joint Applicants to submit an Annual Report detailing what DC PLUG initiative work from the Biennial Plan was completed during the previous year and what further DC PLUG initiative work from the Biennial Plan is scheduled to be complete during the upcoming year.

In compliance with D.C. Code § 34-1313.07(b) and Order No. 19167 and in accordance with the Joint Stipulation, Pepco files this Annual Report on behalf of the Joint Applicants. All data presented below represents the available information as of September 14, 2020.

⁴ D.C. Law 20-102

⁵ To the extent there is any ambiguity, the term "Undergrounding Act" means the Original Act as it may be amended from time to time, including by the Electric Company Infrastructure Improvement Financing Amendment Act of 2015, Title II, Subtitle K of D.C. Law 21-36, effective October 22, 2015.

⁶ In the Matter of Applications for Approval of Biennial Underground Infrastructure Improvement Projects Plans and Financing Orders, Formal Case No. 1145, Order No. 19237 (Jan. 18, 2018) ("Order No. 19237").

II. FEEDER 308

As reported at the July 14, 2020 DC PLUG Semi-Annual Meeting, that civil construction on Feeder 308 started on June 3, 2019 and was completed on May 5, 2020. Civil construction for Feeder 308 includes 20,427 linear feet of conduit, 64 line manholes, 18 tap holes, and 44 transformer enclosures. The physical construction work will be completed in October 2020, but the cut over to underground requires coordination with other system work within Pepco. Hence, the cut-over dates push the completion to December, subject to weather.

III. FEEDER 14900 Opportunity Project⁷

A portion of Feeder 14900 is an Opportunity Project being completed as part of DDOT's federally funded Oregon Avenue Project, which is a reconstruction project. DDOT Infrastructure Project Management released the Invitation for Bids in January 2019, with bids received in March 2019, and the Notice to Proceed was issued to a District CBE for December 16, 2019. Civil construction for the Opportunity Project on Feeder 14900 began in December of 2019, with 5578 linear feet of conduit, 16 manholes, 2 tap holes, and 6 transformer enclosures completed as of September 5, 2020, bringing the project's civil construction to over 50% completion. Civil construction of the Opportunity Project on Feeder 14900 is expected to be completed in the fourth quarter of 2021.

The electrical engineering is ongoing and expected to be completed in the third quarter of 2020 with electrical construction to follow civil construction.

⁷ "Opportunity projects" are DC PLUG projects that take advantage of existing or planned DDOT roadway reconstruction projects to place an adjacent highly ranked feeder underground.

IV. STATUS OF DESIGNS FOR REMAINING FOUR FEEDERS IN THE FIRST BIENNIAL PLAN

The Notice to Proceed was issued Feeder 368 on April 21, 2020 and for Feeder 14758 on May 7, 2020. The Notices to Proceed for Feeders 14007 and 15009 are anticipated to be issued in September 2020. The electrical engineering design procurement for Feeders 368, 14007, 14758, and 15009 will commence following completion of the civil engineering design.

V. STATUS OF THE SECOND BIENNIAL PLAN FEEDERS

The civil engineering design procurement Proposal Due Date for all Second Biennial Plan Feeders was July 14, 2020. The Civil Construction Invitations For Bids for all Second Biennial Plan Feeders would follow completion of their civil designs.

VI. DISTRIBUTION AUTOMATION

Pepco's distribution automation ("DA") design for the DC PLUG initiative feeders includes at least one mid-line interrupter and an automated feeder tie switch to adjacent feeders for 13kV feeders. The mid-line interrupter allows for automatic isolation of customers in the event of a fault past the location of the interrupter. The switches will be installed sufficiently far away from the substation such that Pepco will be able to use a 25kA rated device, instead of requiring a 40kA rated device. This serves to further control cost and allow Pepco to use products that are more readily available in the marketplace.

DA installation on Feeder 14722 was completed in October 2018, and field point-to-point testing on Feeder 15703 is scheduled to be completed in September 2020. Shop testing of DA for Feeder 14786 is expected to start in September 2020 and scheduled to be installed in the fourth quarter of 2020.

VII. DISTRICT BUSINESS OUTREACH AND ENGAGEMENT

In accordance with § 34-1311.02 (7) of the D.C. Code, the Joint Applicants' goal is to award "100% of the construction contracts to District businesses, where qualified to perform such work." To that end, DDOT designated the solicitation of civil construction for Feeder 308 as a set aside for Certified Business Enterprise ("CBE") bidders only, under the provisions of the Small and Certified Business Enterprise Development and Assistance Act of 2014.⁸ DDOT held a prebid conference for Feeder 308 on February 27, 2018 for all interested bidders. DDOT then amended the IFB for Feeder 308 as a 100% CBE set aside on March 15, 2018. The IFB closed on May 24, 2018 and was awarded to a CBE on September 7, 2018. In March 2019, a CBE firm was awarded the Construction Management Contract for Feeder 308.

On September 18, 2018, DDOT issued a Request for Qualifications ("RFQ") for Program Management Services for the DC PLUG Program. A CBE Joint Venture was awarded this contract in January 2020.

On May 7, 2019 DDOT issued an RFQ for the Design Services for the DC PLUG Program. Two CBE firms were awarded contracts for this work in the second quarter of 2020. DDOT issued a separate RFQ for Design Services for the DC PLUG Program on May 8, 2020. Award is expected in the fourth quarter of 2020 to one or more CBE or CBE Joint Venture.

On September 26, 2014, Pepco released a Request for Proposal for professional civil engineering design services for Feeder 308. Civil engineering design services include the physical survey of above- and below-ground structures along the proposed route of the feeder and the design

⁸ D.C. Code § 2-218.01.

and creation of the schematics for the civil electric utility infrastructure required to place the feeder underground. A contract was awarded on November 3, 2014 and approximately 41% of the contract was awarded to a CBE firm, amounting to more than \$630 thousand in contract value for the civil engineering work on Feeder 308. As of this report, the civil engineering design work is complete.

Further, the Joint Applicants continued their engagement of District of Columbia businesses by providing an update on the DC PLUG initiative at the September 29, 2017 Disadvantaged Business Enterprise ("DBE") Summit and jointly held a March 1, 2018 "match-making" event with 25 District-based DBEs. The Joint Applicants also sent out a request for information ("RFI") to over 150 District-based and local companies for project management, electrical construction, and electrical engineering. DDOT and Pepco also plan to release another RFI for companies that would be qualified as CBEs. Additionally, on May 15, 2018 the Department of Small and Local Business Development held a meeting on strategies for pursuing government construction contracts to give vendors the opportunity to meet with representatives of the DC PLUG initiative. Finally, DDOT/FHWA held the Annual Disadvantaged Business Enterprise (DBE) Summit and Networking Symposium on November 12, 2019.

On April 2, 2018, Pepco hired a District of Columbia resident to serve as the Community Relations Coordinator to the DC PLUG team. The primary role of the Community Relations Coordinator is to act as the DC PLUG initiative's interface with customers and to execute the Education Plan.

On April 26, 2018, the Community Relations Coordinator provided an overview of the DC PLUG initiative to a group of leaders at the DC Federation of Civic Associations meeting. In addition, Pepco employee ambassadors have been attending and continue to attend community meetings to provide information to the community regarding the DC PLUG initiative. The

Community Relations Coordinator will provide updates to the Undergrounding Project Consumer Education Task Force when necessary. The Community Relations Coordinator has created an outreach strategy targeting residents and businesses in the neighborhoods surrounding Feeder 308. The DC PLUG initiative website, email account, and phone hotline are all active.

The Community Relations Coordinator has led efforts for the Education Plan and conducted targeted outreach to community stakeholders and residents. Prior to the COVID-19 pandemic, the DC PLUG team hosted quarterly Open Houses for Feeder 308, hosted a briefing for Ward 3 Councilmember Mary Chen, attended the ANC 3E meetings and provided updates to the Western Avenue Citizens Association.

To get a head start on the outreach for Feeder 368, the DC PLUG team hosted a briefing for Ward 7 Councilmember Vince Gray and provided a presentation at the Ward 7 Leadership Summit.

In Fall 2019, the Community Relations Coordinator joined the Pepco Government Relations team in providing DC PLUG updates during a presentation to the Representatives of the Mayor's Office of Community Relations (MOCRs).

Since the COVID-19 pandemic, the DC PLUG team has been in touch with Councilmembers and ANCs virtually and has provided stakeholder outreach in the form of email, door hanger delivery or outbound phone call. The team actively maintains the DC PLUG website and email account to address stakeholder concerns.

10

VIII. DESIGN AND CONSTRUCTION ALTERNATIVES

In the Joint Stipulation, the Joint Applicants agreed to consider design alternatives recommended by OPC in its protest, filed August 15, 2014 in the final design phase.⁹ Those design alternatives include the use of single-phase cable (rather than three-phase cable), directional boring (rather than trenching), and padmounted transformers (rather than submersible transformers). In a subsequent stipulation, OPC and Pepco agreed that Pepco no longer had to pursue padmounted transformers as design alternatives.¹⁰ The Joint Applicants also agreed to provide specific information regarding the actual inclusion of design and construction alternatives identified by OPC and other parties, along with an explanation of the bases for inclusion or exclusion of various alternatives in the feeders for which final design has been completed.

A. Number of miles and location of single-phase cable included in the final design

As stated above, the Joint Applicants are working to finalize the final detailed electrical schematics for Feeder 308. The Joint Applicants anticipate that the final electrical schematics for Feeder 308 will call for approximately 1.5 miles of 600 Quad cable for the main trunk as well as 3.6 miles of #2 EPR three-phase cable and 3.1 miles of #2 EPR single phase cable for the laterals. The exact location of each type of cable was provided in the final electrical schematics for Feeder 308.

⁹ Joint Stipulation at 4-5.

¹⁰ Motion to Approve Joint Stipulation and Joint Stipulation of the Office of People's Counsel, Potomac Electric Power Company and the District Department of Transportation regarding consideration of Pad-Mounted Transformers for DC PLUG Initiative Feeders, Formal Case No. 1116 (Mar. 8, 2016), approved In the Matter of the Application for Approval of Triennial Underground Infrastructure Improvement Projects Plan, Formal Case No. 1116, Order No. 18154 (Mar. 24, 2016).

B. Locations where directional boring was sufficiently practical that it could be evaluated for feasibility

The civil engineering design contractor for Feeder 308 informed the Joint Applicants that there were no feasible locations along Feeder 308 where it would be practical to employ directional boring. The contractor indicated that directional boring would require 24x7 operations when drilling a particular run of pipe. This would cause traffic and noise impacts to residential neighborhoods served by Feeder 308. The contractor also indicated that directional boring would be made more difficult in the area of Feeder 308 by the presence of house laterals for water, sewer and gas at unknown depths in the boring path. Avoiding those lines would require the contractor to dig many test pits, thus increasing cost and time to complete the work as well as defeating the general purpose of directional boring. Finally, the contractor indicated that directional boring is generally used for long, underground runs. Feeder 308 is characterized by many short runs ranging from 100 to 600 feet, which would require significant setup time to dig launching and receiving pits, further increasing the time and cost to complete the project. For these reasons, the Joint Applicants do not intend to further evaluate the feasibility of directional boring on Feeder 308.

C. Locations where directional boring was employed

No locations where directional boring would be feasible and cost-effective have been identified. The Joint Applicants do not intend to employ directional boring on Feeder 308.

D. Number and location of ties constructed

ĥ

Please see Section IX ("Feeder Tie Points") below for a discussion of the tie points along Feeder 308.

IX. OPPORTUNITIES TO LEAVE LINES OVERHEAD

In accordance with OPC's recommendation that the Joint Applicants work to identify sections of feeders that are cost-effective and practical to leave overhead, the Joint Applicants have identified two sections of Feeder 308 that will remain overhead once the feeder is placed underground. These overhead sections are reflected in the final civil engineering designs for Feeder 308. The first section is a 335 foot section along 44th Street. The second section is a 750 foot section along River Road. The 44th Street section, which serves only one customer, will remain overhead due to limited tree cover and service to only a single customer. The River Road section of Feeder 308 will remain overhead due to limited feasibility of placing of that section of the line underground.

X. FEEDER TIE POINTS

In the Joint Stipulation, Pepco agreed to analyze the need for each feeder tie point and share its findings in the semi-annual meetings and in the annual report.¹¹ Pepco is evaluating feeder ties on each of the DC PLUG feeders to make sure they conform to the Pepco standard that requires Pepco to be able to transfer the load off of a given feeder within four switching operations. Through its analysis, Pepco has concluded that the existing tie points for Feeder 308 are appropriate.

The tie between Feeders 144 and 308 will remain after Feeder 308 is placed underground to maintain operating flexibility and emergency backup for both feeders. Pepco does not intend to construct any additional ties between Feeder 308 and other feeders as part of the DC PLUG.

¹¹ Joint Stipulation at 5.

XI. MATERIAL SCHEDULE DELAYS, CHANGE ORDERS AND BUDGET OVERRUNS

In the Joint Stipulation, the Joint Applicants agreed to identify any material schedule delays, change orders and budget overruns, including those associated with DDOT's construction of ductline and manholes.¹² At this time the Joint Applicants have not identified any material schedule delays, change orders or budget overruns. The Joint Applicants will provide another update in the next semi-annual meeting.

¹² Joint Stipulation at 5.

XII. JOINT-USE CONTRACTS

In the Joint Stipulation, Pepco agreed to provide an update of the status of its review of joint-use contracts in the Annual Report to determine whether there is an opportunity to increase fees charged to the communications companies who share Pepco poles.¹³ Pepco has reviewed its joint-use contracts and determined that there are currently no opportunities to increase fees charged to the communications companies who share Pepco poles. If Pepco determines, in the future, that there is such an opportunity, it will address that opportunity in future Annual Reports.

XIII. Benning Area Reliability Plan Feeders 15705 and 15707

The Benning Area Reliability Plan is progressing as anticipated and work on Feeders 15704 and 15707 is completed.¹⁴ The three-year plan, including both system-level and feeder-level work to be performed is largely completed. The final stage of the project includes installing new poles and running wire on Minnesota Ave. and finishing up pulling wire on for phase on B Street. This work is in progress and is projected to be completed in the third quarter of 2020.

XIV. Obstacles

No obstacles have been identified at this time.

¹³ Joint Stipulation at 6.

¹⁴ See In the Matter of Applications for Approval of Biennial Underground Infrastructure Improvement Projects Plans and Financing Orders, Formal Case No. 1145, Report of Potomac Electric Power Company on the Status of The Benning Area Reliability Plan (Dec. 11, 2017).

ATTACHMENT A:

DC PLUG First Biennial Plan Estimated Projects Schedule

DC PLUG First Biennial Plan Estimated Projects Schedule¹⁵

Ward	Feeder	Estimated Start Date*	Projected End Date **
3	308	7/2017	2/2021
4	14900	7/2017	2/2023
7	368	2/2018	7/2024
5	14007	2/2018	5/2025
8	14758	2/2018	1/2025
4	15009	2/2018	5/2025

*

Project Start Date Removal Project Closeout Date **

DC PLUG First Second Biennial Plan Estimated Projects Schedule

Ward	Feeder	Estimated Start Date*	Projected End Date**
7	118	1/2020	10/2023
5	14008	1/2020	11/2024
7	14702	1/2020	3/2025
8	15166	1/2020	3/2025
4	15001	1/2020	6/2025
5	14093	1/2020	12/2025
8	15171	1/2020	8/2026
3	14767	1/2020	9/2026
3	467	1/2020	6/2026
4	15021	1/2020	8/2027

*

Project Start Date Removal Project Closeout Date **

CERTIFICATE OF SERVICE

I hereby certify that a copy of Potomac Electric Power Company's Amended Annual Construction Report was sent to the recipients listed below on October 21, 2020 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

Christopher Lipscombe Public Service Commission of DC 1325 G Street NW, Suite 800 Washington, DC 20005 clipscombe@psc.dc.gov

Cheri Hance Staples Assistant Attorney General Office of General Counsel District Department of Transportation 55 M Street, SE Suite 700 Washington, DC 20003 Cheri.staples@dc.gov

Michael Engleman Engleman Fallon, PLLC 1717 K Street NW, Suite 900 Washington, DC 20006 mengleman@efenergylaw.com

Cathy Thurston-Seignious Washington Gas Light Company 101 Constitution Ave. N.W. Suite 300 cthurston-seignious@washgas.com Sandra Mattavous-Frye, Esq. People's Counsel Office of People's Counsel 1133 15th Street, N.W. Suite 500 Washington, DC 20005 smfrye@opc-dc.gov

Brian R. Caldwell The District of Columbia Government 441 4th Street NW Suite 600-S Washington, DC 20001 brian.caldwell@dc.gov

Frann G. Francis, Esq. Senior Vice President and General Counsel Apartment and Office Building Association of Metropolitan Washington 1025 Connecticut Ave N.W. Suite 1005 Washington, DC 20036 ffrancis@aoba-metro.org

Richard Butterworth U.S General Services Administration 1800 F Street N.W. Washington, D.C. 20405 Richard.butterworth@gsa.gov

|s| Andrea H. Harper

Andrea H. Harper