

Elizabeth A. Noël, People's Counsel

## PRESS RELEASE

CONTACT: PHIL HARMON ● (202) 727-3071 ● email: [ccceo@opc-dc.gov](mailto:ccceo@opc-dc.gov)

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### OPC Blasts PEPCO for Woefully Inadequate Underground Wires Report

“Simply stated, PEPCO failed to comply with the Commission’s directive” said People’s Counsel Elizabeth A. Noël. The Public Service Commission directed PEPCO to produce a report that examined the cost and feasibility of placing its utility lines underground in select areas of the District historically prone to power outages, including residences, groups of residences and commercial buildings that may be conducive to underground utility line placement.

“Consumers asked for and expected that our only ‘wires company’ would prepare a study that would allow affected consumers, regulators, policy makers and legislators to continue the ongoing public dialogue leading up to a decision on whether the expenditure of \$1.00 or \$1Billion of publicly derived funds would result in the provision of more reliable electric service, particularly during conditions of extreme weather. Instead, PEPCO has submitted a ‘math report’ that does little or nothing to advance the public discussion on whether reliable service would be the end result of ‘undergrounding’ wires in certain sections of the City,” said Ms. Noël. “Neither the people nor the Commission got what was asked for and expected. When one considers the potential rate impact of “undergrounding” is approximately \$15-16.00 per consumer or \$180-\$190 per year, then it is easy to understand why it is so important the people are reasonably assured they will get the reliable electric service that they are being asked to pay for,” said Attorney Noel.

Such information would have allowed the PSC to perform its statutory duty to ensure consumers receive safe, adequate and reliable service. Instead, in its Report, PEPCO admits it did not “address the reliability impact of under grounding these overhead facilities nor does it address the advantages and disadvantages when comparing overhead and underground distribution.”

“PEPCO’s blatant disregard for the Commission’s directive is perplexing, particularly when the mere memory of Hurricane Isabel and the threat of “Hurricane Ernesto” still compel D.C. consumers to reach for bottled water and flashlights at even the slightest threat of rain,” said People’s Counsel Noël.

OPC has asked the Commission to reject this report and direct PEPCO to prepare a comprehensive report that fully addresses feasibility, the advantages and disadvantages of undergrounding, and most important, whether undergrounding would better ensure the provision of

reliable electric service during periods of extreme weather. “When such information is in the public domain then stakeholders, regulators, legislators and policymakers will have the necessary information to determine whether the expenditure of publicly derived funds on ‘undergrounding’ is in the public interest. After all, a decision to ‘underground’ wires will have long-term effects on the District of Columbia and its citizens. No reasonable ‘wires company’ committed to providing safe, adequate and reliable service could deny this. Yet PEPCO’s report fails to address the issues of reliability or the advantages and disadvantages when comparing overhead and underground distribution that all stakeholders are due,” said the People’s Counsel.

Ms. Noël added, “It appears PEPCO has chosen to waste ratepayer dollars on a worthless report. As People’s Counsel, after Hurricane Isabel I questioned how long consumers would have to sit alone at home cursing the darkness?” Now, three years later we echo the frustration of a customer quoted in a recent New York Times article on Con Ed’s resistance to consider undergrounding even in the face of frequent outages who asks, “What can you do? Light a candle and pray.”

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