

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

District of Columbia Public Service Commission)
)

Docket No. EL05-145-000
Public Service Commission
RECEIVED

APR 7 2006

MOTION TO LODGE OF THE DISTRICT OF COLUMBIA
PUBLIC SERVICE COMMISSION

CHIEF CLERK

Pursuant to Rule 212 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission, 18 C.F.R. § 385.212 (2005), the District of Columbia Public Service Commission ("DCPSC") hereby requests permission to lodge the attached orders that it issued in connection with the regional reliability matters arising out of the shutdown of the Potomac River Generating Station power plant ("Potomac River Plant"). The first order grants an emergency application by the Potomac Electric Power Company ("PEPCO") to construct two 69 kV overhead transmission lines and two 230 kV underground transmission lines to enhance PEPCO's transmission grid in response to the Potomac River Plant's shutdown and subsequent limited operation.¹ The second order establishes a Demand Response Working Group ("Working Group") to consider the feasibility and reasonableness of instituting demand response programs in the areas served by the Potomac River Plant and associated PEPCO substation located in Alexandria, Virginia.² The DCPSC respectfully requests that these orders be made part of the formal record in the instant proceeding.

¹ Formal Case No. 1044, In the Matter of the Emergency Application of the Potomac Electric Power Company for a Certificate of Public Convenience and Necessity to Construct Two 69 kV Overhead Transmission Lines and Notice of the Proposed Construction of Two Underground 230 KV Transmission Lines, Order No. 13895 (March 6, 2006) ("March 6 Order").

² Formal Case No. 1044, In the Matter of the Emergency Application of the Potomac Electric Power Company for a Certificate of Public Convenience and Necessity to Construct

(continued...)

In its prior filings with the FERC and the U.S. Department of Energy ("DOE"), the DCPSC explained that it established an expedited process to address PEPCO's emergency application to construct two 69 kV overhead transmission lines and two 230 kV underground transmission lines in response to the shortage created by the shutdown of the Potomac River Plant.³ The DCPSC established a rigorous procedural schedule and conducted a series of expedited hearings on the emergency application. In the March 6 Order, the DCPSC granted PEPCO a certificate of public convenience and necessity to construct the proposed 69 kV lines and approved the construction of the 230 kV lines.

The March 6 Order explains the vital role that the Potomac River Plant has played and continues to play in providing reliable electric service to the District of Columbia's residents and businesses.⁴ It also acknowledges the need and the expectation for the DCPSC to take all reasonable steps to support electricity reliability and provide adequate and reliable service in the Central area.⁵ Significantly, the March 6 Order recognizes the need for a long-term solution that would allow for the continued reliability of the District of Columbia's electric system.⁶ As explained in the March 6 Order, the swift action taken by the DCPSC on PEPCO's emergency

Two 69 KV Overhead Transmission Lines and Notice of the Proposed Construction of Two Underground 230 KV Transmission Lines, Order No. 13907 (March 23, 2006) ("March 23 Order").

³ See Response and Comments of the District of Columbia Public Service Commission, Docket No. EL05-145-000, at 5-6 (February 28, 2006); Preliminary Comments on Compliance Plan and Request for Clarification or, in the Alternative, Rehearing of the District of Columbia Public Service Commission, Docket No. EO-05-1, at 6-7 (January 19, 2006).

⁴ See March 6 Order at P 23.

⁵ *Id.* at P 24.

⁶ *Id.* at P 25.

application is an important element in any such long-term solution.⁷ Upon completion of the proposed (and now approved) construction, it is hoped that the District of Columbia's electric system could restore a level of reliability for the area currently served by the Potomac River Plant and PEPCO would be allowed to safely and reliably perform maintenance on its facilities even if the Potomac River Plant is taken out of service for repairs, maintenance or unplanned outages.⁸

In addition to approving PEPCO's emergency application, the DCPSC is considering demand reduction measures in the Central area. As noted above, the March 23 Order established a Working Group to consider the feasibility and reasonableness of instituting demand response programs in the areas served by the Potomac River Plant and associated PEPCO substation located in Alexandria, Virginia. The Working Group is comprised of the representatives of PEPCO, the District of Columbia Office of the People's Counsel, the District of Columbia Energy Office and DCPSC staff. The DCPSC has also invited the U.S. General Services Administration to participate in the Working Group and any interested person may join the group by filing a request with the DCPSC. The DCPSC order directs the Working Group to meet regularly to discuss the demand response issues related to the DOE's December 20, 2005 order⁹ and requires the Working Group to report to the DCPSC by June 23, 2006, regarding the feasibility of demand response programs in the affected areas.

⁷ *Id.*

⁸ *Id.*

⁹ *See District of Columbia Public Service Commission, Order No. 202-05-3 (December 20, 2005).*

The DCPSC believes that its approval of the PEPCO emergency proposal and the establishment of the Demand Response Working Group provide a substantial contribution to the joint cooperative effort by the DOE, the FERC and other interested parties to ensure that electric service in the District of Columbia remains secure and unimpaired. Nevertheless, pending the development and implementation of a long-term solution to the reliability problems identified in the DCPSC's petition, the regulatory framework put in effect by the DOE's December 20, 2005 order and the Commission's order issued in this proceeding on January 9, 2006, is indispensable to ensuring the electric reliability in the area.

WHEREFORE, for the foregoing reasons, the DCPSC respectfully requests that the Commission grant this motion and make the attached DCPSC orders a part of the formal record in this proceeding.

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Respectfully Submitted,

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ATTORNEYS FOR THE PUBLIC
SERVICE COMMISSION OF THE
DISTRICT OF COLUMBIA

DATED: April 4, 2006

CERTIFICATE OF SERVICE

I hereby certify that the foregoing was served on all parties of record in this proceeding.

Dated at Washington, D.C. this 4th day of April, 2006.

/s/ Sheila S. Hollis
Sheila S. Hollis

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ORDER

No. 1044-E-79

March 23, 2006

1044-E-79

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET N.W., 2ND FLOOR, WEST TOWER
WASHINGTON, D.C. 20005

ORDER

March 23, 2006

FORMAL CASE NO. 1044, IN THE MATTER OF THE EMERGENCY APPLICATION OF THE POTOMAC ELECTRIC POWER COMPANY FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT TWO 69kv OVERHEAD TRANSMISSION LINES AND NOTICE OF THE PROPOSED CONSTRUCTION OF TWO 230kv UNDERGROUND TRANSMISSION LINES, Order No. 13907

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia ("Commission") establishes a Demand Response Working Group ("Working Group"). The Commission directs the Working Group to consider the feasibility and reasonableness of instituting demand response programs in the areas served by the Mirant Corporation's electric generating plant and associated Potomac Electric Power Company ("PEPCO") substation located in Alexandria, Virginia. In order to facilitate the process, the Commission has set forth a number of questions for the Working Group to address.

II. BACKGROUND

2. With almost no notice, Mirant shut down the Potomac River Plant on August 24, 2005. Inasmuch as the plant constitutes a currently irreplaceable component for electric reliability in the District, the Commission, on August 24, 2005, filed an emergency petition before the United States Department of Energy (DOE) and the Federal Energy Regulatory Commission ("FERC") seeking an order directing Mirant to reopen the plant. Several months later, the DOE ordered Mirant to reopen the plant and provide all power necessary to meet demand in the Central D.C. area.¹ However, the order to reopen the plant was not permanent in nature and the DOE stated that it expects the Commission to explore the feasibility of using demand response programs to reduce electricity demand in the areas served by the plant.²

¹ See Department of Energy Docket EO-05-01, *Emergency Petition and Complaint of the District of Columbia Public Service Commission Under Section 202 (c) of the Federal Power Act*, Order No. 202-05-03 ("DOE Order"), rel. December 20, 2005.

² *Id. at 11.*

III. DISCUSSION

3. In order to ensure that all stakeholders have an opportunity to participate in this inquiry, the Commission establishes a Demand Response Working Group composed of PEPCO, the Office of the People's Counsel ("OPC"), the District of Columbia Energy Office ("DCEO"), and Commission staff. The Commission also invites the United States General Services Administration ("GSA") to participate in the Working Group. However, any interested person may join the group by filing a request with the Commission within 10 days of the date of this Order. The Working Group shall meet regularly to discuss demand response issues related to the DOE order and shall file a report with the Commission within 45-60 days of the date of this Order expressing the Group's views regarding the feasibility of demand response programs in the affected area. In addition, the Working Group's report shall specifically address the following questions:

- 1) PEPCO represented in FC 1044, that the total peak load in the target area is 550 Mw for 2005. How much of this load can potentially be reduced by demand response programs?
- 2) How much of the 550 Mw load for the target area is for:
 - a) Federal government;
 - b) DC Government;
 - c) Large commercial customers (other than federal and local government); and
 - d) Residential and small commercial customers (less than 25 Kw).
- 3) Based on the unbundled rates settlement agreement of FC 945, the Commission ceased requiring PEPCO to offer commercial EUM programs (e.g. Curtailable Load). The only remaining EUM program is the Time-Of-Use Program. The federal government currently participates in time-of-use. Would requiring PEPCO to offer a Commercial Curtailable Load Program for customers like the federal government lead to any significant reduction in peak demand for the target area?
- 4) Are there any new demand response programs that would lead to significant reductions in the target area? If

so, what are they and why do you believe they would be cost-effective?

5) In the event that the Working Group sees a significant potential for load reduction in the target area through demand response programs, please consider the following:

a) Should PEPCO explore working with a demand response provider to develop a large-scale targeted curtailment program with a short lead-time, as has been successfully implemented in Connecticut?

b) What types of programs should be implemented to inform customers about the benefits of using demand response measures?

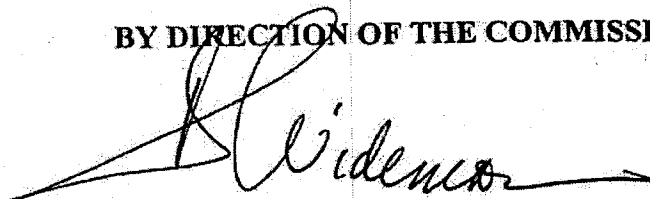
THEREFORE, IT IS ORDERED THAT:

4. The Commission establishes a Demand Response Working Group;
5. The Demand Response Working Group is **DIRECTED** to file a report with the Commission that addresses demand response issues related to the Department of Energy's December 20, 2005, Order and the issues identified in paragraph three of this Order; and
6. The Demand Response Working Group shall file its report within three (3) months of the date of this Order.

A TRUE COPY:

CHIEF CLERK

BY DIRECTION OF THE COMMISSION:



**DOROTHY WIDEMAN
COMMISSION SECRETARY**

OPINION AND ORDER

No. 1044-E-77

March 6, 2006

1044-E-77

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET, NW, SUITE 200, WEST TOWER
WASHINGTON, DC 20005

OPINION AND ORDER

March 6, 2006

FORMAL CASE NO. 1044, IN THE MATTER OF THE EMERGENCY APPLICATION OF THE POTOMAC ELECTRIC POWER COMPANY FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT TWO 69KV OVERHEAD TRANSMISSION LINES AND NOTICE OF THE PROPOSED CONSTRUCTION OF TWO UNDERGROUND 230 KV TRANSMISSION LINES, ORDER No. 13895

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia ("Commission") grants the Emergency Application of the Potomac Electric Power Company's ("PEPCO") for a Certificate of Public Convenience and Necessity to Construct Two 69kV Overhead Transmission Lines and Notice of the Proposed Construction of Two 230kv Underground Transmission Lines ("Emergency Application") because it is the public interest.¹ The Commission also grants the Office of People's Counsel's ("OPC" or "Office") Motion for Leave to File Its Initial Post-Hearing Brief Late.²

II. BACKGROUND

2. The facts of this case are rooted in a related matter involving the closure of the Mirant Corporation's electric generating plant located in Alexandria, Virginia. With almost no notice, Mirant shut down the Potomac River Plant at midnight on August 24, 2005, ostensibly in response to air quality concerns raised by the Virginia Department of Environmental Quality ("VA DEQ"). Because the Potomac River Plant constitutes a currently irreplaceable component for electric reliability in the District, the Commission, on August 24, 2005, filed an emergency petition before the United States Department of

¹ *Formal Case No. 1044, In the Matter of Emergency Application of the Potomac Electric Power Company for a Certificate of Public Convenience and Necessity to Construct Two 69kV Overhead Transmission Lines and Notice of the Proposed Construction of Two Underground 230kV Underground Transmission Lines ("F.C. 1044")*, Emergency Application of the Potomac Electric Power Company for a Certificate of Public Convenience and Necessity to Construct Two 69kV Overhead Transmission Lines and Notice of the Proposed Construction of Two Underground 230kV Underground Transmission Lines ("PEPCO Emergency Application"), filed October 12, 2005.

² *F.C. 1044, Motion of the Office People's Counsel for Leave to Late File Its Post-Hearing Brief ("OPC Motion")*, filed February 13, 2006.

Energy ("DOE") and the Federal Energy Regulatory Commission ("FERC") seeking an order directing Mirant to reopen the plant. PEPSCO, the Government of the District of Columbia ("District Government"), and OPC all supported the Commission's position in their individual comments filed before one or both of those federal agencies. Several months later, DOE directed Mirant to provide all power necessary to meet demand in the Central D.C. area whenever one or both of the existing 230kV lines is out of service, regardless as to whether the outage is planned or unplanned. DOE's order, however, did not state whether it would require Mirant to keep the plant open as a permanent solution to the District's electric reliability concerns.

3. Given the threat posed by the closure of the Potomac River Plant and the possibility that it may not be available in the future, PEPSCO proposed to construct four additional transmission lines. Specifically, on October 12, 2005, PEPSCO filed an Emergency Application requesting approval of its plan to construct two 69kV overhead electric transmission lines and providing notice of its intent to construct two 230 kV underground electric transmission lines in the District. PEPSCO asserts the emergency conditions described in the application warrant that the Commission establish an expedited review process, which includes: 1) issuing an Order, not later than December 31, 2005, granting PEPSCO a Certificate of Public Convenience and Necessity ("CPCN") for the construction of two overhead 69kV transmission lines; 2) incorporating and consolidating into the Commission's community hearing process the Community Advisory Group process anticipated by Rule 2107 for the overhead 69kV lines; 3) waiving the six-month prior to construct notice filing requirement for the two underground 230kV transmission lines; 4) reducing the 90-day intervention period in Rule 2111.4 to 10 or fewer days for the 230kV lines; and 5) issuing an Order notifying PEPSCO that the Commission shall not take any action to initiate a formal investigation of PEPSCO's proposed construction of the two underground 230kV lines.³

4. On October 21, 2005, the Commission noticed PEPSCO's Emergency Application in the *D.C. Register*.⁴ In the notice, the Commission, among other things, required persons seeking intervention to file a request within 10 days of the publication of the notice in the *D.C. Register*. The Commission further requested that persons seeking intervention file initial comments on the appropriateness of waiving certain procedural requirements to expedite our consideration of PEPSCO's Emergency Application.

5. Several entities intervened or noticed their participation in this proceeding: 1) the District Government; 2) the Consumer Utility Board ("CUB"); PJM Interconnection, Inc. ("PJM"); and OPC, a statutory party of right. On November 21, 2005, in compliance with Chapter 21 of the Commission's rules, PEPSCO filed several exhibits: 1) final route drawings;⁵ and 2) an Environmental Impact Statement ("EIS") on the two 69kV overhead lines.⁶

³ *F.C. 1044*, PEPSCO Emergency Application at 2-5.

⁴ *See* 52 *D.C. Register*, rel. October 21, 2005, pp. 9497-9498.

⁵ *F.C. 1044*, *See* The Potomac Electric Power Company, Exhibit E, Final Route Drawings, labeled