

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA  
1333 H STREET, N.W., SUITE 200, WEST TOWER  
WASHINGTON, D.C. 20005

NOTICE OF PROPOSED RULEMAKING

ET 05-1, IN THE MATTER OF THE APPLICATION OF THE POTOMAC ELECTRIC  
POWER COMPANY TO MODIFY SCHEDULE "SSL-UG" SERVICING STREET LIGHTS-  
UNDERGROUND

1. The Public Service Commission of the District of Columbia ("Commission") hereby gives notice, pursuant to Sections 2-505(a) and 34-601 of the District of Columbia Code,<sup>1</sup> of the Application of the Potomac Electric Power Company ("PEPCO" or "the Company") to modify Schedule "SSL-UG" charges for servicing street lights from underground lines.<sup>2</sup> The Commission will act upon PEPCO's Application to modify Schedule SSL-UG in not less than 30 days from the date of publication of this Notice in the *D.C. Register*.

2. On January 4, 2005, PEPCO filed an Application with a fully executed Amendment No. 3 to the agreement between it and the National Park Service ("NPS") (collectively, "the Parties"). Amendment No. 3 to the Streetlight Agreement modifies two previous amendments and the original agreement.<sup>3</sup> A copy of Amendments Nos. 1, 2, and the underlying agreement are also attached to PEPCO's Application.

3. Under the original Streetlight Agreement, the Parties agreed to increase the Street Light Service rate charged to the NPS by \$4,181,922 to reflect expenditures made by PEPCO to upgrade the NPS street light system. PEPCO also noted that NPS is the only customer receiving service under this schedule. On December 10, 2001, the Company filed an application with the Commission to increase the NPS Street Light Service rates by \$4,181,922 to receive reimbursement for streetlight upgrades and maintenance services. The Commission approved the increase and the rates became effective March 8, 2002.<sup>4</sup>

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<sup>1</sup> D.C. Code, 2001 Ed. §§ 2-505(a) and 34-601.

<sup>2</sup> *Electric Tariff 05-1, In the Matter of the Application of the Potomac Electric Power Company to Modify Schedule "SSL-UG" Service Street Lights-Underground*, Letter from Paul H. Harrington, Associate General Counsel, Potomac Electric Power Company ("PEPCO"), to Christine D. Brooks, Commission Secretary, Public Service Commission of the District of Columbia ("Commission") filed on January 4, 2005, Amendment No. 3 dated August 9, 2004 ("PEPCO's Application").

<sup>3</sup> PEPCO's Application at 1.

<sup>4</sup> *Electric Tariff 01-1, In the Matter of the Application of the Potomac Electric Power Company to Revise Schedule "SSL-UG" Service Street Lights-Underground*, Order No. 12326 (Feb. 26, 2002).

4. On September 23, 2002, the Parties executed Amendment No. 1 to the Streetlight Agreement. In Amendment No. 1, the Parties agreed that NPS would pay PEPCO \$2.3 million on or before October 15, 2002. In addition, NPS agreed to pay the remainder of the \$4,181,922 during the second quarter of the Federal Fiscal Year 2003.<sup>5</sup> The Parties also decided to petition the Commission for a reduction of the Company's SSL-UG by \$4,181,922, 30 days after NPS paid PEPCO.<sup>6</sup> On September 25, 2002, NPS paid \$2.3 million to PEPCO.<sup>7</sup>

5. On November 18, 2002, the Parties executed Amendment No. 2 to the Streetlight Agreement that modified Amendment No. 1 to reduce the Company's schedule SSL-UG by \$2.3 million rather than by the full \$4,181,922 as contemplated in Amendment No. 1. The Parties requested that the Commission reduce the schedule SSL-UG within 60 Federal working days of the date Amendment No. 2 was executed.<sup>8</sup> The Parties also decided that NPS would not pay the remaining balance during the second quarter of the Federal Fiscal Year 2003.<sup>9</sup>

6. On January 15, 2003, the parties filed another petition to reduce schedule SSL-UG to reflect the \$2.3 million payment received from NPS. The Commission approved the parties' Application, effective May 23, 2003.<sup>10</sup> Subsequently, on August 9, 2004, the parties finalized Amendment No. 3 to the agreement.

7. In proposed Amendment No. 3, the parties have decided that NPS will pay \$400,000 to PEPCO which would be applied to the remaining balance of the initial agreement. In addition, NPS agreed to make one final payment including the remaining balance between October 1, 2004 and September 30, 2005. The parties also agree to petition the Commission to reduce PEPCO's SSL-UG rates within 30 business days of receiving these funds. PEPCO asserts that it has been fully reimbursed since it has received the \$400,000 payment in April 2004 and the remaining balance of \$155,477 in November 2004.<sup>11</sup>

8. This Application may be reviewed at the Office of the Commission Secretary, 1333 H Street, N.W., Second Floor, West Tower, Washington, D.C. 20005, between the hours of 9:00 a.m. and 5:30 p.m., Monday through Friday. Copies of the tariff pages are available upon request, at a per-page reproduction cost. Comments on the proposed tariff pages and attachments must be made

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<sup>5</sup> PEPCO's Application at 2.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Electric Tariff 03-1, In the Matter of the Application of the Potomac Electric Power Company to Revise Schedule "SSL-UG" Service Street Lights-Underground, Order No. 12732 (May 14, 2003).*

<sup>11</sup> PEPCO's Application at 2.

in writing to Christine D. Brooks, Commission Secretary, at the above address. All comments must be received within 30 days of the date of publication of this NOPR in the *D.C. Register*. Persons wishing to file reply comments may do so no later than 45 days of the date of publication of this NOPR in the *D.C. Register*. Once the comment and reply comment periods have expired, the Commission will take final rulemaking action on PEPCO's Application.