

Pepco pledges progress, but at cost hike

Utility is upgrading supply lines to substations

by Margie Hyslop | Staff Writer

Pepco executives said Monday that customers should not be subjected to wildly erroneous estimates — or silence — when they phone the utility to find out how soon their power will be restored during future major outages.

"I don't think it will happen again; we've added equipment and changed procedures," said David Velazquez, vice president of Pepco Holdings Inc.

Velazquez was referring to an automated system that estimates when a caller's power would be restored. That system projected that service wouldn't be restored for weeks and was generally overwhelmed when Pepco managers failed to account for a flood of calls from anxious customers during widespread outages earlier this year that left hundreds of thousands without power.

In the case of severe outages, such as several the utility faced this winter and summer, assessing damage and restoring power still could take several days, Pepco region president Thomas Graham said.

But the utility has admitted to subpar reliability even under normal conditions.

A Gazette analysis in August of reports that utilities are required to file with the Maryland Public Service Commission showed that Pepco's Maryland customers have experienced many more outages in the past two years than have nearby BGE and Allegheny Power customers, even when major storm-caused outages are excluded.

In 2009, when there were no major outages, a key reliability measurement known as the System Average Interruption Frequency Index was about 61 percent higher for Pepco than for BGE and more than 100 percent higher than for Allegheny.

As part of an effort to raise Pepco's reliability to at least average within five years, the utility stepped up maintenance and improvements after the Public Service Commission opened an investigation in August.

The \$256.5 million plan is expected to come at a price for Maryland customers, whose household electric bills from Pepco rose about \$1 because of a rate increase the PSC granted in July.

The utility is expected to seek another rate increase, estimated to add another \$1 per month to bills, to pay for the reliability improvements, utility officials said.

Pepco's board is expected to act on the plan later this month, and approval is expected, spokesman Bob Hainey said.

Meanwhile, Pepco has made at least one supply line as invulnerable as possible at 86 percent of its high-voltage substations and plans to do so at all by the end of the month, according to utility officials.

The utility expects to complete most improvements to its 38 worst-performing feeder lines by March.

It also has trimmed trees along 1,000 of 1,600 miles of power lines in Maryland, mostly in Montgomery County, and the District of Columbia.

Pepco's reliability indices have worsened since the General Assembly voted to deregulate electricity supply in 1999; the action led Pepco to sell its power plants and become an electricity distributor only.