

ORDER NO. 83526

IN THE MATTER OF AN INVESTIGATION INTO
THE RELIABILITY AND QUALITY OF THE
ELECTRIC DISTRIBUTION SERVICE OF
POTOMAC ELECTRIC POWER COMPANY

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BEFORE THE
PUBLIC SERVICE COMMISSION
OF MARYLAND

CASE NO. 9240

ORDER INITIATING PROCEEDING

**To: Potomac Electric Power Company; Maryland Office of People’s Counsel;
Technical Staff of the Public Service Commission; and Interested Persons**

The Public Service Commission (“Commission”) hereby initiates a proceeding to investigate the reliability of Potomac Electric Power Company’s (“Pepco”) electric distribution system and the quality of electric distribution service that Pepco is providing its customers. In 2010, Pepco’s performance in responding to power outages caused by severe weather in its service area, the number of power outages and duration of the power outages that occurred as a result of these storms, and the number of customers affected, have resulted in a large number of complaints from the public to the Commission. For example, Pepco reported that recent power outages on July 25, 2010, August 5, 2010, and August 12, 2010 affected 297,000 customers, 75,000 customers, and 98,000 customers, respectively. The Commission also has received complaints of frequent and apparently inexplicable outages occurring outside of storm events. Additionally, customers have complained about Pepco’s failure to communicate effectively with its customers during outages – in part due to the apparent failure of Pepco’s automated communications system.

Because of the frequency, number and duration of the power outages experienced by customers in the Pepco service area and the apparent breakdown of adequate communication between the company and its customers during these outage events, the Commission finds it necessary to conduct an immediate investigation into the reliability of the Pepco distribution system and the quality of distribution service Pepco is providing its customers, including but not limited to its performance during and following severe storms, and a comprehensive examination of Pepco's storm preparedness and reliability.

Accordingly, the Commission hereby institutes this proceeding to investigate these issues, including but not limited to the following:

- The number of customers affected by recent power outages;
- The root causes for the scope, frequency and duration of outages – either storm or non-storm related;
- The communications failures that have occurred and continue to occur between Pepco and affected customers; and
- Pepco's inability to communicate estimated times of restoration to affected customers in a timely manner.

IT IS THEREFORE, this 12th day of August, in the year Two Thousand and Ten, by the Public Service Commission of Maryland,

ORDERED: 1) That Potomac Electric Power Company is directed to cause:

- the Company's Chief Operating Officer;
- the Company's senior officer(s) responsible for system reliability and construction and maintenance;
- the Company's senior officer(s) responsible for storm restoration;

- the Company's senior officer(s) responsible for customer service, specifically customer communications; and
- any other appropriate Company representatives that can provide substantive responses to Commission inquiries on system reliability and service quality of the Company

to appear at a legislative-type hearing to be held on Tuesday, August 17, 2010, in the Commission's 16th Floor Hearing Room, William Donald Schaefer Tower, 6 Saint Paul Street, Baltimore, Maryland 21202, beginning at 9:30 a.m. The purpose of the hearing is for the Company to respond to questions from the Commission and for the Commission to frame the procedures by which the investigation will be conducted.

By Direction of the Commission

/s/ Terry J. Romine

Terry J. Romine
Executive Secretary