



# City of Bowie

2614 Kenhill Drive  
Bowie, Maryland 20715

## MEMORANDUM

To: City Council

From: David J Deutsch *DJD*  
City Manager

Subject: BGE Presentation

Date: February 6, 2008

Attached is information prepared by BGE that provides an overview of the proposed comprehensive plan to improve electric reliability in the City of Bowie. Mike Fowler, from BGE, will be presenting this information to City Council on Monday evening. Copies of this overview have also been provided to Bowie members of the BGE Task Force. Members of the BGE Task Force will also be in attendance at your meeting on Monday BGE, William Jahn (Chairman of the Task Force) and City staff will be available to respond to Council questions.

Attachments



The Honorable G Frederick Robinson  
Mayor, City of Bowie  
2614 Kenhill Drive  
Bowie, Maryland 20715

Dear Mayor Robinson,

Thank you for the opportunity to come before you and your colleagues on the City Council on February 11<sup>th</sup> to present BGE's plan to improve electric service reliability to customers in and around the City of Bowie. Beginning this month, BGE will begin communicating to its Bowie customers the details of a comprehensive plan to improve reliability, the result of over ten months of intense engineering analysis and field surveys, and aided greatly by the input of the BGE/Bowie Citizens Task Force.

The attached package should provide some background and context for the presentation that will occur on the 11<sup>th</sup>. In it you will find:

- PowerPoint presentation entitled "Bowie Electric Reliability Action Plan"
- communications plan overview
- feeder listing referencing neighborhoods
- set of Frequently Asked Questions
- BGE's Undergrounding Policy

BGE formed an internal reliability team in March of 2007 to investigate and identify the challenges associated with making significant improvements to reliability in Bowie. Shortly after the formation of the internal team, the Council passed Resolution 24-07 establishing the BGE/Bowie Citizens Task Force. With BGE involvement, and the guidance of a neutral facilitator, the Task Force began to identify a host of issues related to BGE service in the City. Two areas for immediate focus were identified: BGE infrastructure, and communications/customer service. BGE formed a second internal communications team to focus on the communications and customer service issues.

The City has historically been provided with annual data that includes information on those Bowie feeders that are reported to the MD Public Service Commission as poor performers. The PSC reliability improvement process requires each utility to report the bottom 2% of its feeders and create an action plan for improvement. The data used to create the PSC list excludes data from major storms, defined as any weather event causing interruptions to more than 100,000 customers. Due to the fact that storms affect Bowie significantly, BGE included major storm data in their analysis. This decision aligns with the Task Force goal to identify ways to limit outages during weather events.

BGE conducted a very methodical quantitative and qualitative analysis of the data, encompassing a 24 month period from June of 2005 to June of 2007, and used the results to rank the 21 feeders serving the City by an index that measures the average frequency of outages, the System Average Interruption Frequency Index (SAIFI) The number is obtained as follows

Total number of customer interruptions ÷ Total number of customers served

BGE's current system average is 1.95 interruptions per customer on an annual basis. When the 21 Bowie feeders were compared, 11 of the 21 possessed an annual SAIFI ranking above the system average. It is on those 11 feeders that BGE focused its initial efforts, again aligning with the goals of the Task Force. Armed with the data, experienced technicians and designers conducted significant field surveys to determine how best to address the challenges. They identified a three-pronged strategy:

- evaluate and improve feeder design and construction,
- identify and replace aging and deteriorated infrastructure, and,
- confront threats posed by trees and vegetation

With input from the Citizen Task Force BGE has developed a comprehensive, 3-year plan around this strategy and is moving toward execution. It combines substantial infrastructure improvements and upgrades with an effective vegetation management component. BGE will also address the remaining 10 feeders that are shown to be operating at or below the system average – they are scheduled to receive tree trimming in the second and third years of the plan. By doing so, all 21 feeders will receive attention. A communications plan has been created to ensure all stakeholders are engaged and informed about the plan and its implementation schedule. The plan sets objective goals and measures, provides for accountability, and is supported by BGE senior management. BGE will remain engaged with the City Council, with the Citizens Task Force, and especially with our customers to ensure this plan is effectively implemented, properly communicated, and ultimately successful.

Regards,

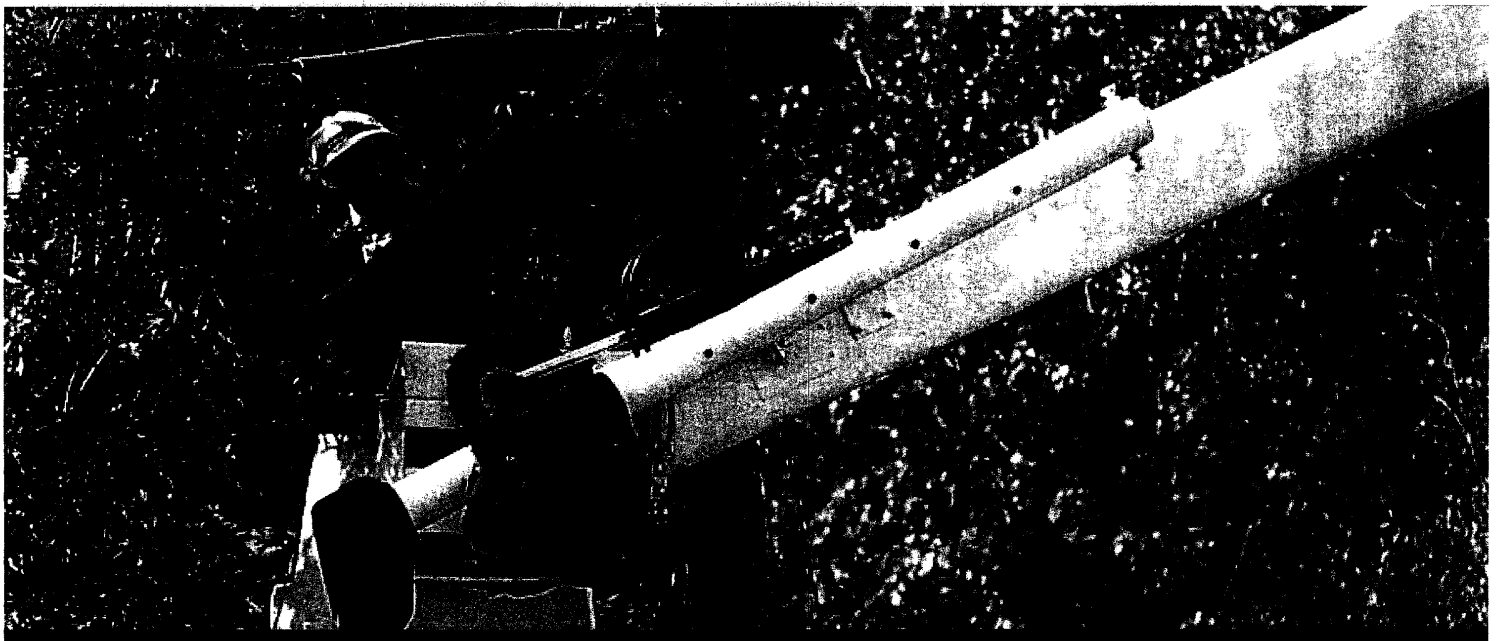


Michael L. Fowler  
Public Affairs

# Bowie Electric Reliability Action Plan

Presented to the Bowie City Council

February 11, 2008



**BGE**

*A Constellation Energy Company*

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# Agenda

- Genesis of plan
- BGE/Bowie Citizens Task Force process
- Task Force purposes and functions
- Results of BGE data analysis
- Plan specifics
- Communications issues
- Questions

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## Genesis of plan

- Electric System Redesign Program
  - New technology added to system in 2005-2006
  - Modest reliability gains made in normal conditions
  - Less effective in storms
- February ice storm – 2007
  - Significant system damage and lengthy outages
  - BGE attended Town Hall meeting
  - Pledged to intensify effort



## BGE/Bowie Citizen Task Force process

- BGE formed internal Bowie Reliability Team in March 2007
- BGE and City agreed that customer involvement desirable
- Council passed Resolution 24-07 in May creating task force
- City & BGE agreed to facilitated process
- Began June 11, 2007
- 16 joint meetings, including field trips
- Settled on two areas for immediate action
  - Infrastructure
  - Communication/customer service



## Task Force purposes and functions

- Use SAIFI & CAIDI
- Examine 21 feeders and focus on those above system average
- Review previous improvements & explore additional opportunities
- Examine ways to enhance tree trimming services
- Improve communications
- Limit outages during weather events
- Focus on customers with special needs, seniors
- Develop broad-based action plan

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## Data analysis

- Included all weather events
  - PSC rankings exclude major storms
  - Storms have significant affect on Bowie
  - More complete picture
- Included significant field study
  - Experienced technicians/designers
  - Directed to consider comprehensive solutions

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## Data analysis

- Feeders ranked to assist in prioritization
- Analysis revealed opportunities in following areas
  - Evaluate and improve feeder design & construction
  - Identify and replace aging and deteriorating infrastructure
  - Confront threats posed by trees & vegetation
- Plan developed to focus on these three findings

## Feeder rankings (neighborhoods not inclusive)

Feeder	Neighborhood	SAIFI	Feeder	Neighborhood	SAIFI
7420 - Levitt	Foxhill, Someset, Tulip Grove	4.22	7438 - Priest Bridge	VictoriaHeights Yorktown, Overbrook, Chapel Forge, Belair Town	1.95
7434 - Priest Bridge	Derbyshire, Bowie Forest, Buckingham	3.73	7444 - Mitchellville	Amber Meadows Lake Village	1.93
7419 - Levitt	Tulip Grove	3.55	7441 - Mitchellville	Glen Allen Covington Mano	1.80
8462 - Priest Bridge	Ensleigh Essington Heather Hills Kenilworth	3.54	8463- Priest Bridge	Bowie Commons Enfield Chase	1.44
7417 - Levitt	Fairview, Highbridge Park, Stewart's Landing	3.23	7421 - Levitt	Old Chapel Estates	1.34
7445 - Mitchellville	Collington Station, Collington Manor	2.84	7436- Priest Bridge	Forest Hills Longleaf	1.12
8413 - Levitt	Old Stage, Westview, Woodmore Highlands	2.77	7437- Priest Bridge	Idlewild Bowie Forest	0.64
7418 - Levitt	Long Ridge Princeton Square	2.73	7442- Mitchellville	Pointer Ridge, Northview	0.62
7440 - Mitchellville	Pointer Ridge Devonshire Estates, Lake Village Manor Mitchellville, Ridgeview Estates	2.46	7447- Mitchellville	Evergreen Estates, Covington Manor	0.49
7422 - Levitt	Huntington, Huntington Crest, RollingHills, Rockledge Belair Greens, Grady's Walk	2.29	8465- Priest Bridge	Saddlebrook	0.34
8414 - Levitt	Meadowbrook, Chapel Forge	2.23			

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## Plan specifics

- 11 of 21 feeders performing above system average
- Phased 3 year plan to address all 21 feeders
- Intended to meet the expectations identified in resolution
  - At or better than system average in 3 years following completion of construction
- Task Force will continue to monitor and recommend

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## Plan specifics

- Evaluate & improve feeder design & construction
  - Horizontal wire arrangement converted to vertical
  - Remove unused sections of wire
  - Install tree wire where practical
  - Reconfigure previously applied new technology (Distribution Automation Equipment)
  - Re-routing of circuits where practical
  - Targeted undergrounding of feeder mains
  - Establish stronger, sturdier system

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## Plan specifics

- Identify & replace aging and deteriorating infrastructure
  - Replace transformers & other equipment where necessary
  - Renew wire where appropriate
  - Increase pole sizes to aid new construction

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## Plan specifics

- Confront threats posed by trees & vegetation
  - Routine tree pruning inadequate for many areas
  - Tree interference responsible for substantial percentage of interruptions on most feeders
  - Developed and applied Corridor trimming standard
    - Success to date on feeder 8414 (Meadowbrook & Chapel Forge)
  - Development of additional tree trimming standard
    - Enhanced trimming standard
  - Avoid “one-size-fits-all” solution

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## Plan specifics

- Corridor trimming standard applied to feeder mains
- Enhanced trimming standard applied to taps
- Tree work may be advanced in some areas
  - In advance of summer storm season
  - Will increase success of other improvements
- Will adopt replacement policy as developed for pilot feeder
  - BGE will reimburse for approved species
  - Details will be made available to impacted customers

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## Communications issues

- Place high value on communicating plan
- Planning significant outreach
  - Direct mail
  - Community meetings
  - One-on-one customer meetings
  - Media coverage
  - Leverage City communications resources
  - Planned outreach to seniors, customers w/special needs
  - Will use customer research to measure effectiveness of overall effort

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## Additional communications issues

- Communications gaps identified by Task Force
  - Customers need ability to speak to live BGE rep
    - IVR menu change to be implemented
  - Customers want better ETRs, especially during storms
    - Currently under study
    - Mobile Data Terminals will help facilitate better information
    - BGE will place media rep in Bowie during major storms

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## Summary

- Collaborative BGE/Task Force effort yielded results
- BGE has a plan based on thorough analysis
- Plan aligned with purposes & functions of Citizen Task Force
- Goals are stated and measurable
- Comprehensive communications plan in place
- Plan endorsed by BGE senior management
- BGE will begin plan execution this month

## **Bowie Reliability Initiatives, 2008 Communications Plan**

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### **Communications Audiences**

- All residential and commercial electric customers in the Bowie Community
- Bowie elected officials
- Bowie media

### **Communications Partner**

- BGE/Bowie Citizen Task Force

### **Communication Objectives**

#### **Immediate**

- Provide all interested parties with specific and timely information regarding the extensive improvements being made to BGE electric infrastructure and reliability in the Bowie area.
- Respond to feedback regarding BGE's effectiveness in the area of communication by implementing changes and improvements to existing processes.

#### **Ongoing**

- As the results of the reliability efforts are realized, they will be communicated to customers using the appropriate channels as detailed below

### **Tactics**

**Direct mail** – Beginning in mid-February, provide general plan overview letters to all Bowie customers. Follow up with letters to customers on affected feeders providing specific plan details. Include graphic representation of where and when work will be conducted on overhead lines, underground lines and vegetation management.

**One-on-one customer meetings** – BGE representatives will arrange meetings with individual customers who will be impacted by vegetation management and construction efforts, in order to provide detailed explanations of planned activity

**Community meetings** – When appropriate, community meetings will be held to provide information on infrastructure improvements and answer customer questions

**Media relations** – BGE media specialists will meet with local media outlets to provide detailed information on infrastructure improvements, timing and geography BGE will also locate a corporate media spokesperson in Bowie during major storms which impact the area.

**IVR enhancement project** – Improvements to the Customer Call System are being implemented which will improve outage information and make it easier to speak to a live representative

**Community outreach** – BGE will identify opportunities to address and/or meet with senior citizens and members of the limited-income community in the Bowie area to provide information on conservation, energy assistance, storm preparedness and infrastructure improvements.

**Leverage Bowie communication resources** - Explore the use of Bowie's cable, web and other appropriate communication channels for customer information.

**Research** – The effectiveness of communication efforts will be evaluated by appropriate customer research. Adjustments and improvements will be made to BGE communications based on results.

## Feeder Listing by Neighborhood

Feeder	Neighborhood
7417	Fairview/Highbridge Park/Stewart's Landing
7418	Long Ridge/Princeton Square
7419	Tulip Grove
7420	Foxhill/Someset/Tulip Grove
7421	Old Chapel Estates/Chapel Forge/Overbrook/Rockledge/Whitehall
7422	Huntington/Huntington Crest/Rolling Hills/Rockledge/Belair Greens/Grady's Walk
7434	Derbyshire/Bowie Forest/Buckingham
7436	Forest Hills/Longleaf
7437	Idlewild/Bowie Forest
7438	Victoria Heights/Yorktown/Overbrook/Chapel Forge/Belair Town
7440	Pointer Ridge/Devonshire Estates/Lake Village Manor/Mitchellville/Ridgeview Estates
7441	Glen Allen/Covington Manor/Heather Hills/Mitchellville/Mitchellville East
7442	Pointer Ridge/Northview/Grovehurst Amber Meadows/Enfield Chase/Oak Pond/Oak Tree/Ternberry/Archstone/Tall Oaks Crossing Ridgeview Estates
7444	Amber Meadows/Lake Village Manor/Oak Pond/Oak Tree/Mitchellville
7445	Collington Station/Collington Manor
7447	Evergreen Estates/Covington Manor/Mitchellville East/Mitchellville/Northview/Pin Oak Village
8413	Old Stage/Westview/Woodmore Highlands
8414	Meadowbrook/Chapel Forge
8462	Ensleigh/Essington/Heather Hills/Kenilworth
8463	Bowie Commons/Enfield Chase
8465	Saddlebrook

Note This list may not be complete. Feeders are designed to serve load and not designed to serve specific geographical areas. Only a portion of a neighborhood listed may be served by that respective feeder Some feeders also serve customers outside of the City

## Bowie Electric Reliability Action Plan Frequently Asked Questions

### **What assurances do the Bowie customers have that what BGE is proposing will be effective?**

BGE has performed a very methodical quantitative and qualitative analysis of electric reliability in Bowie, including extensive field surveys and input from the Citizens Task Force, and believes that the proposed solutions will significantly improve reliability

### **How is what BGE is proposing today different from what has been done in the past?**

In the past BGE has applied standard engineering practices to improve reliability in Bowie. A number of factors that include legacy design, access to our infrastructure, and significant vegetative growth have combined to inhibit the effectiveness of those standard practices. In 2005, BGE completed the installation of latest technology automated equipment designed to limit outages to the smallest number of customers possible. While reliability gains have been achieved, the equipment has been less effective during storms. The current plan is a comprehensive effort to enhance the performance of the electric system and is based on a focused analysis of outage data covering a 24 month period between June of 2005 and June of 2007. Holistic in nature, the plan provides for engineering and design changes that improve operability, replaces aging and deteriorated equipment, and deals directly with the issue of tree interference with overhead power lines.

### **What is BGE's measure of success?**

BGE anticipates the performance of the redesigned feeders to be at par or better than the BGE system average 3 years after completion of the work, using the System Average Interruption Frequency Index (SAIFI), an industry standard recognized by the Maryland Public Service Commission. SAIFI is obtained by dividing the total number of customer interruptions by the total number of customers served on the system. BGE's system average is currently 1.95 interruptions per customer per year

### **Does BGE have a plan to address the 10 remaining feeders that are shown to be performing below system average?**

BGE plans to perform additional tree trimming and removals on the 10 remaining feeders over the 3 year period. BGE will also monitor the performance of those feeders to address any circumstances that would bring their performance below the system average

### **What if reliability does not significantly improve?**

We are confident that we can achieve the stated goals and BGE will continue to monitor the feeders to ensure that we are realizing the desired results. In the event we do not see expected results, we will evaluate the data and take necessary steps to address the issues.

**Why does the feeder work schedule differ from the reliability ranking? Why not work on the worst performing feeders first?**

The feeder schedule will generally follow the feeder rankings, addressing the poorer performers first. However, field conditions may require the order to be altered. BGE is planning the work to ensure we can continue to operate the system safely and effectively in the event of an emergency. Other considerations in establishing the work schedule include limiting the number of planned outages that residents will see, limiting the number of times crews will need to visit an individual property, and scheduling tree trimming in advance of infrastructure work where possible.

**How long will the work take to complete?**

The work is expected to be completed over the next three years. The 11 underperforming feeders will be addressed in the first two years, with the balance of the feeders receiving attention in the second and third year.

**How does BGE plan to communicate this information to residents?**

Because we believe effective communications are crucial to the success of this project, BGE has developed a comprehensive communications plan to help customers understand what is being undertaken and how it will affect them going forward. The communications plan employs a combination of direct mail, local media, community meetings, and one-on-one customer meetings where appropriate. See the attached communications overview for details.

**Who can customers call if they have questions or concerns about anything associated with this project?** As we move forward with the project we will be communicating more directly with customers and will provide contact information to them.

**Will BGE have to interrupt power to residents to complete this work? If so, for how long?**

The plan includes significant infrastructure changes and to ensure the safety of employees and the public, it may be necessary from time to time to interrupt power to safely complete the work. BGE is planning work in such a way as to minimize the number of outages that will need to be taken, as well as the duration of each. In the event an outage must be taken to safely work on the lines, BGE will notify customers of the expected time and duration in advance so they can make alternate plans.

**Why can't BGE just put the power lines underground?**

Although there are some benefits of undergrounding existing overhead lines, the preferred method of providing reliable and cost effective electric service is with the existing overhead lines. Some of the reasons this is true are

- Undergrounding remains very expensive
- The average useful life of underground cable is approximately 30 years, compared to 50 years for overhead lines.
- Undergrounding also usually requires that other overhead utilities (cable TV, telephone, street and private area lighting) be relocated at the same time
- Undergrounding also could involve trenching, conduit installation, directional boring or open cutting pavement. Meter upgrades and modifications to electrical

service connections of customers would also be required and would have to be done by a contractor at the customer's expense and direction.

- Cable runs and equipment such as padmount transformers would need to be placed on customer property and mutually agreeable locations and right-of-ways for this additional equipment would need to be determined. Undergrounding may also result in further encumbrances to customer property by limiting activities and/or structures that can be placed within a certain distance of the lines and/or equipment.

- Underground cables are not immune from damage during storms and can sustain damage from lightning and flooding and dig-ins.

- When underground cables are damaged, locating the damage and making the necessary repairs usually takes much longer than it does with overhead lines.

- According to various industry studies, outages which occur on the underground system can take anywhere from 35% to 100% longer to restore than outages that originate on the overhead system.

See the attached BGE Undergrounding Policy for more information.

**What right does BGE have to remove trees on customer property in the City?**

When designing its facilities BGE typically obtains easements and rights-of-way to allow placement of those facilities on private property. Such agreements grant a perpetual legal right to prune or remove trees on and along the overhead power lines. This right is typically documented through recordation in the land records of Prince George's County. This legal right may also be afforded through prescriptive rights after a period of time. Prescriptive rights are not normally documented in the land records. BGE is prepared to discuss this issue and others with individual property owners before conducting work on or near their property.

**Many areas of Bowie were developed in the 1960's. Isn't the problem really one of old and deteriorated equipment?**

BGE purchases high quality equipment intended to provide many years of dependable service. Age alone is not always an indicator of future equipment performance. Other factors such as load served and number of times the equipment operates can affect the life cycle of various pieces of equipment. As part of this action plan, an extensive amount of BGE infrastructure will be replaced. This will include, wire, poles, transformers etc. BGE will continue to monitor equipment performance and address conditions as they arise.

**Will BGE give discounts or otherwise subsidize the purchase of house generators?**

BGE will not subsidize the purchase of generators. BGE remains focused on making significant improvements in reliability for its customers in the Bowie area.

**Will Bowie citizens be assessed an additional charge to pay for the improvements BGE will be making?**

Bowie customers will not see a surcharge for this work.

**BGE Undergrounding Policy**  
**As filed with the Maryland Public Service Commission on October 15, 2004**

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**Background**

Since August 28, 1969, underground lines have been required for extensions of electrical distribution lines necessary to furnish permanent electric service to new commercial and industrial buildings, multiple-occupancy buildings and new residential buildings per Code of Maryland Regulations (COMAR 20 85 01 and 20 85 03, respectively) *Note This requirement does not apply to circuits that are 33,000 volts or higher and is not mandatory on premises where the construction of underground lines would serve no aesthetic purpose* BGE has approximately 22,550 circuit miles of distribution lines (at voltages 34,500 volts and lower) Approximately 9,350 circuit miles are overhead distribution and 13,200 circuit miles are underground distribution

Undergrounding can provide improved aesthetics and is one reason petitioners request BGE to underground overhead utilities In addition to improving aesthetics, undergrounding may provide mutual benefits such as enhancing reliability and public safety, reducing operations and maintenance expenses or providing the opportunity to upgrade infrastructure or area supply capacity Although there are some benefits of undergrounding existing overhead lines, the preferred method of providing reliable and cost effective electric service is with the existing overhead lines Some of the reasons this is true are

- ⇒ Undergrounding remains very expensive There have been numerous studies of the costs and benefits of undergrounding in the industry The Maryland Public Service Commission's Selective Undergrounding Working Group final report completed in 2000 after Hurricane Floyd concluded that the average cost of undergrounding existing electric overhead installations in MD is \$900,000 per mile or 5 to 10 times more costly than comparable overhead installations Another industry report by Scientech Inc released in 2001 concluded that, depending on ground conditions and other environmental factors, the cost of underground cables can range from \$500,000 to \$3 million per mile, compared to an estimated \$120,000 per mile for overhead lines BGE estimates that it would cost approximately \$8.5 billion to underground its remaining overhead distribution system This cost of over \$7,200 per customer would ultimately have to be passed on to customers through higher rates
- ⇒ The average useful life of underground cable is approximately 30 years, compared to 50 years for overhead lines
- ⇒ Undergrounding also usually requires that other overhead utilities (cable TV, telephone street and private area lighting) be relocated at the same time

*Note Undergrounding of lighting systems will only result in the undergrounding of the feed to the lights. New structures will need to be installed in order to provide the requested lighting*

- ⇒ Undergrounding also could involve trenching, conduit installation, directional boring or open cutting pavement. Meter upgrades and modifications to electrical service connections of customers would also be required and would have to be done by a contractor at the customer's expense and direction
- ⇒ Cable runs and equipment such as padmount transformers would need to be placed on customer property and mutually agreeable locations and right-of-ways for this additional equipment would need to be determined Undergrounding may also result in further encumbrances to customer property by limiting activities and/or structures that can be placed within a certain distance of the lines and/or equipment.
- ⇒ Underground cables are not immune from damage during storms and can sustain damage from lightning and flooding and dig-ins
- ⇒ When underground cables are damaged, locating the damage and making the necessary repairs usually takes much longer than it does with overhead lines According to various industry studies, outages which occur on the underground system can take anywhere from 35% to 100% longer to restore than outages that originate on the overhead system

### **BGE Policy**

BGE's undergrounding policy is designed to first work with petitioners to determine if undergrounding existing overhead distribution lines will actually best accomplish the desired results of the petitioners considering all of the costs and benefits of undergrounding If the petitioner decides to go forward with undergrounding, BGE will then work with the petitioner to identify mutual benefits of undergrounding that could possibly reduce the costs to the petitioner, seek alternative sources of funding for the undergrounding project and educate all affected parties (i e , individual customers) as to the extensive requirements for undergrounding, including impacts to other utility infrastructure (i e , telecom, CATV, and municipal wires and equipment, etc ) and right-of-way issues

While BGE has always worked with parties to consider all aspects of undergrounding, BGE's undergrounding policy was revisited and formalized to comply with Maryland Public Service Commission ORDER NO 79159 issued June 4, 2004 in Case No 8977 ("IN THE MATTER OF THE ELECTRIC SERVICE INTERRUPTIONS DUE TO HURRICANE / TROPICAL STORM ISABEL AND THE THUNDERSTORMS OF AUGUST 26-28 2003") This order directs utilities "to develop procedures to allow for selective undergrounding on a cooperative basis with municipal and county

governments, customers, or homeowners groups. Such cooperation may include project coordination, management, rights-of-way provision, financing or other methods"

BGE will work with any municipal or county governments, individual customers, or homeowner groups to explore undergrounding in an area of interest. Undergrounding requests are handled by different processes depending whether the request is for a public relocation or a private relocation. Public relocation requests initiated by state and local municipalities or agencies and private relocation requests are handled through separate processes. Private relocation requests by business customers, communities/groups of homeowners or individual homeowners can be directed to BGE's Customer Care New Business Call Center who will send the customer the appropriate Service Application. In each of these cases, BGE pricing is pursuant to BGE's Electric Service Tariff. However, in some cases, additional coordination may be required and/or additional costs incurred by the petitioner to request other utilities to relocate other non-BGE overhead facilities at the same time. Customers will also likely incur additional expense to make necessary changes to their own equipment so that it can accept underground distribution service.

BGE internal procedures can help facilitate undergrounding projects. BGE will determine if there are areas of mutual benefit that can help offset a petitioner's cost without subsidizing a particular group of ratepayers or requiring an uneconomic utility investment. An estimate of these benefits will be provided and subtracted from the petitioner's cost estimate. Future investments may include areas of mutual benefit such as (1) operations and maintenance cost differentials between overhead and underground designs or (2) credits for any electric delivery capacity increases or offsetting planned reliability improvements or public safety benefits or planned replacements of aging infrastructure that benefit BGE's customers from the project.

*Note: Petitioner contributions-in-aid-of-construction (CIAC) to BGE for undergrounding projects are considered taxable by federal law if the projects do not have a public benefit and a gross-up for this tax is added to the total project cost. The gross-up represents the difference in the cost of the tax burden the utility pays up front and the present value tax benefit the utility receives through depreciation expense over the life of the installed assets. The gross-up tax does not apply to "public benefit undergrounding," and BGE will determine if a project qualifies. In most cases the decision regarding the applicability of the tax is straightforward and leaves little room for discretionary judgment. However, where the determination is more difficult, BGE may contact the IRS for a ruling.*

BGE will also enhance public education by posting its undergrounding policy along with other undergrounding information and contact information on its website, [www.bge.com](http://www.bge.com). BGE will provide necessary information to its Call Center representatives so they can send the customer the appropriate Service Application. BGE will also include contact information for undergrounding requests annually in its Residential and Business Consumer Reference Book.

**Requests to Relocate Overhead Lines to Underground Service**

BGE will work with any municipal or county governments, individual customers, or homeowner groups to explore undergrounding in an area of interest.

**For residential undergrounding requests contact:**

410-685-0123 or 1-800-685-0123, fax: 410-234-7406

Our Customer Care representatives are ready to serve you.

**For private business relocation work contact:**

410-265-4100 or 1-800-265-6177

Representatives are available around the clock from 8 a m Monday to midnight Friday