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March 5, 2015

VIA IZIS AND HAND DELIVERY

D.C. Board of Zoning Adjustment
Suite 210
441 4th Street, N.W.
Washington, D.C. 20001

Re: Board of Zoning Adjustment Case No. 18911
PEPCO Waterfront Substation (Lots 19 and 809, Square 603)
Response to ANC 6D Request for Postponement of Hearing

Dear Members of the Board:

On behalf of the Applicant in the above-referenced case, this letter responds to Advisory Neighborhood Commission (“ANC”) 6D’s request for postponement of the hearing scheduled for March 10, 2015. According to the ANC’s letter dated March 1, 2015, the request for postponement is to an uncertain date following the Public Service Commission (“PSC”) determination in Formal Case #1123. Formal Case #1123 was initiated following a request from ANC Commissioner Rhonda Hamilton. The PSC’s investigation was to review the reasonableness, health and safety of the proposed substation. The PSC now has the investigation under consideration for issuance of a determination.

The Applicant filed the application to the Board of Zoning Adjustment (“BZA”) in October, 2014. In response to ANC 6D’s initial request that the Applicant postpone the BZA hearing, the Applicant requested that the hearing date originally scheduled for February 3, 2015, be postponed to March 10, 2015. This postponement request was made shortly after the deadline of December 20, 2014, for filing of all information and comments to the PSC in its investigation. The Applicant is unable to agree to the requested postponement for the following reasons.

First, while the PSC has not yet issued its determination, there is no requirement for a PSC determination in order for the BZA to consider an application for zoning relief. The PSC evaluates the safety, need and reasonableness of the proposed substation. On the other hand, the BZA reviews the proposed substation use based on the special exception standard in Sections 608 and 3104 of the Zoning Regulations which generally focus on impacts, not electrical needs and requirements. Specifically, the Board must determine the following: (1) whether the use is

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appropriate in furthering the objectives of the CR District (§ 608.1); (2) whether there are any requirements that should be imposed for setbacks, screening, or other safeguards that are necessary for protection of the neighborhood (§ 608.3); and (3) whether the use will be in harmony with the general purpose and intent of the Zoning Regulations and Zoning Maps and will not tend to affect adversely, the use of neighboring property in accordance with the Zoning Regulations and Zoning Maps (§ 3104.1).

The proposed substation cannot be constructed without approval from each of these bodies. However, approval by one body is not a prerequisite for review and approval by the other. Accordingly, the Applicant requests that the BZA move forward with its review of the application based on the applicable legal standard and not delay its review for an indefinite period awaiting the PSC determination.

Second, any delay of the hearing will be detrimental to the Applicant and the proposed project and therefore to the immediate neighborhood as well. As noted in the attached correspondence to the ANC sent on March 4, 2015, the Applicant must move forward with the proposed substation to meet the expected demand of new customers and projects. Without the proposed Waterfront Substation, the Applicant may not be able to provide service to new customers in 2017, and the delay could result in increased electrical loading of the existing equipment that could stress the existing operation to the point of failure. Service interruptions could occur for extended time periods until failed equipment is replaced, negatively impacting the Applicant's ability to serve the community.

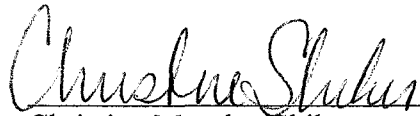
The design, permitting and construction process is estimated to take a minimum of two years. Once constructed, the Applicant needs a period of approximately two to three months to transfer the load distribution prior to the summer peak of usage, which begins in or around June. Thus, based on this timeframe for these required steps, the Applicant must move forward with a hearing in March, 2010, in order to complete design, permitting and construction by March, 2017, with load distribution transfer occurring between March and May, 2017, for operation by June, 2017.

The Applicant began community outreach on the proposed substation over fifteen months ago. The Applicant has presented to, reached out to, and met with the ANC numerous times, including as recently as last month. ANC 6D has evaluated the substation and issued questions and issues to the PSC. The ANC has not indicated why it cannot present its issues or questions to the BZA, despite the fact that it has had the proposed substation under consideration for an extended period of time.

Based on these reasons, the Applicant respectfully requests that the BZA move forward with the hearing on March 10, 2015. The Applicant appreciates your consideration of its position.

Sincerely,

HOLLAND & KNIGHT LLP



Christine Moseley Shiker

cc: Joel Lawson, Office of Planning (Via E-mail)
Elisa Vitale, Office of Planning (Via E-mail)
Jonathan Rogers, DDOT (Via E-mail)
Advisory Neighborhood Commission 6D (Via US Mail)
Chairman Roger Moffatt, ANC 6D (Via E-Mail)
Commissioner Rhonda Hamilton, ANC 6D (Via E-Mail)



March 4, 2015

Commissioner Roger Moffatt
Chairman, ANC 6D
Suite W 130
1101 4th Street, SW
Washington, DC 20024-4476

Dear Chairman Moffatt,

We are in receipt of your March 1st request to delay the March 10th Board of Zoning Adjustment hearing on Pepco's request for a special exception and variance for the proposed Waterfront Substation.

From the inception of the project, Pepco has placed a priority on engaging the community and Advisory Neighborhood Commission 6D. Pepco purchased the bakery property on October 30, 2013 and immediately presented to the ANC our plans in the November ANC meeting. Since this meeting, we have solicited feedback in a variety of forums and have substantially revised the substation design multiple times in order to find a design appropriate for the community.

The substation is an essential point in the electric system from which power is distributed to homes and businesses. The new Waterfront Substation is necessary to support existing customers and planned development in the Capitol Riverfront and Southwest Waterfront areas, allowing Pepco to continue to meet its obligation to serve its customers. As a result of the growth in Southeast and Southwest, Pepco's electric system planning group predicts that the load the Buzzard Point Substation B serves directly will grow from a peak load of 137.7 MVA in 2013 to a peak load of 168 MVA anticipated in 2017. Consequently, the Buzzard Point Substation B East LVAC Network Group is forecasted to exceed its firm capacity by 3% in the summer of 2017. The Waterfront Project is necessary to provide for the residential and commercial growth in and around Buzzard Point. In addition, a new substation would allow Pepco to replace aging equipment in a substation that was originally converted to a distribution substation in the 1930's.

Pepco previously advised the Public Service Commission that a delay in approval leading to delay in construction could result in Pepco not being able to provide service to new customers in 2017 and would result in increased electrical loading of the existing equipment that could stress its operation to the point of failure. Service interruptions could occur for extended time periods until failed equipment is replaced, negatively impacting Pepco's ability to serve the community and provide for future load growth in the area.

In the interest of the community and construction schedules, Pepco must proceed with the March 10th hearing on BZA 18911. A favorable result from both the BZA and Public Service Commission is required to construct the substation. The construction of the substation takes a minimum of two years, including the engineering design work and materials procurement. To meet the planned substation in-service date at the end of May 2017, construction of the Waterfront Substation must be completed by March 2017 to allow for the start of distribution load transfers from Buzzard Point Substation to Waterfront Substation to avoid the previously mentioned overloads. To be able to meet this timeline, Pepco must be able to award the engineering, procurement, and construction contract in March 2015.

Chairman Roger Moffatt
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In light of the foregoing, Pepco respectfully requests the March 10th hearing proceed as scheduled. We appreciate the ANC's guidance throughout this process; however, we are in a position where we must move forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Taylor". The signature is fluid and cursive, with the first name "Chris" and last name "Taylor" clearly distinguishable.

Chris Taylor
Public Affairs Manager
Pepco Region, District of Columbia