

Electric Reliability Investment Initiative

Fact Sheet 2014

Investing in Electric Reliability

BGE's Electric Reliability Investment initiative is designed to accelerate the pace of improvements to the electric distribution system to help reduce the frequency and duration of electric service interruptions for customers. During the past decade, central Maryland has experienced an increase in major storm activity, weathering four of the most damaging storms in BGE's history.

As a result, the Maryland Public Service Commission (PSC) directed Maryland electric utilities to develop short and long-term measures to improve reliability and grid resiliency. The Electric Reliability Investment initiative is BGE's short-term program. The PSC authorized BGE to recover through a surcharge mechanism five electric reliability and grid resiliency improvement programs, effective June 1, 2014.

SMARTENERGY > DELIVERY
RELIABILITY
SAFETY

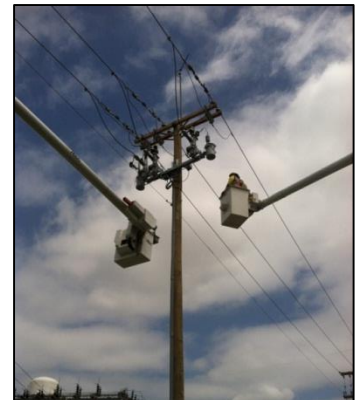
The Electric Reliability Investment initiative goes beyond the significant investment BGE has continuously made in maintaining and upgrading the electric system—*enabling us to do more, sooner to better serve customers*—through the following programs:

Doubling the Number of Power Lines Improved Annually

As required by the PSC of all Maryland electric utilities, BGE annually identifies the 3 percent of distribution electric line feeders that have demonstrated the lowest performance and works to improve the reliability through inspections, tree and vegetation management and corrective maintenance work. BGE has now doubled the number of feeders identified and addressed annually. This acceleration would increase the number of feeders being addressed by approximately 40 feeders per year from 2014 through 2018. These efforts are expected to improve customer reliability by reducing outages due to vegetation, wildlife and the failure of conductors and other equipment.

Installing Equipment to Quickly Diagnose and Prevent Lengthy Power Outages

BGE believes one of the most effective, short-term approaches to improving reliability is to further subdivide power lines, reducing the number of customers who experience a power outage when a fault occurs. By installing automated devices, known as "reclosers" on a number of 13-kV power lines, BGE can reduce the number of sustained customer interruptions caused by a momentary contact with a power line by automatically restoring undamaged portions of the line. BGE is also installing additional reclosers on 34-kV power lines. While very few customers are directly served by 34-kV power lines, these lines are used to supply distribution substations. Improving the resiliency of these supply lines reduces the risk that a substation could lose power, causing customers supplied by that substation also to lose power.



Crews install recloser equipment on overhead power lines to help avoid frequent, lengthy power outages, as part of BGE's Electric Reliability Investment

Creating New Routes to Deliver Power Where it is Needed

Substations are served by multiple power lines to help ensure power can be transferred around equipment that may become damaged. This program diversifies power line routes to make these substations less vulnerable to a single point of damage, reducing the possibility of outages to customers supplied by the substation.

Burying Selective Portions of Power Lines

More than 60 percent of BGE's electric circuit miles are located underground today. BGE is now placing additional sections of overhead lines underground in areas that are vulnerable to damage from falling tree branches and other similar threats. Not all lines are candidates for undergrounding, but BGE is committed to evaluating this solution where it is practical and will have significant reliability benefits for customers. Each year, BGE adds additional distances of underground lines.

An Investment in Reliability

To fund this expanded investment, the PSC authorized a monthly Electric Reliability Investment initiative charge for BGE electric customers. The charge appears in the Electric Details section of bills as the "ERI Initiative Chg" beginning June 1, 2014. The residential rate is estimated to equate to a monthly charge of \$0.07 for the typical residential customer using 800 kWh per month.

Part of a Broader Reliability Initiative

The Electric Reliability Investment initiative is just one part of BGE's overall reliability efforts. Additional initiatives that BGE undertakes beyond ERI, include tree trimming and vegetation management, and continuous inspection and replacement of poles, wires, transformers and other equipment to enhance the reliability of electric service for our customers.