



FY 2014 PERFORMANCE PLAN Public Service Commission

MISSION

The mission of the Public Service Commission is to serve the public interest by ensuring that financially healthy electric, natural gas, and telecommunications companies provide safe, reliable, and quality services at reasonable rates for District of Columbia residential, business, and government customers. This mission includes:

- Protecting consumers to ensure public safety, reliability, and quality utility services;
- Regulating monopoly utility services to ensure their rates are just and reasonable;
- Fostering fair and open competition among utility service providers;
- Conserving natural resources and preserving environmental quality;
- Resolving disputes among consumers and utility service providers;
- Educating utility consumers and informing the public; and
- Motivating customer and results-oriented employees.

SUMMARY OF SERVICES

The Public Service Commission regulates public utilities operating in the District of Columbia by issuing orders in formal proceedings that may include written comments or testimony, hearings, studies, and investigations; ensuring fair and appropriate utility prices; fostering competition by licensing utility service providers and supervising the competitive bidding process; ensuring utility providers meet various environmental regulations and standards by operating in ways that conserve natural resources and preserve environmental quality; and resolving disputes among consumers and utility service providers.

In addition to its regulatory services, the Commission also conducts outreach via its website, public forums, and various literature in order to educate utility consumers and inform the public.

PERFORMANCE PLAN DIVISIONS¹

- Natural Gas Pipeline Safety
- Utility Regulation
- Agency Financial Operations
- Agency Management

¹ The PSC is an independent agency. For the purposes of the FY14 Performance Plan, the PSC elected to organize the Plan at the agency level instead of by budget division to recognize the fact that the organization's goals require interaction across offices.



AGENCY WORKLOAD MEASURES

| Measure | FY 2011 Actual | FY 2012 Actual | FY 2013 Actual |
|---|-------------------|-------------------|-------------------|
| Number of cases opened ² | 3,095 | 665 | 798 |
| Number of orders issued | 565 | 375 | 339 |
| Number of natural gas pipeline safety inspections conducted | 500 | 456 | 330 |
| Number of One-Call (Miss Utility or Call Before You Dig) inspections conducted ³ | 960 | 972 | 956 |
| Number of payphone site inspections conducted | 673 ⁴ | 275 | 263 |
| Number of Renewable Portfolio Standards applications received | 2,635 | 242 ⁵ | 372 |
| Number of consumer complaints and inquiries processed | 1,881 | 1,582 | 1,697 |

OBJECTIVE 1: Ensure safe, reliable and quality electric, natural gas and local telecommunications services.

INITIATIVE 1.1: Enhance the Commission's monitoring, compliance, and enforcement functions by completing the restructuring of the Commission's Engineering Office.

For the past several years, the Commission has laid the foundation for a new enforcement program by establishing electric, natural gas, and local telecommunications quality of service, including reliability, standards and approving rules for the issuance of forfeitures and fines. The next step is to make several organizational changes within the Commission to ensure proper staffing of employees with the skill sets necessary to carry out the new program.

To that end, the Commission is restructuring the agency in order to align and improve the agency's monitoring, compliance, and enforcement and infrastructure and system planning functions. More specifically, the Commission is reorganizing the current Office of Engineering into two new Offices – a new Office of Compliance and Enforcement whose function will be to monitor compliance and enforce, among other things, the service quality rules applicable to the electric, natural gas, and local telephone companies to ensure safe, quality and reliable service, and an Office of Infrastructure and System Planning that will focus on planning and overseeing future infrastructure enhancements in these three industries regulated by the Commission.

² The number of cases opened and orders issued declined dramatically in FY2012 after the D.C. Council passed the Distributed Generation Amendment Act of 2011 that required all new solar generation facilities to be located in the District or to be close by in Maryland so that they serve the District. As a result of the legislation, the Commission was required to decertify over 1,400 non-DC based solar generation facilities.

³ Each year, the Commission has been awarded a federal grant from the U.S. Department of Transportation that funds safety inspections of location markings to prevent damage to underground utility facilities.

⁴ The numbers of inspections in FY2011 and FY 2012 are low because there are now only about 100 payphones.

⁵ Please see footnote 2 above.



In FY 2013, the Commission started the process by filling the two most senior positions in the Office of Compliance and Enforcement (OCE), the Chief Position and a Compliance & Enforcement Officer. The Commission received approval from the Administration to add the two new FTEs to its staff. In FY 2014, OCE will have a Chief, two existing Natural Gas Pipeline Safety Engineers, Compliance and Enforcement Officer, an Inspector who is being transferred from the Office of Consumer Services, and an Attorney from the Office of the General Counsel who will be the designated liaison with OCE. The new Office of Infrastructure and System Planning will contain the current Chief Engineer position, a new Gas Engineer, a new Electrical Engineer, and a new General Engineer. The goal is to have both new offices fully staffed by the end of FY2014. Completion date: September 30, 2014.

INITIATIVE 1.2: Increase transparency by revising the Commission’s docketing system

In FY 2014, the Commission will restructure its formal case docketing system to increase transparency and to align the system with new compliance and enforcement mandates. Specifically, the Commission will implement a new decision rule for closing formal cases and for continuing matters that require further monitoring and enforcement. The decision rule is based on the progression of formal cases from the active litigation phase through the monitoring and compliance phase. The Commission will also revise its docket numbering system. Completion Date: September 30, 2014.

OBJECTIVE 2: Foster Fair and Open Competition Among Utility Service Providers

INITIATIVE 2.1: Improve the Alternative Supplier Program by revising the rules, enhancing the compliance program, and preventing abuse.

District residents have been able to choose their electric generation and natural gas commodity suppliers for more than a decade while Pepco and Washington Gas remain the sole distribution companies. Moreover, the number of suppliers serving residential customers has increased. However, the Commission is also seeing a substantial increase in the number of complaints regarding the marketing and business practices of some of these suppliers. Most recently, the Commission held a hearing, which gave the public an opportunity to share their experiences and the problems they have been encountering. Moreover, an investigation of one supplier is underway.

To address these issues, in FY 2014, the Commission will undertake a number of steps to improve the Alternative Supplier Program, including conducting a broad review of the licensing and enforcement rules, the information programs, compliance processes and many other aspects of the retail energy supply market. A Task Force, composed of staff from the Offices of Technical & Regulatory Analysis, including the new Office of Compliance and Enforcement; the Office of General Counsel, and the Office of



Consumer Services, will coordinate the activities necessary to develop new licensing regulations and standards, process informal complaints, establish compliance and enforcement procedures, and assure consumer protections. Completion Date: September 30, 2014.

OBJECTIVE 3: Educate Utility Consumers and Inform the Public

INITIATIVE 3.1: Increase public understanding of the Public Service Commission by publishing a book on the history of the Commission and participating in the D.C. Historical Society's Annual Conference.

On March 15, 2013, the Commission held a one-day symposium at Gallaudet University in celebration of its Centennial Anniversary. The very successful event attracted over 200 attendees. Since then, the Commission has worked on several Centennial projects which will continue throughout FY 14. First, the Commission will host a panel on the history of the Commission at the November 2013 annual conference of the D.C. Historical Society. The topic will be the role of public input in the history of the Commission, 1913 to date. There will be two presentations – a pictorial slide presentation and a PowerPoint presentation. Second, the Commission is also completing a book on the history of the Commission. It will be published and distributed in FY 14. Third, the Commission is conducting several special studies. One is on the history of electric, natural gas, and telephone reliability in the District. Another is on the history of rates. A third is on the history of the regulation of local telephone service. Completion date for all projects: September 30, 2014.

OBJECTIVE 4: Motivate Customer and Results-Oriented Employees

INITIATIVE 4.1: Relocate the Commission to a building where all of the employees can be on one floor, fostering better communications among offices and providing a more efficient and productive environment.

The Commission's lease in our current location expires on November 30, 2013. The Commission has been working with the D.C. Department of General Services (DGS) to locate new state of the art office space that will be even more accessible to the public, encourage more team work and interaction among offices, and contribute to a more productive and efficient environment. At this point, DGS has issued a Request for Space to which 7 bids were received. As of the end of July 2013, the choice has been narrowed to one building, with negotiations to follow shortly. DGS is requesting an interim extension of the lease at the current location for several months to allow adequate time for space design and planning and build-out. During FY 2014, the Commission will (a) complete the design and build-out of the new office space in order to enhance the efficiency of operations by moving everyone onto one floor in contiguous space; (b) provide space for training of staff and the public on utility related matters to enhance education, compliance and enforcement; and (c) reduce the need for



paper space by better managing the storage of records. The Commission will also install a new A/V system for a new hearing room that will improve the quality of its media streaming of meetings and other public events. The Commission expects to move and be settled in the new space by the end of FY 2014. Completion Date: September 30, 2014.

KEY PERFORMANCE INDICATORS – Public Service Commission

| Measure | FY 2012 Actual | FY 2013 Target | FY 2013 Actual | FY 2014 Projection | FY 2015 Projection | FY 2016 Projection |
|--|-----------------------|-----------------------|-----------------------|---------------------------|---------------------------|---------------------------|
| USDOT rating for the Commission's natural gas pipeline safety program | 99.2% | 98% | NA ⁶ | 98% | 98% | 98% |
| Adjudicative case decisions to be issued within 90 days from the close of the record | 100% ⁷ | 95% | 100% | 95% | 95% | 95% |
| Percentage of consumer complaints resolved at the informal level | 97% | 80% | 97.6% | 85% | 90% | 90% |

⁶ Results of the US Department of Transportation (USDOT) audit are not available until the fall of the following calendar year.

⁷ The Commission rendered a decision in only one adjudicative proceeding in FY13 – F.C. No. 1093, a Washington Gas rate case.