

REMARKS OF THE HONORABLE PATRICIA M. WORTHY
CHAIRMAN, DISTRICT OF COLUMBIA
PUBLIC SERVICE COMMISSION

EXECUTIVE WOMEN MANAGING
MULTI-MILLION DOLLAR ENTERPRISES
APRIL 12, 1989

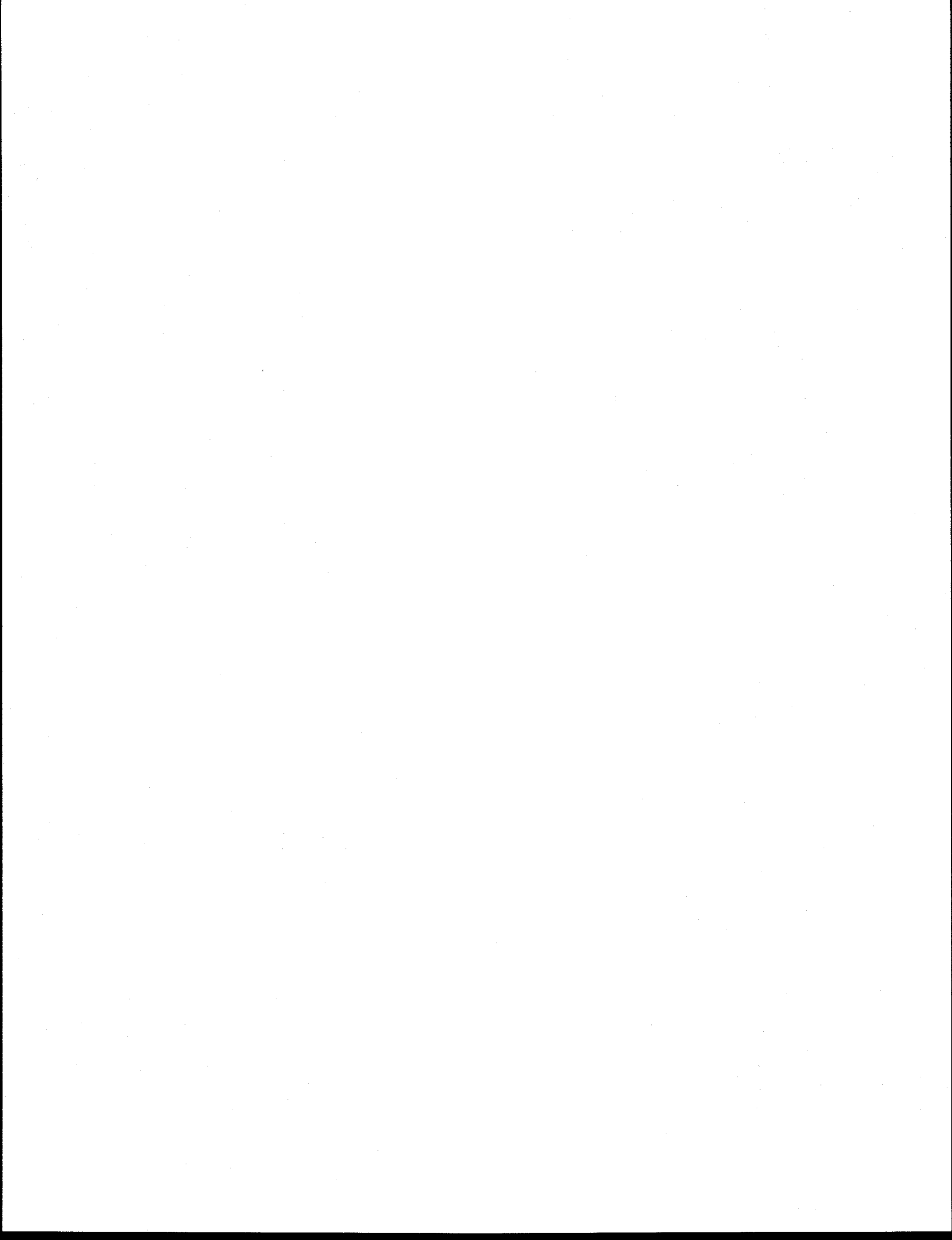
from newspaper
- being
- members
- planning? strategy
- communication
- motivation; energy
- this work is about
level, public

GOOD EVENING. I AM VERY PLEASSED TO HAVE BEEN INVITED TO
SPEAK WITH YOU.

THE DISTRICT OF COLUMBIA PUBLIC SERVICE COMMISSION IS AN
INDEPENDENT REGULATORY AGENCY WHICH WAS ESTABLISHED IN 1913. OUR
FISCAL YEAR 1989 TOTAL BUDGET WAS \$4,360,000. OF THAT,
\$4,069,000 WAS REIMBURSED BY THE UTILITIES WE REGULATE. THE
REMAINDER, \$291,000 IS IN THE BUDGET OF OUR SECURITIES OFFICE
WHICH HAS THE RESPONSIBILITY OF LICENSING BROKER/DEALERS IN THE
DISTRICT OF COLUMBIA. OUR PROPOSED BUDGET FOR FISCAL YEAR 1990
IS \$4,791,000. ALL BUT \$324,000 OF THIS WOULD BE FULLY
REIMBURSED BY THE REGULATED UTILITIES.

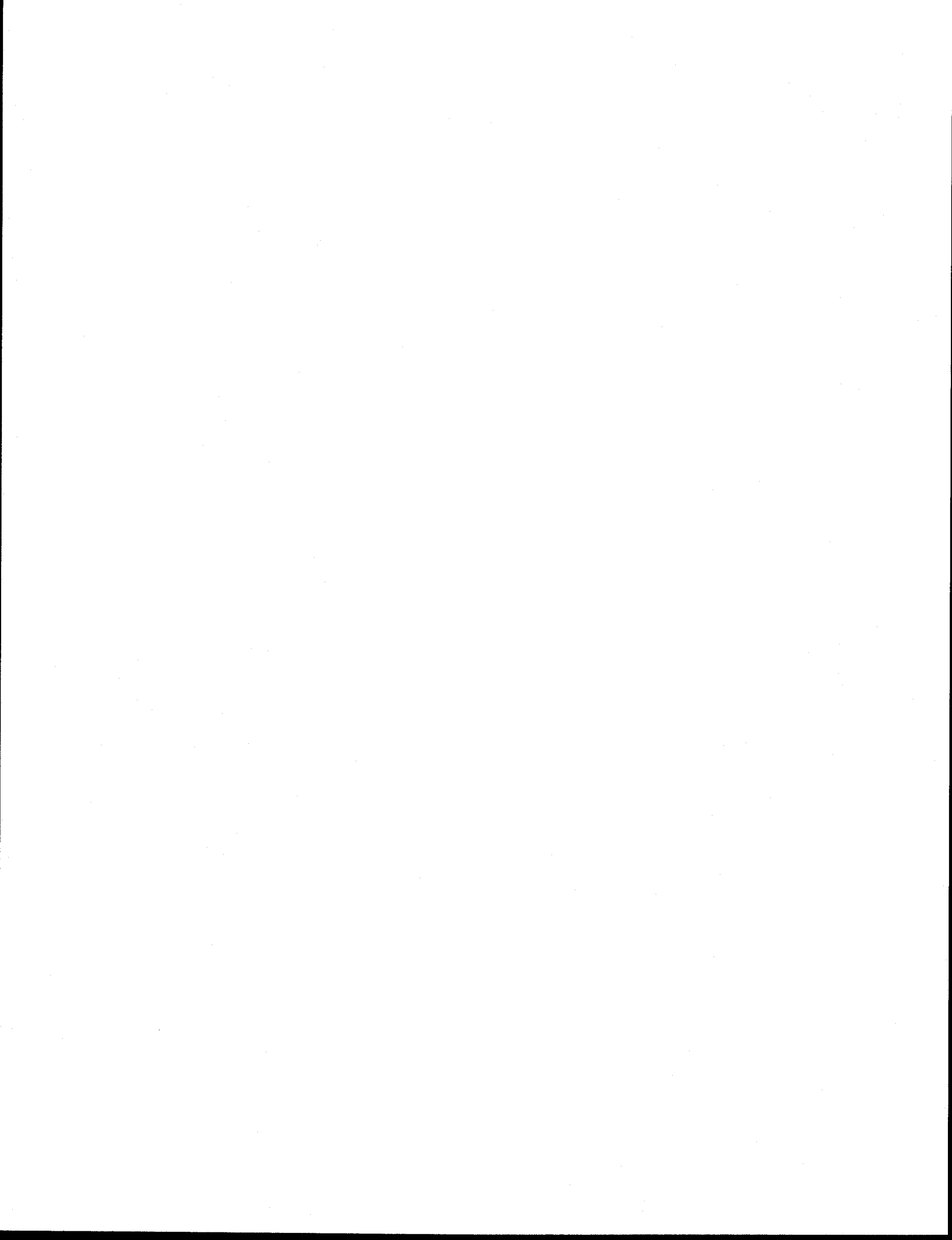
I WOULD LIKE TO POINT OUT THAT WHILE THE SECURITIES OFFICE
IS FUNDED BY THE D.C. TREASURY, IT GENERATES SUBSTANTIAL REVENUE
BY COLLECTING VARIOUS FEES FROM THOSE SEEKING TO BE LICENSED TO
SELL SECURITIES IN THE DISTRICT OF COLUMBIA. FOR EXAMPLE, IN
FISCAL YEAR 1989, THE SECURITIES OFFICE WITHDREW \$291,000 FROM
THE TREASURY, BUT DEPOSITED OVER \$1 MILLION.

THE COMMISSION CURRENTLY HAS AN AUTHORIZED STAFF OF 83



EMPLOYEES. THIS IS AN INCREASE OF 21 POSITIONS SINCE FISCAL YEAR 1986 WHEN I IMPLEMENTED A THREE-YEAR STAFFING PLAN. THE PURPOSE OF THIS PLAN WAS TO INCREASE THE NUMBER AND EXPERTISE OF THE STAFF SO THAT THE NEED FOR OUTSIDE CONSULTANTS COULD BE REDUCED OR ELIMINATED. THIS PLAN HAS SAVED THE DISTRICT OF COLUMBIA WELL OVER \$1.7 MILLION IN UTILITY REGULATION EXPENSES SINCE ITS IMPLEMENTATION.

IN ADDITION TO SETTING THE RATES THAT A UTILITY MAY CHARGE A CUSTOMER, THE PUBLIC SERVICE COMMISSION ALSO ASSISTS IN THE RESOLUTION OF COMPLAINTS THAT CUSTOMERS MAY HAVE ABOUT A UTILITY'S CHARGES OR SERVICES. IN FISCAL YEAR 1988, WE RESOLVED 13,543 SUCH COMPLAINTS AND SAVED CUSTOMERS ALMOST \$68,000.



PUBLIC SERVICE COMMISSION

0 Independent regulatory agency established by Congress in 1913.

0 Fiscal Year 1989 total budget of \$4,360,000.

Utility Regulation Budget is \$4,069,000.

Securities Budget is \$291,000.

0 Fiscal Year 1990 budget of \$4,791,000.*

Utility Regulation Budget is \$4,467,000.

Securities Budget is \$324,000.

0 Current authorized staff of 83 employees.

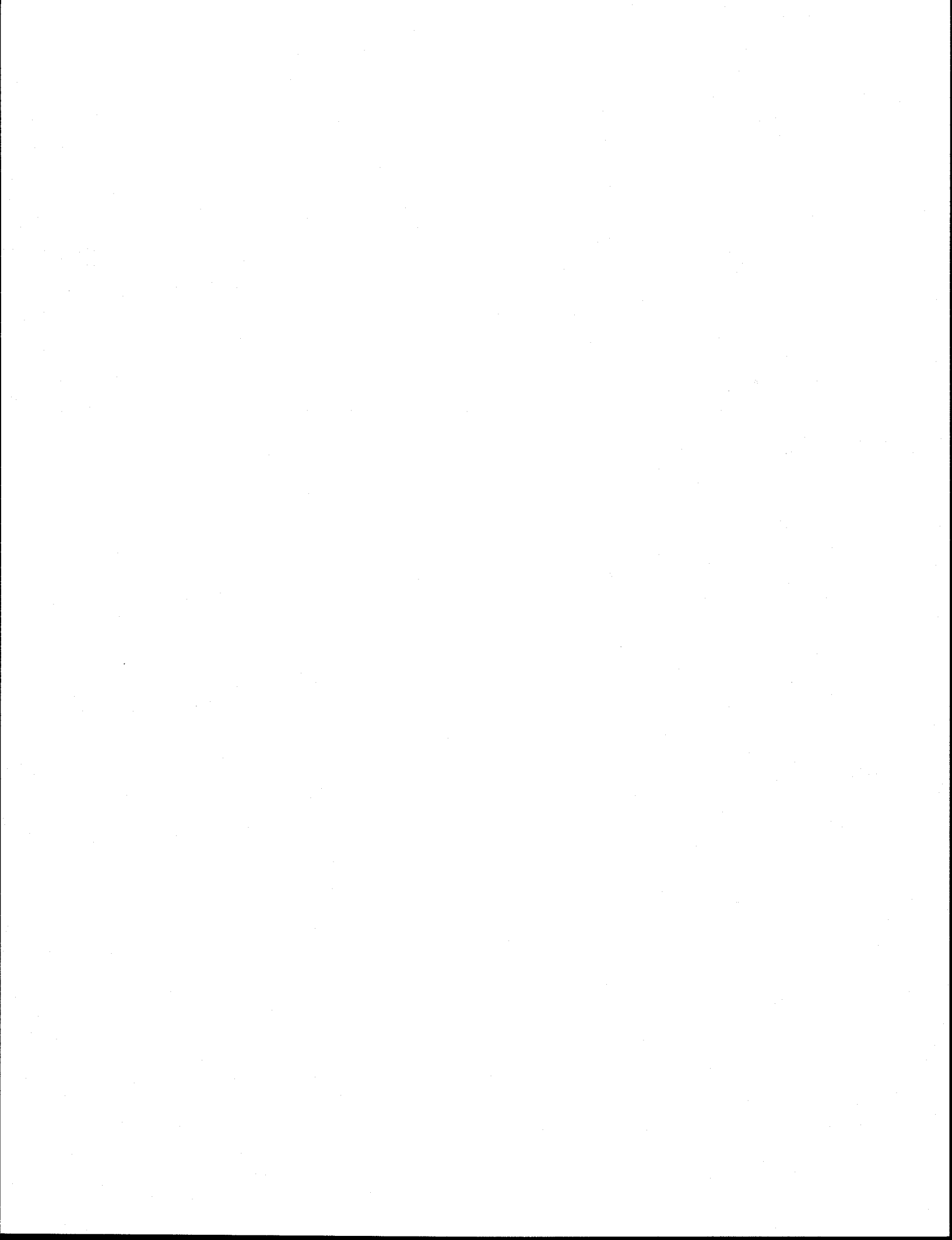
0 Staff level has grown by 21 positions since fiscal 1986, when we embarked upon a three-year staffing plan designed to:

1) reduce the expenditure levels of outside consultant services for utility regulation.

2) hire numerous utility-trained legal, economic, accounting, financial, engineering, and computer professionals.

0 Staffing plan has enabled the Commission to save the District well over \$1.7 million in utility regulation expenses since implementation.

* Assumes congressional approval.



The Pipeline Safety Grant Program, administered by the U.S. Department of Transportation supports up to 50 percent of the costs of personnel, equipment, and activities required to carry out natural gas pipeline safety programs. In FY 1988, the Public Service Commission conducted a total of 136 pipeline safety inspections. In FY 1989 and FY 1990 the commission will maintain this level of gas pipeline safety inspections and increase the thoroughness of safety incident reporting. In addition, emphasis will be shifted to assuring that all operators and government agencies adhere to gas pipeline safety procedures. The FY 1990 budget of \$68,000 for this program is adequate to offset the cost of administering the District's Pipeline Safety Program.

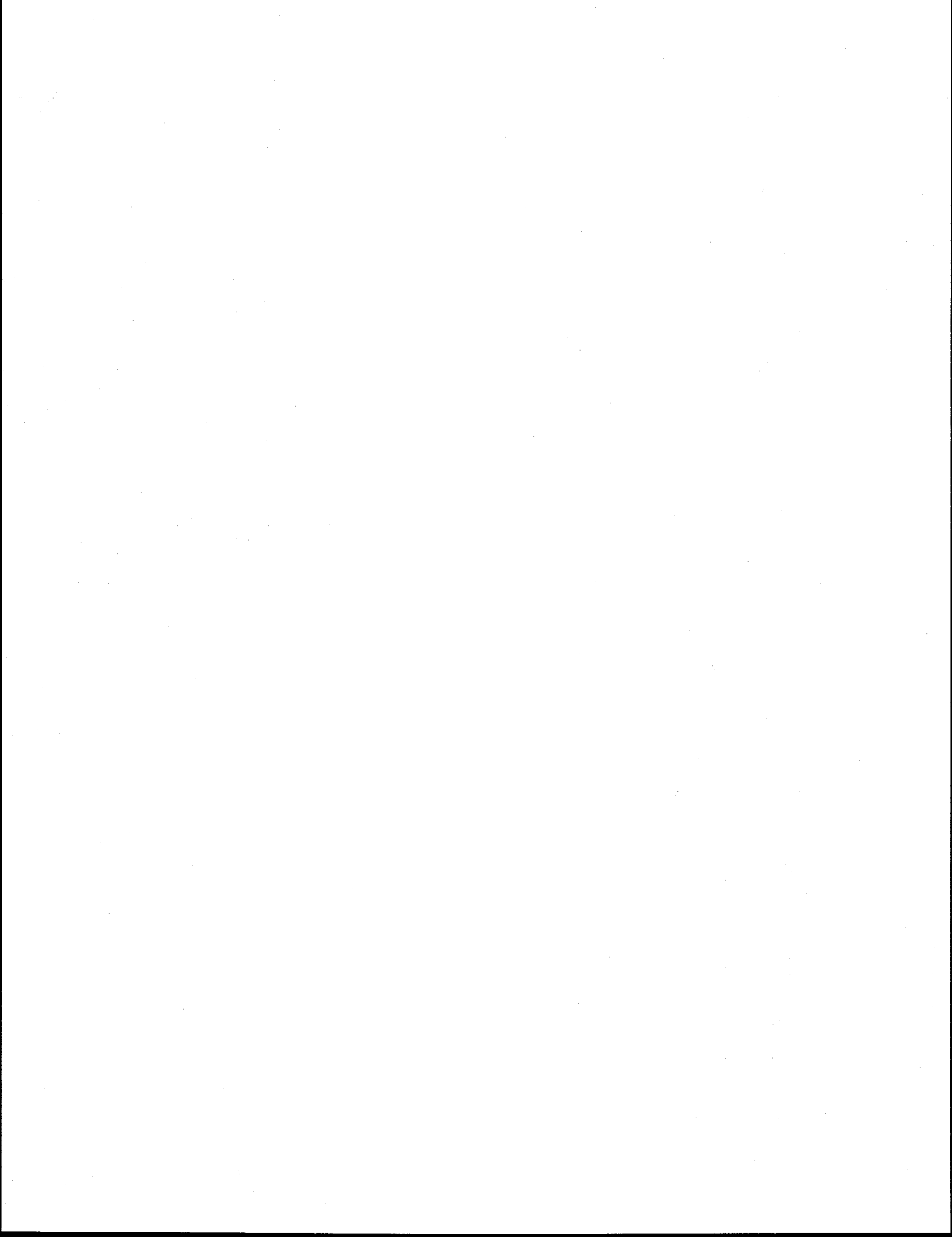
The Auditor's Assessment Account and the Printing and Duplicating Account are both funded by the utility companies to offset the cost of commission auditors performing on-site audits and the yearly rental cost of a duplicating machine.

The COCOT registration fee began as a result of the commission's regulatory decision that customer-owned coin and credit card operated telephone instruments may be connected to business telephone service offered by the C&P Telephone Company. Each COCOT applicant must pay a one-time fee of \$25.00, and upon approval of the filing by the Office of the Commission Secretary, a certification number for each COCOT instrument is issued. All funds collected for COCOT registration fees are deposited in the District Treasury.

PROGRAM PERFORMANCE DATA

MEASURES	EY 1987	EY 1988	EY 1989	EY 1990
UTILITIES REGULATION				
Formal cases filed	11	22	10	10
Financing cases filed	3	2	3	3
Orders Issued				
Formal cases	293	232	310	310
Financing cases	4	1	4	4
Notices Issued				
Public notices issued	16	20	22	22
Notices of proposed rulemaking issued	26	22	32	32

MEASURES	EY 1987	EY 1988	EY 1989	EY 1990
OFFICE OF THE GENERAL COUNSEL				
Decisional Memoranda	880	490	804	1,076
<u>FORMAL CASES</u>				
Pleadings	[705]	[340]	[424]	[500]
Letters	[42]	[51]	[176]	[276]
<u>Telephone Tariffs</u>				
Pleadings	[130]	[97]	[204]	[300]
Letters	[3]	[2]	[0]	[0]
CONSUMER SERVICES				
Consumer complaints filed	13,246	13,563	16,460	17,500
Average time taken to resolve complaints	1 day	1 day	1 day	1 day
Average number of cases per caseworker	4,415	4,500	5,486	5,833
Dollar amount saved customers	17,820	67,786	79,950	83,000
Service problems corrected	6,320	3,350	8,500	9,000
SECURITIES DIVISION				
Licensed agents	23,500	25,707	26,000	28,000
Licensed broker-dealers	922	971	950	1,000
Initial agent applications	8,179	8,357	8,000	8,400
Opinion letters	20	19	25	25
Broker-dealer audits	3	0	3	5



SECURITIES DIVISION - CONT'D

Measures	EY 1987	EY 1988	EY 1989	EY 1990
Investigations	8	19	15	20
Fees collected	\$900,000	\$1,100,000	\$1,100,000	\$1,100,000
Fines levied	80	\$3,000	\$5,000	\$5,000

The bulk of the commission's work involves formal matters such as major utility cases, tariff approvals, stock and bond offerings, the review and approval of future utility plant construction plans, civil proceedings, the licensing of District bond and securities agents, and securities investigatory matters.

Consistent with the increasing activity and public concern demonstrated in the public utility sector, the commission's docket continues to increase in quantity and complexity. The commission held a total of 22 individual rate case hearings during fiscal year 1988. Ten community utility consumer complaint hearings were held as provided for in the Consumer Bill of Rights. Of the 13,543 consumer complaints filed in FY 1988, commission staff was able to resolve 98 percent of those through the informal consumer complaint handling process.

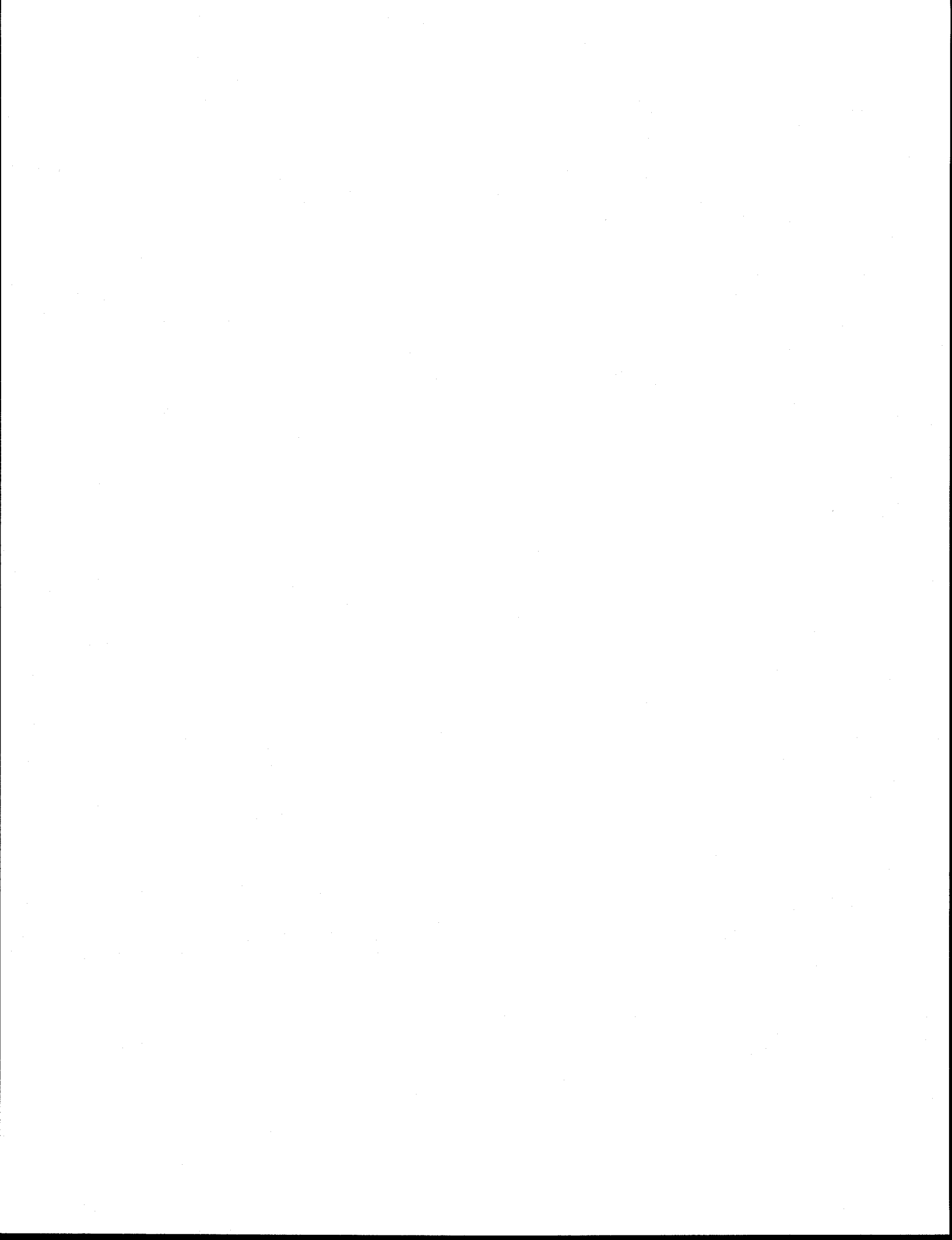
The impact of using in-house attorneys can be measured by examining the number and percentage of orders prepared by outside consultants. In addition, our long-range staffing plan has enabled the commission and the District to save over \$1.7 million in utility regulation expenses since FY 1986.

In FY 1988, of a total of 190 commission orders prepared, the percentage of commission orders prepared by in-house counsel was 79 percent, with the remaining 21 percent prepared by consultants. These numbers and percentages are significant milestones given the extremely complex matters which faced the commission in FY 1988, such as the rate cases for the gas and electric companies. For example, the commission estimates that the use of in-house attorneys to represent the commission in a recent gas rate case resulted in a savings to ratepayers of \$125,000. The commission's use of in-house counsel in the recent C&P Telephone Company proceeding concerning Audiotex service resulted in similar savings.

In-house legal staff has also enabled the commission to participate in numerous federal proceedings which affect District ratepayers. In FY 1988, the commission participated in 17 proceedings before the Federal Communications Commission (FCC), nine proceedings before the Federal Energy Regulatory Commission (FERC), and ten appeals before the federal courts. Another extensive study performed by commission staff during FY 1988 concerned the viability of regulating the C&P Telephone Company differently because of the introduction of alleged competition facing the District of Columbia's operating company.

No significant changes are projected in any of the program measures noted. Although the number of FY 1990 consumer utility complaints is projected to increase slightly over FY 1989, the commission is confident that the projected increase is not a result of a higher rate of utility company service problems, but instead reflects the increased consumer outreach efforts initiated by the commission. As the commission continues to increase its community outreach efforts through printed publications, public speaking engagements, and other informational forums, more utility customers are becoming aware of the consumer-related services offered by the commission.

The regulatory functions of the Securities Office are measured by the number of securities agents and broker-dealers licensed during the year, the number of opinion letters issued, and the number of securities audits and investigations performed. With a FY 1988 budget of \$291,000, the Securities Office was responsible for collecting more than \$1,100,000 in securities broker-dealer licensing fees.



4/4
Lorraine Green asked
you to speak sometime
ago. Date is on
calendar.

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130 MAR 1989

person
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Room 806
Washington, D.C. 20001

Dear Ms. Worthy:

Thank you for agreeing to participate as a panelist at the April meeting of the District of Columbia Urban Management Association (DCUMA). The program will be held on Wednesday, April 12, 1989, 6:00 p.m. at the Reeves Center, 2000 14th Street, N.W., Second Floor Community Room.

The topic of the April meeting is "Executive Women Managing Multi-million Dollar Enterprises." Your fellow panelists include Lorraine A. Green, Executive Director, Lottery and Charitable Games Control Board and Sharon E. Smallwood, Senior Regional Vice President, Lockheed/Datacom Consultants. Ms. Carol Hill Lowe, Executive Director, D.C. Commission for Women, will serve as the moderator.

We ask that you prepare a ten minute presentation that describes the type, size and budget of your organization; your responsibilities as chief operating officer; your academic and work experience prior to current position; and "what it is like" to run a major enterprise. Issues that you may want to consider include transition from public to private sector employment -- what to look for and what to expect; opportunities for women and minorities in the private, quasi-public sectors; and differences between public and private sectors.

The membership of DCUMA consists of private and public sector managers who are interested in urban administration. We are expecting approximately 30 to 40 members to attend.

Again, thank you for contributing to our program. If you have any questions or comments, please feel free to contact me on 727-7170.

Sincerely,

Valerie A. Lemmie
Valerie A. Lemmie
President

