



## Public Service Commission PSC (DH)

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### 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.

### SUMMARY OF SERVICES

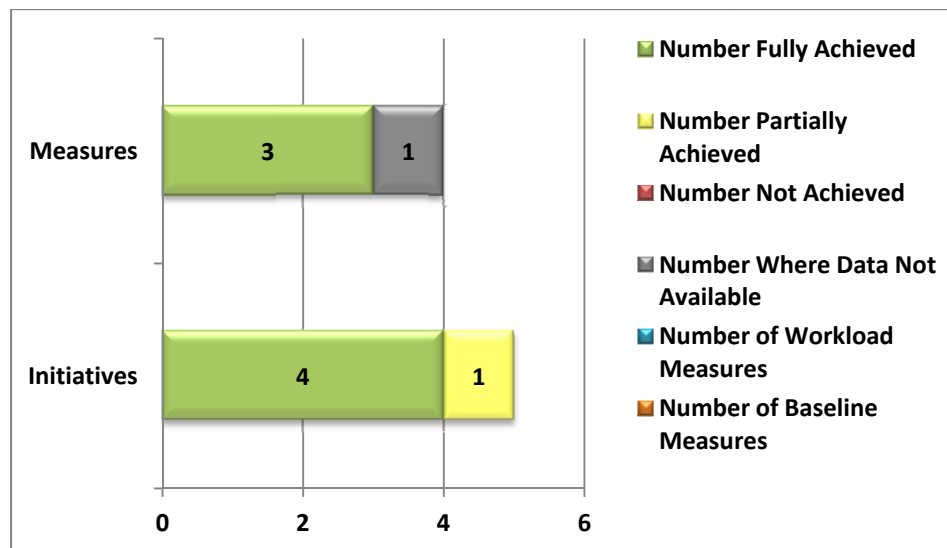
This mission includes: Protecting consumers to ensure public safety, reliability, and quality utility services; Regulating monopoly utility services to ensure their rates are just and reasonable; Fostering fair and open competition among utility service providers; Conserving natural resources and preserving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

### ACCOMPLISHMENTS

- ✓ **Ensured Safe, Reliable, and Quality Services** – The Commission approved tougher electric reliability standards for Pepco.
- ✓ **Regulated Monopoly Services** – The Commission approved a new Code-of-Conduct governing transactions between Pepco and Washington Gas and their affiliated subsidiaries.
- ✓ **Fostered Competition** – After overseeing a competitive bidding process, the Commission approved new Pepco Standard Offer Service (SOS) generation rates that reduced the average residential bill of customers who had not chosen an alternative generation supplier by 10%.
- ✓ **Conserved Natural Resources and Preserved the Environment** – The Commission processed a record 2,635 Renewable Energy Portfolio Standards (RPS) applications and issued 302 RPS orders before implementing the D.C. Council's newly passed Distributed Generation Act that confined eligible applications to facilities located in the District or on feeders that serve the District. The Commission implemented the new Act by decertifying facilities that were no longer eligible.
- ✓ **Educated Consumers and Informed the Public** – The Commission implemented media streaming so stakeholders and the public can view Commission hearings and meetings from their computers. The Commission also implemented the newly effective Open Government Law by voting on orders in public meetings that are streamed to the public through their computers.



## OVERVIEW OF AGENCY PERFORMANCE





## Performance Initiatives – Assessment Details

### Performance Assessment Key:

-  Fully achieved     Partially achieved     Not achieved     Data not reported

### Agency Management

**OBJECTIVE 1: Ensure Safe and Quality Service by Managing the Natural Gas Pipeline Safety Program, Monitoring Utility Providers' Compliance with the Commission's Service Quality Standards, and Investigating Outages.**

*No Initiative for this objective*

**OBJECTIVE 2: Ensure Reliable Electricity Service by Facilitating the Transition to a "Smart Grid," a More Technologically Advanced Network That Includes Advanced Metering, Communications, and Delivery Systems.**

- **INITIATIVE 2.1: Monitor Pepco's deployment of advanced meters and communications network throughout FY 11 through review, discovery, and analysis of Pepco's quarterly reports.**

Pepco's replacement of old meters with new smart meters was largely completed by December 31, 2011 as the company had anticipated. The Commission facilitated the achievement of the goal by closely monitoring Pepco's smart meter deployment schedule through weekly and monthly reports that required the company to identify any new obstacles and issues on an ongoing basis. The remaining, hard-to-reach meters that require site visits within homes and businesses because the meters are not accessible on the outside will be exchanged during the first half of 2012 and the Commission has required Pepco to provide additional details about these remaining installations. Meanwhile, Pepco engineers are now turning to activation of the radio network whereby individual smart meters will communicate with each other and Pepco to form a robust information network. As the radio network is activated, Pepco will notify its customers on how they can access detailed hourly energy usage data via the "My Account" website. The Commission has also required Pepco to revise its bill format so customers can track their usage directly on their bills after the new meters are activated.

- **INITIATIVE 2.2: Work with Pepco, the Office of the People's Counsel (OPC), and other stakeholders to design and mount a customer education campaign for the implementation of Pepco's AMI program, including an AMI section to the Commission's Website.**

On March 1, 2011, the Advanced Metering Infrastructure (AMI) Task Force filed its Consumer Education Plan in response to Commission Order 16071 that had been issued on November 24, 2010. The Task Force is composed of representatives of Pepco, OPC, the Commission, the District Department of the Environment, Sustainable Energy Utility AARP, Politics and Prose Climate Action Committee, and Seltzer Greene PLC. On August 4, 2011, the Commission approved the first phase of the Plan (called Campaign 1) that covered the deployment and installation of smart meters throughout the District. During Campaign 1, the Task Force held more than 100 workshops in all segments of the District to ensure electricity customers understood the purposes of the new meters, how they were being installed, and what their benefits would be once they are activated. The initial benefits include access to detailed energy usage data, remote metering reading to generate customer bills, remote service restoration and outage detection and customer-initiated connect and disconnect. The success of the Campaign is reflected in the fact the smart meters have been installed as planned and with minimal opposition.



- **INITIATIVE 2.3: Revise Pepco's Reliability Standards and Benchmarks (Targets) with the Goal of Improving the Company's Performance to the Top Quartile of the Industry by 2020.**

Improving electric system reliability in the District was the number 1 priority of the Commission in FY 11. As evidence, in October 2010, the Commission gave notice of its intent to reconsider the electric reliability standards that it had established in 2007. Those standards are applicable to non-major outages; that is to outages that do not affect 10,000 customers or more during storms and other major events. After a working group failed to reach a consensus, the Commission issued Notices of Proposed Rulemakings in March and April 2011. Based on the record of the case, the Commission finalized the rules by issuing a Notice of Final Rulemaking on July 7, 2011, which established tougher reliability benchmark levels from 2013 to 2020. After several parties filed applications for reconsideration, the Commission issued an order reaffirming the new standards but also adding an opportunity to re-evaluate the standards several years before the end of the 2020 target. Also, the Commission slightly modified the allowed calculation method. To incorporate those changes in the rules, the Commission issued a new NOPR in December 2011. Furthermore, in March 2011, the Commission issued a Notice of Inquiry into whether to establish standards and rules governing the restoration of electric utility service after major outages. The Commission also issued an order requiring Pepco to identify neighborhoods in all eight wards of the District that most frequently experience outages. Taken together with the more stringent electric reliability standards, these initiatives are designed to improve Pepco's reliability and hold Pepco accountable for its performance on system reliability.

- **INITIATIVE 2.4: Consider dynamic pricing during FY 11.**

In May 2011, in light of the need for further inquiry into related issues and concerns, the Commission issued an order, rejecting Pepco's Dynamic Pricing Plan Tariff Rider "DP" as it had been filed. Instead, on June 16, 2011, the Commission conducted a legislative-style hearing to discuss some of the issues and concerns such as the potential integration of dynamic pricing and the current Standard Offer Service (SOS) procurement process for electric generation services and the opportunities available to alternative retail electricity suppliers to encourage them to offer dynamic pricing products to customers in D.C. Meanwhile, on April 14, 2011, the Commission issued an Indefinite Delivery /Indefinite Quantity (IDIQ) for the purpose of identifying legal and technical individuals and firms who could advise the Commission on dynamic pricing related issues. The Commission identified such experts who subsequently competed on specific Task Orders for carrying out the work in FY 12.

- **INITIATIVE 2.5: Establish a process for levying forfeitures**

On March 18, 2011, the Commission issued a Notice of Proposed Rulemaking (NOPR) in the D.C. Register to clarify the Commission's authority under the FY 11 Budget Support Act (BSA) of 2010, which became effective on September 24, 2010, to impose forfeiture penalties and other sanctions on persons or utilities that fail to redress violations of Commission orders, rules, and regulations. Initial comments were filed on April 18, 2011 and reply comments were filed on May 2, 2011. Meanwhile, at the behest of the Commission, the D.C. Council approved in the FY 12 Budget Support Act of 2011 a \$100,000 penalty for any utility that fails to comply with the Commission's reliability performance standards. Thus, on December 16, 2011, the Commission issued a second NOPR in the D.C. Register, that incorporated both D.C. Council BSAs and it added a stipulation that the Commission would not impose a penalty without giving the party 30 days to comply.



## Key Performance Indicators – Details

### Performance Assessment Key:

● Fully achieved     
 ● Partially achieved     
 ● Not achieved     
 ● Data not reported

		Measure Name	FY2010 YE Actual	FY2011 YE Target	FY2011 YE Revised Target	FY2011 YE Actual	FY2011 YE Rating	Budget Program
●	1.1	USDOT Rating for Gas Pipeline Safety Program	94	98		N/A <sup>i</sup>	N/A	PIPELINE SAFETY
●	2.1	Timeliness measure for issuing orders in adjudicative cases	100%	95%		100%	105.26%	UTILITY REGULATION
●	2.2	Cost per informal consumer complaint	\$63.57	\$67.84		\$66.43	102.12%	UTILITY REGULATION
●	2.3	Number of hits to Educate DC Consumer section of the website	153,298	205,000		209,508	102.20%	UTILITY REGULATION

<sup>i</sup> USDOT's pipeline safety program conducts an audit of all state pipeline safety programs during the spring following each calendar year. Thus, USDOT's rating for the PSC's 2011 pipeline safety program will not be available until August or September of 2012.

N/A = Not Available