



FY10 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.

SUMMARY OF SERVICES

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

OBJECTIVE 1: Ensure Public Safety by Managing the Natural Gas Pipeline Safety Program and Monitoring and Investigating Electric, Natural Gas, and Telecommunications Incidents.

OBJECTIVE 2: Promote Energy Efficiency in the District of Columbia and Increase Public Awareness of Energy Efficiency Opportunities.

INITIATIVE 2.1: Continue Implementing the Clean and Affordable Energy Act ("CAEA") of 2008.

The Commission has a long tradition of promoting energy efficiency dating back to the mid-1980s. In FY 2008, the D.C. Council passed the Clean and Affordable Energy Act of 2008, which requires the establishment of a Sustainable Energy Utility ("SEU") and changes the role of the Commission. First, in FY 2009, the Commission approved five Pepco energy efficiency programs and began monitoring Pepco's implementation of these programs by reviewing its quarterly reports. In FY 2010, the Commission will continue to monitor and evaluate Pepco's five programs as required by the CAEA. Second, in accordance with Section 213 of the Act, in FY 2009, the Commission will submit a report to the D.C. Council on long-term financing of renewable energy generating systems and home/business improvements that increase energy efficiency entitled "Report on Solar, Renewable and Home Improvement Financing by the end of FY 2009." Third, in accordance with Section 702 of the Act, the Commission is in the process of promulgating rules to allow sub-metering in nonresidential rental units. In FY 2009, the Commission issued an order requesting comments on sub-metering issues, which were subsequently filed. In FY 2010, on the basis of the comments, the Commission will issue a Notice of Proposed Rulemaking ("NOPR") and complete the rulemaking process. Fourth, Sections 301 and 302 of the Act establish higher Renewable Energy Portfolio Standards ("REPS"). In FY 2009, the Commission revised its REPS



rules in accordance with the Act. In FY 2010, the Commission will continue to enforce the new REPS rules.

INITIATIVE 2.2: Increase the public's awareness of energy efficiency opportunities by expanding information on the Commission's website and tracking the public's access to the information.

In FY 2009, as part of a new campaign to educate and inform the public called **EducateDConsumers**, the Commission revised its website. Among other things, the Commission rearranged information on the website to facilitate easier access and navigation to information on how consumers can save money by investing in energy efficiency opportunities. The section also contains links to related information on other websites within and outside of the District Government. In addition, the Commission prepared and made available on the website a new brochure and a PowerPoint presentation entitled "Understanding Your Utility Bills, Choices, and Rights." The Commission also added a link to green.dc.gov. Finally, the Commission procured and distributed at Joint Utility Discount Day ("JUDD") recycled grocery bags with the Commission's logo as well as magnets with emergency utility numbers.

By the end of FY 2010, the Commission expects to have accomplished the following: distribution of the PSC logo bags and magnets at its community hearings and other outreach events; expansion of the **People Saving and Consuming** and **People Selecting and Choosing** sections of the website to include new Customer Choice and Heat Smart brochures. The ARRA-funded Consumer Specialist will be responsible for consumer outreach targeted to the electric market in addition to mediating electric complaints and responding to inquiries regarding alternative suppliers and energy efficiency opportunities. PSC will also make further enhancements to the eDocket system, such as migrating old filings between 1997 and 2002, implementing electronic service and mailing lists, and improve search capabilities. Finally, PSC will track usage on the website for the EducateDConsumer sections.

OBJECTIVE 3: Render a Decision in Pepco's Rate Case within 90 Days of the Close of the Record (after the parties file their reply briefs)

INITIATIVE 3.1: Resolve Funding Issues for the Residential Aid Discount ("RAD") Program

The Clean and Affordable Energy Act of 2008 seeks to protect low-income consumers by ensuring the continuation of funding for the RAD program at current levels through a newly established Energy Assistance Trust Fund ("EATF"). On July 14, 2009, the D.C. Council passed the "Residential Aid Discount Subsidy Stabilization Emergency Amendment Act of 2009" (D.C. Act 18-155), which provided additional funding to cover the increased amount of low-income discount. As part of Pepco's current rate case in F.C. No. 1076, the Commission will address, in part, the appropriate mitigation strategy and funding mechanism for the RAD program by considering rate design changes and financing options. The Commission also aims to increase participation in the RAD by targeting part of the **EducateDConsumers** component to low-income electricity consumers and District Government social service agencies that serve them.



EducateDConsumers will also be aimed at increasing awareness of District residents to the availability of services offered by competitive energy providers.

OBJECTIVE 4: Ensure the Effective Implementation of the American Recovery and Reinvestment Act of 2009 (“ARRA”) in the District of Columbia

INITIATIVE 4.1: Hire the Best Qualified Candidates for the five ARRA Positions in an Expeditious Manner

On July 14, 2009, the U.S. Department of Energy issued a Funding Opportunity Announcement (“FOA”) in which it invited state public service commissions to apply for grants that will facilitate the implementation of the American Recovery and Reinvestment Act of 2009 (“ARRA”)-related programs in such topical areas as energy efficiency, renewable energy, smart grid, demand response, and transmission and distribution improvements. Applications were due August 31, 2009. The Commission has applied for a grant totaling \$765,085, to cover the cost of filling five new positions and training new and existing staff so, over the next three fiscal years, it can render decisions in a number of electricity ARRA-related formal cases. The five positions are a legal intern, Electricity Economist, Electrical Engineer, Consumer Specialist and Electricity Regulatory Specialist. The Commission already has at least 30 electricity formal case proceedings on which the legal intern, electricity economist, and electrical engineer could be assigned. Among these are the Smart Grid-related cases such as FC 1056 – Pepco’s Advanced Metering Infrastructure proposal and F.C. No. 1070 – Pepco’s Demand Response programs. In addition, in FY 2010, the Commission expects to address in either an existing formal case or in a new case dynamic pricing options that enable consumers to respond to prices that vary during peak and off-peak periods using the new AMI technology. Another proceeding on which ARRA-funded positions may work is the FY 2010 implementation of Pepco’s decoupling mechanism, called the Bill Stabilization Adjustment. If the Commission is awarded the grant, it must prepare and implement a Workforce Development Plan, due 60 days after the award is made, that results in developing the necessary expertise and enhancing the Commission’s ability to address in a timely manner the ARRA-related topical matters and initiatives.

INITIATIVE 4.2: Implement the Advanced Metering Infrastructure Implementation and Cost Recovery Authorized Emergency Act of 2009

In FY 2009, the D.C. Council enacted the Advanced Metering Infrastructure Implementation and Cost Recovery Emergency Act of 2009 (D.C. Act 18-107) that enables Pepco to implement an Advanced Metering Infrastructure (“AMI”) for all consumers, provided that the Commission determines whether the amount of federal funds Pepco obtains under the ARRA is sufficient. Pepco applied for ARRA funds on August 6, 2009. The Act requires the Commission render a decision on Pepco’s AMI proposal as to the sufficiency of funding no later than 60 days after Pepco’s receipt of funds issued pursuant to the ARRA. Moreover, if AMI is implemented, the Commission will monitor, review and evaluate its deployment and address related implementation issues such as dynamic pricing.



PROPOSED KEY PERFORMANCE INDICATORS

Measure	FY08 Actual	FY09 Projection	FY09 YTD Actual	FY10 Projection	FY11 Projection	FY12 Projection
USDOT rating for the Commission's natural gas pipeline safety program	98% (for 2007)	90%	98% (for 2008)	95%	98%	98%
Adjudicative case decisions to be issued within 90 days from the close of the record	100%	90%	Will be available in October 2009 ¹	90%	95%	95%
Percent of electric, gas, and local telecommunications service standards	100%	90%	100%	90%	95%	95%
Cost per informal consumer complaint ²	\$57.24	\$68.50	Will be available in October ³	\$70.50	\$73.00	
Number of hits to EducateDCConsumer section of Website	N/A	N/A	New Measure - Baseline Year	Projection from DFW & LJ Year	TBD	TBD

N/A - Not applicable; TBD - To be determined after baseline data are received

¹ Results are on a calendar year basis and usually issued by USDOT in the fall after all state audits have been completed.

² Cost refers to agency personnel expenses in processing informal consumer complaints. The targets include a 3% escalator for pay increases due to District Government-mandated cost of living increases and step increases.

³ Results are on a calendar year basis and usually issued by USDOT in the fall after all state audits have been completed.



STANDARD CITYWIDE OPERATIONAL MEASURES

Measure	FY09 YTD
Contracts	
KPI: % of sole-source contracts	
KPI: Average time from requisition to purchase order for small (under \$100K) purchases	
KPI: # of ratifications	
KPI: % of invoices processed in 30 days or less	
Customer Service	
KPI: OUC customer service score	
Finance	
KPI: Variance between agency budget estimate and actual spending	
KPI: Overtime as percent of salary pay	
KPI: Travel/Conference spending per employee	
KPI: Operating expenditures "per capita" (adjusted: per client, per resident)	
People	
KPI: Ratio of non-supervisory staff to supervisory staff	
KPI: Vacancy Rate Total for Agency	
KPI: Admin leave and sick leave hours as percent of total hours worked	
KPI: Employee turnover rate	
KPI: % of workforce eligible to retire or will be within 2 years	
KPI: Average evaluation score for staff	
KPI: Operational support employees are percent of total employees	
Property	
KPI: Square feet of office space occupied per employee	
Risk	
KPI: # of worker comp and disability claims per 100 employees	