



FY12 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.

WORKLOAD MEASURES

Measure	FY09 Actual	FY10 Actual	FY11 Actual
No. of cases opened ¹	471	1,684	3,095
No. of orders issued ²	628	435	565
No. of natural gas pipeline safety inspections conducted	395	530	500

¹ The sharp increases in the no. of cases opened and related measures between FY09 and FY11 reflect a surge in solar generator applications in accordance with the PSC's Renewable Energy Portfolio. Each application is counted as a case.

² The sharp decline in the number of orders issued between FY09 and FY10 reflects the consolidation of individual company assessment orders (nearly 200) into a few orders (about 10).



WORKLOAD MEASURES

Measure	FY09 Actual	FY10 Actual	FY11 Actual
No. of One-Call (Miss Utility or Call Before You Dig) inspections conducted ³	780	920	960
No. of payphone site inspections conducted	3,361	1,727	673 ⁴
No. of Renewable Portfolio Standards (RPS) applications received	192	1,428	2,635
No. of consumer complaints and inquiries processed	2,220	2,135	1,881

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.

INITIATIVE 1.1: Amend the Natural Gas Pipeline Safety Rules.

On August 12, 2011, the Commission opened a new proceeding, Formal Case No. 1089, in which it published a Notice of Proposed Rulemaking in the *D.C. Register* that substantially improves the Natural Gas Pipeline Safety rules to ensure the Commission continues to enforce rules that meet minimum Federal natural gas pipeline safety standards, except to the extent the District regulations are more stringent. The improvements proposed by the Commission will enhance the safety of natural gas pipelines for consumers by expanding the public awareness campaign requirements and toughening the penalties for violations. The proposed rules provide an explicit process for inspections and enforcement of pipeline safety regulations and they establish a clear penalty scheme when violations of the safety regulations are found. Comments are due in September 2011. The Commission will finalize the rules in FY12.

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 the completion of Pepco's deployment of advanced meters and communications network and the implementation of its customer and service restoration benefits.

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 number of inspections in FY11 is low because there are now only about 200 payphones. Moreover, the FY09 and FY10 figures included inspections of over 1,000 sites where payphones had been removed to ensure no new payphones had been illegally installed. As of FY11, those sites are no longer inspected.



Pepco began deploying smart meters in residences and businesses in October 2010. At this point, Pepco is projecting a completion date of March 31, 2012. When activated as part of a new communications network, the smart meters will be capable of two-way communications between each customer and the company. Specifically, when the new system is operational, Pepco will be able to read the meters without coming to or driving by customers' premises and the company will be able to detect outages without customers having to call the company. The company will also be able to perform service changes without visiting the premises. Customers will be able to obtain their electricity usage data on a periodic basis so they can track their usage and minimize their bills. The new meters, coupled with smart thermostats or switches, will also permit Pepco to implement a Demand Response (DR) program to reduce electricity usage during peak demand to prevent outages, brownouts, and other interruptions, and to save consumers money.

INITIATIVE 2.2: Work with Pepco, the Office of the People's Counsel (OPC), and other stakeholders to design and mount an education campaign for consumers to learn how to use the new meters to obtain more information on their usage.

Studies and recent experience in California, Texas, and Delaware indicate that customer education is vital to the implementation of a Smart Grid. Within that context, on July 19, 2010, the Commission issued Order No. 15886 that mandated the formation of an Advanced Metering Infrastructure (AMI) Task Force to be comprised of Pepco, OPC, the Commission, the Sustainable Energy Utility (SEU) the District Department of the Environment (DDOE) and any other governmental and non-governmental entities that represent specific consumer interests. The purpose of the Task Force is to develop a comprehensive program to educate consumers at each stage in the development of a Smart Grid. The Task Force submitted an AMI customer education plan to the Commission in March 2011 and the Task Force implemented a Phase I customer education program throughout FY11 aimed at educating consumers on the smart meters, their future capabilities, and Pepco's deployment schedule and process. The Task Force conducted over 100 outreach workshops during the period. In FY12, with the completion of the new communications network and the activation of the new meters, the Task Force will initiate a Phase II customer education campaign to educate residential and business customers on how to use the new meters to access the detailed energy usage information that will become available. The Commission will also require Pepco to revise its billing format to incorporate some of the newly available information. Other information will be accessible to consumers through Pepco's website.



KEY PERFORMANCE INDICATORS- Agency Management

Measure	FY10 Actual	FY11 Projection	FY11 Actual	FY12 Projection	FY13 Projection	FY14 Projection
Industry Benchmark Measure - USDOT rating for the Commission's natural gas pipeline safety program ⁵	94%	98%	Not available	98%	98%	98%
Adjudicative case decisions to be issued within 90 days from the close of the record	100%	95%	100% ⁶	95%	95%	95%
Cost per informal consumer complaint ⁷	\$63.57	\$67.84	\$66.43	\$67.84	\$69.87	\$71.97
Number of website hits (includes eDocket)	Not applicable	Not applicable	Not applicable	1,400,000 (Baseline Year)	1,600,000	1,800,000

⁵ USDOT's pipeline safety program ratings are for prior calendar year performance. The PSC's rating of 94% in FY10 for the 2009 calendar year is below target in part because federal evaluators determined that one of the District's standards was less stringent than the federal standard. The PSC disputed the rating received in 2010 and agreed to modify its rules to avoid further argument- See Initiative 1.1.

⁶ The Commission had only one adjudicative proceeding in FY11 – F.C. No. 1079

⁷ Cost refers to agency personnel expenses in processing informal consumer complaints. The target originally included a 3% escalator due to District Government-mandated cost of living increases and step increases. However, no DC Government pay increases were approved for FY10 through FY11 and step increases were eliminated as of the beginning of FY11. The 3% escalator is reapplied in FY13 and 14.