



## 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

- 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; and
- Educating consumers and informing the public.

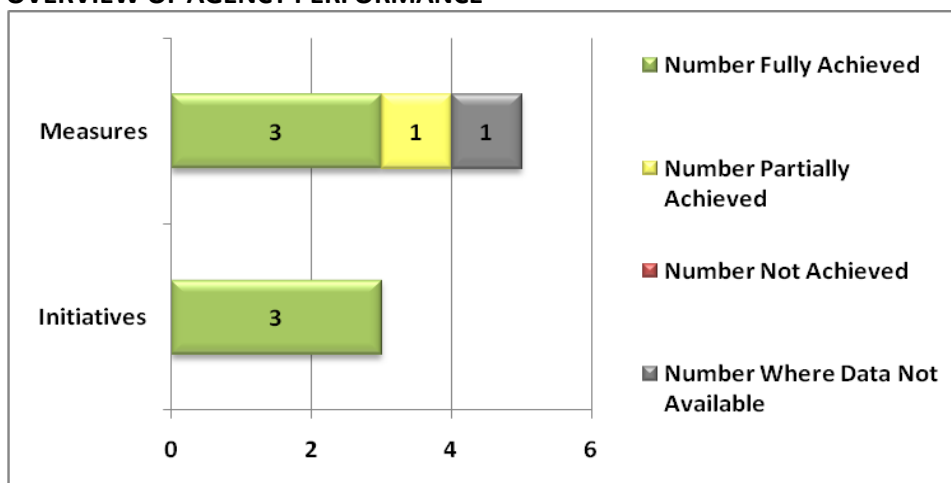
### AGENCY OBJECTIVES

1. Ensure Public Safety by Managing the Natural Gas Pipeline Safety Program and Monitoring and Investigating Electric, Natural Gas, and Telecommunications Incidents.
2. Promote Energy Efficiency in the District of Columbia and increase public awareness of energy efficiency opportunities.
3. Mitigate the Impact of Rising Energy Prices on the District's Energy Consumers

### ACCOMPLISHMENTS

- ✓ Launched new home page with an EducateDConsumer section, the first complete overhaul since the website was established in 2000.
- ✓ Approved Pepco's proposed Bill Stabilization Adjustment (BSA), which decouples electricity usage from Pepco's revenue so the company has an incentive to promote energy efficiency.
- ✓ Rendered a decision, on a timely basis, concerning dispute between the DC Government and Verizon regarding the E911 rate.


### OVERVIEW OF AGENCY PERFORMANCE





## Performance Initiatives – Assessment Details

### Performance Assessment Key:

 Fully achieved     Partially achieved     Not achieved     Data not reported

**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: Begin implementing the Clean and Affordable Energy (“CAE”) Act of 2008 and expand the Commission’s programs to increase the public’s awareness of energy efficiency opportunities.**

In FY 2009, the Commission began implementing its responsibilities per the CAEA. Specifically, the Commission:

- (1) Approved 5 Pepco energy efficiency programs per Order No. 15139, issued on December 18, 2008. The five programs include one residential lighting and appliances program and the following four non-residential programs: a rebate program to encourage the installation of energy efficiency measures for commercial and government customers; a custom incentive program that provides financial incentives so non-residential customers will implement cost effective energy measures that are not eligible for incentives through other programs; an HVAC efficiency program; and a building commissioning program to improve the way in which new and existing buildings are operated and maintained. In the same order the Commission required Pepco to file quarterly reports with progress timelines. In Order No. 15219, issued on March 12, 2009, the Commission approved Pepco’s program budgets, spending plans, and work plans for FY 2009-2011. Pepco’s first quarterly report was filed on August 3, 2009. As of the end of FY 2009, the residential lighting program is in effect. Pepco also indicated it launched three of the four non-residential programs in August 2009 (rebate, HVAC efficiency, and custom incentive programs).
- (2) Prepared and submitted a Report to the D.C. Council regarding mechanisms to make long-term affordable financing available to energy consumers as an incentive for customers to implement renewable energy, including solar, measures. The Commission opened a formal case proceeding in which it solicited comments, which formed the basis for the Report that was submitted to the Council on September 23, 2009.
- (3) Revised the Commission’s Renewable Portfolio Standards rules. The Commission



published a Notice of Proposed Rulemaking that appeared in the D.C. Register on April 3, 2009. After receiving comments, the Commission issued Order No. 15561 on September 28, 2009. The Notice of Final Rulemaking appeared in the D.C. Register on October 2, 2009.

- (4) Began promulgating sub-metering rules by issuing Order No. 15242 on April 21, 2009, requesting comments on preliminary draft rules. The comments are being used to draft a Notice of Proposed Rulemaking, which will be issued in FY 2010.
- (5) Began revising the Commission's net metering rules by issuing a Notice of Proposed Rulemaking that appeared in the D.C. Register on April 6, 2009. Comments were received, which necessitated the issuance of a revised Notice of Proposed Rulemaking that appeared in the D.C. Register on October 2, 2009.
- (6) Commissioner Richard E. Morgan was designated as the Commission's representative on the newly formed Sustainable Energy Utility ("SEU") Advisory Board. He has participated in the meetings of the group which began in August 2009.

In FY 2009, the Commission also expanded its programs to increase the public's awareness of energy efficiency opportunities. Specifically, the Commission updated its HeatSmart brochure and prepared and distributed a new Customer Choice brochure and a new Public Service Commission overview brochure. A new PowerPoint presentation that helps consumers understand their bills, rights, and choices was developed and added to the website. The Commission added a new "green" section to its existing website. The Commission also launched a new website homepage that contained a new EducateDConsumer section that is prominently displayed. One of the new EducateDConsumer sections is called People Saving and Conserving wherein much of the "green" information is now provided. New links to DDOE, OPC, and the utility companies' "green" sections were added to the webpages. The new homepage also substantially revised the customer choice sections, including underlying pages, and added a new Consumers' Corner, and a new consumer friendly Frequently Asked Questions section. Finally, to increase the Commission's visibility while promoting energy efficiency and educating consumers about safety and their choices, the Commission ordered and distributed green recyclable bags and magnets with electric, natural gas, and telephone emergency numbers to attendees at the Joint Utility Discount Day, food pantries, and other community events.

### **OBJECTIVE 3: MITIGATE THE IMPACT OF RISING ENERGY PRICES ON THE DISTRICT'S ENERGY CONSUMERS**

#### **INITIATIVE 3.1: Assist PEPCO's Low-Income Residential Aid Discount ("RAD") Customers in Mitigating the Impact of Rising Electricity Prices.**

There was considerable activity on these two initiatives in FY 2009, as follows:

The Commission mitigated the impact of rising energy prices on Pepco's and Washington Gas's customers through the issuance of Order No. 15134 in F.C. Nos. 813 and 1043 on December 9, 2008. In that order the Commission adopted several temporary measures to assist energy customers during the winter heating season. The measures included assessing security deposits over a three-month period so payment is not required before reconnection, offering a one-month billing deferral for reconnections, waiving late payment charges and other connection actions if consumers adhere to negotiated payment plans, allowing consumers to



enroll in budget payment plans to avoid service disconnections, and educating consumers about budget payment plans that enable them to levelize their payments and make them more affordable throughout the year. The Commission also directed Pepco and Washington Gas to file disconnection and reconnection data on a monthly basis so the Commission can track the extent to which the economy is causing consumers added financial stress in paying their utility bills.

While the cap on RAD discount rates for distribution services expired in August 2009 RAD customers experienced no change because the Commission included the RAD discount rate issue in F.C. No. 1076, a rate case the company filed on May 22, 2009. A decision on the issue will be rendered at the conclusion of the proceeding in February 2010. Meanwhile, the funding for the RAD low-income discount program became a major problem that threatened the continuation of the program as Pepco required an additional infusion of funds to support the program through the end of the fiscal year because participation, likely due to the economy, substantially increased. The CAEA removed jurisdiction of this issue from the Commission so we were not in a position to resolve the matter. Therefore, the D.C. Council passed legislation entitled the Residential Aid Discount Subsidy Stabilization Emergency Amendment Act of 2009 that raised the RAD funding cap from \$3.0 million to \$5.2 million for FY 2009. The increased cap was funded by a one-month surcharge on Pepco customers' bills that occurred in September 2009.

Finally, the Commission took steps to increase participation in the RAD and other utility discount programs by working with the Office of the City Administrator and the District Department of the Environment that has administrative, including enrollment, jurisdiction over the programs, to incorporate the registration and certification of eligible consumers in collaboration with the Income Maintenance Administration. We expect joint enrollment to begin by the end of 2009.

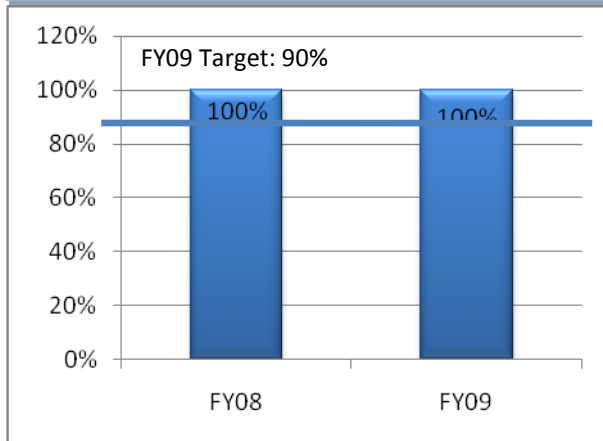
● **INITIATIVE 3.2: Assist Washington Gas's Customers in Mitigating the Impact of Rising Natural Gas Prices.**

See Initiative 3.1 narrative



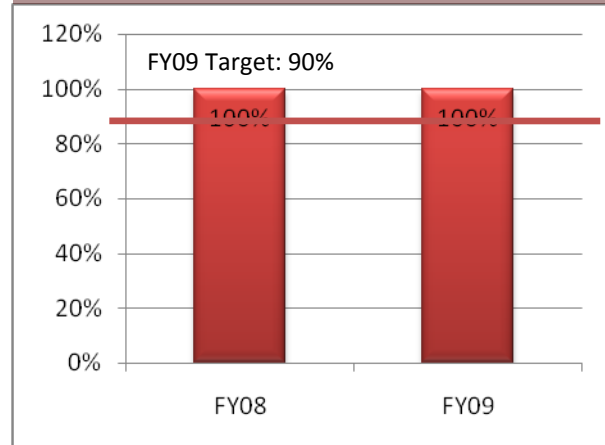
## Key Performance Indicators – Highlights

From Objective 2: Adjudicative case decisions to be issued within 90 days from the close of the record



FULLY ACHIEVED

From Objective 1: % of quality of service standards not met that have improvement plans filed and implemented



FULLY ACHIEVED

### More About These Indicators:

#### *How did the agency's actions affect this indicator?*

The Commission continues to address concerns about the timeliness of its decisions. In FY 2009, the Commission greatly improved its track record with the issuance of decisions in two major cases; namely F.C. No 1040 concerning a dispute between the District Government and Verizon regarding the E911 rate and F.C. No. 1053, Pepco's proposed Bill Stabilization Adjustment. The Commission rendered decisions in both cases within 90 days of the close of the records by establishing deadlines and closely tracking progress in meeting them. Filling two vacant attorney positions gave the Commission added resources with which to work.

#### *How did the agency's actions affect this indicator?*

As of the end of FY 2008, the Commission had established service quality standards and quarterly reporting requirements for the provision of electric, natural gas, and local telecommunications services. In FY 2009, on the basis of the quarterly reports, the Commission monitored service quality of electric, natural gas, and local telecommunications providers. The Commission also issued a number of orders regarding an investigation of Verizon's service quality because of its failure to meet two standards: (a) business installation commitments met; and (b) residential out-of-service clearing time. The company claims that its failure to meet the residential out-of-service clearing time standard is linked to third-party contractors damaging Verizon's underground cable. Through a series of orders the Commission has required Verizon to report its progress in reducing the number of third-party incidents, as it promised in its remedial action plan. As FY 2009 closed, the Commission issued Order No. 15560,



requiring Verizon to make further revisions to its remedial plan. Meanwhile, Verizon met all of its standards in the quarter ending September 30, 2009.

*What external factors influenced this indicator?*

Timely issuance of decisions requires the parties to comply with Commission schedules and deadlines. In both F.C. Nos. 1053 and 1040, no parties filed motions for extensions of time in the last six months of FY 2009, thus enabling the Commission to act expeditiously. As a result of the Commission's decision on the BSA, Pepco implemented the program effective November 1, 2009. Consumers will first see the impact in their January 2010 bills, including a reduction in distribution rates that is effective with the new BSA program.

*What external factors influenced this indicator?*

As an outcome measure, utility service providers' compliance with the Commission's service quality standards is critical to the success of this indicator. The FY 2009 results reflect the performance of the utility service providers, buttressed by close monitoring by the Commission. The positive KPI results are also reinforced by the fact that service quality complaints account for less than 10% of all complaints received by the Commission and there was a reduction in the number of service quality complaints that the Commission received from FY 2008 to FY 2009. Specifically, the number of service quality complaints declined by 18.5% from 200 in FY 2008 to 163 in FY 2009. Declines occurred for all three utility companies' service quality complaints. As an indicator of the effectiveness of the Commission's investigation of Verizon's service quality, the company experienced declines in the number of complaints to the Commission regarding service outages, missed service appointments, and Trouble Reports.



## Key Performance Indicators – Details

**Performance Assessment Key:**

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

	Measure Name	FY2008 YE Actual	FY2009 YE Target	FY2009 YE Actual	FY2009 YE Rating	Budget Program
●	1.1 USDOT rating for the natural gas pipeline safety program	98	90	98%	108.89%	PIPELINE SAFETY
●	1.2 % of quality of service standards not met that have improvement plans filed and implemented	100	90	100%	111.11%	UTILITY REGULATION
●	1.3 Cost per informal consumer complaint	57.24	68.5	\$69.20	98.99%	UTILITY REGULATION
●	2.1 Adjudicative case decisions to be issued within 90 days from the close of the record	100	90	100%	111.11%	UTILITY REGULATION
●	3.1 Number of hits to Educate DConsumers section of the website	0	1			UTILITY REGULATION