



Public Service Commission PSC (DH)

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.

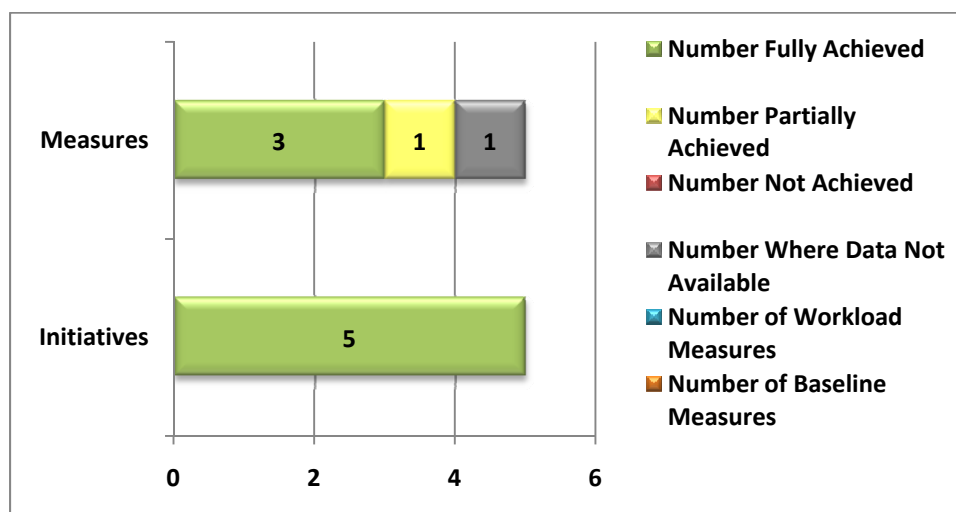
SUMMARY OF SERVICES

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

- ✓ Regulated Monopoly Services - The Commission rendered its decision on Pepco's rate case in under 90 days of the close of the record, approving a moderate \$19.8 million electric distribution rate increase for Pepco, or less than half of Pepco's \$44.5 million request.
- ✓ Educated Consumers and Informed the Public - The Commission implemented various website enhancements such as launching a new homepage, adding historical records and adding Pepco outage maps, increasing total traffic to more than 1,200,000 website and 800,000 eDocket hits.
- ✓ Ensured Safe, Reliable and Quality Utility Services - The Commission completed an independent undergrounding study that was conducted by Shaw Consultants, International. In addition, the Commission facilitated Pepco's deployment of advanced meters in the District.

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: Continue Implementing Clean and Affordable Energy Act ("CAEA") of 2008.**

A) Pepco's energy efficiency programs – The PSC monitored Pepco's programs through its quarterly reports. Meanwhile, pursuant to the Budget Support Act of 2010, the D.C. Council eliminated the funding for Pepco's energy efficiency programs through the SETF surcharge effective October 1, 2010. Thus, Pepco began scaling back its programs in August, 2010. However, Pepco also tried to keep its programs alive by filing with the PSC in August 2010 requests to implement a demand-side management surcharge. The PSC issued a Notice of Proposed Rulemaking on September 3. Comments were due on October 4 and reply comments are due October 19. B) Sub-metering – In FY 10, the PSC issued a Notice of Proposed Rulemaking. On the basis of the filed comments, a revised NOPR will be issued in FY11. C) Renewable Energy Portfolio Standard (RPS) – In FY10, the PSC received 1,432 RPS applications. During the fiscal year, the PSC processed 1,306 applications and issued 185 orders under the new rules that were finalized in FY09. The PSC also filed its annual report to the D.C. Council on a timely basis. D) Sustainable Energy Utility (SEU) – Commissioner Richard E. Morgan is the PSC's representative on the SEU Advisory Board and he chairs the board's subcommittee on benchmarks. His Technical Assistant, Dan Cleverdon, also participates in SEU meetings and he is serving on DDOE's review team for recommending a contractor to manage the SEU.

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

 **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.**

Just days into the beginning of FY10, the PSC launched its newly designed homepage. Among the changes, an Educated Consumer section was added to the website and the companion Customer Choice sections were substantially revised. During FY10, the PSC also distributed 11,021 PSC logo bags and magnets at 88 out of 103 venues. The ARRA-funded Consumer Specialist joined the PSC on September 13. His first assignment was to attend an educational forum on utility regulation sponsored by the Institute of Public Utilities at Michigan State University. In addition, the PSC migrated nearly 5,000 orders issued between 1913 and 2002



to the eDocket system along with seven major rate cases filed between 1997 and 2002. The PSC also implemented 56 electronic service mailing lists, permitted users to view website usage through a traffic graph on the homepage, and expanded website search capabilities.

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 PSC addressed the appropriate mitigation strategy and funding mechanism for the RAD program in F.C. No. 1076, the most recent Pepco rate case. A new RAD surcharge was established in the final order. The PSC also addressed the issue of increasing participation in the RAD program by marketing the program in 88 outreach events and in literature and other materials placed in the PSC logo bags that were distributed. On September 20, 2010, in F.C. No. 813, the PSC issued Order No. 15986, whose purpose was to comply with the D.C. Council's Residential Aid Discount Subsidy Stabilization Amendment Act of 2010 (effective July 23, 2010) by establishing a surcharge for the funding of the RAD program. In this same Act, the Council returned jurisdiction and responsibility over the RAD program to the PSC. The Act also required the PSC to establish, by Order, a discount program for low-income electricity customers in the District and to establish the eligibility, funding and administrative guidelines for the program. To increase participation in all of the Utility Discount Programs (UDP) including RAD, the PSC granted DDOE's motions to change the eligibility criterion for participation from 150 percent of the federal poverty line to the highest income participation level authorized under LIHEAP.

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 Expedient Manner**

In December 2009, the U.S. Department of Energy awarded the PSC an ARRA-funded grant totaling \$765,085 over a three-year period. Recruitment began in March 2010, after budget authority was loaded into the D.C. Government's financial management system. As of September 27, 2010, the PSC had filled all five of the ARRA positions. The Law Clerk is currently assigned to research legal and privacy related issues associated with smart grid deployment in the District. The Electrical Engineer is researching and analyzing engineering issues such as the testing of Pepco's AMI telecommunications network and communications system. The Electricity Economist is working on demand response and dynamic pricing issues. Moreover, the Office of Technical and Regulatory Analysis has formed an AMI working group composed of the two new hires in addition to several existing staff. The Consumer Specialist is responsible for educating consumers on issues associated with the implementation of AMI in the District. The Regulatory Docket Specialist acts as an interface between the Records Manager and the Docket Manager for all electricity formal case proceedings and their posting in eDocket on the PSC website. The PSC has also filed the requisite quarterly ARRA reports on a timely basis.



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

The Advanced Metering Infrastructure Implementation and Cost Recovery Authorized Emergency Act of 2009 required the PSC to determine whether the amount of federal funds Pepco obtained under ARRA was sufficient within 60 days of Pepco’s award of the funds. On October 29, 2009, Pepco filed a motion for expedited sufficiency determination and approval of its cost recovery proposal. On December 17, 2009, within 60 days as required by the Emergency Act, the PSC issued Order No. 15629 that found “Pepco has received sufficient federal funds to implement an Advanced Metering infrastructure (“AMI”) in the District of Columbia.” The PSC also granted Pepco’s request to establish a regulatory asset to capture the costs related to its AMI deployment.” Furthermore, the PSC required Pepco to file a non-AMI-dependent Demand Response Program and the results of tests for the new meters. On June 18, 2010, the PSC approved the meter test results in Order No. 15854 so the company could proceed with its plans to deploy the new meters later in the year. On September 7, 2010, the PSC opened a new docket (F.C. No. 1083) to address smart grid policy issues in FY11. On September 23, 2010, the PSC conducted a legislative hearing on dynamic pricing issues.

Key Performance Indicators – Details

Performance Assessment Key:

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

Measure Name	FY2009 YE Actual	FY2010 YE Target	FY2010 YE Actual	FY2010 YE Rating	Budget Program
● USDOT rating for the Commission's natural gas pipeline safety program ¹	98%	95%	94%	98.95%	
● Adjudicative case decisions to be issued within 90 days from the close of the record	100%	90%	100%	111.11%	
● Percent of unmet utility quality of service standards for which improvement plans have been requested and implemented ²	100%	90%	N/A	N/A	
● Cost per informal consumer complaint	\$69.20	\$67.84	\$63.57	106.72%	
● Number of hits to EducatedConsumer section of the website	Baseline	100,000	156,260	156.26%	

¹DOT pipeline safety program ratings are for prior calendar year performance. PSC’s rating of 94% in Fiscal Year 2010 for the 2009 calendar year is below target in part because federal evaluators determined that the District’s standards were less stringent than federal standards. PSC disputes this finding and intends to submit an appeal to U.S. DOT prior to 2/4/2011.

²This metric has been made obsolete due to the automation of improvement plan requests.