

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA  
FY 2016-2017 PERFORMANCE OVERSIGHT QUESTIONS**

**COUNCIL OF THE DISTRICT OF COLUMBIA  
COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT  
Kenyan McDuffie, Chairman**

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**I. Agency Organization and Personnel**

1. Provide a complete, up-to-date organizational chart for each division within PSC including, either attached or separately, an explanation of the roles and responsibilities for each division and subdivision. Also, provide a narrative explanation of any organizational changes made during FY16 and thus far in FY17.

**RESPONSE: See Attachments 1, 2 and 3.**

2. Provide a complete, up-to-date position listing for the agency, which includes the following information:

- A. Title of Position
- B. Subdivision of the agency in which the position is located
- C. Name of employee or statement that the position is vacant, unfunded, or proposed
- D. Date employee began in position
- E. Salary and fringe benefits, including the specific grade, series, and step of position
- F. Job status (continuing/term/temporary/contract)

**RESPONSE: See Attachment 4.**

3. Provide the number of FY16 full-time equivalents ("FTEs") for the agency, and FY17 FTEs to date, broken down by program and activity. Please also note the number of vacancies at the close of FY16 and in FY17, to date, by program and activity.

- A. For each vacant position, please note how long the position has been vacant and whether or not the position has been filled.

- B. How many vacancies within the agency were posted during FY16 and how many have been posted during FY17, to date?

**RESPONSE: See Attachment 5. We posted 13 vacancies in FY 2016 and have posted 5 so far in FY 2017.**

4. Please provide:

- A. A list of all employees who receive cell phones, personal digital assistants, or similar communications devices at the agency's expense.

**RESPONSE: See Attachment 6.**

- B. A list of all employees who receive laptops and tablets at the agency's expense.

**RESPONSE: See Attachment 7.**

- C. A list of vehicles owned, leased, or otherwise used by the agency and to whom the vehicle is assigned.

**RESPONSE: See Attachment 8.**

- D. A list of employee bonuses or awards granted in FY16 and FY17, to date, if any.

**RESPONSE: See Attachment 9.**

- E. A list of travel expenses, arranged by employees. For each such occurrence, list the official event titles, the names and job titles of the individuals who attended the event, the cost (detailed by cost of registration, lodging, airfare, per diems, etc.) of attending the event, the funding source used to pay for each expense, and how participation benefited the agency and its clients.

**RESPONSE: See Attachment 10. Participation in travel benefitted the PSC because travel helps to assure that employees are aware of the latest in technological and economic developments in the regulatory arena. For example, attendance at National Association of Regulatory Utility Commissioners events has allowed employees to participate in panels and discussions on topics germane to regulators. In addition, our pipeline safety engineers must attend certain training courses sponsored by the Department of Transportation in order to maintain their certifications.**

5. Please list and describe all employee training provided in FY16 and FY17, to date. In addition, please list and describe all proposed employee training for the remainder of FY17.

**RESPONSE: See Attachment 10. Proposed additional training will include participation in the NARUC Summer Program on Rate Regulation, the NARUC Annual Conference and other meetings and webinars.**

6. Does the agency conduct annual performance evaluations of all its employees? If so, who conducts such evaluations? What steps are taken to ensure that all agency employees are meeting individual job requirements?

**RESPONSE:** Yes. The PSC conducts annual performance evaluations of its employees. PSC employees are rated for the fiscal year period (October 1 to September 30).

PSC supervisors conduct the annual performance evaluations, usually after employees are given an opportunity to provide their own draft evaluation. The employee and supervisor then discuss the draft before the supervisor finalizes the evaluation.

In order to assist employees in making the annual performance evaluation process proceed more efficient, the Office of Human Resources (OHR) has held workshops for PSC staff and managers to discuss the performance evaluation form, the narrative justification, evaluation pitfalls, Letter of Warning instructions and preparing for and conducting evaluation meetings. In addition, OHR has prepared a guide for implementing the performance evaluation system, which describes each component of the system, as well as tools, timelines, roles and responsibilities to ensure that the process is implemented successfully. Supervisors are encouraged to have at least semi-annual discussions with their employees to chart progress toward their goals. The Executive Director also holds weekly meetings with Office Directors who report to her. One of the topics in these meetings is progress directors are making in reaching their office goals.

In addition, the PSC encourages and provides opportunities for professional development and training. The agency offers in house training through webinars and brown bag sessions led by staff or experts on emerging utility matters. The PSC also encourages staff members to take advantage of training and professional development opportunities offered by the District of Columbia government and other training suppliers.

7. Please provide an explanation of the type of work approved for overtime pay. Please provide a list of employees and the amount of overtime they were paid.

**RESPONSE:** See Attachment 11.

## **II. Budget**

8. Please provide a chart showing PSC's approved budget and actual spending, by program, for FY16 and FY17, to date. In addition, describe any variance between fiscal year appropriations and actual expenditures for FY16 and FY17, to date.

**RESPONSE:** See Attachment 12.

9. List any reprogramming which occurred in FY16 or which have occurred in FY17, to date. For each reprogramming, please list the total amount of the reprogramming, the original purposes for which the funds were dedicated, and the reprogrammed use of funds.

**RESPONSE:** See Attachment 13.

10. Provide an accounting of all intra-District transfers received by or transferred from the agency during FY16 or during FY17, to date.

**RESPONSE: See Attachment 14.**

11. Does the agency anticipate any additional spending pressures for FY17? If so, provide a detailed account of the amount and source of the spending pressures.

**RESPONSE: The Commission does not anticipate any spending pressures for FY 2017.**

12. Please identify any special purpose revenue accounts maintained by, used by, or available for use by your agency during FY16 or FY17, to date. For each account, please list the following:

- A. The revenue source name and code
- B. The source of funding
- C. A description of the program that generates the funds
- D. The amount of funds generated by each source or program in FY16 and FY17, to date
- E. Expenditures of funds, including the purpose of each expenditure, for FY16 and FY17, to date

**RESPONSE: See Attachment 15.**

13. Please provide a complete accounting of all federal grants received for FY16 and FY17, to date.

**RESPONSE: See Attachment 16.**

### **III. Property and Other Fixed Costs**

14. Provide a list of all properties occupied by PSC in FY16 and thus far in FY17. For each property, what were your total rental costs in FY16 and what have been your total rental costs thus far in FY17?

**RESPONSE: The Public Service Commission is located at 1325 G Street, N.W.. The Commission does not occupy any other properties. The total rental cost for FY 2016 was \$1,181,383, including a one-time rent abatement. Total rental costs thus far in FY 2017 are approximately \$645,000. We expect our total rental cost in FY 2017 to be \$1,546,458.**

15. Provide a list of PSC's fixed costs budget and actual spending for FY16 and thus far in FY17.

**RESPONSE: See Attachment 17.**

16. What steps were taken in FY16 and FY17, to date to reduce the following?

- A. Energy use
- B. Communication costs
- C. Space utilization

**RESPONSE:**

**A. Energy Use**

**In FY 2016, the Commission leased two hybrid vehicles, reducing gas usage and the Commission's carbon footprint. The agency also installed window tinting to reduce energy costs. In FY 2017, the PSC installed occupancy sensors throughout the Commission's space to help reduce energy costs.**

**B. Communication Costs**

**In FY 2016, the Commission upgraded its communications devices so that staff can communicate during non-business hours and handle emergency issues and other PSC concerns. These devices are necessary for employees to conduct field inspections and receive notification of outages and other utility problems on a 24 hour basis. This connectivity enhances the ability of staff to communicate and respond from any location with Internet connectivity. In FY 2017, the Commission provided Office Directors with devices for non-business hour communication.**

**C. Space Utilization**

**In FY 2016, the Commission continued to modify its location at 1325 G Street to make better use of the space, by upgrading its Hearing Room facilities with additional storage and expanded space for witnesses. In FY 2017 the Commission will install cabinets in its Training Room.**

**III. Agency Programs and Policies**

17. Please list each program and policy initiative ("program") of your agency during FY16 and FY17, to date. For each program, please provide:

- A. A detailed description of the program
- B. The name of the employee who is responsible for the program
- C. The total number of FTEs assigned to the program
- D. The name and title of each employee assigned to the program, including the percent of the employee's time dedicated to the program
- E. The amount of funding budgeted to the program:
- F. A description of the initiative
- G. The funding required to implement to the initiative
- H. Any documented results of the initiative

**RESPONSE: See Attachments 5 and 18.**

18. Did the agency meet the objectives set forth in its performance plan for FY16? Please provide a narrative description of what actions the agency undertook to meet the key performance indicators or any reasons why such indicators were not met.

**RESPONSE: See Attachment 19 for a copy of our 2016 Performance Accountability Report (in Quickbase format). The Commission exceeded one of its three Key Performance Indicators (KPI): the percentage of consumer complaints resolved at the informal level. Because there were no adjudicative decisions made in 2016, the KPI requiring adjudicative decisions within 90 days of the close of the record, was moot. With regard to the third KPI, our pipeline safety program, United States Department of Transportation information concerning our rating will not be available until September 2017, after the annual audit (conducted in the spring) is completed. However, we received our 2015 USDOT audit results this fall and we received a perfect 100% score!**

19. How well is PSC currently meeting the objectives set forth in its performance plan for FY17? Please provide a narrative description of what actions the agency is undertaking to meet the key performance indicators or any reasons why such indicators are not being met.

**RESPONSE: The PSC is making excellent progress in meeting its objectives in 2017. Our first objective, *Ensuring Safe, Reliable and Quality Electric Gas and Telecommunications Services at Reasonable Rates*, includes the January 25 release of a Staff Report in Formal Case No. 1130: Modernizing the Energy Delivery System for Increased Sustainability (“MEDSIS”). We will be holding a Town Hall Meeting on February 28, 2017 to garner broad public input on the section of the Staff Report on potential District-specific pilot and demonstration projects designed to modernize our infrastructure. That Town Hall will also focus on how to allocate funds for these projects from the \$21.55 million MEDSIS Pilot Project Fund Subaccount that was created as a condition of the PHI-Exelon Merger. Comments on the overall Staff Report will be filed with the Commission on March 27, 2017. We expect to issue an Order deciding which recommendations offered by Staff should be adopted and implemented in the District in late FY 2017 or early FY 2018.**

We also continued to oversee progress in utility infrastructure development. We have closely monitored the Washington Gas Light program to replace aging pipelines, known as PROJECTpipes. In that connection, we have required audits of progress in the first two years of the program. On November 22, 2016, WGL filed the list of bidders and their proposals for a Management Audit and an Agreed-Upon-Procedures engagement for Commission consideration. The Commission is currently reviewing the bid proposals and will select the winning bidders soon.

Efforts to go forward with the undergrounding of electric power lines, or DC PLUG, as required by the Electric Company Infrastructure Improvement Financing Act of 2013 (D.C. Law 20-102, D.C. Code §34-1311), have been delayed by the U.S. General Services Administration contention that undergrounding

surcharges are a tax and precluded by Federal government immunity. We are closely following proposals to restructure the financing arrangement from a bond securitization to a pay-as-you-go arrangement, which would satisfy those concerns. We expect legislation to be introduced in the Council on this subject in the near future.

Our second objective is *Fostering Fair and Open Competition Among Service Providers*. To that end, we have reformed the electric and gas utility discount programs to assure that discounts apply fairly among all providers. The Residential Aid Discount (“RAD”) program affects low-income customers’ electricity bills. In December 2015, we instituted changes to apply RAD credits equally whether the customer buys electricity through the Standard Offer Service or from a competitive electric supplier. In FY 2017, we made the same reform for the Residential Essential Service (“RES”), the low-income discount program for natural gas customers. We will continue to monitor the Utility Discount Programs to be sure that they are applied appropriately in a competitive environment.

Our third objective involves *Educating Consumers and Informing the Public*. We expect to expand our Social Media presence. In 2016 we launched Facebook and Twitter accounts and are very pleased with the success. We are looking into other platforms where we can inform and educate. In addition, we have created a Style Guide Task Force which will work to assure a uniform and recognizable style throughout PSC documents. We also have engaged a graphic artist who will redesign our external booklets, pamphlets, and public notices to be more attractive and consumer-friendly.

Our fourth objective, *Motivating Customer and Results-Oriented Employees*, will lead us to continue our external and internal training opportunities. We will sponsor employees’ attendance at various industry forums, such as those offered by the National Association of Regulatory Utility Commissioners. In addition, we are planning several internal training programs in ethics, employment non-discrimination and related matters.

20. Please describe any initiatives of your agency implemented in FY16 or thus far in FY17, to improve the internal operation of the agency or the interaction of the agency with outside parties. Please describe the results, or expected results, of each initiative. If the results fall into the “expected” category, please provide a timeline explaining when the results can be expected.

**RESPONSE:** On October 6, 2016, the Commission sponsored an event designed to help District consumers prepare for cold weather. Called WINTER READY DC, the symposium brought together experts from the utilities and District government agencies to inform consumers about weatherization, energy audits and discount possibilities. Over 100 people attended this very successful program, which we hope to repeat every year.

21. Please provide a copy of all publications, brochures, and pamphlets prepared by or for the agency during FY16 and FY17, to date.

**RESPONSE: See Attachment 20.**

22. Please provide a copy of all policy statements issued during FY16 and FY17, to date.

**RESPONSE: See Attachment 31**

23. Please list and describe any ongoing or completed investigations, studies, audits, or reports on your agency or any employee of your agency during FY16 or FY17, to date.

**RESPONSE: The Commission conducted an investigation and filed a response to an employee's Race, Color and National Origin discrimination complaint with the U.S. Equal Employment Opportunity Commission (EEOC) in January 2017. The Commission recently settled an employee sexual harassment complaint investigation with the D.C. Office of Human Rights.**

24. Please identify any recommendations regarding PSC made by the Office of the Inspector General or the D.C. Auditor during FY16 or thus far in FY17. Please note what actions have been taken to address these recommendations.

**RESPONSE: Although not directly addressed to the PSC, an audit was conducted by the DC Auditor in FY 2016 that was requested by the Commission. This audit addressed the Sustainable Energy and Energy Assistance Trust Funds. See Attachment 21.**

25. Please explain how any possible or anticipated changes in the energy market will or could affect the function of your agency.

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**RESPONSE: The 1999 legislation restructuring the electricity market in the District entailed a change from PSC oversight of Pepco as a vertically integrated utility to reliance on competitive markets to assure a just and reasonable outcome for District. As a result, the Commission focuses on energy supply issues on the wholesale market as well as on the retail level.**

**(A) Wholesale Energy Market Issues:**

**1) PJM-related matters**

**On the wholesale level, the Commission works with PJM Interconnection LLC, the Regional Transmission Organization serving the District of Columbia and 13 states. PJM runs the competitive markets upon which the District relies for its electricity supply. The PSC's attention has shifted away from directly setting generation rates to monitoring PJM and the PJM markets. The PSC has joined with other Commissions who have the same need in an organization of PJM jurisdiction Commissions: the Organization of PJM States, Inc. (OPSI). The PSC**

is very active in OPSI and monitors the PJM markets and, through OPSI, has regular monthly contact with PJM officials and with the Independent Market Monitor (IMM) of PJM.

The Commission also joined with other states to file a settlement agreement at FERC regarding the return of equity (“ROE”) contained in the transmission formula rates. The ROE settlement modified the existing formula rates of BG&E and the three PHI utilities (Atlantic City, Delmarva and Pepco). FERC approved this settlement on February 23, 2016. With this approval, money from the settlement proceeding began reducing transmission rates (achieving total reduction of 5% in transmission revenues) paid by DC ratepayers as of February 1, 2017.

The Commission has periodically queried PJM about the adequacy of supply to handle the forecast summer peak demand for the Pepco zone. The latest query was in May 2016. PJM replied that it is not projecting reliability issues within the District during the summer of 2016. PJM will continue to monitor the projected transmission upgrades to ensure continued reliable operation of the District. Also according to PJM, for the next three Delivery Years, there is more than sufficient capacity to maintain reliability during system peaks in the PEPCO Load Deliverability Area.

## **2) Transmission Planning through EISPIC**

The PSC participates in infrastructure planning with other stakeholders by actively participating in the Eastern Interconnection State Planning Council (EISPC), a planning project that encompasses state and federal government representatives and industry representatives in the region. EISPC works jointly with National Council on Electric Policy to study/research wholesale/retail related issues.

### **(B) Retail Energy Market Issues:**

#### **(1) Smart Grid Implementation**

Smart Grid involves the increased use of digital information and control technology to improve the reliability, security, and efficiency of the electric distribution network. State commissions are engaged in making sure these goals and benefits are realized.

In the District of Columbia, Pepco has completed its installation of smart meters and is making progress in eliminating the small number of remaining legacy meters in hard-to-reach locations. The smart meter radio network that allows the collection of detailed energy usage data has been activated for nearly all customers in the District. Smart meters give customers access to more information about their energy usage than they have ever had before through Pepco’s MyAccount website. In Formal Case No. 1098, the Commission is examining technical issues as well as consumer protection issues related to access to smart meter data by competitive energy suppliers who seek to make new products and services available to customers as they become more familiar with their energy usage data.

The PSC previously ordered Pepco to provide a Load Research Plan detailing how it will make use of the new smart meter data to manage and plan its network when it files its next base rate case. The Company must demonstrate how it will use the new information for Cost of Service, Pricing and Rate Design, Demand and Energy Forecasting, Energy Efficiency and Load Management, and Distribution and Substation Planning. These matters are being litigated in Pepco's base rate case, Formal Case No. 1139, which is an open proceeding.

The Commission continues to monitor Pepco's installation and management of its smart meters. By the end of calendar year 2016, Pepco had installed over 297,000 smart meters. Pepco remains focused on reducing the number of smart meters that are unable to communicate "over the air." Smart meters installed below ground level, for example, require special remediation to reach the network. At the end of 2015, 2.3 percent were not activated for "over-the-air" reading and by the end of 2016, this percentage was cut in half to 1.1 percent. Ensuring that ratepayers enjoy maximum benefit from their investment in smart meters remains a priority for the Commission.

## **(2) Future Demand Response in Retail Markets**

The PSC approved a Residential Air Conditioner Direct Load Control (DLC) Program in November 2011 in Formal Case No. 1086. Pepco implemented this DLC program during the summers of 2012 through 2016. Pepco reported the installation of more than 32,000 control devices for residential customers in the District. The Commission approved the Company's proposal for Phase II of its program. The Commission also directed Pepco to continue to monitor wholesale market changes in order to file any necessary reform proposals.

## **(3) Infrastructure Planning, Public Safety and Reliability**

### **Electric Distribution System**

In the Second Triennial Plan for the DCPLUG initiative, Pepco and DDOT stated that the civil construction of all of the feeders in the First Triennial Plan, except for Feeder 308, and any feeders selected in subsequent triennial plans are contingent upon securing funding through the District's bond issuance. Because of the U.S. General Services Administration's challenge to the DDOT surcharge, the funding necessary for DDOT and Pepco to move forward on the civil construction of feeders selected for placement underground (except for Feeder 308) has not yet been secured. As a result, Pepco and DDOT have been unable to move forward on construction of the remaining 20 feeders from the First Triennial Plan and opted not to select feeders for placement underground in the Second Triennial Plan. In addition, DDOT and Pepco requested that the Commission hold the Second Triennial Plan application in abeyance. On October 27, 2016, the Commission granted the request of Pepco and DDOT, Formal Case 1136, Order No. 18585 to hold the Second Triennial Plan in abeyance until Pepco and DDOT file an amendment pursuant to Section 312 of the Electric Company Infrastructure

**Improvement Financing Act of 2014. Efforts are underway to resolve any issues that are holding up the execution of this initiative.**

**On June 24, 2016 regarding Formal Case 1136, Order No. 18254, the Commission granted Potomac Electric Power Company the right to proceed to construct the civil facilities for the two 230 kilovolt ("kV") underground transmission circuits on Buzzard Point in Southwest DC. Pepco is expected to provide additional accurate system load forecasts for the impacted areas before Pepco will be authorized to install and energize the 230kV conductors, or to perform any extension to the civil works. Pepco states that the 230kV transmission lines proposed are necessary to allow for a reconfiguration of the aging Buzzard Point 230kV Station B to increase reliability.**

### **Gas Distribution System**

**Washington Gas is now in Year 3 of a five year accelerated pipeline replacement program (now known as PROJECTpipes) to replace bare and unprotected steel services, mains, and cast iron mains within the District. Results from Year 1 and Year 2 include:**

**Through September 2016, for projects in the Year 1 project list, WGL had:**

- Replaced 1,574 feet (93% of the 1,689 feet proposed) bare and unprotected steel services**
- Replaced 39,762 feet (94% of the 42,201 feet proposed) of bare and unprotected steel pipes and cast iron mains**

**Through September 2016, for projects in the Year 2 project list, WGL had:**

- Replaced 392 feet (46% of the 846 feet proposed) bare and unprotected steel services**
- Replaced 8,575 feet (32% of the 26,782 feet proposed) of bare and unprotected steel pipes and cast iron mains**

**The pace of work has been impacted by WGL allocating resources to complete the Vintage Mechanical Coupling Program (VMCR) required under FC-1027. WGL has indicated the VMCR program reached substantial completion in December 2016 with only paving and restoration pending. In 2017, resources are expected to be reallocated from VMCR to PROJECTpipes, to increase the rate of work being completed.**

**The Commission continues to monitor the progress of the work, schedule, and costs for PROJECTpipes. Through the end of Fiscal Year 2 (2016) PROJECTpipes has completed approximately 77% of the service replacements and 70% of the pipe replacements planned for Year 1 and Year 2.**

## **Public Safety/Cybersecurity**

Currently, the Commission is exploring the role we are to play in assuring the security of the utilities we regulate. The Commission's Staff Task Force on Cybersecurity continues to assess developments around the country and to understand impacts and potential impacts on the PSC's operations as well as on the utilities regulated by the PSC.

### **(4) SOS Procurement**

The default source of electricity for customers who have not chosen to purchase electricity from a CES is called Standard Offer Service (SOS). The Commission has designated Pepco as the default service supplier. Pepco purchases electricity for SOS customers through power supply contracts in an annual auction that establishes generation rates that are reflective of market conditions while at the same time providing protection against extreme volatility. Currently, the SOS contracts between Pepco and wholesale providers cover three years of procurement for residential and small commercial customers. The contracts for large commercial customers cover one year of procurement. Three months after the annual bidding, the Commission makes the identities of the winning bidders publicly available on its website.

### **(5) Ongoing PSC Audits/Examinations**

The Commission currently has two ongoing audits under two different formal cases as follows:

(ii) **Formal Case No. 1129: Management Audit and Agreed-Upon Procedures Engagement of WGL's Gas Procurement Practices and Policies and the Purchase Gas Charge ("PGC").** In March 2015, the Commission opened an investigation into the default gas service provided by WGL through the PGC. The Commission further determined that it was time for a more in-depth review of the PGC to ensure that the rates being charged for the natural gas supply service to default customers are just and reasonable. The audit is ongoing.

(iii) **Formal Case No. 1115: Management Audit and Agreed-Upon Procedures Engagement of WGL's PROJECTPipes.** In Washington Gas Light's last base rate case, the Company sought, among other things, Commission approval to implement the first five (5) years of a 50-year Pipeline Replacement Program ("APRP") and to recover the costs through a surcharge mechanism called the Plant Recovery Adjustment ("PRA") billed to customers on a monthly basis. The focus of the audit is to assure that the project costs being recovered through the mechanism are prudent and accurate, and that the projects that were completed are timely and consistent with the Annual Project List submitted by WGL. The audit is ongoing.

**(6) Modernizing the Energy Delivery System for Increased Sustainability – Distributed Energy Resources**

The Commission has embarked on a collaborative investigation that deals with Modernizing the Energy Delivery System for Increased Sustainability (MEDSIS – FC1130) in the District. The Commission held three well-attended public workshops between October of 2015 and April of 2016. On January 25, 2017, the Commission released the draft Staff Report containing recommendations addressing legal and technical aspects of energy system modernization, including proposed regulatory changes. There is an extended period for filing written comments on the Staff Report that extends through March 27. On February 28<sup>th</sup>, we will hold a Town Hall meeting in the Commission’s hearing room to obtain public input on the direction of the MEDSIS Pilot Projects Fund that was created as a result of the Exelon-PHI merger.

**IV. Contracting and Procurement**

26. Please list each contract, procurement, lease, and grant awarded or entered into by PSC during FY16 and FY17, to date. For each contract, please provide the following information, where applicable:

- A. The name of the contracting party or vendor
- B. The nature of the contract, including the end product or service
- C. The dollar amount of the contract, including budgeted amount and actual spending
- D. The term of the contract
- E. Whether the contract was competitively bid or not
- F. The name of the agency's contract monitor and the results of any monitoring activity
- G. The funding source
- H. Indicate whether or not the vendor is a certified business enterprise

**RESPONSE: See Attachment 22.**

27. Does your agency have a written policy to increase contracting with, and procurement from certified business enterprises? If so, please provide a copy of the policy. Please describe the methods used by the agency to increase contracting with, and procurement from certified business enterprises.

**RESPONSE: The PSC is focused on reaching out to CBEs and is in full compliance with the CBE law. In fact, since the implementation of regulations, the PSC has met or exceeded its CBE goals. See Attachment 23 for a copy of the policy to increase contracting with, and procurement from, Certified Business Enterprises.**

28. Please provide a list of all MOUs in place during FY16 and FY17, to date.

**RESPONSE: In 2016, the Public Service Commission entered into a Memorandum of Understanding with the Council of the District of Columbia to purchase 7 sets of**

**supplements to the DC Code at a cost of \$247.00 per set. In 2017, the Commission entered into a similar MOU for 7 sets of supplements at a cost of \$280.00 per set.**

29. Please detail other programs or policies PSC has to encourage utilities to increase contracting with, and procurement from certified business enterprises. Has there been any coordination with the Department of Small and Local Business Development?

**RESPONSE: The PSC has been a leader in encouraging regulated utilities to do business with local and disadvantaged business enterprises. For over 22 years, the Commission has had in place a Diversity Supplier Memorandum of Understanding with Verizon Washington DC Inc., Washington Gas Light, and Pepco. The MOU was updated in 2013 to ensure that women, minorities, and disabled veterans have fair opportunities to participate in and compete for contracts and subcontracts with the public utilities. The Commission utilizes the DSLBE regulations as benchmarks to determine goals for the utility companies. Since the implementation of the MOUs with the utility companies, each company has exceeded its benchmarks.**

## **V. Legislative and Regulatory Requirements**

30. Please identify any legislative requirements that the agency lacks sufficient resources to properly implement.

**RESPONSE: None.**

31. Please list all regulations for which the agency is responsible for oversight or implementation. Please list by chapter and subject heading, including the date of the most recent revision.

**RESPONSE: See Attachment 24.**

32. Please explain the impact of any legislation passed at the federal level during the FY16 and FY17, to date, that significantly affected your agency's operations. Please note if regulations are the shared responsibility of multiple agencies.

**RESPONSE: None.**

33. Please identify any statutory or regulatory impediments to your agency's operations.

**RESPONSE: D.C. Code § 10-1141.06 is the statutory provision that permits utilities to recover from their customers the lease payments they make to the District of Columbia for use of the public Rights-of-Way ("ROW").<sup>1</sup> Currently, D.C. Code § 10-1141.06 allows the utilities to recover the cost of lease payments only from**

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<sup>1</sup> D.C. Code, § 10-1141.06 (2001), states that "[e]ach public utility company regulated by the Public Service Commission shall recover from its *utility* customers all lease payments which it pays to the District of Columbia pursuant to this title through a surcharge mechanism applied to each unit of sale and the surcharge amount shall be separately stated on each customer's monthly billing statement." (Emphasis added.)

regulated customers. Pepco and Verizon each have unregulated services occupying or sharing space in their ROW conduits, but unregulated services are not being assessed for contribution to the lease payments the two utilities render to the District.<sup>2</sup> In Verizon's case, this dynamic is resulting in an ever-shrinking class of regulated customers shouldering the burden for cost of the lease payments as more of its customers move to FiOS, an unregulated service. In Pepco's case, there is a stream of assessment contributions that could be applied to decreasing the burden on the regulated class of customers, but are not applied because D.C. Code § 10-1141.06 does not allow recovery of the lease payments from customers receiving unregulated services. The Council should address this problem by permitting utilities to recover ROW payments from all of their customers benefitting from use of public space.

A second impediment to our operations concerns the Renewable Energy Portfolio Standard Act of 2004 which established a program of customer generation from eligible renewable sources, overseen by the Commission (D.C. Code §34-1439). The range of commercial interactions involving renewable energy credits in the District is broad and increasing as the RPS program expands. The Commission welcomes such vibrant commercial activity, but recognizes that it brings a real possibility of ill-intentioned activity by electricity suppliers, traders of renewable energy credits and owners/lessees of renewable facilities. The Commission believes that a strong enforcement approach is necessary to deter and punish any unlawful activity that violates the 2004 Act and harms the District's transition towards more sustainable energy resources. We believe the Council should act to provide the Commission with explicit authority to enforce the provisions of the 2004 Act by assessing civil penalties.

34. Please identify any legislation and regulations the agency plans to introduce in FY17.

**RESPONSE:** See Attachment 25.

## **VI. Consumer Issues**

35. To the extent that is permissible, please provide an update on the role the PSC is playing in the following, and the status of the project:

- A. The Electric Company Infrastructure Improvement Financing Act of 2014;
- B. Washington Gas and Light Company's plan to modernize its pipeline system;
- C. Verizon's copper and fiber optic technology service infrastructure
- D. Ensuring District utility consumers benefit from the District's sustainable-energy programs

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<sup>2</sup> Pepco has lease agreements for fiber laid beside their cable in their leased conduits or attached overheads. Verizon's unregulated, non-utility services such as FiOS Digital Video Voice VoIP service or FiOS broadband occupies the same space as the company's regulated, circuit switched wireline services.

**RESPONSE: See Attachment 26.**

36. The PSC's Office of Consumer Services ("OCS") tracks consumer service quality complaints, and produces internal quarterly reports. Please provide these reports for the last year.

**RESPONSE: See Attachment 27.**

37. How many complaints did the PSC receive about PEPCO in FY15, FY16, and FY17, to date?

**RESPONSE: The PSC received 489, 342 and 71 complaints about Pepco in FY 2015, FY 2016 and FY 2017 to date.**

38. What are the major complaints received by the PSC with regard to PEPCO?

**RESPONSE: Approximately 82% of Pepco complaints pertain to general billing and payment matters, while 15% pertain to quality of service issues.**

39. What trends does the PSC see regarding complaints against PEPCO?

**RESPONSE: We have seen no particular trends in complaints against Pepco. Consumer complaints typically do not vary in type from year to year, unless there are intervening external events, such as the weather. The PSC does note, however, that in FY 2016 Pepco complaints declined about 30% from FY 2015. We believe this can be explained by the fact that Pepco implemented a new billing system I FY 2015 which caused an increase in complaints while the new system was stabilized.**

40. What is the success rate of OCS's complaint mediation program with PEPCO?

**RESPONSE: In FY 2016, 4 formal complaints, out of 342 informal complaints, were filed against Pepco, less than 1% of the total.**

41. How many complaints did the PSC receive about Washington Gas in FY15, FY16, and FY17, to date?

**RESPONSE: The PSC received 240, 158, and 60, complaints about Washington Gas in FY 2015, 2016, and FY 2017 to date, respectively.**

42. What are the major complaints received by the PSC with regard to Washington Gas?

**RESPONSE: Approximately 70% of Washington Gas complaints pertain to general billing and payment matters, while approximately 30% of Washington Gas complaints involve quality of service issues.**

43. What trends does the PSC see regarding to complaints against Washington Gas?

**RESPONSE:** We have seen no particular trends regarding consumer complaints against Washington Gas; consumer complaints typically do not vary significantly in type from year to year unless there are intervening external events, such as weather or other factors. The PSC does note, however, that Washington Gas is undergoing a multi-year, Accelerated Pipe Replacement Program (APRP) designed to replace aging infrastructure in its distribution system. Additionally, Washington Gas has also initiated a new billing system this year that is expected to generate an increased number of consumer complaints while the system is being stabilized, a process expected to last three to six months. Although both Washington Gas and the Commission are taking appropriate steps to minimize the disruptions to Washington Gas consumers, OCS is monitoring the number of complaints that may ensue as a result of these activities, and meets with Washington Gas personnel periodically to determine the impacts on District residents.

44. What is the success rate of OCS's complaint mediation program with Washington Gas?

**RESPONSE:** In FY 2016, 1 formal complaint out of a total of 158 complaints was filed against Washington Gas, a total of less than 1% of the complaints filed against Washington Gas in the fiscal year.

45. How many complaints did the PSC receive about Verizon in FY15, FY16, and FY17, to date?

**RESPONSE:** The PSC received 170, 150, and 30 complaints against Verizon in FY 2015, FY 2016, and FY 2017 to date against Verizon, respectively.

46. What are the major complaints received by the PSC with regard to Verizon?

**RESPONSE:** Approximately 50% of Verizon complaints involved quality of service issues and 47% were related to billing and payment.

47. What trends does the PSC see regarding complaints against Verizon?

**RESPONSE:** We have seen no particular trends regarding consumer complaints against Verizon, but OCS actively monitors all providers for particular issues or consumer concerns.

48. What is the success rate of OCS's complaint mediation program with Verizon?

**RESPONSE:** In FY 2016, there were no formal complaint cases filed against Verizon. As such, 100% of consumer complaints filed against Verizon with OCS were successfully mediated at the informal level.

49. Please provide a list of open formal cases and provide a status report on each.

**RESPONSE:** See Attachment 28.

## VII. Other

50. Please describe the PSC's three biggest accomplishments in FY16.

**RESPONSE:** In FY 2016 the Commission completed action on the application for merger of Pepco Holdings Inc. and the Exelon Corporation by approving the merger on terms and conditions proposed by Pepco, which included many of the same terms of a previously filed settlement agreement, as well as some additional terms proposed by the Commission. We also established a system for assuring Pepco/Exelon compliance with the merger conditions. Second, we held a series of workshops and received comments in Formal Case 1130, Modernizing the Energy Delivery System for Increased Sustainability ("MEDSIS"). This initiative will lead to a modern utility infrastructure with sensitivity to the environment. Third, in 2016 we published a book celebrating the Centennial of the Commission and containing the history of the Commission and the industries it regulates in the context of the history of the District of Columbia.

51. Please identify all electronic databases maintained by PSC, including the following:

- A. A detailed description of the information tracked within each system
- B. The age of the system and any discussion of substantial upgrades that have been made or are planned to the system
- C. Whether the public can be granted access to all or part of each system

**RESPONSE:** See Attachment 29.

52. What has the agency done in the past year to make the activities of the agency more transparent to the public? In addition, please identify ways in which the activities of the agency and information retained by the agency could be made more transparent.

**RESPONSE:** The Commission continues to stream biweekly Open Commission Meetings and Evidentiary Hearings. We also continue to hold community hearings on issues of interest to the general community. For example, we solicited community comment on Formal Case 1137, the WGL rate case. We will hold community hearings this spring to get community views on Formal Case 1139, the Pepco rate case. We will hold a Town Hall on February 28, 2017 in the MEDSIS case.

In addition, we continue to make improvements to our website that will allow faster updating. Further, we have launched our Facebook and Twitter accounts, with great success. Since September, we have attracted 142 Facebook fans and have received 1854 Facebook engagements. On Twitter we have 308 followers and have received 1897 engagements. Our highly successful fall event WINTER READY DC attracted over a hundred community leaders, District officials and utility representatives.

53. How does the agency solicit feedback from customers?

**RESPONSE:** The PSC's Office of Consumer Services (OCS) solicits feedback from consumers in a number of ways. The public can contact the PSC and OCS through the "Contact Us" page on the PSC's website which allows consumers to submit comments and questions on any aspect of the PSC's operations and decisions and through the "Request Form" on our mobile app "'PSC on the Go.'" If a consumer is specifically requesting assistance with a service provider, OCS is notified and will contact the consumer to answer any questions or offer help. Consumers can also call OCS directly; and write or email the office, Office Director or any person in the office.

The Commission also solicits feedback through Community Hearings. These hearings provide an opportunity for the public to testify on the record in Formal cases. The Commission gives approximately 30-day notice of its hearings by publishing a Notice of Community Hearings in the most widely read publications in the District of Columbia.

OCS Consumer Specialists continually engage consumers through community outreach events (over 75 were conducted in FY 2016). Requests for participation in outreach events can also be made using our mobile app. Consumer Specialists also receive feedback regarding utility services through the complaint and inquiry processes, refereed meter tests, site visits, and walk-in visits to our offices from consumers.

Finally, our Social Media presence allows us to receive immediate comments from our followers.

54. Has the agency changed its practices as a result of such feedback?

**RESPONSE:** As a result of the feedback the Commission has received in the past, we have improved our Community Hearings by holding more evening sessions throughout the District, in all wards. The Commission also continues to use the consumer complaint process as a catalyst for the initiation of investigations, hearings and other proceedings. Social Media feedback has encouraged us to try more innovative means of communications. For example, we created an "explainer video" that describes the MEDSIS initiative through the use of an animated character, Mary Medsis.

55. Please provide any addition information, feedback, or requests to the Committee that PSC deems necessary.

**RESPONSE:** The Commission would like to draw the Committee's attention to the Matrix of Commitments from the Pepco-Exelon Merger which can be found on our website and the most recent version of which is included here as Attachment 30. This matrix allows the Commission and members of the public to keep track of Pepco/Exelon's response to each of the conditions imposed on the merger by the Commission.

