

**Opening Statement  
of  
Betty Ann Kane, Chairman  
Public Service Commission of the District of Columbia  
before the  
Committee on Business, Consumer, and Regulatory Affairs  
Council of the District of Columbia  
April 30, 2015**

Good morning, Chairman Orange and Members of the Committee. I am Betty Ann Kane, Chairman of the Public Service Commission. I am pleased to appear before you today to present testimony on the Mayor's Fiscal Year 2016 Budget request for the Commission. I am joined by our Agency Fiscal Officer, Gurmeet Scoggins.

**I. The Mayor's Proposed Budget for the Commission**

In FY 2016, the Commission has requested, and the Mayor has proposed, a gross budget of \$13,186,187 and 83.6 Full Time equivalent (FTE) positions. This represents an increase of \$637,681 and 1 FTE over the approved FY 2015 budget of \$12,548,506 and 82.6 FTE positions. The proposed FY 2016 gross budget includes no local funds, \$12,729,019 in O-type funds, \$435,168 in federal grants and \$22,000 in private donations. The single additional FTE position we are proposing is an IT Specialist, who is currently a temporary employee needed to help with the relocation of our offices and the deployment of new technology.

As shown in Table DHO-1, special purpose revenue, or O-type revenue (\$12,729,019) remains the funding source for 97 percent of the Commission's budget. Pursuant to D.C. Code §34-912, this revenue comes from assessments on Pepco, Washington Gas, Verizon and all competitive electric, natural gas and telecommunications service providers conducting business in the District. During the FY 2014 assessment, over 95 companies contributed to the annual budget. We expect a similar number in 2015. The remaining budget will be primarily covered by two federal grants: (1) \$388,796 from the U.S. Department of Transportation (DOT) to support the

Natural Gas Pipeline Safety Program and (2) \$46,372 also from DOT for the One Call grant program. By the way, April is National Safe Digging Month. The funds for the One Call grant are, among other things, used to support a campaign to encourage people to call before they dig and thus avoid accidentally damaging utility lines and possibly causing injuries or property damage. The rest of the Commission's budget request consists of \$22,000 in private donations to support educational travel and training during the year.

Please note that our budget includes \$43,989 for the lease of Commission vehicles. Of that amount, \$27,641 is part of the federal Pipeline Safety Grant. As part of our effort to conserve natural resources and contribute to environmental quality in the District, we will be replacing conventional vehicles with hybrid vehicles as the leases expire.

## **II. Relocation of the Commission's Offices**

I am happy to report that in FY 2014 we used the funds we received from those whom we regulate to good purpose. At our Oversight Hearing in February, we reported in detail about our achievements. Rather than repeat that testimony today, I will focus instead on updating you on the relocation of our offices to 1325 G Street.

At present, the Commission is located on three floors and two separate towers of 1333 H Street, an inefficient arrangement at best. In June, we will move our offices to one floor at the new location, thereby enhancing communications among co-workers, and improving teamwork and productivity. The new location is close to Metro Center, making it convenient for consumers to attend Commission events, or appear for complaint proceedings. The new space will also feature a dedicated Consumer Information Office (CIO), where pamphlets, brochures and other materials will be available, and where consumers can consult with our Consumer Specialists about utility matters. The CIO will also provide information about the Low Income Discount Programs available to District residents. We will also have a dedicated training room for

employees and others so that we may offer workshops and courses on matters central to our mission.

The Commission's lease for 30,872 square feet on the 8<sup>th</sup> floor at 1325 G Street was deemed approved by the Council on July 6, 2014. The lease term is for ten years and six months with one five-year renewal option. Not only will the relocation provide improved human efficiencies, it is also cost effective, reflecting a reduction in the price in rent from \$54.59 per square foot to \$48.75.

We are particularly excited about our new Hearing Room with increased space for public attendees and improved facilities for the conduct of evidentiary hearings, community events, and consumer outreach programs. The move to our new office space has also caused us to review some internal procedures that are not necessary in the twenty-first century. In anticipation of the move, the Commission has accelerated its archival, digitization and recycling program. We are also considering greatly reducing the number of paper copies that parties file with us. We may never be able to achieve a totally paperless environment, but we are striving to become "paper sparse."

### **III. Full Staffing**

Once the move to our new space is completed and we have adequate accommodation, we will focus our attention on staffing issues. Most importantly, we expect to fully staff our new Office of Infrastructure and System Planning (OISP). That Office has two important goals. First, to provide regulatory oversight of the two major infrastructure projects that will be undertaken in the near term: Pepco's Power Line Undergrounding and Washington Gas's Accelerated Pipeline Replacement Program. Second, the Office will be our focus for long term planning in the energy and telecommunications fields. There are new technologies and techniques in both arenas that may have a profound impact over the next decade. In telecommunications, the transition from copper to fiber optic is underway, and could have an impact on how essential services are regulated. In the energy field, the implications of issues such as

Micro Grids, Direct Load Control, Distributed Generation, and Electricity Storage need to be studied. In our recent Order in Formal Case 1123, authorizing the new Waterfront substation, the Commission decided to open a new docket to establish a working group to address in a more global way the outlook for energy growth in the District, including the feasibility of developing more energy storage facilities, and increasing distributed generation.

If the next decade brings different methods of distributing energy, different methods of generating energy, different methods of pricing and acquiring energy, we need to be prepared to bring our best “forward thinking” to the task. The Office of Infrastructure and System Planning will be the catalyst for that effort.

Finally, let me thank you for this opportunity. I am happy to answer any questions you may have.