

People Serving the Community



Annual Report 2014

PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA



PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
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September 2015

The Honorable Muriel Bowser
Mayor, District of Columbia
Executive Office of the Mayor
1350 Pennsylvania Avenue, N.W.
Suite 316
Washington, D.C. 20004

Dear Mayor Bowser:

The Public Service Commission of the District of Columbia (PSC) has the honor of submitting the 2014 Annual Report. Except where otherwise noted, this Annual Report covers the calendar year period from January 1, 2014 through December 31, 2014.

The 2014 Annual Report provides a detailed review of the PSC's accomplishments in 2014. Most importantly, it provides an account to District ratepayers of how we worked to protect consumers by regulating electric, natural gas, and local telecommunications companies to ensure safe and reliable utility services.

As the energy and telecommunications industries undergo major transformations, the PSC will continue to be at the forefront of the relevant issues, working to serve the public interest.

Respectfully submitted,

Joanne Doddy Fort
Commissioner

Betty Ann Kane
Chairman

Willie L. Phillips
Commissioner

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

2014 ANNUAL REPORT

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CHAIRMAN'S REMARKS



Betty Ann Kane
Chairman

The growing needs of District residents, businesses and government drive the Public Service Commission of the District of Columbia forward every year. Looking ahead to a changing energy and telecommunications landscape, we understand the value of our role to ensure that safe, reliable, quality and sustainable services are offered to consumers. As those consumers demand more sophisticated options and technologies, the Commission will continue to focus on understanding customer needs and addressing their interests.

All of our efforts have led to a very busy and productive year for the Commission in 2014.

First, we completed our investigation into the activities of Starion Energy Inc., a competitive retail electricity supplier. In 2013, we began noticing an increase in complaints about the business and marketing practices of Competitive Electricity Suppliers (CES). After receiving testimony from a number of District consumers about the practices of one company, Starion, we opened an investigation of that company and a general investigation into the competitive electric market and two consumer protections. In February 2014, we approved a Settlement Agreement between Starion, and the Office of the People's Counsel (OPC). That Settlement Agreement has resulted in refunds and credits of over \$85,000 to several hundred District of Columbia customers and a grant of \$100,000 to the Greater Washington Urban League for its energy assistance program. During the rest of FY 2014 and to date, we have continued to monitor the CES market for any signs of misleading advertising or fraudulent business practices.

In FY 2014, we received only 182 complaints directed against Starion, while in FY 2013 we received 415. To be sure that our commitment to consumer welfare continues, we have issued two rulemakings: one that will strengthen the Consumer Bill of Rights and one that will codify rules for the licensing of competitive energy suppliers. We expect to consider final rules in both of these matters in FY 2015. In December 2014, we closed the general investigation into competitive practices and consumer protection in the electricity markets because the rulemakings had been issued and we had seen improvement in CES marketing practices.

These rulemakings and investigations should not be seen as a lessening of the Commission's commitment to competition. Rather, our actions should be seen as confirmation of our commitment to fair competition. Indeed, the District market for competitive supply in electricity, natural gas and telecommunications is strong. There are 23 licensed electricity suppliers serving 13% of the residential market customers and 28 licensed electricity suppliers serving 34% of the non-residential market customers. In the natural gas area, there are nine licensed retail commodity gas suppliers serving 11% of the residential market customers and 13 licensed suppliers serving 37% of the non-residential market customers. In telecommunications, 58 Competitive Local Exchange Carriers (CLECs) and Verizon were providing services as of December 31, 2014. Seven CLECs were providing both residential and non-residential services, while the rest of the CLECs were providing non-residential (business) services only. The most recent available data shows that CLECs service 9.25% of residential customers and 25.95% of non-residential customers.



Our second major accomplishment involved our decision in March 2014 to approve a portion of a distribution rate increase in Formal Case 1103 for the Potomac Electric Power Company (Pepco). Pepco had originally asked for a rate increase of about \$52 million, later reduced to \$44.8 million. The Commission granted just about half of the Pepco request, allowing a rate increase of \$23.4 million. The increase in distribution rates was intended primarily to compensate Pepco for its substantial investments in reliability improvement projects.

It is important to note that the Commission approved an increase in that case in the distribution rate; that is, the rate that is charged for the delivery of electricity to a home or business. The distribution rate represents only about 19% of the electricity bill. The other 81% of the electricity bill represents the cost for electricity itself, transmission and generation costs, which are set by the Federal Energy Regulatory Commission, and various other fees and taxes. The Commission does not regulate the electricity charges of Pepco as the provider of Standard Offer Service (SOS) or of competitive electric suppliers (CES) licensed to provide electricity service. The price of SOS energy procured in an annual auction decreased in FY 2014. Consequently, customers that obtained their electricity from Pepco in its role as the default SOS provider received a 16.3% reduction in their energy rates in June 2014. The combined impact of the SOS rate changes for a residential customer with average energy use of 695 kW per month was a total bill decrease of about 10.9%.

Our third major accomplishment of FY 2014 was the adoption in August 2014 of a Washington Gas Light Company (WGL) plan to accelerate the replacement of leak prone portions of its aging pipeline infrastructure, known as the Accelerated Pipeline Replacement Plan (APRP). Under the APRP as approved, WGL is authorized to spend up to \$110 million over the next five years to replace 20 miles of cast iron pipes, 18 miles of unprotected steel mains and approximately 8,000 service lines throughout the District. The District of Columbia, like many other cities, has an aging natural gas infrastructure. The public interest requires that we make every effort to protect the safety of our citizens. The Commission believes that the revised APRP is a reasonable and necessary step to begin the process of modernizing this infrastructure. The cost of the first five years of the program will be contained in an APRP surcharge that will amount to a charge of about 60¢ a month in the first year for an average residential customer using 775 therms per year.



In FY 2014, the Commission began four additional noteworthy cases:

- We held hearings and issued an Order in Formal Case No. 1090 that addressed complaints that had been raised by customers about Verizon's servicing of their copper line telephone service. We ordered additional training for technicians and additional monitoring of the service being provided for copper line technology.
- We opened Formal Case Nos. 1116 and 1121 to consider the Triennial Power Line Undergrounding Plan (Triennial Plan) and the Financing Plan submitted by Pepco and the District Department of Transportation (DDOT) under the Council's Electric Company Infrastructure Improvement Financing Act of 2013. We approved the plans and their associated surcharges in November 2014. We also received Pepco's and DDOT's First Status Report providing information on proposed power line undergrounding construction.
- We opened Formal Case No. 1119 to review the request by Exelon Corporation for approval to purchase Pepco. We held four community hearings to take comments from the public. In March and April 2015 we held evidentiary hearings in this matter. We expect to issue a decision no later than September 2015.

Finally, I want to share some very good news related to our core mission of conserving natural resources and preserving the environment. In 2012, the

Commission received only 257 solar facility RPS applications, but in 2013, applications increased to 391 and the 2014 number is even higher at 473. As of February 1, the solar energy facilities eligible for the District's RPS program include 1,324 solar PV and 88 solar thermal systems in the District. In addition, 2,263 solar energy facilities outside of the District 5 are eligible. The total reported capacity associated with all of these solar facilities as of February 1, 2015 is about 34.2 MW, of which roughly 14.1 MW is located within the District. This represents an increase of 3.8 MW in the District between February 1, 2014, when the District total was 10.3 MW, and February 1, 2015. Overall, there has been a 1 MW increase in solar capacity in one month alone (33.2 MW as of January 1, 2015 and 34.2 MW as of February 1, 2015). We are pleased to report that there are RPS-certified solar systems in every ward of the city.



We are also moving forward to implement the Community Renewable Energy Act (CREA), another one of the Council's efforts to conserve natural resources and preserve the environment. We recently issued final rules implementing the CREA's establishment of Community Renewable Energy Facilities (CREF), to which District ratepayers who want to support the use of more solar energy may subscribe. We hope to see the establishment of CREFs in the near future.

All of our accomplishments are due to the Commission's engaged staff. Navigating today's changing energy and telecommunications landscape demands a skilled and responsive staff. Change is constant. And so is our ongoing commitment which allows us to constantly adapt and lead the way on behalf of District residents and businesses. We understand the enormous responsibility that accompanies our role as regulators of energy and telecommunications service providers and serving consumers. We strive to improve every community we serve by ensuring that providers in the District offer services in a safe, reliable, quality and sustainable manner. And our employees regularly demonstrate the skill and community commitment through their time and talent to serving District residents.

While change is good and leads to new opportunities, it can also be accompanied with farewells. In 2014, we said farewell to two long-standing leaders in our organization. Dr. Phylcia Fauntleroy Bowman is the longest serving Executive Director of the Commission. At the end of 2014, she

retired, after serving for 30 years. Phylicia's dedication and disciplined approach to Commission work were vital to our productivity and success as an organization. We thank Phylicia for everything she has done to make the Commission a truly remarkable organization. Our challenge now is to build on this legacy of success. Linda Jordan also retired this year, having served with distinction as the Director of the Office of Consumer Services for many years. We will miss the counsel that she provided to the Commissioners and staff and her rock-solid commitment to customer service to District consumers.



Consumer Services Director Linda Jordan and Executive Director Dr. Phylicia Fauntleroy Bowman retired from the PSC in 2014.

Fortunately, in 2014 we welcomed Willie L. Phillips as the newest commissioner. For the first time since December 2011, all three Commission seats are filled. Having a fully staffed Commission has only enhanced our ability to address the many issues facing the utility industries we regulate and the consumers we serve.

This year's annual report is dedicated to the Commission staff. We have always appreciated the fact that our employees are essential to our success. We are committed to our employees by providing an environment where they can do their best work. We strive to ensure they have the tools needed and that their compensation and benefits are fair. We have the right leaders and capable employees needed to deliver meet the needs of District consumers.

Betty Ann Kane
Chairman



Betty Ann Kane
Chairman

Betty Ann Kane began her tenure as a commissioner in March 2007. She became Chairman effective March 3, 2009. In 2014, she was confirmed for a third term to end on June 30, 2018.

Betty Ann Kane is an experienced public official combining over 30 years of service to the District of Columbia Government in elected and appointed positions with extensive private sector experience in regulatory, administrative and public policy matters. Before joining the PSC, Chairman Kane served as a Trustee and as Executive Director of the District of Columbia Retirement Board. She served four years as an At-Large member of the D.C. Board of Education, and was elected to three terms as an At-Large member of the City Council. Her service on the Council included chairing the Public Services and Cable Television Committee, with legislative, budgetary and oversight responsibility for the Public Service Commission, the Office of Peoples Counsel, and the Office of Cable Television.

Chairman Kane is a member of the National Association of Regulatory Utility Commissioners (NARUC) Board of Directors, a member of the NARUC Telecommunications Committee, a NARUC appointee to the Virtual Working Group on Education, Training and Best Practices for The International Confederation of Energy Regulators and Treasurer of the National Regulatory Research Institute (NRRI), the research arm of NARUC. Additionally, she is a past Chairman of the Board of NRRI, and a past President of the Mid-Atlantic Conference of Regulatory Utilities Commissioners (MACRUC). Chairman Kane also serves in two FCC-appointed positions, as Chairman of the North American Numbering Council and as a member of the Joint Conference on Advanced Telecommunication Service.

She is a graduate of Middlebury College in Vermont and she also has a Masters Degree in English from Yale University, as well as specialized academic study in Telecommunications Regulations at the Annenberg School and Investing and Finance at the Wharton School, University of Pennsylvania.



Joanne Doddy Fort
Commissioner

Joanne Doddy Fort was nominated by Mayor Vincent Gray and confirmed as a PSC Commissioner by the D.C. Council effective October 3, 2012 for a term ending June 30, 2016.

Joanne Doddy Fort is an experienced attorney who has practiced law in the District of Columbia for more than three decades and has served as a corporate officer in the private sector. Commissioner Fort has an extensive background in the fields of utility regulation, administrative law and ethics. Before joining the PSC, Commissioner Fort served as Vice President and General Counsel of Urban Service Systems Corporation, a waste management and transportation company. Prior to joining the company, she was a partner in three local law firms where, among other matters, she litigated cases before the PSC — first on behalf of the Staff of the PSC and later on behalf of the Office of the People’s Counsel. The D.C. Court of Appeals appointed Commissioner Fort to the Board on Professional Responsibility, the Commission on Admissions and the Access to Justice Commission. Mayor Barry appointed her to a term on the Real Estate Commission for the District of Columbia.

Commissioner Fort is a member of the National Association of Regulatory Utility Commissioners where she serves on the Committee on Critical Infrastructure, the Committee on Gas and the Subcommittee on Utility Marketplace Access. She is a member of the Mid-Atlantic Conference of Regulatory Commissioners and she represents the PSC on the Board of Directors of the Organization of PJM States, Inc. (OPSI) and was elected to serve as the Secretary of the OPSI Board in 2014.

Raised in the District of Columbia, Commissioner Fort has a Bachelor of Arts Degree in Political Science from Bryn Mawr College and a Juris Doctor degree from the University of Pennsylvania Law School. She has taught and lectured on professional responsibility at Howard University School of Law and the College of Law at American University. Commissioner Fort has served on a variety of nonprofit boards. She currently serves as the Vice Chair of the Board of Trustees of IDEA Public Charter School. She is a member of the District of Columbia Bar.



Willie L. Phillips
Commissioner

Willie L. Phillips was nominated by Mayor Vincent Gray and confirmed as a PSC Commissioner by the D.C. Council effective July 14, 2014, for a term ending June 30, 2018.

Commissioner Phillips is an experienced regulatory attorney combining over a decade of legal expertise in private practice and as in-house counsel. Commissioner Phillips has an extensive background in the areas of public utility regulation, bulk power system reliability, and corporate governance.

Prior to coming to the PSC, Commissioner Phillips served as Assistant General Counsel for the North American Electric Reliability Corporation (NERC), a not-for-profit international regulatory authority, in Washington, D.C. Before joining NERC, Phillips was an attorney at Van Ness Feldman LLP in Washington, D.C., and Balch & Bingham LLP in Birmingham, Ala., where he advised clients on regulatory compliance and policy matters and assisted on litigation and administrative proceedings on the Federal and State level. He has also worked as an aide on Capitol Hill.

Commissioner Phillips is a member of the National Association of Regulatory Utility Commissioners where he serves on the Committee on Electricity. He is also a member of the Mid-Atlantic Conference of Regulatory Utility Commissioners, Energy Bar Association, and American Association of Blacks in Energy.

Commissioner Phillips has a Bachelor of Science degree from the University of Montevallo and a Juris Doctor degree from Howard University School of Law. He is also a member of the District of Columbia Bar and Alabama State Bar Association.

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

PSC OVERVIEW

PSC Mission

The Public Service Commission of the District of Columbia (PSC) was originally established by Congress in 1913 and was reaffirmed by Congress as an independent agency of the District of Columbia Government in the District of Columbia Home Rule Charter in 1973. The PSC functions as an independent, quasi-judicial agency in the District of Columbia Government.

The mission of the PSC 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.

The PSC carries out its mission by focusing on the following goals:

- 1.** Motivating customer- and results-oriented employees;
- 2.** Protecting consumers and public safety by ensuring safe, reliable, and quality utility services;
- 3.** Regulating monopoly utility services to ensure their rates are just and reasonable;
- 4.** Fostering fair and open competition among utility service providers;
- 5.** Conserving natural resources and preserving environmental quality;
- 6.** Resolving disputes among consumers and utility service providers;
- 7.** Educating utility consumers and informing the public; and
- 8.** Supporting the economy of the District of Columbia.

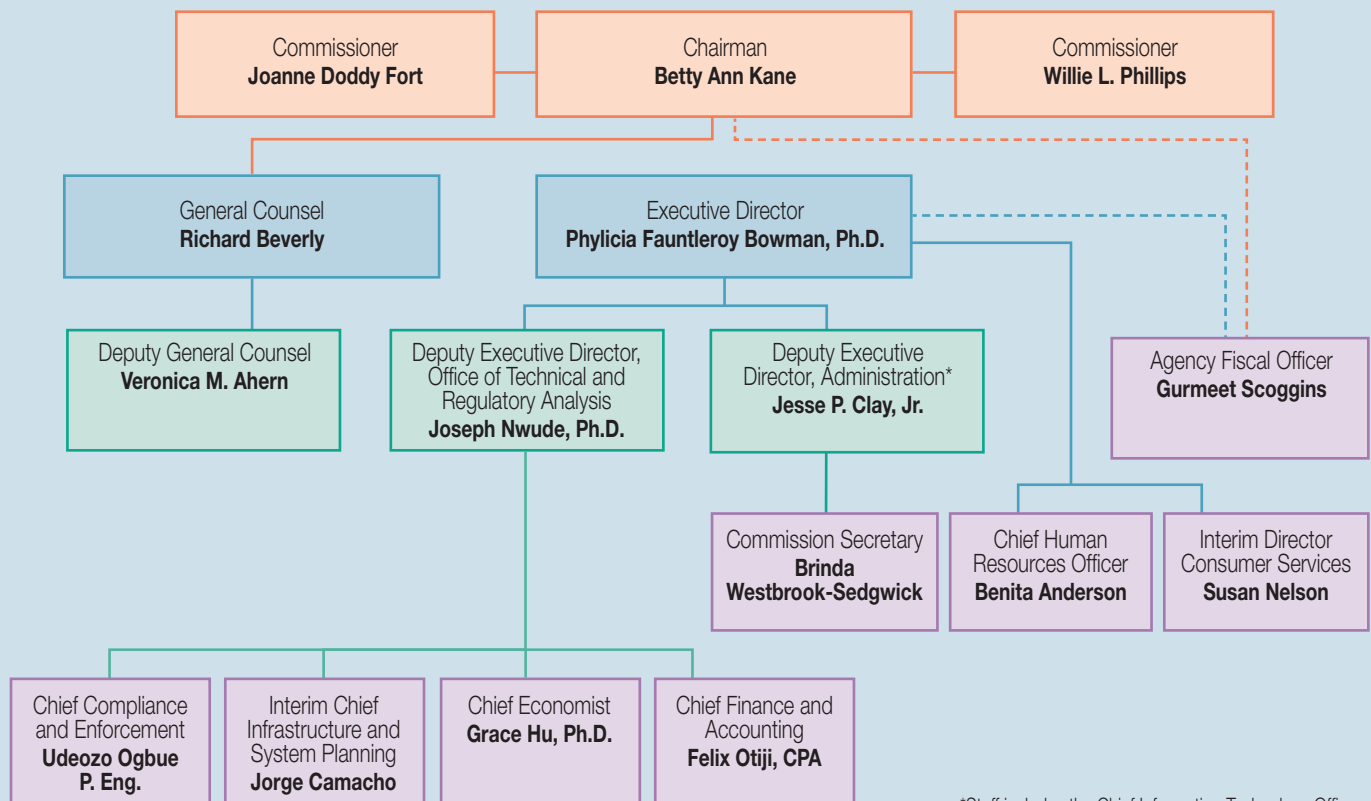
PSC Staff

The PSC is under the leadership of the PSC Chairman and Commissioners who are appointed to four-year terms by the Mayor, with the advice and consent of the D.C. Council. During 2014, Chairman Betty Ann Kane and Commissioner Joanne Duddy Fort served as Commissioners and were later joined by Commissioner Willie L. Phillips in August, 2014.

The PSC ended 2014 with 75 employees, including the PSC Chairman and two Commissioners. The PSC has a diverse workforce with a range of subject matter expertise in utility regulation, policy, and administration. Our employees include attorneys, economists, engineers, accountants, researchers, consumer specialists, and administrative personnel with experience working with the D.C. Council, District agencies, federal agencies, utilities, and District residents.



PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA FY 2014 ORGANIZATIONAL CHART WITH OFFICE DIRECTORS



*Staff includes the Chief Information Technology Officer

PSC Offices

The PSC has nine offices to help accomplish the organizational mission.

1. The Offices of the Chairman and the Commissioners

The Offices of the Chairman and Commissioners consist of the Commissioners and their administrative and policy advisors. Through their Offices, the Commissioners review and make decisions on matters before the Commission and on issues of public policy pertaining to utility regulation and the mission of the Commission. The Commissioners provide testimony before the D.C. Council and represent the Commission on a local, regional and national level on various boards, committees, and task forces. These include, among others, participation in the Sustainable Energy Utility (SEU) Advisory Board, the Eastern Interconnection States' Planning Council (EISPC), the Organization of PJM States (OPSI), the Mid-Atlantic Conference of Regulatory Utility Commissioners (MACRUC), the Multi-State Task Force on Cybersecurity, and various committees of the National Association of Regulatory Utility Commissioners (NARUC).



Office of the Chairman Betty Ann Kane (L to R) Technical Advisor Daniel Cleverdon, Chairman Betty Ann Kane and Management Analyst Cary Hinton; Not Pictured Executive Assistant Wendy Newkirk



Office of Commissioner Joanne Dodd Fort (L to R): Policy Advisor Brian Edmonds, Commissioner Joanne Dodd Fort and Executive Assistant Mable Spears



Office of Commissioner Willie L. Phillips (L to R): Executive Assistant LaWanda Hale, Commissioner Willie L. Phillips and Policy Advisor Felicia West

2. The Office of the General Counsel (OGC)

OGC advises the Commissioners on all matters and proceedings related to the PSC's enabling statute. OGC is responsible for all legal issues involving the day-to-day operations of the PSC, as well as a broad spectrum of issues that relate to the Commissioners' regulatory responsibilities. The staff attorneys prepare orders and legal advisory memoranda, and assist the commissioners in conducting all proceedings. Staff counsel also serve as hearing officers in formal consumer and pay telephone complaint hearings. OGC monitors proceedings at the Federal Energy Regulatory Commission (FERC) and the Federal Communications Commission (FCC) and makes filings at those agencies, when appropriate. OGC also tracks legislation at the D.C. Council and prepares comments on draft legislation that may impact the PSC and its jurisdictional authority.



OGC (L to R): First Row- Paralegal Specialist Randal Smith, Attorney Advisor Craig Berry, Deputy General Counsel Veronica Ahern, General Counsel Richard Beverly, Attorney Advisor Richard Herskovitz, Attorney Advisor Christopher Lipscombe and Attorney Advisor Naza Shelley Second Row- Regulatory Affairs Specialist Tiffany Frazier, Attorney Advisor Sanford Speight, Attorney Advisor Ken Hughes, Attorney Advisor James Brown, Attorney Advisor Kim Lincoln-Stewart and Attorney Advisor Noel Antonio

3. The Office of the Executive Director (OED)

OED is comprised of the Executive Director (ED) and her Executive Assistant, who is bilingual in English and Spanish. The ED plans, directs, coordinates, and manages the internal affairs of the PSC on a day-to-day basis under the broad direction of



OED (L to R): Deputy General Counsel Veronica Ahern, Executive Director Dr. Phyllicia Fauntleroy Bowman, Executive Assistant Aminta Daves

the Chairman. The ED oversees the technical and administrative offices of the PSC and serves as the performance officer for the PSC. The ED is also responsible for all strategic planning initiatives and the management of the program-side of the agency's budget and financial responsibilities.

4. The Office of Technical and Regulatory Analysis (OTRA)

OTRA advises the Commissioners on accounting, economics, engineering, financial, compliance, enforcement, and infrastructure and system planning issues in formal cases that are before the PSC. In addition, OTRA staff monitors electric, natural gas, and local telecommunications markets at the retail and wholesale levels. This includes keeping abreast of energy activities at the Federal Energy Regulatory Commission (FERC) and PJM Interconnection (the Regional Transmission Organization) and telecommunications activities at the Federal Communications Commission (FCC). OTRA also tracks and analyzes energy and telecommunications prices and activities at the local, regional, and federal levels. The Office also conducts compliance reviews, audits, inspections, annual surveys to gauge the status of local competition in the District; helps manage formal cases and investigations, and enforces compliance of service providers. The Office of Compliance and Enforcement (OCE) monitors and enforces compliance of service providers, conducts inspections, and registers applications to install new pay telephones, and inspects pay telephones. The Office of Infrastructure and Systems Planning (OISP) provides professional engineering design, planning, construction,



OTRA (L to R): First Row- Interim Chief Infrastructure and System Planning Jorge Camacho, Chief Economist Grace Hu, Deputy Executive Director of Regulatory Matters Joseph Nwude, Chief of the Office of Compliance and Enforcement Udeozo Ogbue and Chief of Finance and Accounting Felix Otiji Second Row- Senior Electricity Economist Roger Fujihara, Program Support Specialist Anjanette Parker, Economist Jonathan Morse, Pipeline Safety Engineer Manmohan Singh, Compliance Inspector Damon Patterson and Senior Accountant Jason Benati Third Row (standing)- Pipeline Safety Engineer Amrik Singh Kaisth, Telecommunications Economist Edward Ongweso, Financial Analyst Timour Skrynnikov, One Call Inspector James Modozie, General Engineer Mayauda Bowens and Compliance and Enforcement Officer Donald Jackson

replacement and operation and maintenance advice to the Commissioners on all infrastructures and systems utilized by the electric, natural gas and local telephone companies. OTRA is currently coordinating the Commission's oversight of Pepco's D.C. Power Line Undergrounding initiative (DC PLUG) and WGL's Accelerated Pipeline Replacement Program (APRP). Finally, OTRA staff administers the federally funded Natural Gas Pipeline Safety Program, the District's One Call program, and educates Commissioners, staff, and the public, directly and through the website and outreach activities, on current and emerging issues.

5. The Office of Human Resources (OHR)

OHR provides human resources services to the PSC so that it can attract, develop, retain, and motivate a qualified and diverse workforce. OHR facilitates employee training and development to increase productivity, enhance workforce skills, and improve morale and performance.



OHR (L to R): Human Resources Assistant Natalie Taylor, Chief Human Resources Officer Benita Anderson and Human Resources Specialist Sophia Pryce

6. The Office of Consumer Services (OCS)

OCS serves as the consumer relations arm of the PSC. OCS's consumer specialists are responsible for mediating consumer complaints regarding utility service providers and responding to inquiries. OCS and its consumer specialists also implement and manage the PSC's community outreach program to help consumers make informed choices about retail electric and natural gas suppliers and raise awareness about the Utility Discount Program for low-income, District residents. Each year, OCS has an annual goal of participating in 100 outreach events. OCS also keeps the Commissioners and staff informed of local and national consumer-related trends, and provides the PSC with information on how well local providers serve their customers.



OCS (L to R): First Row- Supervisory Consumer Specialist Pat Walker, Retail Choice Specialist Maurice Smith, Media Relations Specialist Kellie Armstead Didigu Second Row (standing)- Consumer Specialist Karen Nurse, Staff Assistant Aaron Aylor, Interim Director Susan Nelson, Consumer Specialist Margaret Moskowitz, Consumer Specialist Kenneth Ford

7. The Office of the Deputy Executive Director for Administrative Matters (ODEDAM)

ODEDAM is responsible for overseeing a variety of management and administrative areas, including information technology, contracts and procurement functions, facility management, vehicle administration, telephone administration, and other PSC administrative programs and projects. The Director of the Office of the Commission Secretary also reports to the Deputy Executive Director for Administrative Matters. As an independent agency, the PSC has its own procurement and contracting authority and, hence, rules and regulations. ODEDAM is responsible for purchasing goods and services for the PSC. ODEDAM develops the purchasing /contracting methods that will ensure the best value, competition, and price, while meeting the PSC's requirements.



ODEDAM (L to R): Chief Information Technology Officer Paul Martinez, IT Specialist Bruce Cho, Deputy Executive Director for Administrative Matters Dr. Jesse Clay, Jr., Administrative Support Specialist Darnice Wright and Contract Specialist Ceasar Augustus

8. The Office of the Commission Secretary (OCMS)

OCMS maintains the official files and records of the PSC, ensures their safety and integrity and provides appropriate access to records and files. OCMS also manages the e-Docket, the PSC's electronic filing system. In addition, OCMS schedules, staffs and coordinates the evidentiary, community, and public interest hearings and open meetings. OCMS provides coverage for the PSC's reception area and PSC offices, support for telephone calls placed to the PSC's primary telephone numbers and face-to-face service to PSC visitors. OCMS staff serve as the primary web administrator; determine, develop and update the Commission's website content and mobile application in addition to identifying



OCMS (L to R): Public Information Assistant Hazel Doe, Records Management Specialist Marvin Briggs, Regulatory Docket Specialist Mavis Oudkerk, Program Analyst Patrice Hunter, Commission Secretary Brinda Westbrook, Regulatory Docket Manager Carmen Davis and Regulatory Docket Specialist Matthew Mercogliano; Not pictured: Regulatory Docket Specialist Alphonzo Harris and Staff Assistant Stacey Durham

data and content trends and problems. OCMS staff also serve as the key operator for copier and audio-visual equipment, schedule courier services, manage and deliver all Commission mail and hire transcription service providers. The Director of OCMS the Office of the Commission Secretary reports to the Deputy Executive Director for Administrative Matters.

9. The Office of the Agency Fiscal Officer (OAFO)

The OAFO is responsible for the execution of the PSC's annual operating budget and the tracking of expenditures in conformance with the budget. AFO staff are employed by the Office of the Chief Financial Officer (OCFO), under the direction of the D.C. Chief Financial Officer. They are assigned to the Commission by the OCFO, but are paid out of the PSC budget. The PSC's AFO is tasked with the responsibility of ensuring that the PSC's budgeting and financial operations are managed in compliance with OCFO guidelines. The OAFO manages all fund receipts and

disbursements for each revenue type and for the PSC's formal cases. OAFO additionally is responsible for accounting operations for the PSC and the financial reporting of all funds to the PSC's Chairman, Executive Director, and the Associate CFO of the Economic Development and Regulation Cluster of the OCFO. The AFO also supports the PSC Chairman during budget hearings before the D.C. Council's Committee on Business, Consumer and Regulatory Affairs.



OAFO (L to R): Budget Analyst Vanetta Wells and Agency Fiscal Officer Gurmeet Scoggins

2014 MAJOR REGULATORY & ORGANIZATIONAL ACCOMPLISHMENTS

The mission of the PSC 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. In supervising and regulating public utilities and third-party suppliers, the PSC considers the public safety, the economy of the District, the conservation of natural resources and the preservation of environmental quality. The following major regulatory and organizational accomplishments highlight our commitment to achieving our mission.



DC One Fund—In 2014, the PSC was recognized as a small agency (100 employees and under) for donating \$20,778.50 to the DC One Fund.

REGULATORY ACCOMPLISHMENTS

MATTERS INVOLVING ELECTRICITY



- **Renewables**—Certified 373 out of the 473 Renewable Portfolio Standard (RPS) applicants received in 2014, and decertified no renewable energy facilities; Monitored the District's energy suppliers to ensure they were only obtaining Renewable Energy Credits and Solar Renewable Energy Credits from energy facilities that comply with District law; Published Notices of Proposed Rulemaking amending the Commission's Interconnection and Standard Offer Service (SOS) rules to implement the provisions of the Community Renewable Energy Amendment Act of 2013. Amended the Commission's rules to change the date that electricity suppliers' annual RPS compliance reports are due from May 1 to April 1.
- **Formal Case No. 712**—Published a Notice of Proposed Rulemaking, proposing certain amendments to Chapter 3 (Consumer Bill of Rights) of the PSC rules, clarifying various requirements for energy suppliers. The PSC is reviewing all comments and reply comments and will take action in 2015.
- **Formal Case No. 1017**—Monitored the competitive auction for electricity for SOS for District consumers who do not choose their electricity supplier and approved the new rates for SOS service.



Roger Fujihara, *Senior Economist employed with the Commission since 2005*—As case manager for the Renewable Portfolio Standards (RPS) program, Roger Fujihara is responsible for: processing RPS applications, reviewing the Annual RPS Compliance Reports, monitoring the Generation Attribute Tracking System (GATS) as well as fielding questions from solar developers and systems owners. By the end of 2014, approximately 13 MW of solar capacity in the District was approved for the RPS program.



- **Formal Case No. 1085**—Approved Pepco’s Revised Electricity Supplier Coordination Tariff to implement its Purchase of Receivables program and directed Pepco to provide a status report on its billing system and its ability to include late payment revenues in the Discount Rate. Pepco’s new customer relationship and billing system went into effect January 2015.
- **Formal Case No. 1096**—Inspected electric vehicle charging stations for compliance with the Energy Innovation and Savings Amendment Act of 2013.



Felix Otiji, *Chief of Finance and Accounting* employed with the Commission since 2003 —Felix Otiji reviews all accounting and finance related matters in utility rate cases and other proceedings before the Commission. In rate case, Felix focuses on revenue requirement analysis and manages the evaluation of the various components of revenue requirement, in order to determine whether those components are just and reasonable. Felix also manages a staff of four financial and technical professionals who play pivotal roles in ensuring that the Commission’s Office of Finance and Accounting operates effectively in achieving the Commission’s goals and objectives.

- **Formal Case No. 1103**—Denied the Pepco Application seeking to increase rates for electric distribution service by \$44,816,000; granted a rate increase in the amount of \$23,448,000 based on a rate of return of 7.65% on Pepco’s jurisdictional test year rate base of \$1,333,479,000 and a net operating income of \$88,290,000.
- **Formal Cases No. 1105 and 1107**—Investigated the marketing practices of Competitive Energy Suppliers; Approved the Settlement Agreement between OPC and Starion Energy, which included compensation to customers and \$100,000 donation to the Greater Washington Urban League for energy assistance.
- **Formal Case No. 1116**—Approved the Joint Application of Pepco and the District of Columbia Department of Transportation for the Triennial Underground Infrastructure Improvement Projects Plan, allowing undergrounding of new or existing overhead electrical distribution facilities in the District of Columbia; Authorized the imposition and periodic true up of the Underground Project Charge (UPC) to be imposed on all non- Residential Aid Discount (RAD) customers beginning after January 2015; Determined that the total amount of undergrounding costs to be recovered from the UPC shall not exceed \$42.472 million for the initial Triennial Plan; Directed the Joint Applicants to create the Underground Projects Consumer Education Task Force.



Grace Hu, *Chief Economists* employed with the PSC since 1990—Grace Hu serves as the case manager for electric rate cases for the PSC with a primary focus on rate design. As an economist, she also monitors the PJM and wholesale markets, utility tariffs and consumer participation in the low-income, utility discount programs—WGL’s Residential Essential Services (RES) and Pepco’s Residential Aid Discount (RAD) programs. In 2014, RES had 3,932 participants and RAD had 16,997 participants.



- **Formal Case No. 1119**—Began consideration of the application of Exelon Corporation, Pepco Holdings, Inc. and Pepco for approval of a change of control of Pepco; Granted party status to various public and private entities; Determined that this case is a “non-rate case” for assessment purposes; Identified seven factors that will form the basis of the Commission’s determination of whether the merger is or is not in the public interest. Evidentiary hearings were held in March and April 2015. The record closed on May 27, 2015 following the filing of initial and reply briefs, with the Commission issuing a decision after that date.
- **Formal Case No. 1120**—Began an investigation of the RAD, a low-income assistance program for electricity customers in the District with the goal of designing a discount that will work within the District’s current restructured competitive market; Convened four technical conferences with interested parties, including DDOE, OPC, and Pepco. Decisions are expected in mid-2015.
- **Formal Case No. 1121**—Granted the application of Pepco for a Financing Order under the Electric Company Infrastructure Improvement Financing Act of 2014; Approved the issuance of District of Columbia Bonds and directed the District to issue the Bonds in a single issuance not to exceed \$375 million as soon as reasonably practicable; Authorized the imposition and collection of the non-bypassable DDOT Improvement Charge to be collected from all existing and future electric distribution customers of Pepco, other than members of the Residential Aid Discount customer class; Authorized the adjustment of the DDOT Improvement Charge in amounts sufficient to pay the principal and interest on the Bonds and all other Financing Costs on a timely basis.
- **Formal Case No. 1123**—Began consideration of Pepco construction of a 230 kilovolt (kV)/138 kV/13 kV substation and four (4) 230 kV/138 kV underground transmission circuits in the Southwest quadrant of the District of Columbia to provide relief to the existing Buzzard Point Sub-



Brinda Westbrook, Director of the Office of the Commission Secretary employed with the PSC since 1998 & **Carmen Davis**, Regulatory Docket Manager employed with the PSC since 2012—The Office of the Commission Secretary (OCMS), managed by Brinda Westbrook and Carmen Davis, schedule, staff and coordinate the evidentiary, community, and public interest hearings and open meetings. OCMS also manages the live streaming of the hearings as well as archiving and posting the transcripts and videos of these proceedings. OCMS live streamed 30 open meetings and 21 hearings in CY2014.



Timour Skrynnikov,
Financial Analyst
employed with the
PSC since 2010—As a
member of the Annual
Report Review Team,
Timour is instrumental in
gathering and reviewing
the tables and graphs
in the Annual Report
to ensure that accu-
rate data is published.
Timour also worked on
the broadband mapping
project for three years.

station B and to serve future load growth in the area; Opened an investigation into the reasonableness, safety, and need for the substation and the four underground transmission circuits from the existing Buzzard Point facility to the new substation; Held a Community Hearing to discuss aspects of the proposed construction, demolition of existing structures at the proposed substation site, and other community concerns. The Commission anticipates concluding its investigation in the spring of 2015.

MATTERS INVOLVING GAS

- **Formal Case No. 1127**—Opened a formal case to address renewed management authority over the discount program for low-income natural gas customers in the District; Designated the Residential Essential Service (RES) program as the discount program and determined that RES eligibility would be the same as for RAD and the Low-Income Home Energy Assistance Program (LIHEAP); Ordered that for the 2014–2015 heating season the program would be allowed to use the prior RES structure and utilize the embedded base rate subsidy and Distribution Charge Adjustment to fund up to \$1.2 million and that DDOE would continue to administer the outreach, eligibility determination, and enrollment for the RES program.
- **Formal Case No. 1115**—Granted WGL’s Request for Approval of its Revised Accelerated Pipeline Replacement Plan; Convened a technical conference to allow the parties to discuss WGL’s Revised Plan; Determined that an evidentiary hearing was required to consider WGL’s requested funding mechanism for the Revised Plan; Considered a Motion for Stay and a Motion for Approval of a Settlement Agreement relating to the funding mechanism; Approved the Settlement Agreement in January of 2015.



Margaret Moskowitz,
Consumer Specialist
employed with the
PSC since 2006—As
a consumer specialist,
Margaret Moskowitz
mediates consumer
complaints and
responds to inquiries
concerning energy and
telecommunications
service providers. In
2014, our consumer
specialists handled
over 1,400 consumer
complaints and inquiries
as well as educated
consumers about retail
choice.



MATTERS INVOLVING TELECOMMUNICATIONS

- **Formal Case No. 892**—Issued orders which determined that CLECs did not have to file requests for the approval of intra-corporate transactions, such as corporate reorganizations. These decisions have reduced unnecessary CLEC filings and streamlined administrative processes.

- **Formal Case No. 1090**—Investigated the quality of Verizon DC’s copper telecommunications infrastructure; Reaffirmed findings made in December 2013 that a remedial plan was necessary to improve Verizon DC’s performance in repairing service-affecting problems on residential copper lines and problems that recurred within 30 days on all copper lines; Approved Verizon DC’s proposed remedial plan and directed Verizon DC to file quarterly reports on its performance. The Commission will continue its oversight of Verizon’s quality of service in 2015.
- **Formal Case No. 1102**—Investigated the transition of Verizon DC’s continued use of its copper infrastructure for the provision of telecommunications services in the District of Columbia and whether, and under what circumstances, the Company plans to transition customers from the telecommunications services provided over copper facilities to telecommunications services provided over fiber facilities. Evidentiary hearings were held in January 2015 and a decision is expected in the Second Quarter of 2015.



Dr. Jesse P. Clay, Jr., *Deputy Executive Director of Administration employed with the Commission since 1986*—Jesse Clay is responsible for overseeing a variety of management and administrative areas, including information technology, contracts and procurement functions, facility management, vehicle administration, telephone administration, and other PSC administrative programs and projects. In 2014, Jesse assisted the Chairman in efforts to find a new office location for the Commission.



MATTERS INVOLVING MULTI-UTILITIES

- **Formal Case No. 1078**—Ordered revisions to utility bills to assure that bills are competitively neutral, yet provide consumers with easy-to-understand information; Required that bills show those charges that were set by the PSC so consumers can better understand that the majority of the charges on their bills are not regulated by the PSC; Directed WGL and Pepco to show the actual dollar savings to WGL Residential Essential Service customers in the case of WGL, and Pepco’s Residential Aid Discount.
- **Formal Case No. 1125**—Addressed the promotion of the four Utility Discount Programs (UDP) in the District of Columbia: Customer Assistance Program for water customers; Lifeline for telephone customers; Residential Aid Discount for electric customers; and Residential Essential Service for gas customers; Established the Utility Discount Program Education Working Group, comprising WGL, Pepco, Verizon DC, DC Water, DDOE, OPC, and the Commission to oversee a year-long Consumer Education Program, a multimedia program that targets low-income utility consumers in the District of Columbia to inform them of the four

UDPs available; Introduced two new methods of outreach in addition to print, radio, television, and transport advertisements: a pilot program for pre-movie cinema advertisements in August and September 2014; and an Outreach Day in September 2014 to inform community organizations and individual consumers about the UDP.

ORGANIZATIONAL ACCOMPLISHMENTS

In CY 2014, the Commission issued **228** formal case orders and **412** total orders, opened **16** new formal cases, closed **9** formal cases, held **1** evidentiary hearing, held **2** informal legislative style hearings, held **12** community hearings, conducted **320** natural gas pipeline safety inspections, **1,102** One Call inspections and **181** pay telephone inspections. We certified **385** renewable energy generating facilities under the Renewable Portfolio Standards Program, responded to **1,366** consumer complaints and inquiries, participated in **107** outreaches, **91** electric and **38** natural gas refereed meter inspections and managed the licensing and oversight of about **83** competitive suppliers of energy and telecommunications services.

THE HIGHLIGHTS OF THE YEAR INCLUDE

New Office

- **Office of Infrastructure and System Planning (OISP)**

In 2014, the Commission began staffing a new Office of Infrastructure and System Planning, located in the Office of Technical and Regulatory Affairs. The overall mission of the office is to provide Commissioners with advice concerning the planning, design, construction, operation, maintenance and replacement of all infrastructure and systems utilized by the electric, natural gas and telecommunications utilities serving the District of Columbia. Several major projects involving infrastructure and systems planning have been the focus of Commission activity in 2014: FC 1115, the Accelerated Pipeline Replacement Program; FC 1116, the undergrounding of overhead electric lines, FC 1102, the transition in telecommunications technology and, FC 1123 the construction of a new electrical substation.



Lara Walt, *Attorney Advisor* employed with the Commission since 1999—Lara Walt serves as the case manager for telecommunications matters and the low-income, utility discount programs. Lara chairs the Utility Discount Program Education Working Group. In 2014, Verizon's low-income Economy II service program (also known as Lifeline) had 933 participants.

- **Relocation of Commission Office**

The Commission signed a new office lease in 2014. The new office space will bring together all of the 11 offices of the Commission onto one floor. The new space will also have a larger hearing room in order to better accommodate the public during hearings. The hearing room will also offer several ante rooms to provide space for parties to confer in private. The Commission will relocate to its new office space in 2015.

Internal Working Groups

- **Marketing Practices Internal Review**

Team—The Commission established the Marketing Practices Internal Review Team (IRT or Team) in July 2013, in response to concerns about marketing and other practices of retail electricity suppliers. The Team consists of representatives from the Office of Technical and Regulatory Analysis, the Office of the General Counsel, the Office of Compliance and Enforcement, and the Office of Consumer Services. In 2014, on the recommendation of the Team, the Commission proposed changes to its rules regarding licensing of retail electricity suppliers, and the Consumer Bill of Rights. The team has overseen the investigation into the activities of Starion Energy and the implementation of the resulting settlement. In addition, the IRT has spurred improvements to the Commission’s Complaint Process. The Office of Consumer Services, at the direction of the Team, has instituted an “Early Warning System,” designed to alert the Commission to any surge in complaints against a particular provider, or in complaints about a particular practice. The work of the Team will continue in 2015.

- **Restructured Docketing System:** In 2014, the Commission implemented a revised docketing system. The new system has continued the long-standing tradition, since the 1960s, of having items docketed under a numerical formal case or under a case file with an acronym. Under the new system, the



Gurmeet Scoggins, Agency Fiscal Officer employed with the Commission since 2011 and **Vanetta Wells**, Budget Analyst employed with the Commission since 1989—Gurmeet Scoggins and Vanetta Wells tasked with the responsibility of budgeting and managing the financial and accounting operations and reporting. Gurmeet and Vanetta also manage all fund receipts and disbursements for the PSC’s formal cases.



Sophia Pryce, Human Resources Specialist employed with the Commission since 2006—Sophia Pryce is responsible for posting employment openings as well as writing job descriptions and participating in the interview process. She also is the leave and FMLA coordinator.

Commission has closed many of the current formal cases in which final decisional orders were already issued. These cases have remained open in the past because the Commission ordered subsequent monitoring, compliance, and enforcement filings. Under the new system, all monitoring, compliance and enforcement filings and orders were issued under a case docket with an acronym rather than in a numerical formal case. Moreover, the existing monitoring, compliance, and enforcement filings were converted to acronyms to make it easier to identify the filing party and the subject matter.

- **Cyber Security Task Force:** In 2013, the Chair established an internal Task Force on Cyber Security to develop a work plan in response to growing concerns about new cyber security threats to utilities across the nation and their potential impacts on the regulated companies in the District and on Commission operations. The Task Force has implemented and updated this work plan in 2014. Internally, the Task Force has reviewed the Commission's information management practices, including the use and protection of sensitive materials. This includes the handling of critical infrastructure information (CII) as new challenges arise under the District of Columbia's Freedom of Information Act and the Commission's rules. The Commission proposed language for a critical infrastructure exemption under the District's Freedom of Information Act to the District Council's Committee on Government Operations. That exemption has since been enacted. In addition, the Commission Secretary has implemented new procedures for managing CII Documents. The Task Force has been educating staff on issues related to critical infrastructure and all hazards policies by sharing information gained through participation in the National Association of Regulatory Utility Commissioners' (NARUC) Committee on Critical Infrastructure. The Task Force remains active and prepares new recommendations as new challenges arise.



Aaron Aylor, Staff Assistant employed with the PSC since 2006—Throughout the year, Aaron Aylor assists in scheduling and tracking outreach events, and preparing and distributing outreach bags and brochures at outreach events. In 2014, 10,000 bags were distributed to the public. Each year, the PSC sets a goal to participate in 100 outreach events which was exceeded in 2014 with 107 outreach events.



Manmohan Singh, Natural Gas Pipeline Safety Engineer employed with the Commission since 2001—Manmohan Singh performs on-site inspections of construction sites, operational records and pipeline facilities through the Natural Gas Pipeline Safety Program. In 2014, Mr. Singh conducted 320 natural gas inspections.

GOVERNMENTAL AND INDUSTRY ORGANIZATIONS



- **D.C. Office of the Chief Technology Officer (OCTO) Broadband Mapping Program:** Although the PSC does not regulate broadband Internet access service, the Commission conducts semi-annual surveys of all existing and new broadband service providers (even those that are not regulated by the Commission such as satellite telecommunications companies) pursuant to a Memorandum of Understanding with OCTO as part of the National Telecommunications and Information Administration's (NTIA) State Broadband Initiative. Based on the PSC's Fall 2014 survey, the final survey for the NTIA's five year national broadband service mapping project, the DC household wireline broadband Internet access service penetration rate is 76% compared to the 72% national broadband service penetration rate. In 2014, at least 38 companies provided broadband Internet services in the District. The District's Broadband Internet access service map can be found at <http://broadband.dcgis.dc.gov/DCmap.html>.



DISTRICT OF COLUMBIA SUSTAINABLE ENERGY UTILITY

- **D.C. Sustainable Energy Utility (SEU):** Chairman Kane serves as an advisory board member for the District of Columbia Sustainable Energy Utility (DCSEU). The DCSEU helps DC residents and businesses use less energy and save money. Since 2011, the DCSEU has delivered financial incentives, technical assistance, and information to tens of thousands of District residents and businesses, helping them to save millions of dollars on their energy costs. The work of the SEU is funded in part through a surcharge that appears on the utility bills of District ratepayers.



Hazel Doe, *Public Information Assistant* employed with the PSC since 2004—Hazel Doe is the face and the voice of the PSC to many people who either visit or call the PSC office. Hazel has greeted thousands of visitors from international delegations to attendees of PSC hearings.

Mid-Atlantic Distributed Resources Initiative Working Group

- **Mid-Atlantic Distributed Resources Initiative (MADRI):** The Commission continues to participate in meetings, along with representatives from the public utility commissions of Maryland, Delaware, New Jersey and Pennsylvania, the U.S. Department of Energy (DOE), the U.S. Environmental Protection Agency (EPA), the Federal Energy Regulatory Commission (FERC) and PJM Interconnection, to identify and remedy retail barriers to the deployment of distributed generation, demand response and energy efficiency in the Mid-Atlantic region. Discussions have focused primarily on issues related to the deployment of distributed generation, with a focus on the deployment of solar.
- **Organization of PJM States, Inc. (OPSI):** The Commission participates in OPSI, an inter-governmental organization of utility regulatory agencies from the 14 jurisdictions that are in the service area of PJM Interconnection, LLC, the Regional Transmission Organization (RTO) approved by the Federal Energy Regulatory Commission (FERC). PJM operates the high-voltage electric transmission grid and wholesale electricity market for the service area. OPSI's activities include, but are not limited to, coordinating data/issues analyses and policy formulation related to PJM, its operations, its Independent Market Monitor, and related FERC matters.



- **National Association of Regulatory Utility Commissioners (NARUC):** The Commissioners and the Commission staff participate in educational and policy forums and committees sponsored by NARUC on a variety of subjects including electricity, natural gas, telecommunications, critical infrastructure, utility market place access, energy resources and the environment, and education and research. In 2014 Commission staff

participated in workshops with the Ethiopian Energy Authority (EEA), and drafted a Memorandum of Understanding between the EEA and the Ethiopian Energy Utility to coordinate customers' outreach programs on renewable energy. Commission staff also participated in the NARUC Staff Privacy and Data Access Working Group. Commissioner Fort participated in a NARUC-AID event in Tanzania in the fall of 2014.



- **Mid-Atlantic Conference of Regulatory Utilities Commissioners (MACRUC):** The Commissioners and Commission staff participate in MACRUC, a regional organization of eleven state public utility commissions organized to address public utility regulatory, legislative and policy public issues through an Annual Education Conference and other educational forums and meetings. In December 2014, Commission staff attended the MACRUC Staff Summit. Staff made a presentation on the current state of the Lifeline program in the District of Columbia, and participated in discussions on a wide range of issues including retail regulation of copper, local competition in the field of telecommunications. Net Metering, demand response and various other proceedings.

The Eastern Interconnection States Planning Council

- **Eastern Interconnection States Planning Council (EISPC):** The Eastern Interconnection States' Planning Council (EISPC) is an historic endeavor initially funded by an award from the United States Department of Energy (DOE) pursuant to a provision of the American Recovery and Reinvestment Act (ARRA). The goal is to create an unprecedented collaboration among the states in the Eastern Interconnection. It is comprised of over 40 public utility commissions, Governors' offices, energy offices, and other key government representatives. The council has focused on Eastern Interconnection Transmission planning issues and multi-state issues such as environmental compliance and reliability. Chairman Betty Ann Kane served on the EISPC Executive Board in 2014.

EMPLOYEES WITH 20 OR MORE YEARS OF SERVICE TO THE PUBLIC SERVICE COMMISSION



Dr. Phylicia Fauntleroy Bowman
Executive Director



Dr. Jesse P. Clay, Jr.
*Deputy Executive Director for
Administrative Matters*



LaWanda Hale
Executive Assistant



Dr. Grace Hu
Chief Economist



Karen Nurse
Consumer Specialist



Dr. Joseph Nwude
*Deputy Executive Director,
Director of the Office of Technical
and Regulatory Analysis*



Mavis Oudkerk
Regulatory Docket Specialist



Mable T. Spears
Executive Assistant



Sanford Speight
Attorney Advisor



Patricia Walker
Supervisory Consumer Specialist



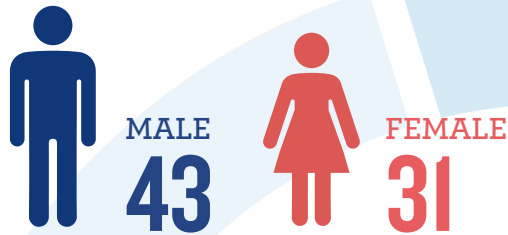
Vanetta Wells
Budget Analyst



Rodney Wilson
Auditor

COMMISSION EMPLOYEE STATISTICS

GENDER



PLACE OF RESIDENCE



AGE



YEARS OF SERVICE PSC



YEARS OF SERVICE DC



DIVERSE AND SKILLED WORKFORCE

7	Doctorates
32	Bachelors
15	Masters
16	Juris Doctorates
1	Associate

LANGUAGES

6	Spanish
2	Chinese
2	German
4	Igbo
2	Hindu
1	Russian
1	Swahili



THE LIFE AND TIMES OF DR. PHYLICIA FAUNTLEROY BOWMAN



Dr. Phylicia Fauntleroy Bowman gives a presentation at the PSC's Centennial Anniversary symposium. (March 2013)

In 1947, John (Jack) and Phyllis Fauntleroy were expecting their first child. On October 17th, the Fauntleroy's became a family of three when their daughter Phylicia Ann arrived with sparkling eyes to greet the world.

A gift to her parents, she was their light. Phylicia was born in Passaic, New Jersey, but was reared in the Nation's Capital where she was educated in the D.C. Public School System. She participated in the normal childhood activities, but when

she was in the second grade she integrated the West Elementary School, where she made some friendships that she still maintains to this day.

A voracious reader, she was a gifted student, who excelled in academics during her formative years. She took music lessons at the Washington Conservatory of Music and School of Expression, a school that was founded by a cousin in 1903. She also was a local winner in the National Piano Playing Auditions. When she entered Roosevelt High School, she continued on her path of excellence, ultimately becoming first a member of the Junior Honor Society, and then the National Honor Society. She also participated in a wide variety of extracurricular activities, including volleyball and basketball along with being a member of the Latin Club, the Chemistry Club, the Booster Club, the German Club, the Rough Riders Yearbook staff and the Student Council.

Ever the communicator, Phylicia experienced her first public speaking role at age 5 in a "Little Miss Civic Guild" poetry contest. Phylicia came in 2nd. In high school, she was a guest on the NBC television show "Teen Talk." She was also a member of Widening Horizons, a program that introduced students to diverse career opportunities. She was a Bachelor-Benedict Debutante in her senior year.



Phylicia lectures at a Telecommunications Forum in New York sponsored by Columbia University. (1993)

WORLD COLLEGE AFLOAT/WORLD BANK

Like many of her family members before her, Phylicia attended Oberlin College, where she continued on her course of academic excellence. During her junior year at Oberlin, she was able to travel around the world to 12 countries in southern Europe, the 4 corners of Africa (including South Africa during apartheid), and Asia as a student of World Campus Afloat, a global Ambassadors program sponsored by Chapman College. The program introduced undergraduate students to global and comparative studies by focusing on



Phylicia with PSC Economists, Dr. Das Purkayastha and Dr. Robert (Bob) Loube with Bob's two children at a PSC picnic.

structural and social changes that were taking place in the world. She returned to Oberlin and completed her degree in government and international relations a semester ahead of schedule. With aspirations of a career in law while a college student, Phylicia worked during the summers in the Legislation and Opinions Division of the D.C. Corporation Counsel and the experience had a major impact on her career aspirations. While

she made great friends there, she disliked the fact that the attorneys were not free to make recommendations based on their legal analysis. Rather, the position to be taken was usually decided by others, and the attorneys were then told to prepare briefs in concert with those decisions.

Never one to want someone else to think for her, she chose to enroll at the Johns Hopkins School of Advanced International Studies (SAIS). Upon arriving there, she realized that she was the only Black-American student in her class. There were no African faculty in the African Studies program and only one Black employee — the telephone operator — in the school. She remembers saying to herself, “No, no, no, this cannot be Washington, D.C.” She went to the



Phylicia, Ralph McMillan (DCEO) and Dr. Grace Hu visiting an Indian reservation at a NARUC-sponsored conference in New Mexico.



Phylicia helps a consumer sign-up for utility discounts at Joint Utility Discount Day.

administration and argued that they should recruit more minority students and hire Black faculty and employees. She made such a good case that they had her lead a recruitment team to seek candidates from several historically Black colleges and universities that they had refused to consider previously. The school also improved its hiring practices.

While at SAIS, Phylicia worked part-time for the consulting firm TransCentury Corporation, where she went on mission to Ethiopia. From TransCentury, she joined the African American Scholars Council (AASC) as a Program Manager and led a mission to Botswana, Lesotho, Swaziland, and South Africa for the second time. After AASC, Phylicia went to American University (AU) to further her studies in economics. She fell in love with economics there and applied for the Master of Arts program. Instead, she was admitted to the Ph.D. program.

At the end of her first year at AU, Phylicia did a summer internship as a Research Assistant at the World Bank. She was asked to compile sisal price data for determining whether a bank-funded sisal program was warranted given international prices. She recommended against the project, but a Ph.D. economist in the office supported the project. When her bureau chief went to Tanzania to meet with officials there, they suggested an alternative project because they concluded the sisal project was no longer feasible and he handed them Phylicia's report. Having done an excellent job, Phylicia was invited to work part-time at the Bank while continuing her Ph.D. studies.

One meaningful assignment was with a visiting German Professor, Herr Dr. Wilhelm Brandes, and it involved incorporating income distribution weights in the Bank's project cost-benefit analysis methodology. The Professor had Phylicia join him in presenting the results of their research to the World Bank Board. As a result of her high profile exposure, the "Top Brass" approved a request for Phylicia to serve on a horticultural pre-appraisal mission to Afghanistan despite the fact women were viewed as not being able to conduct business in the Muslim country and she was only a Research Assistant. Instead, the rural cooperative leaders met with Phylicia rather than her male colleagues, which positioned her to write a section of the report. She also traveled to several EEC countries to collect data for a special horticultural trade study, which she wrote before returning to school. Thus, before leaving the Bank, Phylicia, as a Research Assistant, got to do everything the participants in the prestigious "Young Professionals" program did.

From the World Bank, Phylicia was hired as an Associate at the economic consulting firm, Robert R. Nathan Associates (RRNA). She worked on both



Phylicia's brother and sister and family of Chairman James Washington at her presentation on the history of diversity in the D.C. Public Utility Industry at the D. C. Historical Society. (November 2014)

international and domestic projects in applied branches of economics, such as public utility economics, anti-trust economics and health economics. She was promoted to the position of Senior Associate wherein she designed evaluations for a number of international projects

and this enabled her to lead missions and once again travel the world, this time to Nepal, Bolivia, Sri Lanka, and nearly a year-long stay in Saipan, an island in the Pacific.

Phylicia left RRNA in 1980 to join the economic consulting firm of Dr. Andrew F. Brimmer, who was the first Black appointed to the Federal Reserve Board. Excited by the prospect of helping to build the firm, Phylicia gained invaluable experience in subjects such as money and banking and international



Phylicia speaks at the Omicron Delta Epsilon Economics Honor Society's Annual Dinner/Lecture. (April 2014)

trade, all the while continuing her work on public utility matters. During this time, Phylicia began to work on her Ph.D. dissertation. Although Dr. Brimmer had a small firm, he continued to pay Phylicia her salary for nearly two years while she completed her dissertation.

CHOOSING HER PATH/PSC

Thereafter, Phylicia was ready for a new challenge. In 1984, she chose to focus on one subject—public utility regulation. She applied for the position of Director of the Office of Economics at the Public Service Commission in response to an ad in the *Washington Post*. Chairperson Patricia Worthy interviewed and selected her. As they worked together,

Phylicia viewed Chairperson Worthy as a role model for how she should conduct herself. Phylicia served as Director of Economics for 7 years when an agency reorganization created the position of Executive Director. She applied for the position. Legend has it that when she applied for the position, her application and attachments totaled approximately five to six inches in height, dwarfing the other applications combined. So that was the beginning of her tenure as Executive Director.

Forever grateful for what Dr. Brimmer had done for her, it was a dream of Phylicia's to pay forward the kindness he had shown to her. She had that opportunity when she hired an intern who was a Ph.D. candidate at Howard University. The intern was then able to use his research information from his time with the Commission for his dissertation.

During her 30-year career at the Commission, Phylicia was the driving force behind the Commissioners — the institutional knowledge base. She had no desire to be in the forefront like the commissioners because Phylicia thought of herself more as a back stage conductor making sure the day-to-day operations of the Commission run smoothly.

Phylcia led several initiatives at the Commission, but one that remained close to her heart occurred in the 1990s. The Commission adopted her alma mater, Roosevelt High School, and she and other staff taught a consumer economics class designed for social studies students. It was especially gratifying for her to witness the students' excitement at learning how to read the stock market page. Years later, Phylcia and her Roosevelt classmates implemented a mentoring program with Roosevelt students for five years.



Phylcia with PSC Commissioners JoAnn Doddy Fort, Betty Ann Kane and Willie L. Phillips. (December 2014)

Phylcia is also proud of her strong support and advocacy of the Mayor's Summer Youth Programs. As Executive Director, she insisted the Commission hire D.C. Public School students each summer because she knew from personal experience what a significant positive impact that could have on their lives, career aspirations, and goals. In addition to their work experiences, the students toured the Pepco and Washington Gas facilities and a Verizon Central Office. They also learned how to understand utility bills and they were encouraged to share with their parents. They were also counseled on interview techniques and resume preparation.

Phylcia is especially pleased with her leadership role and the collaborative nature of two other projects. In 1991, she arranged for three utility companies, OPC, the D.C. Energy Office and the Commission to jointly advertise and enroll low-income consumers in the three Commission-mandated discount programs.

That initiative led to the establishment of Joint Utility Discount Day (JUDD), which continued for the next twenty years, by signing up, at its peak, over 10,000 District residents for utility discounts. Phylcia also spearheaded the **"Take It to the Streets"** campaign by those same entities. They literally took the message of energy conservation to the streets of the District by setting



Phylcia gives a PSC presentation at the D.C. Historical Society conference. (November 2013)

up exhibits at various outdoor locations throughout the city and demonstrated the many easy steps they could take to reduce their energy bills and protect the environment by reducing their energy consumption.

In 2000, under Phylicia's watchful eye, the Commission was one of the first agencies within District Government to launch a website. It was launched with great fanfare. The website contains The Commission's electronic docketing system (eDocket) and consumer-oriented information such as how to choose competitive suppliers, including calculators for comparing providers' offers and figuring out residential customer bills.

While she is proud of everything that she has achieved in her role as Executive Director, her crowning accomplishment was the Commission's Centennial symposium. Everyone contributed, but the most determined contributor was Phylicia. She worked hard and was dedicated to presenting the Commission in the brightest of lights. She added new information as it came in, researched information, held meetings, sent researchers to the four corners of the DMV copying materials, looking for information, and when it was over, it was a masterpiece. But what she was most proud of was how the entire staff pulled together to make it a success. She was like a proud mother watching her child graduate — no doubt this was her ultimate achievement.



Phylicia and Chief of Human Resources Benita Anderson at the Annual PSC Holiday Luncheon. (December 2014)

SURVIVOR

Several years ago, Phylicia attended a graduation where the speaker was then Mayor, Marion Barry. One of the messages he conveyed to the graduating class was if you get in trouble “**don't panic.**” Unbeknown to her, these two words would have great meaning. After discovering a lump in her breast a couple of days after Christmas in 1996, she immediately went to see her doctor. A biopsy revealed Phylicia had breast cancer. After getting her initial diagnosis, those words from Mayor Barry resonated in her mind and they helped her keep from “**losing it**” when she received the news. Being very proactive, she instead approached it like many other things in

her life — research and information. She sought out doctor recommendations and researched everything from treatment courses to drugs. She never hesitated to ask questions to be sure that she understood what was happening to her body. After undergoing chemotherapy, a stem cell transplant, as well as radiation treatment, Phylicia returned to work eight months later. Over the years she has had some other scares, but she has always come out on the other side.

According to Phylicia, her triumph over cancer and her survival is a reflection of the power of GOD and the importance of prayer. She truly believes that **“it takes a village to save a life.”** She can attest to that because of the many “angels” she believes GOD placed in her life to help her get to this point. She personifies a new breed of breast cancer survivors; those who are managing it as a chronic illness rather than a life ending disease. She has a generous spirit and is always willing to share her experience and the knowledge that she gained on her journey to recovery to help others. After almost 17 years as a stage 4 fighter/survivor, Phylicia is thriving and has been able to work full-time and lead a full and normal life.



Phylicia and various PSC staff and industry professional attending the PSC's D.C. Historical Society presentation. (November 2013)



Phylicia attending Chairman Agnes Alexander Yates' weekly Commissioner's meeting with Commissioners and General Counsel.

EXECUTIVE DIRECTOR

Phylicia served eight Public Service Commission Chairpersons. As the Commission's current longest serving employee and the longest serving Executive Director she had the opportunity to shape and mold the agency. She is well known and highly regarded among her peers in other state commissions, having served on the faculty of Michigan State University's "Camp NARUC" and Chair of NRRI's Research Advisory Committee.

Prior to her marriage and diagnosis, Phylicia was a self-proclaimed workaholic. After facing the prospect of death and her own mortality, she takes a little more time to enjoy the little things in life and to stop and smell the roses (as long as they are purple). She does not take anything for granted, as she knows one's circumstances can change very quickly. Phylicia still works hard and although she comes from a long line of high achievers, she is humble with regards to that lineage. While she takes pride in the accomplishments/achievements of her ancestors, she has an unwavering devotion to excellence and hard work, which reflects in the fact that she holds herself responsible for continuing the traditions of the many that came before her.

Cancer and its treatments have not dulled Phylicia's work ethic, spirit, or mind. Kellie Didigu shared this story about Phylicia. At a 2014 Pepco Low Income Residential Aid Discount (RAD) Technical Conference, Phylicia presented an idea on how to restructure the RAD program. Her idea was both



Phylcia, Chairman Betty Ann Kane and industry professionals attending the PSC's D.C. Historical Society presentation. (November 2013)

refreshingly creative and out-of-the-box. More importantly, she was being a change agent — once again, working to make a positive and real impact on behalf of District residents. It was a great example of connecting our daily work to the bigger mission. We can and do make a difference for District residents and businesses in the work we do at the Commission.

Although she appears strong, self-directed and in control, that is not always the case. She

still has her moments of fear and panic. But with her faith in God, she is able to work through it and keep going. In talking with multiple people about a description of Phylcia, some have described her as a hard-nosed taskmaster, hardworking and driven; while others have described her as kind, and giving with a huge heart. As with most people, the many aspects of Phylcia's personality only prove that like all of us — she is the sum total of her life's experiences.

Phylcia also led the efforts in managing and coordinating the Commission's Centennial Celebration. The celebration highlighted the Commission's history and its role in the development of the transportation, securities, electricity, natural gas, and telecommunications services in the District. It also examines the changing role of the Commission, citizen involvement in establishing and engaging the Commission as well as the changing nature of the public utilities and services that the Commission regulates.

Phylcia organized the following Centennial events:

- PSC Centennial Anniversary Symposium at the Kellogg Conference Center at Gallaudet University, March 15, 2013
- PSC's D.C. Historical Society Presentation, "A Crying Need" — 100 Years of Regulating Public Utilities in the District at the D.C. Historical Society/Carnegie Library, November 15-16, 2013

- PSC’s D.C. Historical Society Presentation, “We Stand on the Shoulders of Giants, the Role of Howard University Faculty and Graduates and the Commission in the Integration of the Public Utility Industry in the District of Columbia” at the 41st Annual Conference sponsored by the D.C. Historical Society/Carnegie Library, November 22, 2014
- Dinner Lecture at Howard University, Guest speaker — Dr. Phylicia Fauntleroy Bowman, April 24, 2015

As she continues to work on the Centennial history of the Commission, it will no doubt be a comprehensive book of information because she is still finding new information to be incorporated. She has read all of the Commission’s minutes of meetings since 1913 (totaling about 11,000 pages), read every related book, attended seminars and workshops, and read pages and pages of documents. She has become a walking historian of the Commission. Through her research, Phylicia has found that every time we think we are the first to do something, we look back at history and discover that it has already been done or attempted.

According to Phylicia, looking at her 30 year career at the Commission, she has found it professionally stimulating and rewarding. By working for an independent, quasi-judicial agency, she had the freedom to determine the positions that she has wanted to recommend, rather than having them prescribed



Phylicia hosting a luncheon for the founders of the Multi-Utility Discount Working Group to celebrate the 20th anniversary of Joint Utility Discount Day. (2011)

for her. She found the environment to be intellectually challenging, thanks to well-trained and experienced economists, lawyers and other technical experts in the Commission, utility companies, OPC, and representing other intervenors. She was able to apply all of her economics tools, such as econometric



Phylicia and PSC staff attending the Annual PSC Holiday luncheon.

methods, mathematical programming, and cost-benefit analysis on issues that directly impact the lives of District citizens.

Aside from the fact that everyone knows that she loves purple, Phylicia can be summed up in this snippet provided by Jesse Clay. “Working closely with her for more than 25 years, it was inevitable that

once an assignment was given, that it would be sent back with edits, but also with an enlarged objective, columns to be added with additional information, additional rows to include longer time periods, and always information at the top of the cell, definitely not the bottom of the cell and please always put the headings at the top of each page.”

Retired PSC Chief of Accounting and Finance, Ellen Brown, says Phylicia was the only person she knew who appreciated her detailed editing, which was reflected in the fact Phylicia relied on Ellen and Wendy to edit the Annual Reports.

To sum it up, Phylicia met many people on her journey and each has extended a helping hand to her along the way. She leaves her mark as only she can, and she leaves as a treasure that has no comparison.

After 30 years of devoted service, from all of us who appreciate and respect Phylicia and the work that she has done, we simply say **THANK YOU Dr. Bowman.** Take a bow and enjoy your retirement.

By Wendy Newkirk

2014 FISCAL YEAR BUDGET

The PSC's budget is comprised of two primary revenue types: *Operating Funds (or Special Purpose Revenue)* and *Grant Funds*. As an independent, D.C. government agency, the PSC's operating budget is not funded by taxpayers, but rather by assessments levied on regulated utility companies based on their share of revenue derived in the D.C. marketplace. The PSC's expenditures for Special Purpose Revenue were \$9,237,691 in FY 2012, \$9,690,622 in FY 2013 and \$11,278,021 in FY2014. Grant funds are obtained through the Federal government. Total grant-funded expenditures were \$561,866 in FY 2012, \$441,346 in FY 2013 and \$206,881 in FY 2014. In addition, the agency expended \$12,983 in FY 2012, \$40,000 in FY 2013 and \$17,477 in FY 2014 in intra-District funds. The agency expended \$9,840 in FY 2012, \$18,720 in FY 2013 and \$11,567 in FY 2014 in private donations.

Public Service Commission (DH)
BUDGET vs EXPENDITURE SUMMARY
 FY 2012-2015 (FY 2015 Approved)

(dollars in thousands)

FY 2012-2015 Budget Summary							
Comptroller Source Group	FY 2012 Actual Exp.	FY 2013 Actual Exp.	FY 2014 Budget Revised	FY 2014 Actual Exp.	FY 2014 Budget/ Actual Change	(%) Change Over Budget	FY 2015 Approved Budget
0011-REGULAR PAY—CONT FULL TIME	4,999	4,951	5,790	5,729	61	1%	7,029
0012-REGULAR PAY—OTHER	1,079	1,047	951	903	48	5%	1,088
0013-ADDITIONAL GROSS PAY	48	13	19	19	0	0%	0
0014-FRinge BENEFITS—CURR PERSONNEL	1,150	1,159	1,332	1,278	54	4%	1,524
0015-Overtime	0	4	4	4	0	0%	0
Subtotal Personnel Services (PS):	7,276	7,174	8,096	7,933	163	2%	9,641
0020-SUPPLIES AND MATERIALS	45	53	46	36	10	22%	37
0030-ENERGY, COMM. AND BLDG RENTALS	2	2	2	2	0	0%	2
0031-TELEPHONE, TELEGRAPH, TELEGRAM, ETC	83	88	80	78	2	3%	82
0032-RENTALS—LAND AND STRUCTURES	1,416	1,647	2,363	2,336	27	1%	1,640
0033-JANITORIAL SERVICES	0	0	0	0	0	0%	0
0035-OCCUPANCY FIXED COSTS	8	5	6	0	0	0%	0
0040-OTHER SERVICES AND CHARGES	477	689	737	612	125	17%	719
0041-CONTRACTUAL SERVICES—OTHER	267	268	361	271	90	25%	212
0050-SUBSIDIES AND TRANSFERS	0	0	0	0	0	0%	0
0070-EQUIPMENT & EQUIPMENT RENTAL	248	265	274	246	28	10%	216
Subtotal Non-Personnel Services (NPS):	2,546	3,017	3,869	3,581	288	7%	2,908
Gross Funds	9,822	10,191	11,965	11,514	451	4%	12,549

FTEs							
Appropriated Fund	FY 2012 Actual FTEs	FY 2013 Actual FTEs	FY 2014 Budgeted FTEs	FY 2014 Actual FTEs	FY 2014 Budget/ Actual Change	(%) Change	FY 2015 Approved FTEs
Special Purpose Revenue	62.0	59.9	68.0	66.4	1.6	2%	79.7
Federal Grant Funds	5.5	5.0	4.7	1.6	3.1	66%	3.0
Gross Funds	67.5	64.9	72.7	68.0	4.7	0.7	82.7

LIST OF CURRENT OPEN CASES AND ISSUES



ELECTRIC

1. **FC 766** In the Matter of the Public Service Commission's Fuel Adjustment Clause Audit and Review Program
2. **FC 813** Application of Pepco for an increase in its retail rates for the sale of electric energy. **Formal case closed in 2014**
3. **FC 945** Investigation into the electric service retail market competition based on the implementation of the Retail Electric Competition Act of 1999 and changes in regulatory practices based on the implementation of the Clean and Affordable Energy Act of 2008.
4. **FC 982** Docket requires Pepco and competitive electric suppliers (CES) to file quarterly Electricity Quality of Service Standards Reports (EQSSR).
5. **FC 991** Investigation into Explosions Occurring In or Around the Underground Distribution Systems of Pepco. **Formal case closed in 2014**
6. **FC 1017** Pepco's default Standard Offer Service (SOS) for electricity customers who have not chosen an alternative generation supplier.
7. **FC 1050** Investigation of the implementation of interconnection standards in the District of Columbia.
8. **FC 1053** Application of Pepco for Authority to increase existing retail rates and charges for electrical distribution services. **Formal case closed in 2014**
9. **FC 1056** Pepco's implementation of Advanced Metering Infrastructure (AMI) including the deployment of smart meters and the development and implementation of a customer education program.
10. **FC 1076** Investigative audit concerning (1) the reliability of Pepco's electric distribution system and (2) management audit dealing with reasonableness of intercompany service costs and management practices.
11. **FC 1083** Investigation into the policy matters pertaining to the implementation of the Smart Grid. **Formal case closed in 2014**



12. **FC 1085** Investigation into a launch of a Purchase of Receivables (POR) program in the District of Columbia and the implementation of the POR program.
13. **FC 1086** Investigation into the Pepco's Residential Air Conditioner Direct Load Control Program
14. **FC 1087** Docket requires Pepco to file its annual vegetation management work plan and vegetation management status reports, quarterly call center customer care reports and annual Advanced Metering Infrastructure report.
15. **FC 1095** Implementation of the Buzzard to Ritchie Transmission Upgrade Project (two underground transmission circuits in excess of 69kV) in the District of Columbia.
16. **FC 1096** Investigation into the regulatory treatment of electric vehicles charging stations and related services in the District of Columbia.
17. **FC 1098** Washington Gas Energy Services' petition for an investigation into retail electricity supplier access to smart meter data.
18. **FC 1099** Approval of Pepco's 2012 application for a certificate authorizing it to issue and sell up to \$850,000,000.00 of long-term secured and unsecured debt securities.
19. **FC 1101** OPC's petition for an investigation to establish a mechanism by which Pepco's management compensation will be adjusted for poor electric distribution system reliability performance in the District of Columbia.
20. **FC 1103** Application of Pepco for Authority to increase existing retail rates and charges for electrical distribution services. **Formal case closed in 2014**
21. **FC 1105** Investigation into the business and solicitation practices of Starion Energy in the District of Columbia.
22. **FC 1107** Investigation into electric service competition and consumer protection requirements **Formal case closed in 2014**
23. **FC 1109** Investigation into the Pepco's District of Columbia Dynamic Pricing Program Proposal **Formal case closed in 2014**
24. **FC 1113** Pepco's petition for approval of disconnection service **Formal case closed in 2014**

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25. **FC 1114** Investigation of the policy, economic, legal and technical issues and questions related to establishing a dynamic pricing plan in the District of Columbia.
 26. **FC 1116** In the Matter of Applications for Approval of Triennial Underground Infrastructure Improvement Projects Plans. **New formal case opened in 2014**
 27. **FC 1117** Pepco's formal notice of plans to construct four 138 kV underground transmission circuits between Little Falls Parkway in Maryland and Pepco's Van Ness Substation in Northwest section of the District of Columbia. **New formal case opened in 2014**
 28. **FC 1118** Pepco's Notice of Tenants' Rights and Options and Commission's conditional approval. **New formal case opened in 2014**
 29. **FC 1119** Merger of Exelon Corporation, Pepco Holdings, Inc., Potomac Electric Power Company, Exelon Energy Delivery Company, LLC and New Special Purpose Entity, LLC. **New formal case opened in 2014**
 30. **FC 1120** Commission's investigation into the Residential Aid Discount. **New formal case opened in 2014**
 31. **FC 1121** Pepco's Application for Issuance of a Financing Order to allow the District of Columbia to issue Bonds in a total aggregate par amount of up to \$375 million in order to pay or reimburse DDOT Underground Electric Infrastructure Improvement Costs incurred by the District of Columbia Department of Transportation in undertaking or in support of DDOT Underground Electric Infrastructure Improvement Activities ("D.C. PLUG Initiative"). **New formal case opened in 2014**
 32. **FC 1123** Pepco's formal notice of plans to construct a 230 kV/138 kV/13 kV substation and four 230 kV/138 kV underground transmission circuits on buzzard point in Southwest, D.C. **New formal case opened in 2014**
 33. **FC 1124** Approval of Pepco's 2014 application for a certificate authorizing it to issue and sell up to \$750,000,000.00 of long-term secured or unsecured debt securities. **New formal case opened in 2014**



NATURAL GAS

1. **FC 787** WGL's electronic filing WGL's interruptible billing rates.
2. **FC 874** WGL's natural gas procurement reports.
3. **FC 977** Establishment and monitoring of WGL's quality of service standards.
4. **FC 989** Office of the People's Counsel complaint into the reasonableness of WGL's existing rates. [Formal case closed in 2014](#)
5. **FC 1027** Pipeline replacement and encapsulation program.
6. **FC 1043** Petition of the Office of the People's Counsel requesting an investigation into the impact of rising natural gas prices. [Formal case closed in 2014](#)
7. **FC 1088** WGL's application for authority to issue debt securities and preferred stock.
8. **FC 1089** Development of natural gas pipeline safety rules and regulations.
9. **FC 1093** Investigation into the reasonableness of WGL's base rates.
10. **FC 1106** Investigation of WGL's Interruptible service customer class, the operation of WGL's distribution charge adjustment, how WGL's Class Cost of Service Study accounts for revenues from certain classes of customers, the proper design of interruptible service rates, and related issues.
11. **FC 1110** WGL's application for approval of a weather normalization adjustment.
12. **FC 1115** WGL's request for approval of a revised accelerated pipeline replacement plan. [New formal case opened in 2014](#)
13. **FC 1122** WGL's application for authority to issue debt securities and preferred stock. [New formal case opened in 2014](#)
14. **FC 1127** Commission's establishment of a discount program for low-income natural gas customers in the District of Columbia. [New formal case opened in 2014](#)
15. **FC 1129** Investigation into default gas service provided by WGL through the Purchase Gas Charge in the District of Columbia. [New formal case opened in 2014](#)

16. **FC 1128** Complaint of Integrys Energy Services - Natural Gas, LLC for itself and in its capacity as agent for Pepco Energy Services, Inc., Novec Energy Solutions, Inc., Direct Energy Services, LLC, and Bollinger Energy, LLC's complaint regarding Operational Flow Order Noncompliance Penalties Levied by WGL for the period January through March, 2014. [New formal case opened in 2014](#)



TELECOMMUNICATIONS

1. **FC 892 and TAs (Telecommunications Applications)**
Requests for certification of Competitive Local Exchange Carriers (CLECs).
2. **FC 950** Investigation into the Payment Center Operations of Verizon D.C.
3. **FC 962** Implementation of D.C. and Federal Telecommunications Competition Acts, including establishment of unbundled network element (UNE) rates.
4. **FC 988** D.C. Universal Service Trust Fund (DCUSTF) and Telecommunications Relay Service (TRS) issues.
5. **FC 990** Establishment and monitoring, wholesale and retail telecommunications quality of service standards for the District of Columbia and investigations of service quality in the telecommunications industry.
6. **FC 1057** Verizon's petition for approval of Price Cap Plan 2007 and monitoring Verizon's promotional offerings.
7. **FC 1090** OPC's request for an investigation into the reliability of Verizon's telecommunications infrastructure in the District of Columbia.
8. **FC 1102** Investigation into the Continued Use of Verizon Washington, D.C., Inc.'s Copper Infrastructure to Provide Telecommunications Services.
9. **FC 1125** Orders, filings, and reports on the Consumer Education Program and Utility Discount Program Education Working Group. [New formal case opened in 2014](#)





MULTI-UTILITY CASES

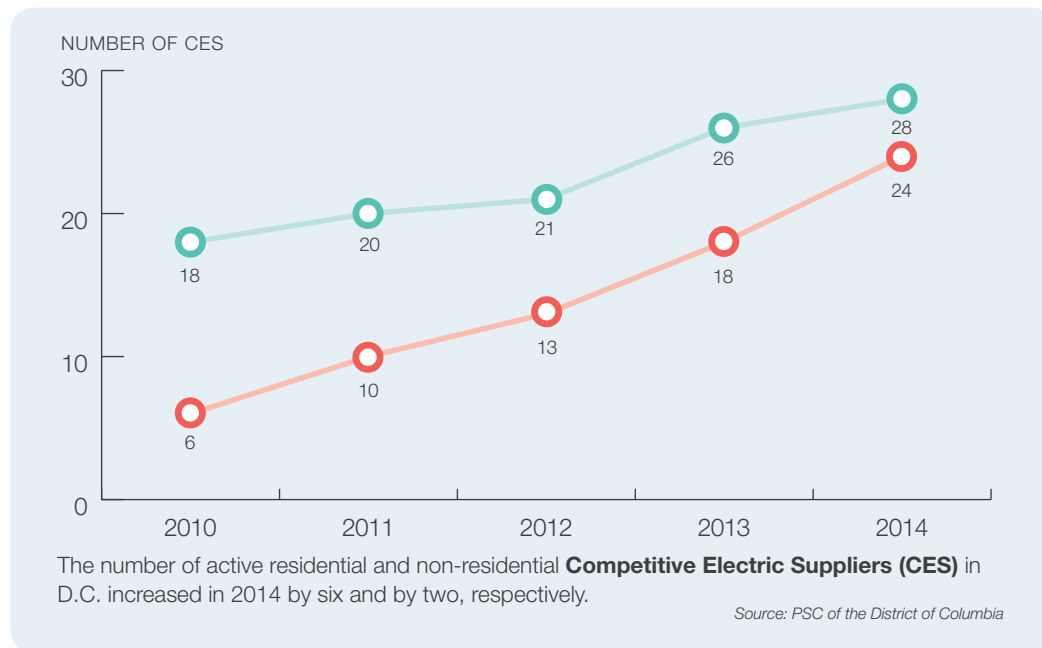
1. **FC 712** Commission's rules, including the mandatory e-filing rulemaking and the implementation of the DC Council's Act regarding fines and forfeitures.
2. **FC 1009** Investigation into affiliated activities, promotional practices, and codes of conduct of regulated gas and electric companies
3. **FC 1078** Investigation into the adequacy of billing information provided to residential customers on monthly utility bills.
4. **FC 1111** Investigation into its rules of practice and procedure pertaining to critical infrastructure information.

TABLES AND CHARTS

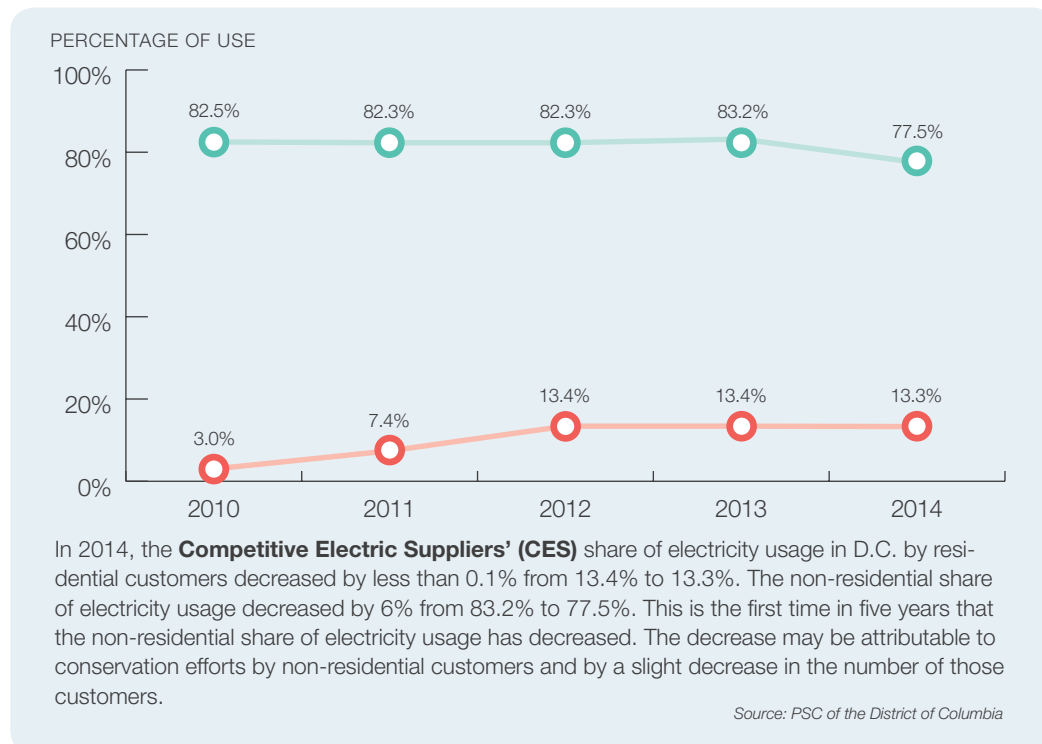
ELECTRICITY



1. ACTIVE RESIDENTIAL AND NON-RESIDENTIAL COMPETITIVE ELECTRIC SUPPLIERS (CES) LICENSED TO PROVIDE SERVICE IN D.C.

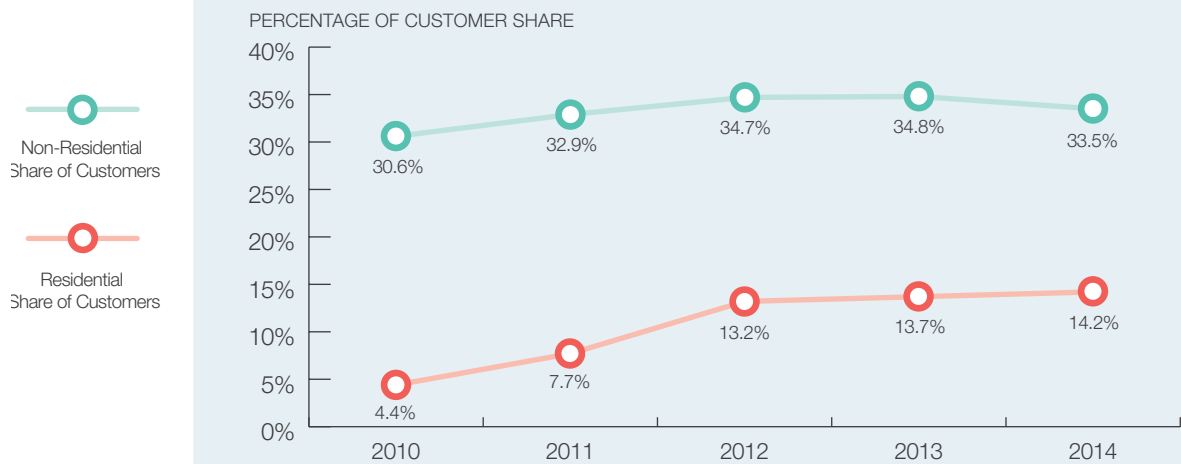


2. COMPETITIVE ELECTRIC SUPPLIERS' (CES) SHARE OF ELECTRICITY USAGE (% OF MWHs USED BY CES CUSTOMERS)





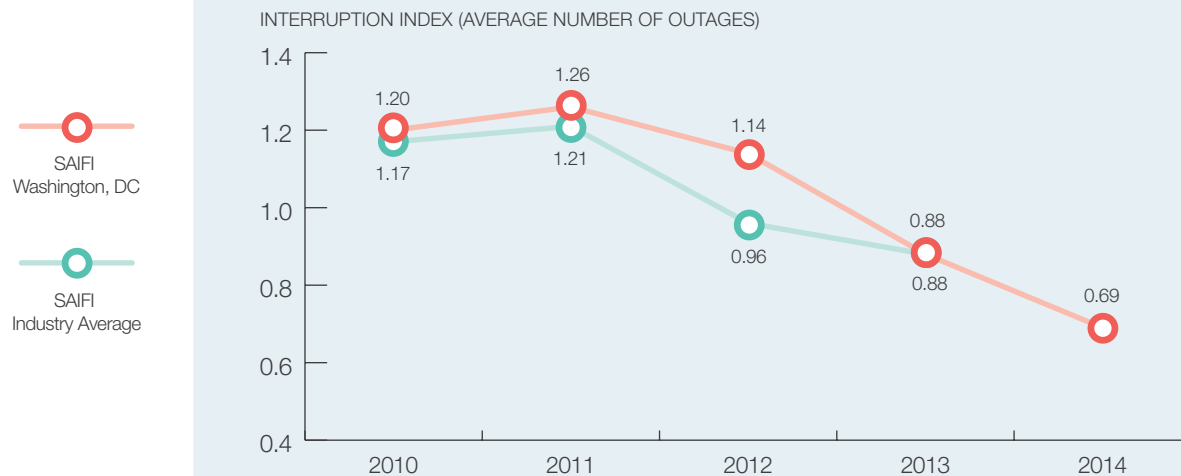
3. COMPETITIVE ELECTRIC SUPPLIERS' (CES) SHARE OF CUSTOMERS IN D.C. (%)



In 2014, the **Competitive Electric Suppliers' (CES)** share of residential customers increased by 0.5% and share of non-residential customers decreased by 1.3%.

Source: PSC of the District of Columbia

4. SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI)



The System Average Interruption Frequency Index (SAIFI) measures the average number of customer outages for the electric system (lower is better). The results show the average number of interruptions that a customer has experienced.

Pepco's SAIFI increased from 2010 to 2011 before dropping in 2012. The situation further improved in 2013 as Pepco's SAIFI performance in the District was 0.88. Improvement was further noted in 2014 as Pepco's performance in the District was 0.69. In 2014, Pepco's performance in the District was better than the previous year industry average of 0.88.

Industry data for 2014 are not yet available.

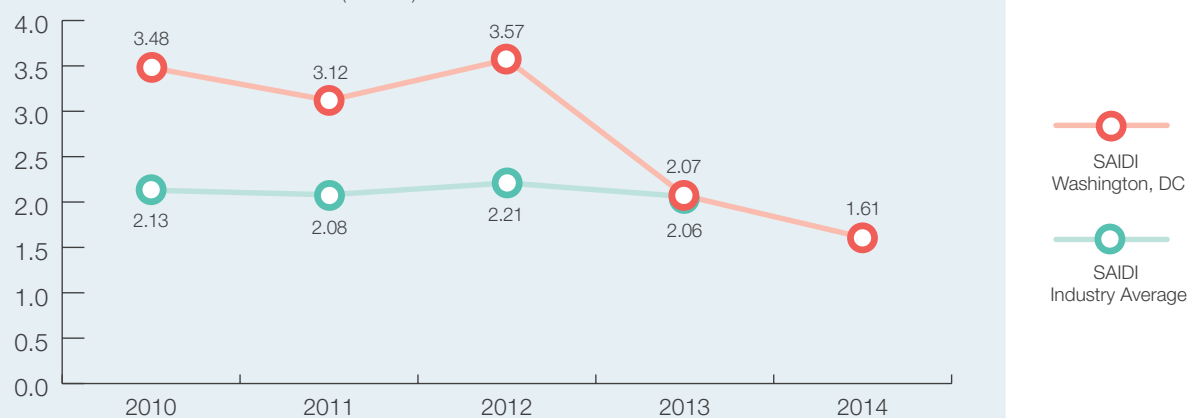
*Note: 2013 is IEEE Industry median; Mean values not available. Industry update for 2014 is not available.

Source: Pepco's 2015 Consolidated Report



5. SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI)

SYSTEM OUTAGES DURATION INDEX (HOURS)



The System Average Interruption Duration Index (SAIDI) measures the average duration of system outages (lower is better). The findings indicate the number of hours a customer is without electricity during an outage.

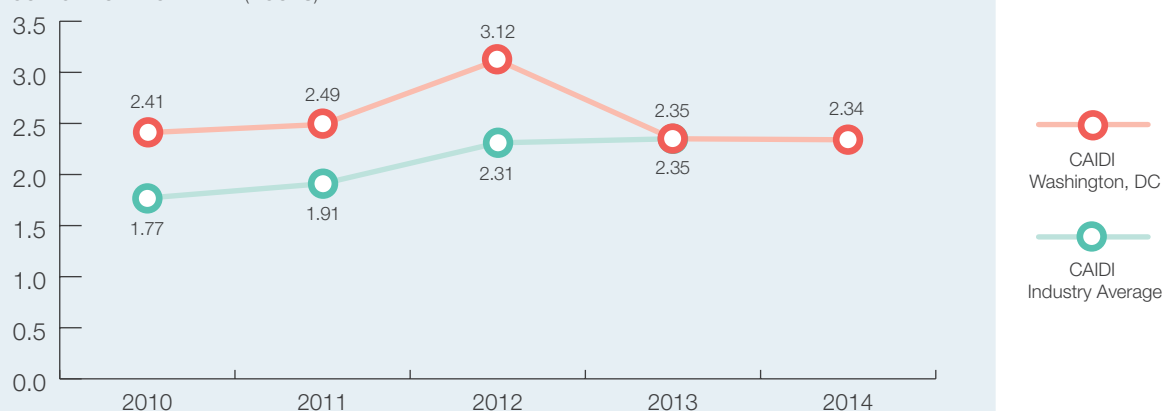
In 2013, Pepco's SAIDI decreased to 2.07, a 58% reduction from 3.57 in 2012, but it was still slightly above the 2013 industry average of 2.06. In 2014, Pepco's SAIDI decreased to 1.61, a 77% reduction from 2.07 in 2013.

**Note: 2013 is IEEE Industry median; Mean values not available. Industry update for 2014 is not available.*

Source: Pepco's 2015 Consolidated Report

6. CUSTOMER AVERAGE INTERRUPTION DURATION INDEX (CAIDI)

OUTAGE DURATION INDEX (HOURS)



The Customer Average Interruption Duration Index (CAIDI) measures the average duration of outages per customer (lower is better). The results show the number of hours a customer is without electricity before power is restored.

In 2013, Pepco's CAIDI decreased from 3.12 to 2.35, matching the industry average. In 2014, Pepco's CAIDI decreased to 2.34, slightly below the industry average for the previous year.

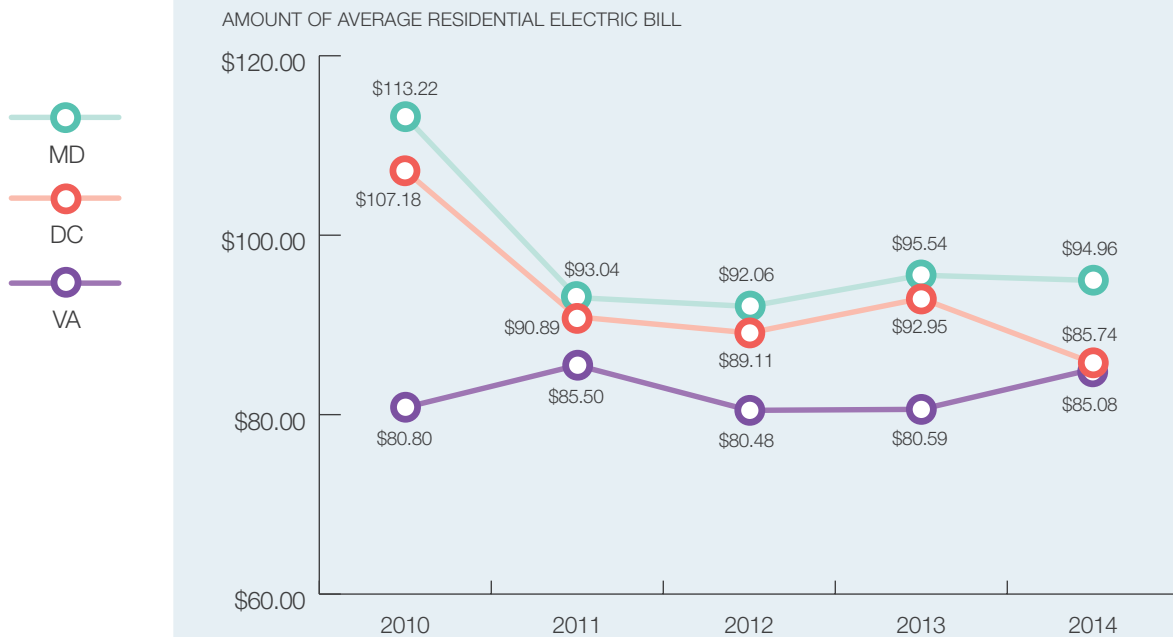
Industry data for 2014 are not yet available.

**Note: 2013 is IEEE Industry median; Mean values not available. Industry update for 2014 is not available.*

Source: Pepco's 2015 Consolidated Report



7. AVERAGE RESIDENTIAL ELECTRIC BILLS IN D.C., MD, & VA*



In D.C., Pepco's average residential electric bill includes generation, transmission and distribution and all additional charges, including federal and D.C. taxes and surcharges. In 2014, the average monthly consumption for residential customers (both winter and summer seasons) was 689 kWh. In 2014, average residential electric bills continued to be lower in D.C. than in Pepco's MD service territory. The average bills in D.C. were higher than in Northern VA, due to the continued rate caps in VA, where electric service is provided by Dominion Power.

The distribution charge represents only about 19% of the electricity bill. The other 81% of the average residential bill is made up of the cost for electricity itself (which is sold by licensed retailers whose rates are not regulated by the Commission or by Pepco in its role as the default provider of **Standard Offer Service, or SOS**), transmission and generation costs (which are set by the Federal Energy Regulatory Commission) and various other fees, surcharges and taxes. SOS energy is procured through a competitive procurement that is conducted by Pepco as the SOS Administrator pursuant to rules issued by the Commission.

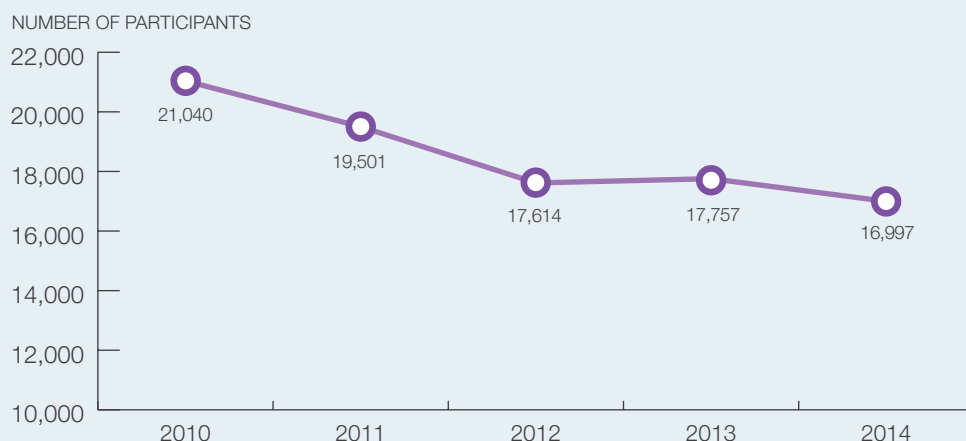
The Commission approved a distribution rate increase for Pepco in 2014. The price of SOS energy procured in the annual auction decreased in 2014. Consequently, customers that obtained their electricity from Pepco in its role as the default SOS provider received a 16.3% reduction in their energy rates in June 2014 so that the combined impact of the rate changes for a residential customer with average energy use of approximately 689 kWh per month was a total bill decrease of about **7.7% for the 2014 calendar year**.

*Average monthly usage varied between 640 kWh in winter and 758 kWh in summer.
Virginia statistics refer to Dominion Power in Northern Virginia.

Source: Pepco and PSC of the District of Columbia



8. ENROLLMENT IN PEPCO'S LOW INCOME RESIDENTIAL AID DISCOUNT (RAD) PROGRAM

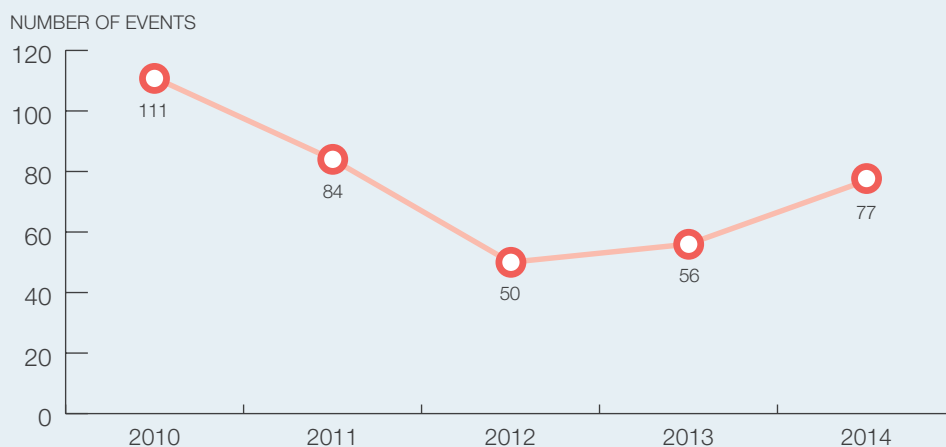


The number of participants enrolled in Pepco's Low Income **Residential Aid Discount (RAD)** program dropped by approximately 20% from 2010 to 2012. In 2013, the enrollment number remained virtually flat from the 2012 low. The 2014 numbers dropped 4.3% from 2013.

The PSC, in Order No. 17545, dated July 14, 2014, opened Formal Case No. 1120 to investigate the structure and application of low-income assistance for electricity customers and to design a discount program for low-income electricity customers that will work within the District's current restructured market.

Source: Pepco & PSC of the District of Columbia

9. TOTAL NUMBER OF MANHOLE EVENTS (EXPLOSIONS, FIRES AND SMOKING MANHOLES)



Reportable manhole events for 2014 increased by 38% (from 56 to 77) as compared with 2013. Reportable events may be considered a subset of underground (UG) equipment failures, and are comprised of equipment failures for which there is a significant visual result (smoke, flames, cover displaced). Among UG equipment failures, the most frequent involve cable.

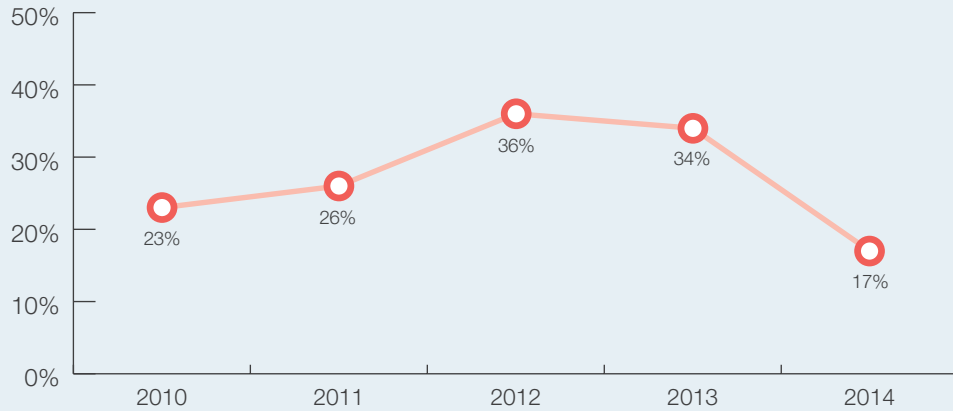
Of these 77 manhole events, 59 were classified as Smoking Manholes, 13 were classified as Manhole Explosions, and five were classified as Manhole Fires.

Source: Pepco's 2015 Annual Consolidated Report



10. EXPLOSIONS AS A PERCENTAGE OF TOTAL MANHOLE EVENTS

PERCENTAGE OF EXPLOSIONS

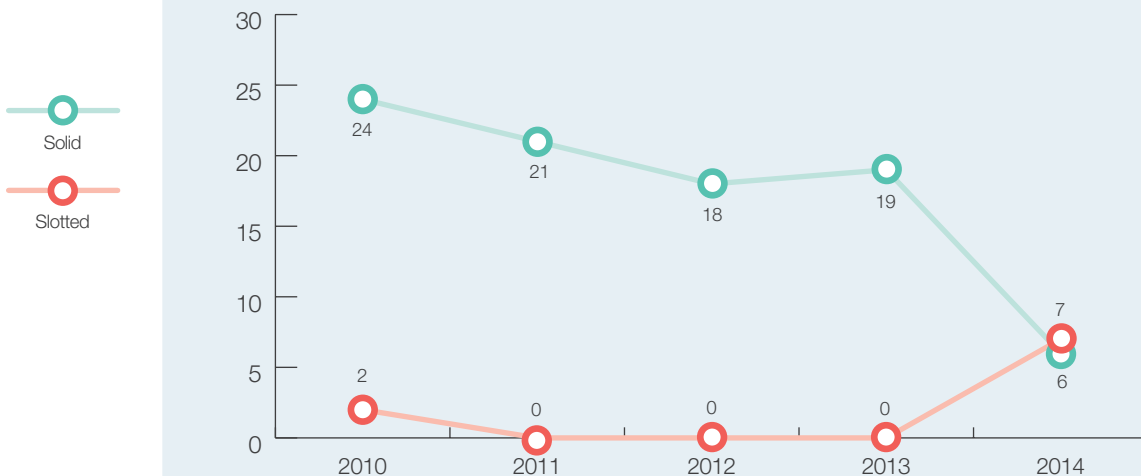


From 2010 through 2014, most of the reportable events were manhole smoking events. Explosions as a share of manhole incidents decreased from 34% in 2013 to 17% in 2014.

Source: Pepco's 2015 Annual Consolidated Report

11. NUMBER OF EXPLOSIONS FOR SLOTTED VS. SOLID MANHOLE COVERS

NUMBER OF EXPLOSIONS



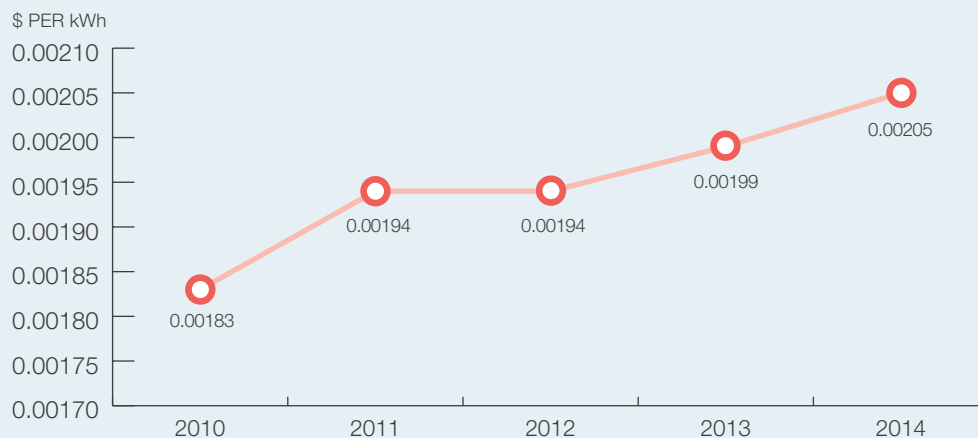
Slotted manhole covers are designed to minimize the frequency and impact of manhole events by allowing gas and smoke to vent from manholes in the event of an underground failure. This provides an early warning and prevents build-up of gases to potentially explosive proportions; thereby allowing energy to disperse more easily should an event occur. The tradeoff when installing slotted covers is that they allow more water and street run-off contaminants to enter into the manhole than solid covers. Because of the reasons listed above, the number of explosions in manholes with solid covers generally is significantly greater than the number of explosions in manholes with slotted covers.

In fact, there were no explosions of slotted covers in 2011, 2012 and 2013. However, in 2014 there were more explosions in manholes with slotted covers (seven) compared to solid covers (six). This could be explained by the fact that in 2014 the total precipitation was almost double the amount in each of 2011, 2012 or 2013. There was a significant increase in the number of reportable events in March of 2014, which is likely attributable to heavy rain during the preceding three months.

Source: Pepco's 2015 Annual Consolidated Report



**12. PEPCO'S PUBLIC SPACE OCCUPANCY SURCHARGE (RIDER PSOS)
FROM DECEMBER 2010 THROUGH DECEMBER 2014
(\$ PER KWH)**



Pepco's **Rights-of-Way (ROW) Fee** is called a **Public Space Occupancy Surcharge Rider (Rider PSOS)** and it appears as a separate surcharge on Pepco's customer bills.

Pepco files proposed PSOS updates once a year in ET00-2. The surcharge update consists of two parts reflecting: 1) the payments to be made by Pepco to the District of Columbia for the current year, and 2) the over or under recovery from the prior year. The PSC audits the PSOS surcharge update to verify the costs the Company pays the District to lease space in underground conduits.

After remaining flat in 2011 and 2012, the PSOS rate per kilowatt-hour began to increase in 2013 and 2014 due to prior years' under recovery. The 2014 rate is based on a rate of \$0.00201 per kilowatt hour for estimated 2014 payments and a rate of \$0.00004 per kilowatt hour for the under recovery of payments made by Pepco in 2013.

Source: PSC of the District of Columbia



13. DEFAULT AND 30 ACTIVE COMPETITIVE ELECTRIC SUPPLIERS (CES) SERVING THE DISTRICT AS OF DECEMBER 31, 2014

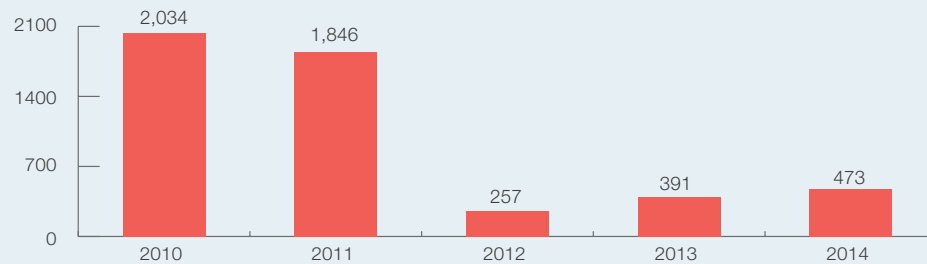
#	Company	Customer Service Telephone No.	Residential	Commercial
1	AEP Energy	(866) 258-3782	●	●
2	Ambit Energy	(877) 282-6248	●	●
3	Champion Energy Services	(888) 653-0094		●
4	Clearview Energy	(888) 257-8439	●	●
5	Consolidated Edison Solutions	(888) 210-8899	●	●
6	Constellation NewEnergy	(866) 237-7693	●	●
7	DC Gas and Electric	(855) 340-3243	●	
8	Devonshire Energy	(617) 563-3765		●
9	Direct Energy	(866) 983-0800	●	●
10	Eligo Electric	(888) 744-8125	●	●
11	Energy.me	(855) 243-7270	●	
12	Ethical Electric	(888) 844-9452	●	●
13	Glacial Energy	(877) 569-2841	●	●
14	Horizon Power and Light	(866) 727-5658	●	●
15	IDT Energy	(877) 887-6866	●	●
16	Integrus Energy Services	(866) 920-9435	●	●
17	Liberty Power	(866) 769-3799	●	●
18	MidAmerican Energy	(800) 432-8574	●	●
19	NextEra Energy Services	(800) 882-1276	●	●
20	Noble Americas Energy Solutions	(877) 273-6772		●
21	PPL EnergyPlus	(800) 281-2000		●
22	Public Power	(888) 354-4415	●	●
23	NRG Home/Business	(855) 500-8703	●	●
24	GDF SUEZ Energy Resources NA	(866) 999-8374		●
25	Starion Energy	(800) 600-3040	●	●
26	Stream Energy	(202) 558-2002	●	●
27	UGI Energy Services	(800) 427-8545		●
28	Viridian Energy	(866) 663-2508	●	●
29	Washington Gas Energy Services	(888) 884-9437	●	●
30	XOOM Energy	(877) 737-2662	●	●
31	PEPCO	(202) 833-7500	●	●
Total CES and PEPCO			25	29

Default and Thirty (30) Licensed Competitive Electric Suppliers (CES). Serving the District as of December 31, 2014.
29 CES provided non-residential service and 25 provided residential service.

14. NUMBER OF RENEWABLE PORTFOLIO STANDARD (RPS) APPLICATIONS RECEIVED BY THE PSC



NUMBER OF RPS APPLICATIONS



The decrease in the number **Renewable Portfolio Standard (RPS)** Applications in 2012 reflects the impact of the Distributed Generation Emergency Amendment Act of 2011, which generally disallowed out-of-state solar energy systems from being certified by the PSC.

However, that trend has now reversed. In 2012, the Commission received only 257 solar facility RPS applications, but in 2013, applications increased to 391 and the 2014 number is even higher at 473.

Source: PSC of the District of Columbia

15. PJM SYSTEM MIX FOR THE PJM REGION, INCLUDING D.C.

PERCENTAGE OF SYSTEM MIX



PJM Interconnection (PJM) is the regional transmission organization (RTO) that coordinates the buying, selling and delivery of wholesale electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia.

The share of renewable resources in the PJM system mix for the PJM region of 13 states plus D.C., reached 4.00% in 2014

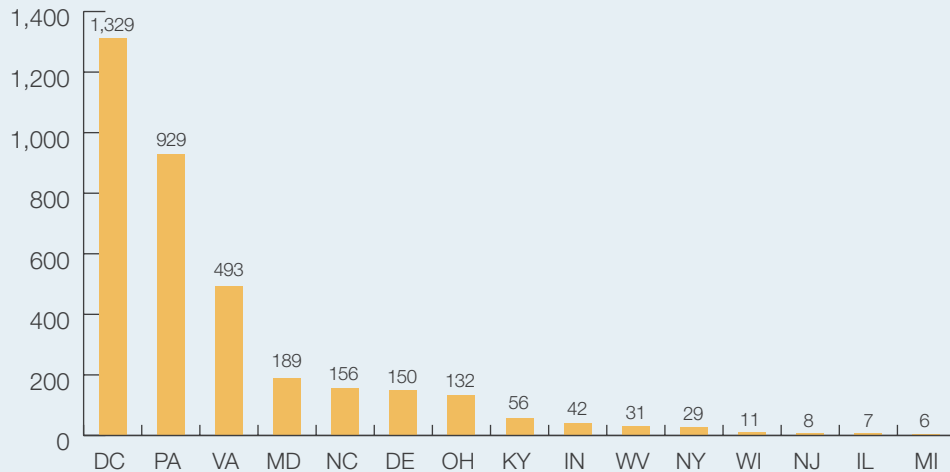
*Note: Captured Methane Gas (Landfill or Coal Mine)

Source: PSC of the District of Columbia



16. NUMBER OF SOLAR ENERGY SYSTEMS ELIGIBLE FOR RENEWABLE PORTFOLIO STANDARDS (RPS) PROGRAM IN D.C. AND OTHER STATES AS OF DECEMBER 31, 2014

NUMBER OF SOLAR ENERGY SYSTEMS



*Note: The District had the largest number of solar energy systems eligible for the RPS program - 1,329 in December 2014, compared to 999 in December 2013.

There are currently 3,568 solar energy systems (including both solar photovoltaic and solar thermal) eligible for the District's RPS, of which 1,329 are located within the District. Outside of the District, there are six states with more than 100 MS-eligible solar energy systems including Pennsylvania (929), Virginia (493), Maryland (189), North Carolina (156), Delaware (150), and Ohio (132). These six states account for roughly 92 percent of the non-DC solar energy systems approved for the District's RPS program. There are also RPS-eligible solar energy systems in eight additional states.

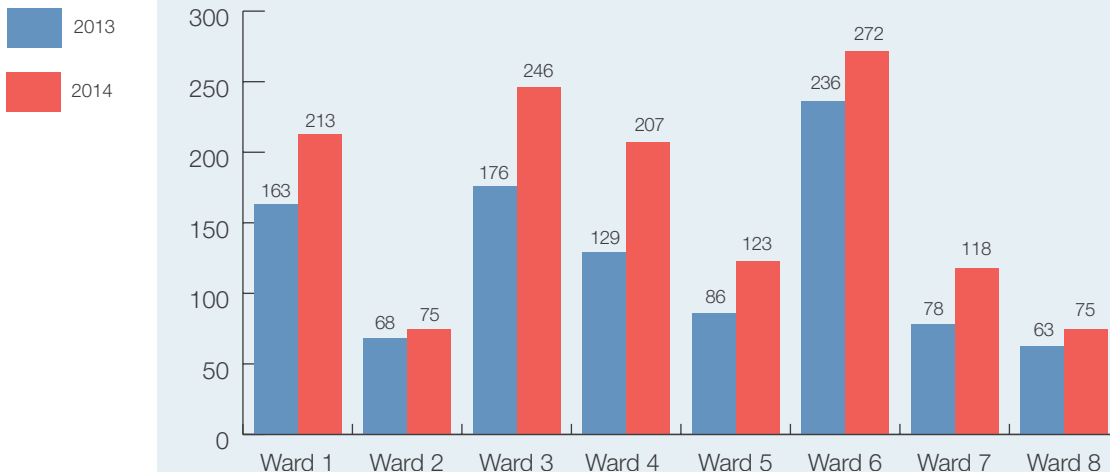
The number of Solar Energy Systems located within the District and eligible for the **District's Renewable Portfolio Standards (RPS) Program** increased from 999 in December 2013 to 1,329 in December 2014 (an increase of approximately 33%).

The total reported capacity associated with all of these solar facilities as of December 31, 2014 is about 33.2 MW, of which roughly 13.3 MW is located within the District.

Source: PSC of the District of Columbia

17. NUMBER OF SOLAR ENERGY SYSTEMS CERTIFIED BY PSC FOR SRECS IN D.C. BY WARD AS OF DECEMBER 31, 2014

NUMBER OF SOLAR ENERGY SYSTEMS



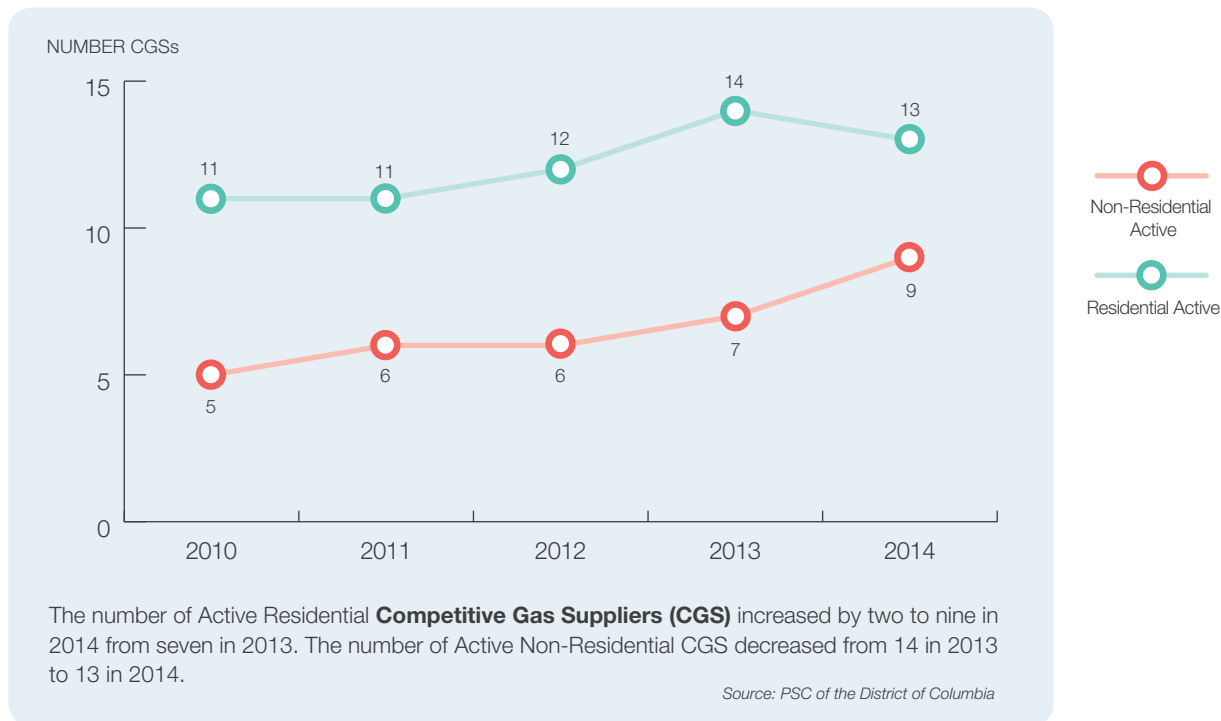
The number of Solar Energy Systems Certified by PSC for **Solar Renewable Energy Credits (SRECs)** for the **Renewable Portfolio Standards (RPS)** program in D.C. by Ward increased in all D.C. Wards in 2014 compared to 2013. The total number of certified solar energy systems increased by approximately 33% from 999 in 2013 to 1,329 in 2014.

Source: PSC of the District of Columbia

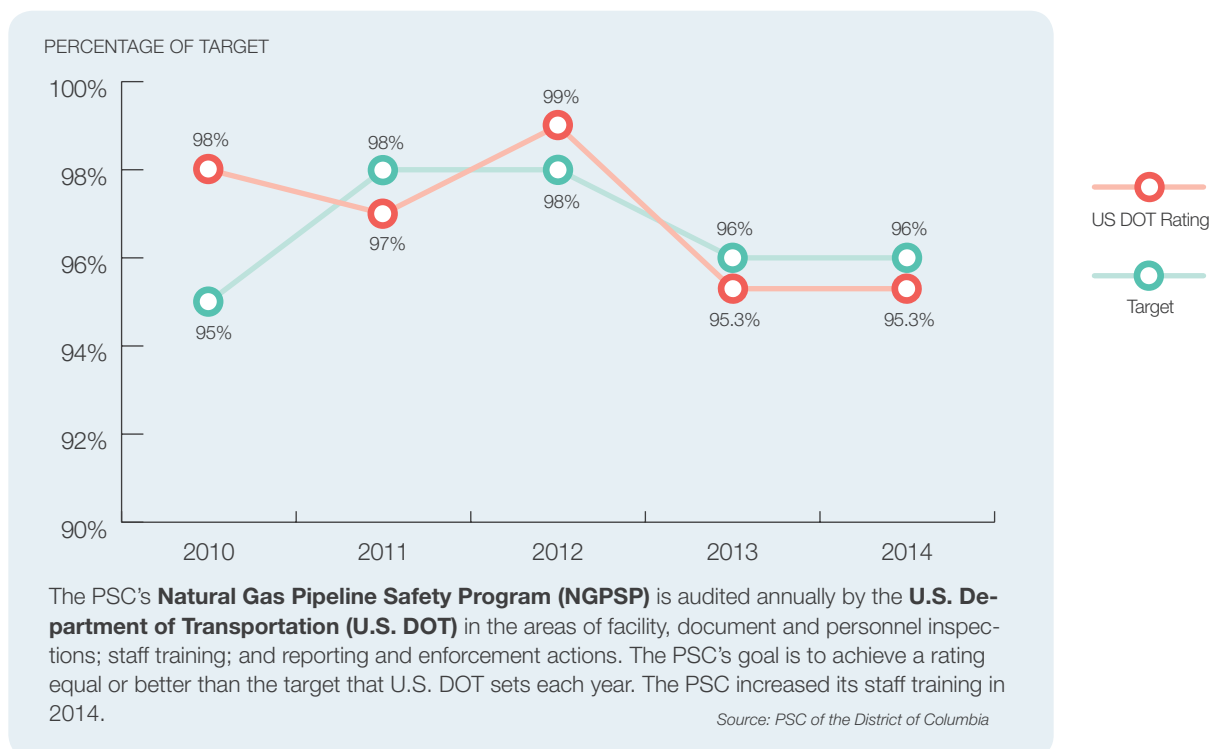


NATURAL GAS

18. ACTIVE RESIDENTIAL AND NON-RESIDENTIAL COMPETITIVE GAS (CGS) SUPPLIERS (2010–2014)



19. U.S. DOT RATINGS FOR THE PSC'S NATURAL GAS PIPELINE SAFETY PROGRAM (2010–2014)





20. NUMBER OF NATURAL GAS PIPELINE SAFETY INSPECTIONS PERFORMED (2010–2014)

NUMBER OF INSPECTIONS

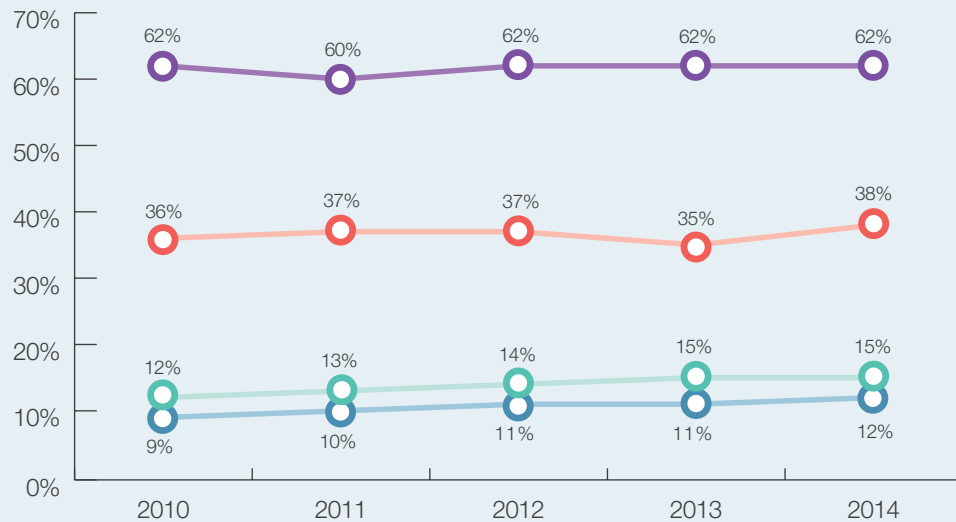


The annual number of natural gas pipeline safety inspections performed decreased from 380 in 2013 to 320 in 2014. The lower number of inspections was due to increasing the inspection duration to ensure adequate time was spent on analysis and documentation as well as the existence of a pipeline inspector vacancy, which has since been filled.

Source: PSC of the District of Columbia

21. COMPETITIVE GAS SUPPLIERS' (CGS) SHARE OF CUSTOMERS AND SHARE OF USAGE

PERCENTAGE SHARE OF CUSTOMERS AND USAGE

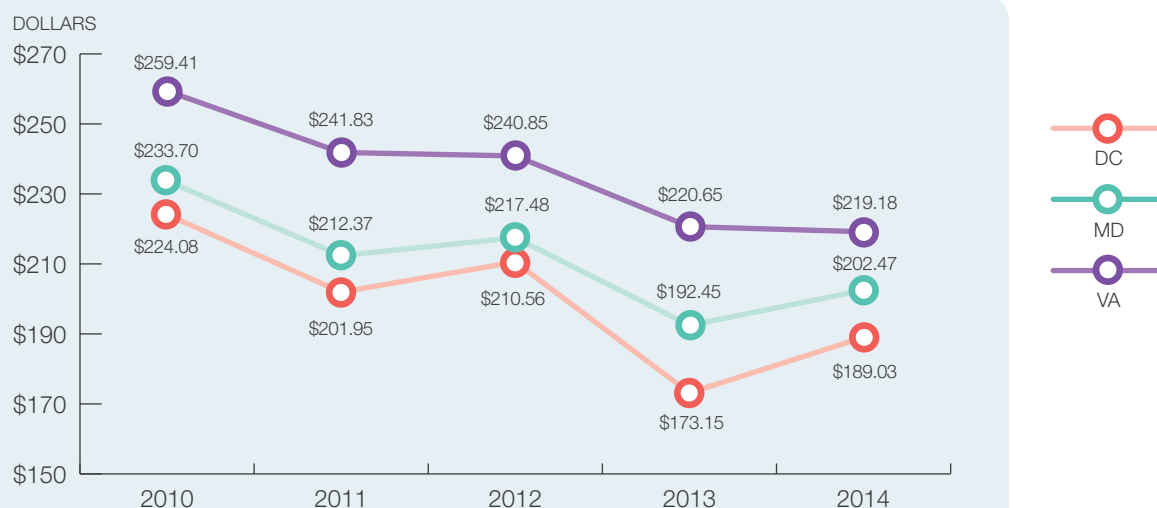


Competitive Gas Suppliers' (CGS) residential and non-residential share of usage remains flat in 2014 compared to the 2013 results. Competitive Gas Suppliers' share of residential customers increased by 1% and share of non-residential customers increased by 3%.

Source: PSC of the District of Columbia



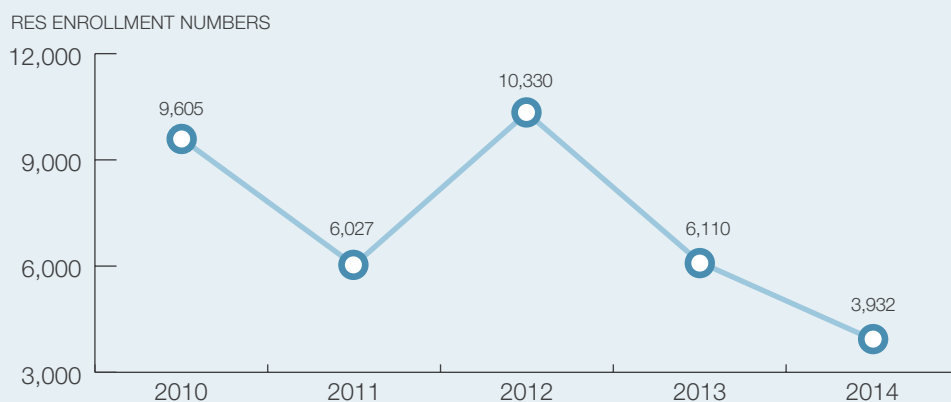
22. WGL'S AVERAGE RESIDENTIAL NATURAL GAS BILLS IN DC, MD AND VA (200 THERMS OF USAGE)



The average WGL bill includes the purchased gas charge, transmission, distribution and all applicable taxes, fees and surcharges. The average bill in D.C. is higher than in Maryland and Virginia because of taxes and rights-of-way fees. Also, the energy procurement costs can be higher. The average bill has tended to decrease as the purchased gas charge has declined since 2010.

Source: WGL and PSC of the District of Columbia

23. ENROLLMENT IN WGL'S LOW INCOME RESIDENTIAL ESSENTIAL SERVICE (RES) PROGRAM*



Participation in WGL's low income **Residential Essential Service (RES)** program decreased by 36% in 2014, according to the enrollment numbers provided by WGL.

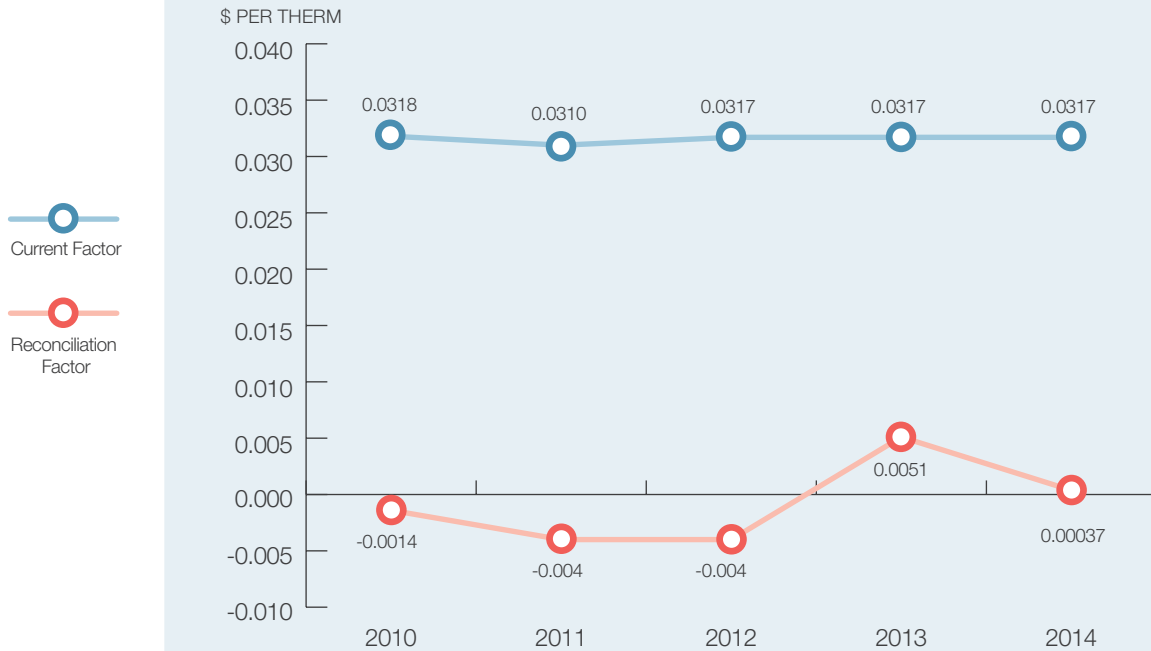
On July 14, 2014, the Council of the District of Columbia enacted the Residential Essential Service Subsidy Stabilization Emergency Amendment Act of 2014 (Act), which returned jurisdiction and responsibility over RES to the PSC.

On September 8, 2014, in accordance with the Act, the PSC, by Order No. 17624, opened Formal Case No. 1127. The Order designated the RES as the discount program for low-income natural gas customers in D.C., adopted the income level eligibility criteria duplicating the federal **Low Income Home Energy Assistance Program (LIHEAP) income requirements** and designated DDOE as the entity to administer the outreach and enrollment for the RES Program

* The District Department of the Environment (DDOE) was responsible for the determination of the eligibility from 2009 to 2014. WGL was responsible for actual enrollment of eligible customers. The enrollment numbers for the chart are provided by WGL.



24. WGL'S RIGHTS-OF-WAY FEES FIVE YEAR TREND, FROM 2010 THROUGH 2014 (\$ PER THERM)

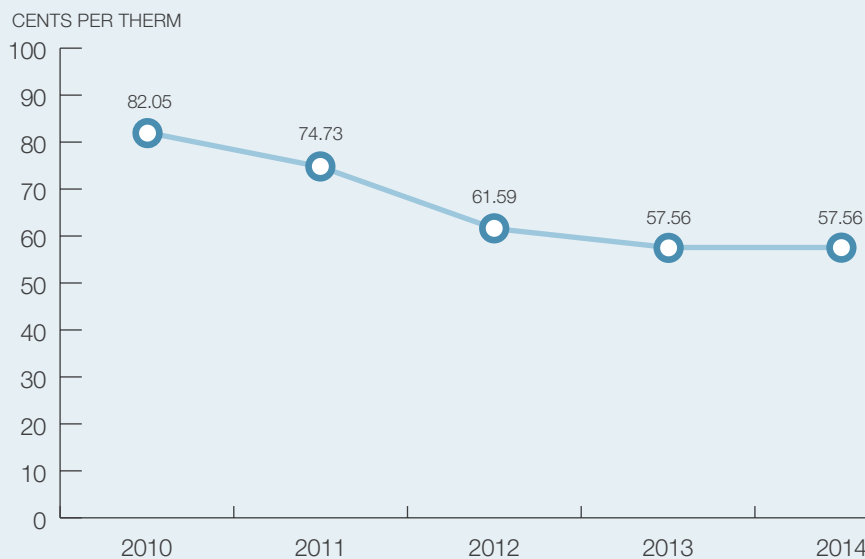


WGL's **Rights-of-Way (ROW)** fee is for lease payments WGL paid to the District of Columbia for using public space for its facilities. ROW fee has two parts: a Current Factor and a Reconciliation Factor. The Reconciliation Factor recovers any over or under collection resulting from the application of the Current Factor to customers' bills in the previous year. WGL's fee appears as a separate line item on customers' bills. WGL files revised Current and Reconciliation Factors annually in GT 00-2. The PSC audits the fees to verify the costs. The graph shows a small upward trend in the current factor and an increase in the reconciliation factor between December 2010 and December 2014. WGL files its Rights-of-Way fees in compliance with the Company's tariff, PSC of D.C. No. 3, Third Revised Page No. 56.

Source: PSC of the District of Columbia



25. WGL'S NET PURCHASED GAS CHARGE (PGC), FIVE YEAR AVERAGE TREND, JANUARY 2003 THROUGH DECEMBER 2013 (CENTS PER THERM)



WGL's commodity gas cost is called the **Purchased Gas Charge (PGC)** and it appears as a separate line on the bills of customers who have not chosen another commodity gas supplier. WGL files a report in a PGC docket each time the PGC changes. The average net PGC continued to decline from a five year high of 82.05 cents per therm to 57.56 cents per therm in 2014. The PSC audits WGL's PGC to verify the costs.

Source: PSC of the District of Columbia

26. ENFORCEMENT ACTIVITIES REGARDING NATURAL GAS CONSTRUCTION PROJECTS IN D.C.

	2010	2011	2012	2013	2014
Number of Notices of Probable Violations	2	0	0	4	2
Number of Notices Concluded	0	0	0	3	0
Number of Penalties Assessed	1	0	0	4	2
Amounts of Assessments	\$0	\$0	\$0	\$140,000	\$60,000
Amounts Collected	\$5,000	\$0	\$0	\$100,000	\$0

In 2014, two new NOPVs were issued to WGL. WGL was originally assessed \$60,000 for the two penalties. Compromise and mitigation negotiations with the operator were carried over into 2015.

Source: PSC of the District of Columbia



**27. DEFAULT AND 14 ACTIVE COMPETITIVE GAS SUPPLIERS (CGS)
SERVING THE DISTRICT AS OF DECEMBER 31, 2014**

#	Company	Customer Service Telephone No.	Residential	Commercial
1	Ambit Energy	877-282-6248	●	●
2	Bollinger Energy Corporation	800-260-0505		●
3	Constellation NewEnergy/Energy Gas Choice	800-785-4373	●	●
4	Deca Energy	202-670-5558	●	
5	Direct Energy	800-437-7265	●	●
6	Gateway Energy Services	800-805-8586	●	●
7	Glacial Natural Gas	888-452-2425		●
8	Integrays Energy Services	800-350-9594		●
9	MetroMedia Energy	800-828-9427	●	●
10	NOVEC Energy Solutions	888-627-7283	●	●
11	Tiger Natural Gas	888-875-6122		●
12	UGI Energy Services/Gasmark	800-797-0712		●
13	Viridian Energy	866-663-2508	●	●
14	Washington Gas Energy Services	888-884-9437	●	●
15	Washington Gas (WGL)	703-750-1000	●	●
Total CGS and WGL			10	14



TELECOMMUNICATIONS

28. COMPETITIVE LOCAL EXCHANGE CARRIERS (CLECs) ACTIVE IN D.C.

NUMBER OF PROVIDERS



The number of CLECs serving non-residential customers increased by 9, or approximately 16%, from 49 in 2013 to 58 in 2014. The number of CLECs serving residential customers increased by one, or approximately 17%, from 6 in 2013 to 7 in 2014.

The number of active residential and non-residential CLECs was equal the number of CLECs serving non-residential customers in 2012 (56 CLECs), 2013 (49 CLECs) and 2014 (58 CLECs). This is explained by the fact that there were no CLECs in 2012, 2013 and 2014 that were serving only residential customers.

Source: PSC of the District of Columbia and Verizon Annual Survey (2014)

29. CUMULATIVE NUMBER OF TELECOMMUNICATIONS INTERCONNECTION AGREEMENTS (TIA) APPROVED BY YEAR-END

NUMBER OF INTERCONNECTION AGREEMENTS

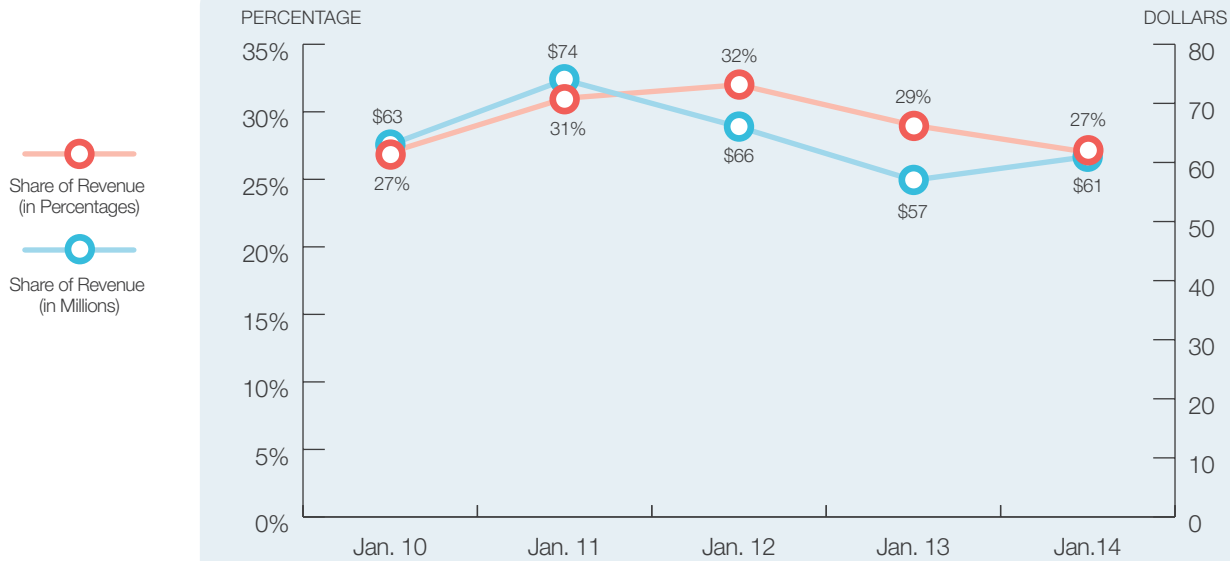


The PSC has 90 days to approve each telecommunication Interconnection Agreement (TIA) that is processed. In 2014, the PSC approved fourteen TIAs (14), bringing the total approved as of the end of the year to 379. All fourteen PSC orders were issued on a timely basis.

Source: PSC of the District of Columbia



30. CLECS' REVENUES (IN PERCENTAGE OF TOTAL TELECOM REVENUE AND IN MILLION DOLLARS)

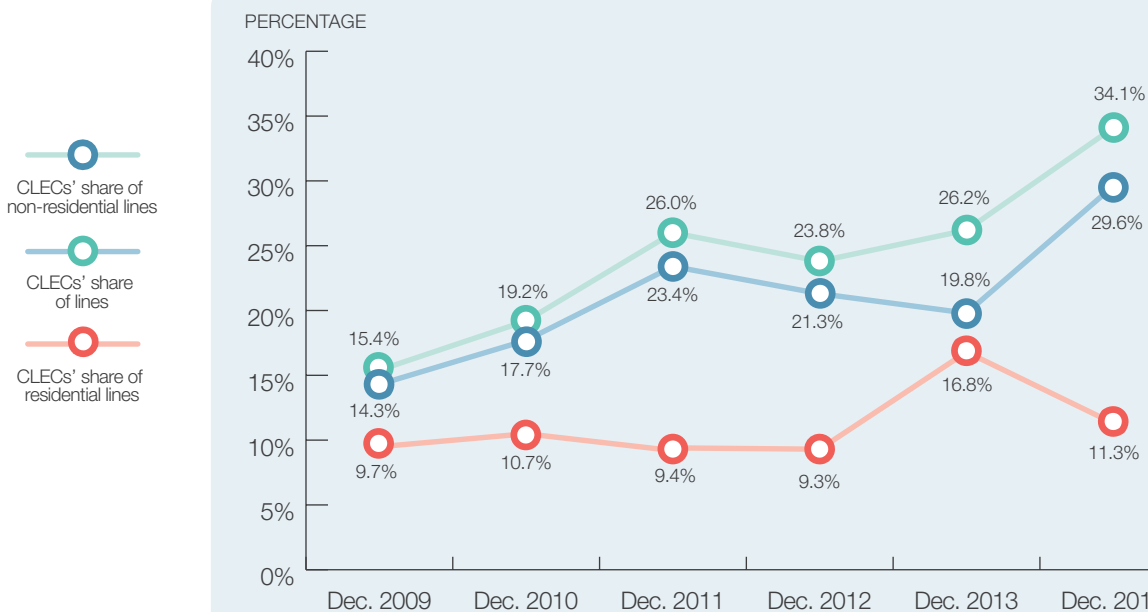


CLECs revenue has increased by approximately by \$4 million in 2014.

CLECs percentage of total telecom revenue has decreased from 29% in 2013 to 27% in 2014.

Source: PSC of the District of Columbia and CLECs and Verizon Annual Survey (2014)

31. COMPETITIVE LOCAL EXCHANGE PROVIDERS' (CLECS) SHARE OF LINES IN D.C.



CLECs share of residential lines decreased from 16.8% to 11.3%. CLECs share of business lines increased from 26.2% to 34.1% (2014 data is the most recently available based on the responses to the Jurisdictional Revenue surveys that have been received by the PSC).

Source: PSC of the District of Columbia and CLECs and Verizon Annual Survey (2014)



32. VERIZON'S AVERAGE RESIDENTIAL TELEPHONE BILLS IN DC, MD & VA (FLAT RATE SERVICE)



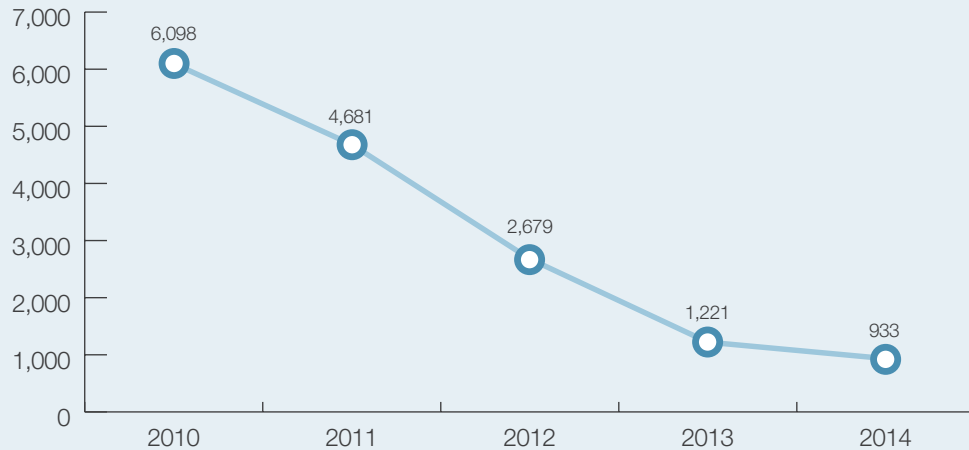
The District of Columbia has the lowest basic charge for flat rate service in the region.

Source: PSC of the District of Columbia and CLECs and Verizon Annual Survey (2014)



33. ENROLLMENT IN VERIZON'S LOW-INCOME ECONOMY II SERVICE PROGRAM

NUMBER OF PARTICIPANTS

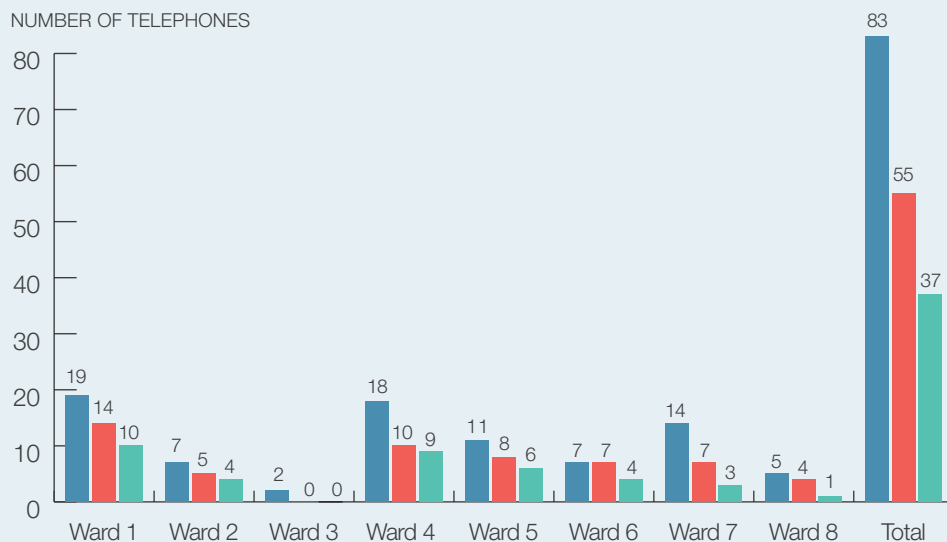


Enrollment in Verizon's low-income Economy II service program (also known as Lifeline) has been decreasing every year since 2010. In 2013, it decreased by 55%, which could be explained by changes in the **Federal Communications Commission's (FCC)** eligibility verification process. Enrollment continued to decrease in 2014 with 933 validated customers, i.e. a 24% reduction from 2013.

Source: Verizon

34. NUMBER OF ACTIVE PAY TELEPHONES BY WARD

NUMBER OF TELEPHONES



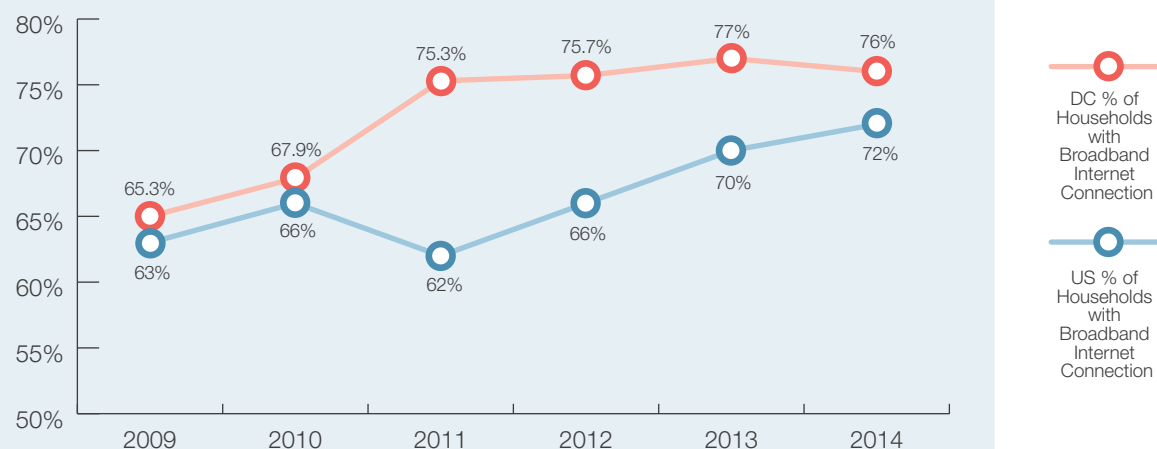
In 2014, the number of active pay telephones decreased to 37. Ward 3 does not have any active pay telephones. Ward 1 has the most with ten pay telephones.

Source: Verizon



35. BROADBAND PENETRATION PER HOUSEHOLD, 2009 THROUGH 2014

PERCENTAGE OF BROADBAND PENETRATION PER HOUSEHOLD



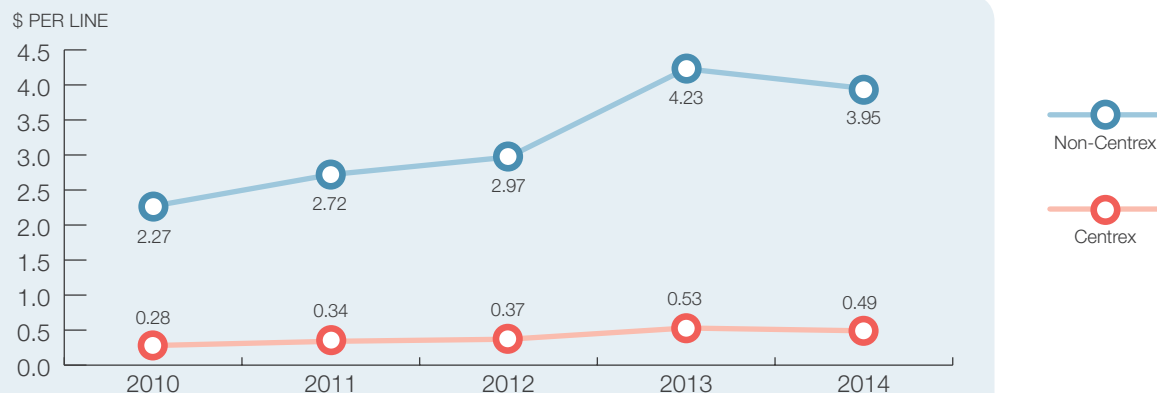
The PSC does not regulate Internet service, but monitors issues related to Internet. From 2009 through 2014, the PSC conducted semi-annual surveys of broadband providers active in D.C. under a Memorandum of Understanding with the D.C. Office of the Chief Technology Officer (OCTO).

OCTO computed the adoption rates in the District from the results of the surveys and submitted the information to the U.S. Department of Commerce's National Telecommunications and Information Administration (NTIA) for the purpose of constructing a National Broadband map. The maps can be found at BroadbandMap.dc.gov.

In 2014, percentage of D.C. households with broadband Internet connection continued to be higher than the national percentage of broadband penetration per household.

Source: PSC's survey provided to the Office of Chief Technology Officer for DC Data; Pew Research Center Summary of Broadband Penetration for National Data

36. VERIZON'S RIGHTS-OF-WAY FEES (ROW) 5-YEAR TREND, DECEMBER 2010 THROUGH DECEMBER 2014 (\$ PER LINE)



Verizon files its **Rights-of-Way (ROW)** fees for lease payments Verizon paid to the District of Columbia for using public space for its facilities. ROW fees are filed by Verizon in accordance with the Company's General Regulations Tariff, PSC of D.C. No. 201, Section 1A, Page No. 2. The fee appears as a separate line item on customers' bills. The PSC audits the fees to verify the costs. The graph shows Verizon's ROW fees have trended upward in both Centrex and non-Centrex line rates between the years 2010 and 2014. The Centrex rate is for business customers (two or more lines) and the non-Centrex rate is for residential customers (single lines). The Commission began an inquiry into the rising Non-Centrex ROW fees in 2014 that is continuing.

Centrex line is an equivalent of eight non-Centrex lines.

For this reason, ROW per line is eight times lower for Centrex than for non-Centrex.

Source: PSC of the District of Columbia



37. LIST OF DEFAULT (VERIZON) AND 58 ACTIVE COMPETITIVE LOCAL EXCHANGE CARRIERS (CLECS) THAT HAVE RESIDENTIAL (58) OR NON-RESIDENTIAL (7) CUSTOMERS IN THE DISTRICT AS OF DECEMBER 31, 2014

#	Company Name	Non-Residential	Residential	Customer Service Telephone No.
1	Access One, Inc	●	●	312-441-1000
2	Access Point, Inc.	●	●	919-851-0447
3	ACN Communication Services, Inc.	●	●	704-260-3516
4	Airespring, Inc.		●	818/786-8990 Ext 382.
5	Allied Telecom Group, LLC		●	202-349-0410
6	AT&T Communications of Washington DC, LLC		●	202-457-2267
7	Atlantech Online, Inc.		●	301-589-3060
8	Birch Communications of the Northeast, Inc. d/b/a Birch Communications		●	877-772-4724
9	Block Line Systems, LLC		●	610-355-9733
10	Broadband Dynamics, L.L.C.		●	480-941-0444
11	Broadwing Communications LLC f/k/a Focal Communications		●	1-877-2Level3
12	BullsEye Telecom Inc.		●	248-784-2500
13	Business Telecom, Inc. d/b/a EarthLink Business III		●	888-832-5802
14	Cavalier Telephone Mid-Atlantic, LLC	●	●	319-790-6702
15	Cbeyond Communications, LLC d/b/a Birch		●	678-424-2400
16	CenturyLink Communications, LLC f/k/a/ Qwest Communications Company, LLC		●	608-796-5055
17	Crexendo Business Solutions, Inc.		●	602-714-8500
18	CTC Communications Corp. d/b/a EarthLink Business II		●	888-832-5802
19	DSCI Corporation		●	781-861-2201
20	Dynalink Communications, Inc.		●	212-352-7330
21	EnTelegent Solutions, Inc.		●	704-323-7488
22	France Telecom Corporate Solutions L.L.C.		●	703-375-7325
23	Gateway Communications Services, Inc.	●	●	202-386-8768
24	Global Crossing Local Services f/k/a Global Crossing Telemanagement, Inc.		●	1-877-2LEVEL3
25	Global Telecom & Technology Americas, Inc.		●	703-442-5500
26	Granite Telecommunications, LLC		●	866-847-1500
27	Intellifiber Networks, Inc.		●	319-790-6702
28	IPC Network Services, Inc.		●	212-709-1028
29	Level 3 Communications, LLC		●	1-877-2level3
30	Lighttower Fiber Networks II, LLC f/k/a Sidera Networks, LLC f/k/a RCN New York Communications, LLC		●	703-434-8533
31	MassComm, Inc. d/b/a MASS Communications		●	212-201-8000

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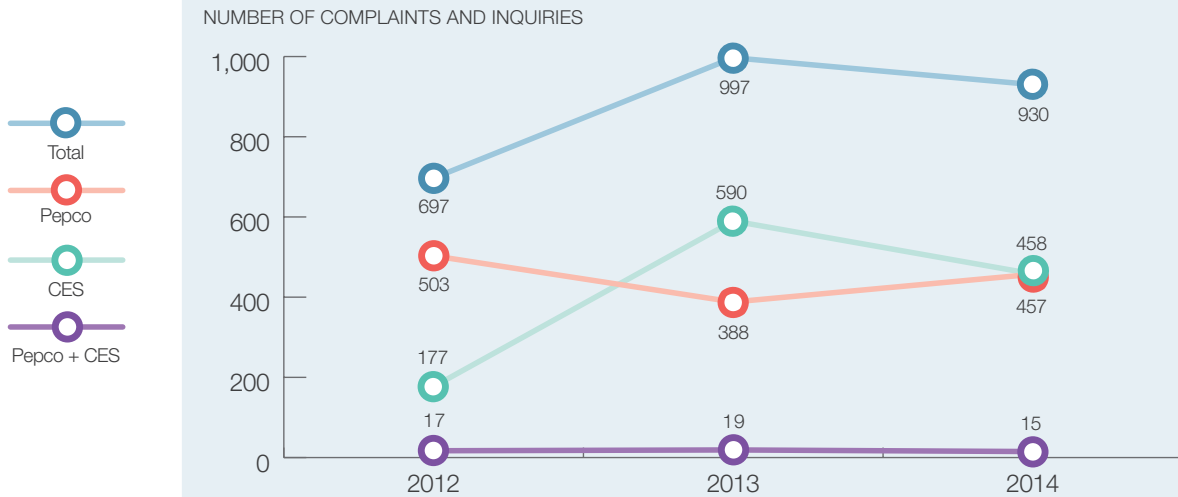


#	Company Name	Non-Residential	Residential	Customer Service Telephone No.
32	Matrix Telecom, Inc. d/b/a Trinsic Communications	●	●	800-827-3374
33	McGraw Communications, Inc.		●	888-543-2000
34	MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services		●	Res: 800-444-2222 Bus: 888-624-9266
35	McLeod USA Telecommunications Services, L.L.C.		●	319-790-6702
36	Metropolitan Telecommunications of DC d/b/a MetTEL		●	212-607-6323
37	Mitel NetSolutions, Inc. f/k/a Inter-Tel Netsolutions, Inc.		●	866-594-9493
38	Netwolves Network Services, LLC		●	813-579-3255
39	New Horizon Communications Corp.		●	800-569-4667
40	NOS Communications		●	800-569-4667
41	One Voice Communications, Inc.		●	703-880-2502
42	Paetec Communications, Inc.		●	319-790-6702
43	Peerless Network of the District of Columbia, LLC		●	312-506-0920
44	Quantum Shift Communications, Inc. d/b/a VCOM Solutions		●	800-804-8266
45	Spectrotel, Inc.		●	732-345-7834
46	Sprint Communications Company L.P.		●	800-877-4646
47	Starpower Communications, LLC	●	●	609-681-2182
48	Telco Experts, LLC		●	800-787-5050
49	TelCove Operations, LLC		●	1-877-2Level3
50	Teleport Communications of Washington, DC, Inc.		●	202-457-2267
51	TNCI Operating Company, LLC		●	800-800-8400
52	TW Telecom of D.C. LLC., f/k/a Time Warner Telecom of D.C. LLC., f/k/a Xspedius Management Co.		●	303-542-4256
53	US LEC of Virginia LLC d/b/a PAETEC Business Services		●	319-790-6702
54	VDL, Inc. d/b/a Global Telecom Brokers		●	410-581-4833 x 125
55	Verizon Washington, DC Inc.		●	202-392-0128
56	Voxbeam, Inc.		●	407-965-1077
57	Wholesale Carrier Services, Inc.		●	954-227-1700
58	XO Communications Services, Inc.		●	877-912-4829
59	Zayo Bandwidth f/k/a Zayo Bandwidth Northeast, LLC f/k/a PPL Telecom		●	866-364-6033



MULTI-UTILITY

38. CONSUMER COMPLAINTS AND INQUIRIES – ELECTRIC

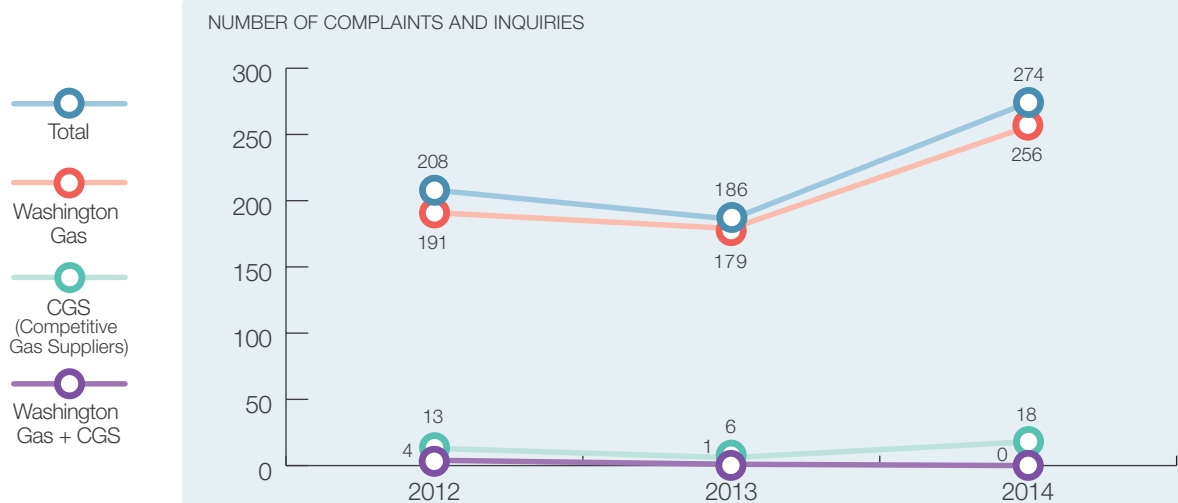


Complaints and inquiries for the electric industry decreased by 7.2% from 997 in 2013 to 930 in 2014. Complaints and inquiries for Competitive Energy Suppliers (CES) decreased by 32.4% from 590 in 2013* to 458 in 2014. Out of 590 CES complaints in 2013, Starion accounted for 381 complaints (64% of all CES) and out of 458 CES complaints in 2014, Starion accounted for 186 (41 % of all CES).

*Please note, the number of consumer complaints and inquiries for 2013 were revised for the 2014 Annual Report. The data is for Calendar Year 2014.

Source: PSC of the District of Columbia

39. CONSUMER COMPLAINTS AND INQUIRIES – NATURAL GAS



Complaints and inquiries for WG increased by 30% from 179 in 2013* to 256 in 2014. Complaints and inquiries for the natural gas industry increased by 32.2% from 186 in 2013 to 274 in 2014.

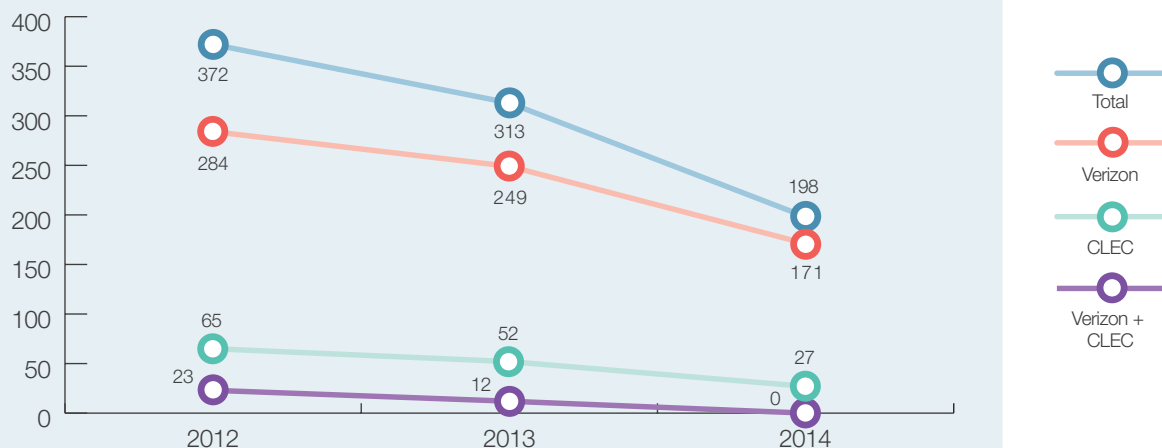
*Please note, the number of consumer complaints and inquiries for 2013 were revised for the 2014 Annual Report. The data is for Calendar Year 2014.

Source: PSC of the District of Columbia



40. CONSUMER COMPLAINTS AND INQUIRIES – TELECOM

NUMBER OF COMPLAINTS AND INQUIRIES

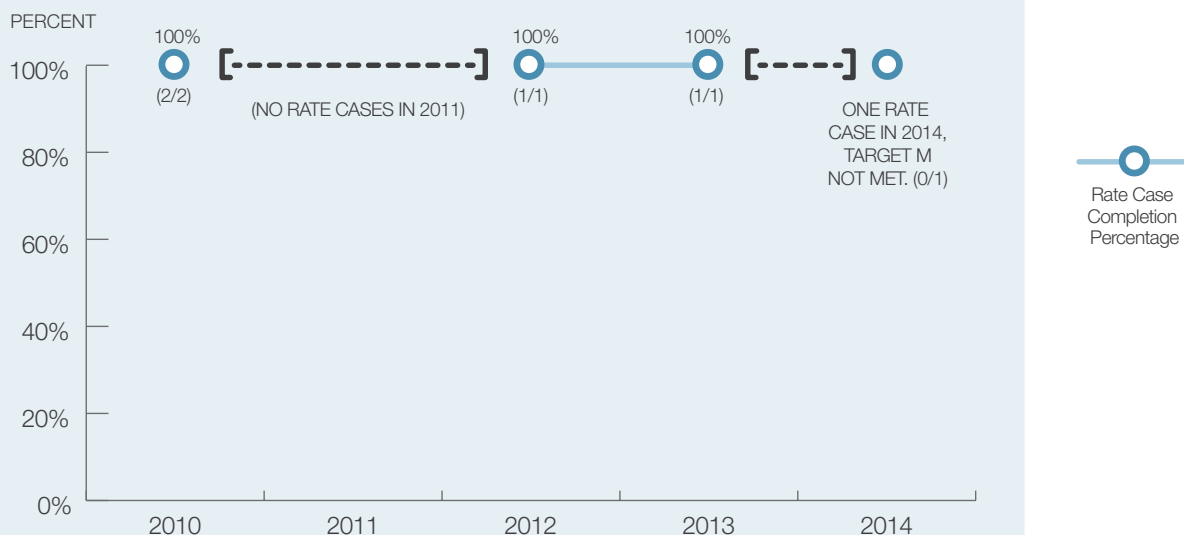


Complaints and inquiries for Verizon decreased by 31.3% from 249 in 2013* to 171 in 2014. Complaints and inquiries for the telecommunications industry decreased by 42% from 313 in 2013 to 198 in 2014.

*Please note, the number of consumer complaints and inquiries for 2013 were revised for the 2014 Annual Report. The data is for Calendar Year 2014.

Source: PSC of the District of Columbia

41. NUMBER AND PERCENTAGE OF RATE CASES PROCESSED ON A TIMELY BASIS



Target: Issue decisional orders within 90 days of the close of the record.

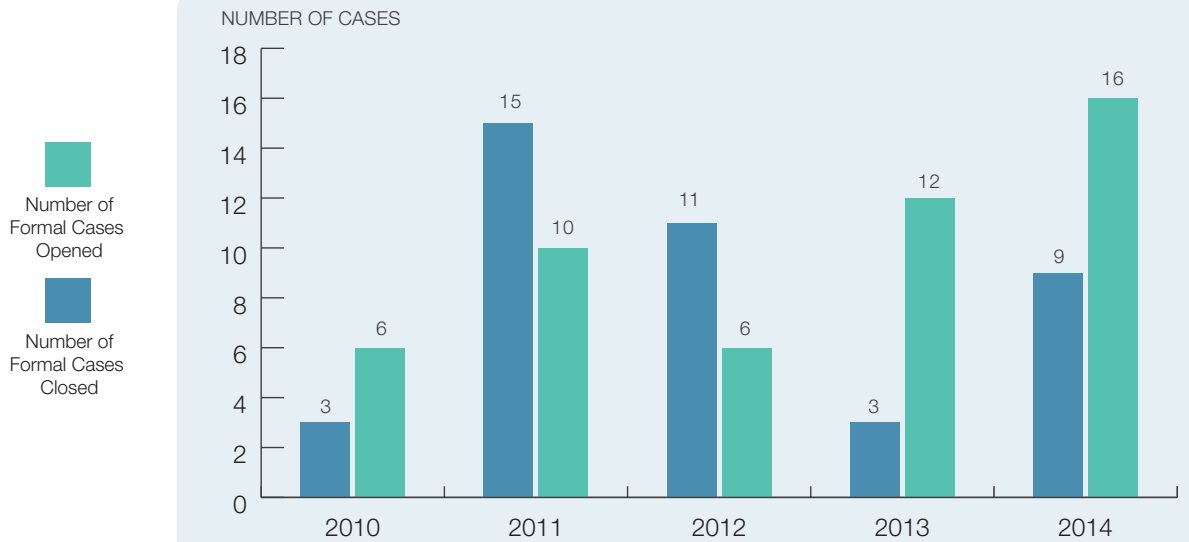
Performance: In one instance, the PSC did not meet its target. The PSC rendered its decision in Pepco's Formal Case 1103 7 days after the deadline.

(#/#) Number of Rate Cases Processed on a Timely Basis.

Source: PSC of the District of Columbia



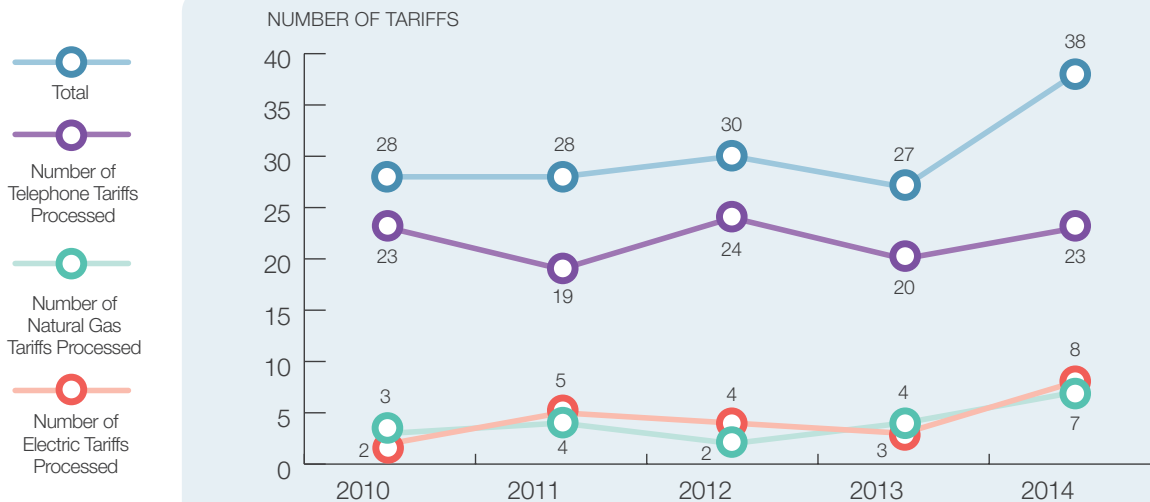
42. TOTAL NUMBER OF FORMAL CASES CLOSED AND OPENED BY YEAR



In 2014, the PSC opened 16 formal cases. This is the highest number of cases opened since 2010. During the same year, the PSC closed nine formal cases.

Source: PSC of the District of Columbia

43. TOTAL NUMBER OF ELECTRIC, NATURAL GAS, AND TELEPHONE TARIFFS PROCESSED*



The PSC fully regulates electric and natural gas tariffs. Such tariffs require a formal filing and result in the Commission Order to Approve or to Deny a Notice of Final Tariff (if the tariff is approved).

On October 1, 2008, Price Cap Plan ("Plan") 2008 became effective per Order No. 15071, issued September 28, 2008. In accordance with the Plan, Verizon is allowed to make changes to its discretionary and competitive services, without formal approval of the PSC, by filing a description of the changes and relevant cost support information on five-days notice. The PSC does not set rates for competitive services.

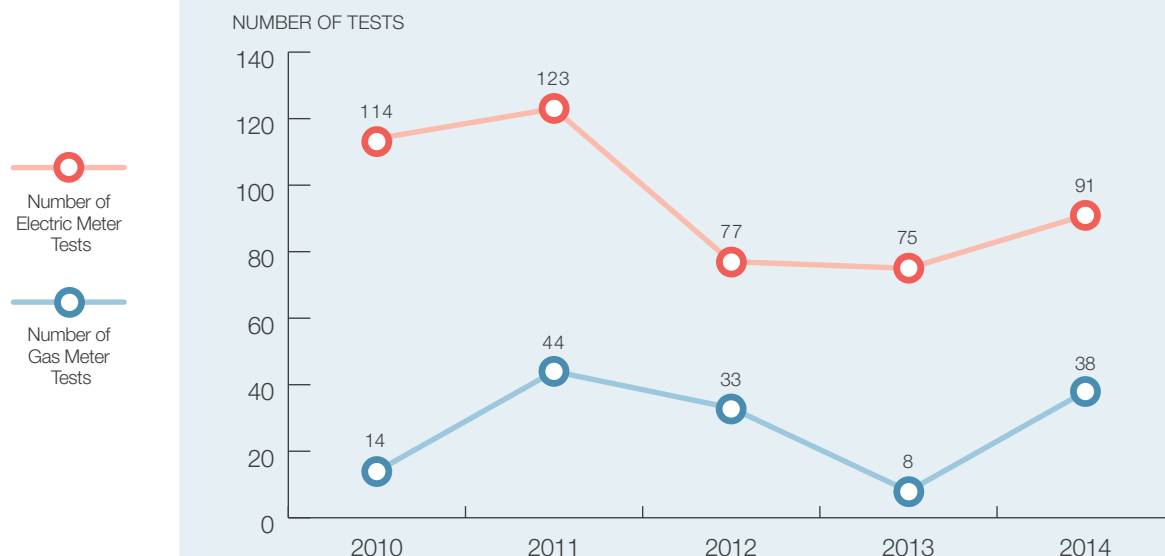
Rate increases for discretionary services are capped at no more than 15%.

* Tariffs processed means tariffs reviewed, approved, withdrawn, or denied. Telecom promotions are not included in the tariff count.

Source: PSC of the District of Columbia



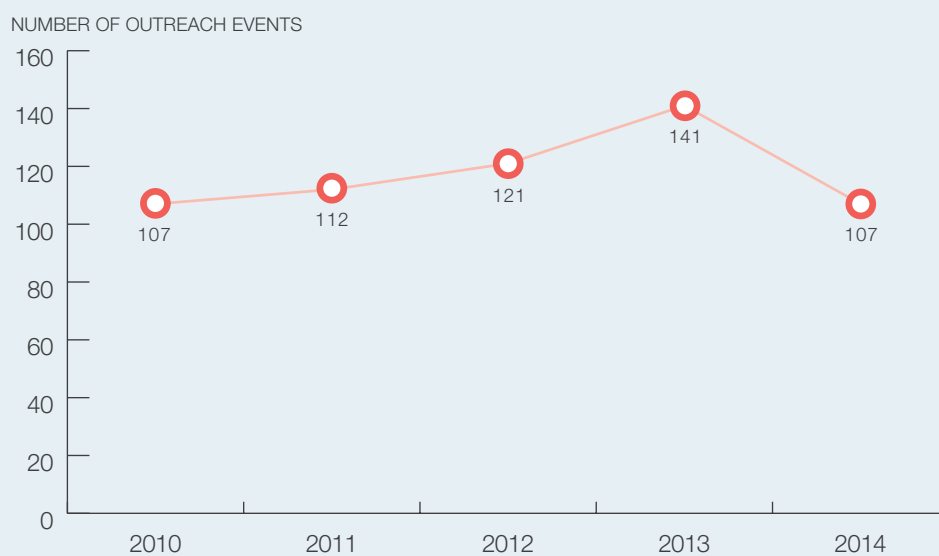
44. NUMBER OF ELECTRIC AND NATURAL GAS METER TESTS WITNESSED



The meter tests are done by the Commission pursuant to a request by a consumer. There were 38 natural gas meter tests in 2014 which is in line with the trend for the previous years (with the exception of 2013, when there were fewer requests by consumers to conduct natural gas meter tests). There were 91 electric meter tests in 2014. Typically, the consumers request fewer tests during warmer than usual winter seasons.

Source: PSC of the District of Columbia

45. NUMBER OF OUTREACH ACTIVITIES (EXCLUDING METER TESTS)



The PSC's goal is to conduct 100 outreach activities (excluding meter tests) a year. In 2014, once again, the PSC exceeded its target by conducting 107 outreach activities.

Source: PSC of the District of Columbia



KEY OUTCOMES

46. DIVERSE SUPPLIERS AND CERTIFIED BUSINESS ENTERPRISES (“CBE”) 2014 PERFORMANCE

DIVERSE SUPPLIERS		
Utility	2014	2013
	Diverse Supplier Percentage of Total System Spend	Diverse Supplier Percentage of Total System Spend
Pepco	13.24%	13.29%
WGL	22.86%	20.28%
Verizon	44.13%	12.63%

DC-BASED CERTIFIED BUSINESS ENTERPRISES (CBE) COMPARED TO TOTAL SYSTEM PROCUREMENT		
Utility	2014	2013
	CBE Percentage of Total System Spend	CBE Percentage of Total System Spend
Pepco	5.51%	3.14%
WGL	7.48%	5.79%
Verizon	18.52%	14.08%

CERTIFIED BUSINESS ENTERPRISES (CBE) COMPARED TO DC PROCUREMENT		
Utility	2014	2013
	CBE Percentage of Total DC Procurement Spend	CBE Percentage of Total DC Procurement Spend
Pepco	41.63%	32.80%
WGL	50.57%	38.86%
Verizon	44.13%	39.87%

In 2014, Pepco, WGL and Verizon filed their Supplier Diversity Annual Reports in accordance with the February 12, 2012 **Memoranda of Understanding (MOU)** between the companies and the PSC regarding contracting with diverse suppliers and **Certified Business Enterprises (CBEs)**. A diverse supplier is a minority business enterprise, a women business enterprise, a service disabled veteran business enterprise or a non-profit. CBEs are defined as businesses certified by the D.C. Department of Small and Local Business Development.

All three utilities reported higher percentages of Supplier Diversity and CBE participation in 2014 compared to 2013.

Source: 2014, 2013 Supplier Diversity Reports from Pepco, WGL and Verizon



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