



# **Regulatory Commission Structure Session 1**

**Presented By:**

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Washington, D.C.**

**Presented At:**

**The Natural Gas Regulatory Workshop**

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*Participants: NARUC, USAID, DC Public Service Commission,  
Public Utility Commission of Ohio, West African Gas Pipeline Authority (WAGPA)*



# District of Columbia Public Service Commission

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- ❑ Created by US Congress in 1913 to regulate natural gas, electric, local telephone, common carriers
- ❑ Independent Home Rule Charter agency
- ❑ Two Commissioners and Chairman appointed by the Mayor with the advice and consent of the D.C. Council
- ❑ Staggered four-year terms
- ❑ Commission has broad regulatory powers over
  - Public utilities and suppliers of telephone, electric and gas services.



# Commission Mission Statement

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- The mission of the District of Columbia Public Service Commission is to serve the public interest by ensuring that financially healthy electric, natural gas and telecommunications companies provide safe, reliable and quality utility services at reasonable rates for District of Columbia residential, business and government customers.
- We do this by:
  - Motivating customer– and results–oriented employees;
  - Protecting consumers to ensure public safety, reliability, and quality services;
  - Regulating monopoly services to ensure their rates are just and reasonable;
  - Fostering fair and open competition among service providers;
  - Conserving natural resources and preserving environmental quality;
  - Resolving disputes among consumers and service providers; and
  - Educating consumers and informing the public.



# DC PSC Commissioners

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Betty Ann Kane



Lori Murphy Lee



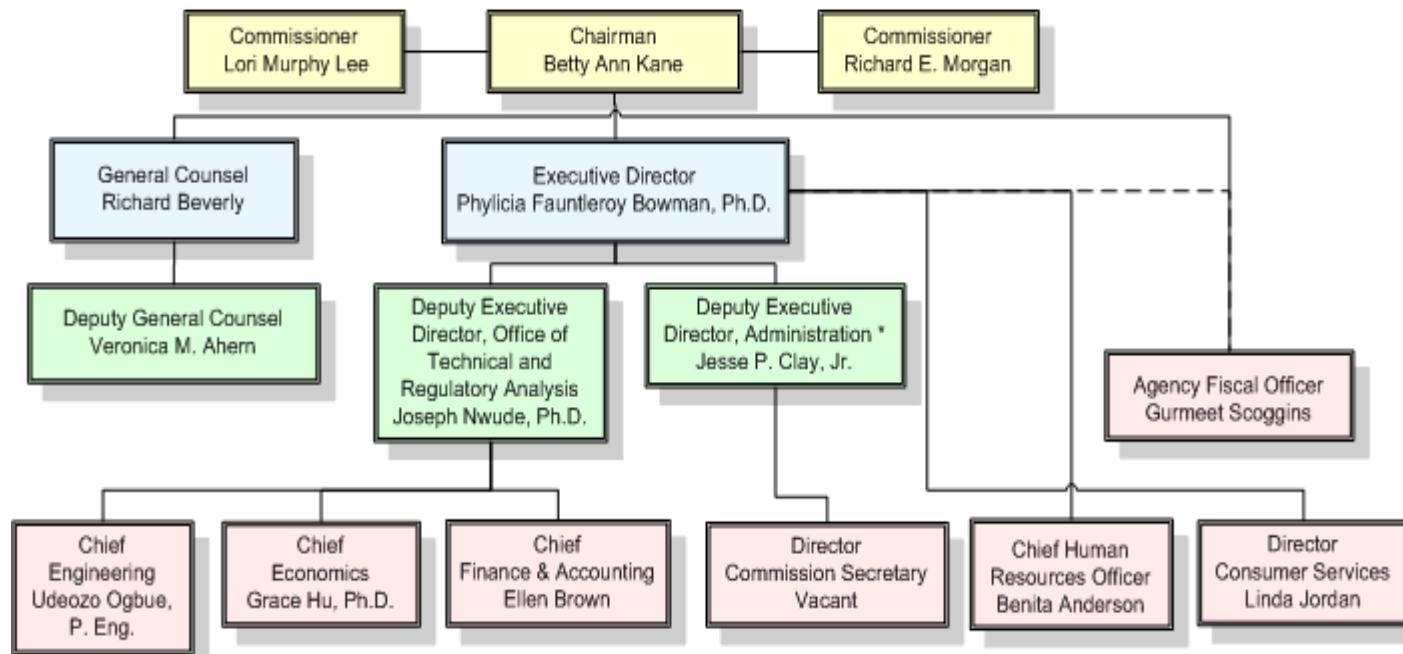


# PSC Staff

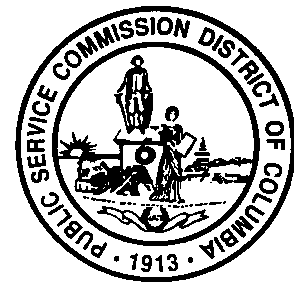
Staff of 73 attorneys, engineers, economists, consumer specialists, and administrative support personnel



# Organizational Structure



\*Staff includes the Chief Information Technology Officer



# Commission's Budget

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- **FY 2012 – \$10.376 million (Began October 1, 2011)**
  - **\$7.839 million – Personnel Services (PS)**
  - **\$2.537 million – Non-Personnel Services (NPS)**
  - **72.6 - No. of Full Time Equivalent (FTE) Positions**

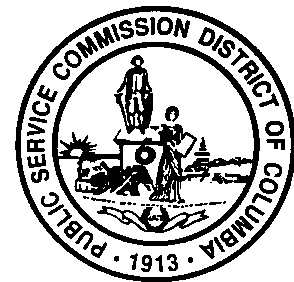


# Commission's Operating Budget Assessments

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- ❑ The Commission assesses the 3 utility companies(Pepco, Verizon, and Washington Gas) , alternative electric and natural gas suppliers, and Competitive Local Exchange Carriers (CLECs) who are serving the District for its annual operating budget.
- ❑ In March of each year, the Commission conducts an annual survey to obtain the revenues of electric, natural gas, and telephone utility companies and alternative electric and natural gas suppliers and Competitive Local Exchange Carriers (CLECs) serving the District for the previous calendar year.
- ❑ Each company's share of the Commission's budget is based on the company's share of total utility industry revenue in the District.





# Formal Case Assessments

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- The Commission assesses the utility companies (Pepco, Verizon DC, and Washington Gas Light) for the cost of formal proceedings.
- Rate Cases – The Commission can assess no more than one-quarter of one percent of the jurisdictional value of the utility company, per case.
- Non-Rate Cases – The Commission can assess no more than one twentieth of one percent of the jurisdictional value of the utility company for the calendar year.

# The PSC Functions as a Quasi-Judicial Agency

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- Issues orders
- Makes rules
- Conducts utility company audits and investigations



# The PSC Is Like a Court

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- ❑ The Commissioners are the judges.
- ❑ All staff involved in formal cases are advisors to the Commissioners.
  - Commissioners' staff, the Offices of the General Counsel (OGC), Executive Director, and Technical and Regulatory Analysis (OTRA) are all advisors to the Commissioners.
  - In some cases, the Office of Consumer Services (OCS) staff also serve as advisors.
- ❑ The Administrative staff is similar to the Clerk of the Court.
  - The Office of the Commission Secretary and the Administrative Offices (Executive Director, Deputy Executive Director for Administration, Human Resources, and Information Technology].
- ❑ OCS provides mediation services to consumers and businesses re complaints re utility service providers and pay telephone service providers and OGC staff serve as hearing officers when formal hearings are requested.
- ❑ OCS manages a pay telephone program.
- ❑ OTRA manages the natural gas pipeline safety program.

# DCPSC

**Privately-Owned Utility  
Companies**

**Public  
Utility Customers**

**Office of the People's Counsel  
(OPC) – Consumer Advocate**

**Government Intervenors:  
e.g., DC Govt. Agencies –  
D.C. Energy Office.**

**e.g., Federal Gov. Agencies -**

**Federal Energy Regulatory Commission (FERC)  
Federal Communication Commission (FCC)**

**Private Intervenors – e.g.,  
Apartment & Office Building  
Association (AOBA),  
Competitive Suppliers**



# Formal Case Process

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## □ Rulemaking Process Steps

- Step 1: Petition for Rulemaking
- Step 2: Notice of Proposed Rulemaking (Sometimes Preceded by NOI)
- Step 3: Further Notice of Proposed Rulemaking (if necessary)
- Step 4: Notice of Final Rulemaking
- Step 5: Report and Order
- Step 6: Petition for Reconsideration
- Step 7: Memorandum, Opinion and Order



# Formal Case Process

## ❑ **Rate Case Process for Setting Distribution Rates**

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- Most rate cases take 9-10 months to litigate
- The utility company files an application for a rate increase along with supporting documentation.
- The Commission issues an order, designating issues in the case.
- The utility company files Testimony in accordance with the designated issues. Other parties file data requests to which the utility company responds.
- Parties file Testimony and all parties file another round of discovery.
- All parties file Rebuttal Testimony and there is a third round of discovery.
- The Commission conducts a formal evidentiary hearing wherein the attorneys for each party cross-examine the witnesses and the Commissioners ask questions of the witnesses.
- The Commission holds 3 community hearings in 3 different wards of the District; one on a Saturday; one in the afternoon, and one during the evening.
- Within 90 days of the close of the record, the Commission issues a decisional order, after which parties have 30 days to file an application for reconsideration. The utility is directed to file revised rate schedules, after which the new rates go into effect.
- After the Commission issues its order on the applications for reconsideration, the parties can appeal all or part of the decision to the D.C. Court of Appeals.



# Current Issues of Interest

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- ❑ Advanced Metering Infrastructure (AMI)
- ❑ Pepco Distribution Rate Increase
- ❑ Implementation of Sub-metering
- ❑ Toughened Electric Quality of Service Standard Benchmarks and Imposition of Penalties
- ❑ Washington Gas Distribution Rate Increase

# Website References

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- D.C. Public Service Commission – <http://www.dcpsc.org>
- D.C. Public Service Commission – Annual Report - <http://www.dcpsc.org/reports/reports.asp?mode=ann>
- Federal Energy Regulatory Commission - <http://www.ferc.gov/>
- Federal Communications Commission – <http://www.fcc.gov/>



THE END  
THANK YOU!

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