

# PUBLIC SERVICE COMMISSION

District of Columbia



## Management and Organizational Assessment

*PUBLIC REPORT*

*June 19, 2019*





**Date:** June 19, 2019  
**Subject:** Our Sincere Appreciation  
**To:** Stakeholders and Fellow Commissions

When I became Chairman of the D.C. Public Service Commission, I decided that we should undertake a study of our strengths and weaknesses in order to assure that we are fulfilling our mission in the most strenuous and positive way. We engaged a consultant, ADC Management Solutions, to assess our business practices and operations and to identify potential improvements.

As part of that assessment, we consulted with you, our stakeholders in D.C. and our fellow Commissions across the country, to solicit your views on current business operations and future considerations and improvements. We researched lessons learned and best practices employed by other Commissions and we gained valuable insights that have enabled us to identify recommendations for future organizational and business process change. We are very grateful for your honest input, care and respect for our mission.

The result of that process is this Final Report. It contains many recommendations for change that the Commission will embrace, and I invite you to watch our progress in implementing these changes. Our website will contain this report, and an "Implementation Tracker" that identifies the changes we are making in our organization and business practices. It can be found at <http://dcpssc.org/ManagementandOrganizationalAssessmentReport>.

We are committed to continuous improvement and learning. And the success of this project is due in large part to your generosity in sharing your insights with us. For that we thank you. As we move forward, we welcome your continued involvement and support.

Sincerely,

A handwritten signature in black ink that reads "Willie L. Phillips". The signature is written in a cursive style.

Willie L. Phillips

Chairman

## ACKNOWLEDGEMENT

The Public Service Commission of the District of Columbia (the Commission) acknowledges the contributions and input received from our internal and external stakeholders. In addition, PSC is grateful to the sharing of lessons learned and best practices that we have compiled through our research and collaboration with other PSC organizations.

The information in this report, was compiled independently by ADC Management Solutions (ADC-MS), and has provided the Commission with the objective insight necessary to take measured actions to improve our organizational structure, operating strategies, and approaches to internal and external customer services. As the Commission moves forward to continually improve our organization and the services provided to the citizens of the District of Columbia, we do so with a commitment to open communication, and greater business transparency.

Finally, the Commission is committed to building and fostering an environment for professional growth and excellence. We recognize that quality of the public service provided by our organization is a reflection of our team and the commitment to our mission.

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# TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	1
METHODOLOGY .....	1
OBSERVATIONS .....	1
RECOMMENDATIONS .....	2
<b>1 INTRODUCTION.....</b>	<b>3</b>
1.1 PURPOSE OF THIS REPORT .....	3
1.2 APPROACH .....	3
<b>2 DISCOVER .....</b>	<b>7</b>
2.1 ABOUT THE COMMISSION .....	7
2.2 DATA COLLECTION FINDINGS.....	8
<b>3 ANALYZE AND COMPARE .....</b>	<b>10</b>
3.1 LESSONS LEARNED .....	10
<b>4 ENVISION.....</b>	<b>13</b>
4.1 CHANGE MANAGEMENT .....	13
4.2 PRIORITY OBSERVATIONS .....	14
4.3 SECONDARY RECOMMENDATIONS.....	20
4.4 DATA BENCHMARKING ANALYSIS .....	21
4.5 IMPLEMENTATION PLAN .....	23

# EXECUTIVE SUMMARY

This report summarizes the findings of the organizational assessment of the Public Service Commission of the District of Columbia (the "Commission"). It represents the analysis and feedback gained from a review of internal and external stakeholder survey responses, focus groups and interviews. The Report also considers benchmarking research conducted at similarly situated regional Public Utility Commissions.

Findings from this research and analysis will assist the Commission in embarking on a culture of operational excellence, data-driven decision making, innovation, and customer-centric focus. We have organized our findings and recommendations in the areas of people, process, technology and culture. Our recommendations provide the Commission with strategic approaches for improving the efficiency and effectiveness of Commission operations.

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## METHODOLOGY

The ADC Team used the following high-level methodology to complete the assessment:

1. Collect all available data.
2. Synthesize and organize into the areas of people, process, technology, and culture.
3. Organize all data.
4. Develop comprehensive observations.
5. Prioritize these observations for Commission consideration into primary and secondary based on prevalence, impact, risk, and ease of implementation.

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## OBSERVATIONS

Using all available data, a total of 12 observation areas were identified. These observations were then prioritized and consolidated based on their impact, risk, prevalence, and ease of implementation. Priority findings are those that have the most potential risk and impact to the organization. Secondary findings are important, but do not have a significant level of urgency or impact. The priority and secondary observations that emerged are as follows:

<i>Priority Observations</i>	<i>Secondary Observations</i>
<ul style="list-style-type: none"><li>• <i>Internal and External Communication</i></li><li>• <i>Commissioner Responsibilities</i></li><li>• <i>Organizational Culture</i></li><li>• <i>Process Improvement</i></li><li>• <i>Human Resources</i></li><li>• <i>Organizational Structure</i></li></ul>	<ul style="list-style-type: none"><li>• Awards &amp; Recognition</li><li>• Succession Planning</li><li>• Use of Technology</li><li>• Procurement</li><li>• Mission Alignment</li><li>• Organizational Performance (Use of KPIs)</li></ul>

A discussion of the primary items is below:

### Priority #1: Internal and External Communication:

Despite being a critical aspect in the Commission's mission, ratepayers and other consumers are generally unaware of the Commission's role and impact. Despite being a critical aspect in the Commission's mission, ratepayers and other consumers are generally unaware of the Commission's role and impact. In addition, our

survey and interviews with external stakeholders indicated that communications is an area that needs improvement in terms of frequency and relevance.

#### **Priority #2: Commissioner Responsibilities:**

The roles and responsibilities of the Commissioners should be examined to assess workload volume and efficiency. Benchmarking analysis has shown that the span of responsibilities for the District of Columbia Commissioners is much higher than their counterparts in other State Commissions. For example, in Delaware, Commissioners' caseload is supported not only by administrative law judges who review cases, but also part-time commissioners who support the process. In addition, certain procurement approvals at the Commission below a certain threshold can be delegated to the Executive Director.

#### **Priority #3: Organizational Culture:**

The organizational culture at the Commission has negatively impacted the overall morale and cohesiveness at the organization. Staff interviews and survey results indicate a strong need for more interactive communications from leadership to staff as well as across departments. Leadership should consider several recommendations, identified in Section 2.4, specifically examining the "clock in" and "clock out" processes and an emphasis on improving top-down communication and transparency.

#### **Priority #4: Process Improvement:**

Policies and procedures exist throughout the organization, however the level of consistency in formalization and content varies. Generally, the Commission benefits from experienced staff who understand their respective tasks and assignments. However, while general practices are in place, written policies and procedures need to be formally documented to ensure consistency, cross-functional specificity, and common understanding.

#### **Priority #5: Human Resources:**

Human Resource practices have limited employee engagement and personnel growth. Many staff have specifically mentioned the need to improve the level of training and strengthen the performance evaluation process.

#### **Priority #6: Organizational Structure:**

The Commission has experienced and technically competent staff in all areas of performance. The Commission would benefit from realigning the Office of General Counsel and the Technical and Regulatory Analysis level to each other under the Commission's Chairman. Additionally, the Commission would benefit from a detailed position description and job review to refresh personnel skills and better align tasks.

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## **RECOMMENDATIONS**

There are a total of 35 recommendations included in this report. Of these, 26 relate to priority observations and the remaining relate to secondary observations. Recommendations in priority areas are organized by area for context and included in Section 4.2 of this Report: *Priority Observations*.

Recommendations for secondary observations are listed in Section 4.3 of this Report under *Secondary Recommendations*.

# 1 INTRODUCTION

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## 1.1 PURPOSE OF THIS REPORT

This report presents the findings of the management and organizational assessment conducted for the Commission. The purpose of this report is to present observations on the agency's operating profile and management processes and practices. We identified opportunities for improvements as well as specific recommendations to improve the organization's people, processes, technology, and culture.

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## 1.2 APPROACH

The ADC Team was organized around three primary project phases as defined below:

- 1. Discover:** This data collection phase included the review of available internal and external documentation, interviews with key internal and external stakeholders, focus groups, benchmarking, and analysis of other available data.
- 2. Analyze and Compare:** This phase included the analysis of available data and the comparison of Commission functions, governance, and infrastructure to similarly sized and situated jurisdictions.
- 3. Envision:** This phase will include the development of an implementation roadmap for change. Recommendations were organized by priority and level of effort.

Each of these phases and their corresponding tasks are described below:

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### 1.2.1 DISCOVER

The Discover phase included the collection of various data artifacts using the following methods:

#### Media and Document Review

Our team collected various data artifacts to support this engagement including publicly available and proprietary Commission data. We conducted a search for Commission information and the Commission also provided our team with historical studies and reports with a similar scope to this project. We then compiled, archived, and conducted a comprehensive review of this information. The document review included:

- Oversight Hearing Documentation (2019)
- Organizational Charts
- Agency Audits and Studies
- Budget Data
- Lists of Existing Tools and Technologies being used by the Commission
- Personnel Data
- Performance and Key Performance Indicators
- News Articles Related to the Commission

#### Surveys

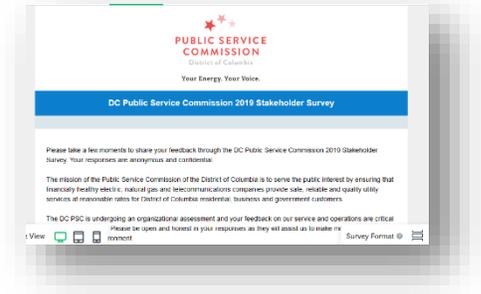
The issues and recommendations published in this report are a result of collecting feedback from staff, managers, and executive leadership in two surveys as described below:

- **PSC Staff Survey:** Prior to the initiation of this engagement, the Commission’s Transition Team designed and implemented a survey to Commission employees and staff. The staff survey consisted of 40 questions in the following key areas:
  - Communication
  - Culture and Environment
  - Change Management
  - Consumer Engagement
  - Tools and Resources
  - Mission and Purpose
  - Business Processes

There was a total of 53 responses (including multiple choice and open narrative discussions).

- **Commission External Stakeholder Survey:** During this engagement, the ADC Team designed and implemented a companion survey to key external stakeholders. This externally-focused survey consisted of 23 questions in the following key areas:
  - Communication
  - Vision and Strategy
  - Collaboration
  - Consumer Engagement

A total of 14 out of 20 suggested respondents replied to the survey. Responses included both multiple choice and narrative data.



## Individual Interviews

Interviews were conducted with internal and external personnel to facilitate an understanding of core topics around people, process, technology, and culture. Example Questions to guide these discussions are referenced in *Appendix A: Individual Interview Guidance*. The issues and recommendations stated in this report include feedback collected from 29 interviews with internal Commission staff and external stakeholders as represented in the table below:

Commission Interview Overview		
Interview Type	Count of Interviews	Area of Focus
Internal Commission Staff	12	Staff perspective on management communication, training and human resources, processes and procedures, culture and morale.
Internal Commission Management	7	Management perspective on overall communication, training and human resources, processes and procedures, culture and morale.
External Stakeholders	10	External perspective on Commission customer service, effectiveness, mission alignment, and transparency.

Interviews were generally conducted in person, with exceptions where onsite discussions were not feasible. The specific individuals interviewed is listed as *Appendix B: Individual Interview Participants*.

## Group interviews

The issues and recommendations stated in this report include feedback collected from 26 individuals who participated in group interviews.

Commission Group Interview Overview		
Interview Type	Count of Interviews	Area of Focus
Transition Team	15	Survey results and specific organizational recommendations
External Stakeholder Forum	11	Commission efficiency, transparency, customer service and mission alignment

## Benchmarking

The ADC-MS Team also conducted a benchmarking analysis of the Commission against similarly situated public service commissions. This assessment compared the profile, organization, and operations of the Commission to other public service commissions throughout the nation.

Benchmarking is an important way to establish baselines, define best practices, identify improvement opportunities and create a competitive environment within the organization. Integrating results into Commission operations will result in valuable data that encourages discussion and sparks new ideas and practices. Benchmarking is also a tool to help evaluate and prioritize improvement opportunities – a critical area for the Commission. The ADC-MS Benchmarking assessment included two components:

- **Onsite Site Visits:** The ADC Team joined members of the Commission leadership team on visits to three public utility commissions in Maryland, Delaware, and Pennsylvania. These locations were chosen because of their geographic proximity, size in employees, and population. Each visit included a discussion with senior leadership and selected staff around the following key topics:
  - Organizational Structure
  - Performance Measures
  - Technology and Tools
  - Processes and Implementation
  - Change Management

Based on these discussions, we have identified lessons learned for consideration. Throughout the document, we have referred to these results as they relate to the areas of people, process, technology, and culture.

- **Public Utility Commission Comparative Analysis:** In addition to onsite site visits, we also conducted a data and metric analysis for eight additional jurisdictions. For these jurisdictions, we compiled and analyzed available metrics in the areas of organizational structure, case oversight, and consumer engagement. These jurisdictions were selected based on comparable population sizes, location and breadth of work, and oversight scope:

- Vermont Public Utility Commission
- Regulatory Commission of Alaska
- Wyoming Public Service Commission
- North Dakota Public Service Commission
- South Dakota Public Service Commission
- Rhode Island Public Utilities Commission
- Hawaii Public Utilities Commission
- Georgia Public Service Commission

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## 1.2.2 ANALYZE AND COMPARE

The Analyze and Compare phase included the following activities:

- **Organizational of Results:** The ADC Team then organized all findings in the areas of People, Process, Technology, and Culture. Individually, these four aspects of organizational transformation are critical in any assessment. However, working collectively, people, process, technology, and culture can result in meaningful and sustainable improvements in an organization.
- **Lessons Learned:** Our team compiled a list of lessons learned from all of our data collection activities, with a focus on the onsite site visits at other public service commissions.

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## 1.2.3 ENVISION

The Envision task included the delineation of observations and their associated recommendations. The observations were prioritized based on their risk, impact, prevalence and ease in implementation. It concludes the report with a list of next steps for the Commission to undertake to continue to its efforts to pursue increased operating efficiencies and performance delivery.

## 2 DISCOVER

This data collection phase includes the review of available internal and external documentation, interviews with key internal and external stakeholders, focus groups, benchmarking, and analysis of other available data.

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### 2.1 ABOUT THE COMMISSION

The Commission was originally established by Congress in 1913 as an independent agency of the District of Columbia Government. The Commission functions as an independent, quasi-judicial agency in the District of Columbia. The Commission has 86 full-time positions and is headed by a Chairman and two Commissioners, who are appointed to four-year terms by the Mayor with the advice and consent of the DC Council.

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

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

## Mission

The mission of the 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. The Commission has identified three goals for carrying out its mission:

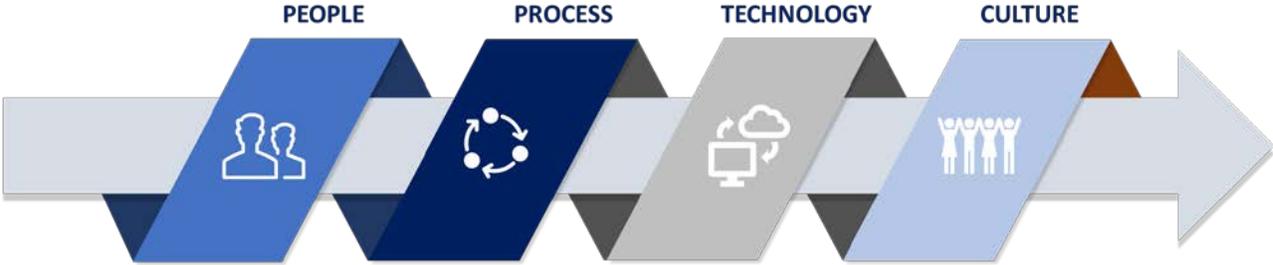
- **Economic Development:** The Commission contributes to the economic development of the District through the continued regulation of monopoly electric and natural gas distribution services of Pepco and Washington Gas respectively, and, where feasible, the introduction of competition in other segments of the electric, natural gas, and telecommunications industries.
- **Public Safety:** Public Safety is promoted through natural gas pipeline safety and public payphone programs and the investigation of certain occurrences, such as manhole explosions and utility outages.
- **Customer Service:** The Commission promotes customer satisfaction by improving service delivery through the streamlining of the processing of applications, payphone complaints, payphone registration applications, and tariff and financing approval requests.

The following figure highlights some of the local and industry challenges facing the commission:



## 2.2 DATA COLLECTION FINDINGS

As a result of the Discover phase, the ADC Team identified over 125 findings that relate to the organization. These findings included strengths, challenges, and areas for potential improvement. The findings were categorized in the following key areas in order to provide meaningful analysis of the Commission:



- Competencies
- Capacity
- Performance
- Accountability
- Training and Development

- Efficiencies
- Resource Utilization
- Protocols
- Inter-departmental execution

- Platforms
- Process Integration
- Data and Transparency
- Reporting

- Organizational Structure
- Working Environment
- Stakeholder Engagement
- Employee Engagement
- Perceptions.

# 3 ANALYZE AND COMPARE

This section of the document summarizes the results of the analysis of all available data. It highlights strengths, weaknesses, opportunities and threats as it relates to the Commission's organizational structure and its operations. The ADC-MS Team conducted a benchmarking analysis of the Commission against similarly situated public service commissions. This assessment compared the profile, organization, and operations to other public service commissions throughout the region.

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## 3.1 LESSONS LEARNED

The following table summarizes the lessons learned from the site visits. Each lesson learned represents experiences from other commissions that can be used to improve the Commission's organizational performance. These items were gleaned from discussions with public utility commission staff or through a review of available site visit documentation.

**SITE VISIT LESSONS LEARNED**

	<b>PENNSYLVANIA PUBLIC UTILITY COMMISSION</b>	<b>MARYLAND PUBLIC SERVICE COMMISSION</b>	<b>DELAWARE PUBLIC SERVICE COMMISSION</b>
<b>PEOPLE</b>	<ul style="list-style-type: none"> <li>• Leadership is committed to growth and enhancement of organization</li> <li>• Establish formal internship programs as a mechanism to support recruitment</li> <li>• Internally conduct bi-monthly training sessions, including live streaming, allowing staff to earn continuing education credit</li> <li>• Assign each bureau director has a travel budget</li> <li>• Conduct formal onboarding training within 2-3 months for new hires</li> <li>• Establish Energy Leader (emerging leader training) program for selected staff</li> </ul>	<ul style="list-style-type: none"> <li>• To address challenges in personnel retention, establish internal processes for recruitment and retention</li> <li>• Better align of resources and participants improve meeting management</li> <li>• Implement competitive salary and compensation plans</li> <li>• Establish formal internship programs as a mechanism to support recruitment</li> <li>• Conduct semi-annual personnel evaluations</li> <li>• Create annual training plan</li> <li>• Create a formalized relationship with local universities (i.e. Johns Hopkins) to create a talent pipeline</li> <li>• Fully staff legislative team (policy, regulations, legislation)</li> <li>• Hire complaint mediator to address consumer complaints before they become formal</li> <li>• Consider job/career passion as criteria during candidate evaluation process</li> </ul>	<ul style="list-style-type: none"> <li>• Employ part-time commissioners to improve workload management</li> <li>• Revise and update job descriptions regularly</li> <li>• Create a formalized relationship with local universities (i.e. University of Delaware) to create a talent pipeline</li> </ul>

## SITE VISIT LESSONS LEARNED

	PENNSYLVANIA PUBLIC UTILITY COMMISSION	MARYLAND PUBLIC SERVICE COMMISSION	DELAWARE PUBLIC SERVICE COMMISSION
PROCESS	<ul style="list-style-type: none"> <li>Involve staff in developing electronic case management system</li> <li>Implement an investigation and enforcement unit with the utility (prosecutorial capability)</li> <li>Host monthly “all directors” meeting</li> <li>Commissioners review all case information prior to attending hearings</li> <li>Circulate and preview agenda 24 hours prior to meeting</li> <li>Establish public comment folder on website to allow public input on hearings</li> <li>Establish internal “Team Efficient” group to identify and streamline business processes</li> <li>Delegate authority/responsibilities (where appropriate) from Chairman to executive director</li> <li>Create annual policy acknowledgement process for employees about HR (ethics, sexual harassment, etc.)</li> <li>Implement a fully staffed policy team (PPUC has 20 people)</li> <li>Issue infraction letters to utilities for enforcement purposes</li> <li>Utilize mobile van for community engagement and outreach</li> <li>Require regulated utilities to conduct annual customer service survey</li> <li>Establish press release policy</li> <li>Consider assignment of Rate cases or large utility applications to administrative law judge</li> <li>Employ safety group to handle emergency situations</li> </ul>	<ul style="list-style-type: none"> <li>Draft orders are too brief and inconsistently developed</li> <li>Heavy reliance on manual paper driven processes (e.g. 17 copies of orders)</li> <li>Use style guide to improve consistency in orders (e.g. FERC style guide)</li> <li>Utilize electronic newsletter to enhance stakeholder communication</li> <li>Appoint social media coordinator to enhance online communication</li> <li>Use administrative law judges to hear case de novo (two tier case management and review process)</li> <li>Create “buck” sheet to communicate current issues impacting the commission</li> <li>Establish bi-weekly formal meetings of the commission and senior staff levels</li> <li>Establish and maintain a database of consumer questions and resolutions</li> <li>Consider formalized rules/guidelines for rulemaking process</li> </ul>	<ul style="list-style-type: none"> <li>Screen and eliminate unnecessary 3rd party reporting processes</li> <li>Establish a quarterly non-case discussion with utility senior leadership (ED or above)</li> <li>Publish weekly update reports to all staff</li> <li>Legislative affairs team reports directly to the Chairman</li> <li>Evaluate the applicability for PSC oversight for electronic charging station regulations</li> <li>Establish, track and measure number of cases completed within the specified timeframe</li> <li>Utilize communication firewalls between commissioners and staff during active case considerations</li> </ul>
TECHNOLOGY	<ul style="list-style-type: none"> <li>Redesign website with an emphasis on creating a user-friendly environment</li> <li>Ensure all commission file documents are published to website and searchable (key word searches)</li> <li>Develop power shopping website (www.papowerswitch.com)</li> <li>Live stream all hearings, trainings and continuing education courses</li> <li>Digitize all records</li> </ul>	<ul style="list-style-type: none"> <li>Upgrade IT applications (e.g. Microsoft Access 97)</li> <li>Continuously upgrade IT environment (every 18 months)</li> </ul>	<ul style="list-style-type: none"> <li>Establish an electronic filing process to improve rule making efficiency</li> <li>Digitize 100% of commission records</li> <li>Enable use of video technology for training</li> </ul>
CULTURE	<ul style="list-style-type: none"> <li>Ensure staff understands how their job contributes to commissions vision</li> <li>Circulate monthly employee newsletter that includes recent news, commission activities, personal accomplishments, and staff want ads.</li> </ul>	<ul style="list-style-type: none"> <li>Circulate monthly “Cheerleading” email to team to improve morale and tout team member successes</li> <li>Establish an annual community service event</li> </ul>	<ul style="list-style-type: none"> <li>Host an annual All-Hands retreat for commission employees</li> </ul>

# 4 ENVISION

This section will help provide an implementation “roadmap” for the Commission. The ADC Team has developed observations and associated recommendations based on all findings. This analysis will present short-term actions that can be implemented relatively easily (“Low-hanging fruit”) as well as longer-term actions that will require cross-organizational coordination and external support. This section will also discuss the aspect of change management necessary to effectively institute organizational change.

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## 4.1 CHANGE MANAGEMENT

Assessments for organizational improvement typically focus on the process improvement and business process reengineering while minimizing the important people aspect of who is performing the tasks. However, to achieve and maintain sustainability, business improvements must focus on the individuals who will benefit from the assessment results and who have potential for transformation as well as the impact on the culture of the organization.

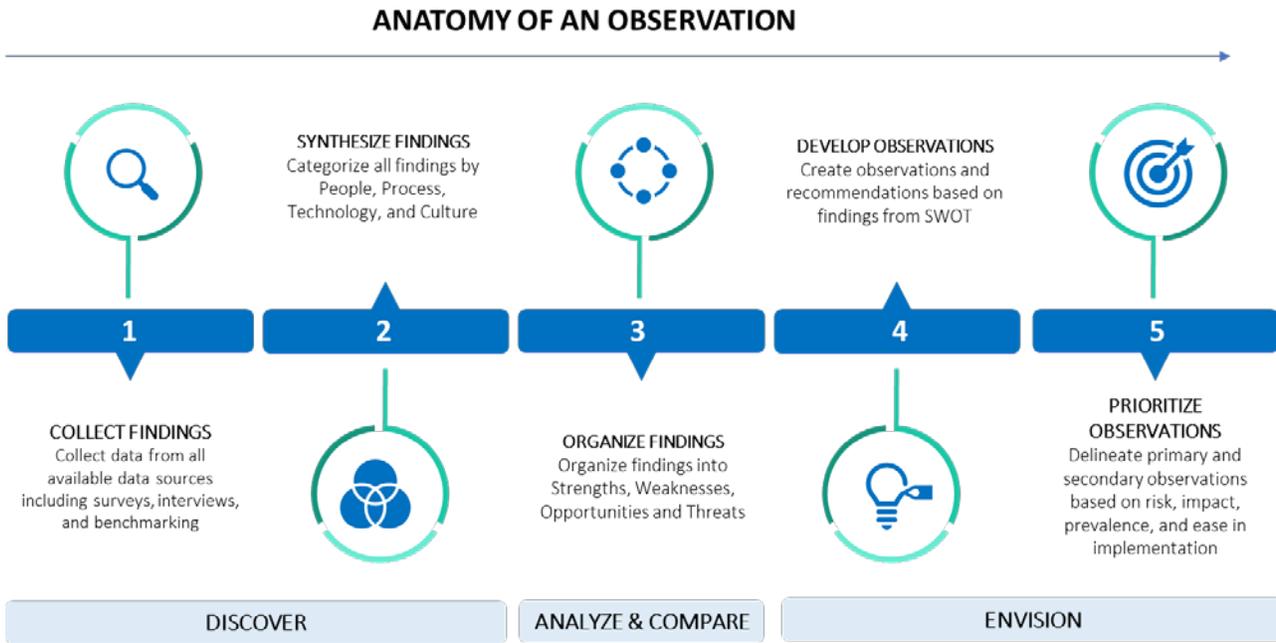
Listed are the most critical elements of organizational change and improvement to consider in order to function effectively:

- **Top Management Sponsorship:** To ensure full organizational acceptance, leaders shape and reinforce behavior, and are able to bring people together to work through roadblocks, move people towards productive agreement, and inspire teams to change.
- **Employee Involvement and Input:** It is important to involve all stakeholders, process owners, and employees who will feel the impact of the changes in the learning, planning, decisions, and implementation of the change. Employee buy-in is critical in shaping identification of issues and their appropriate resolution.
- **Timely and Honest Communication:** Clear communication of the vision, mission, and objectives of the change management effort help people to understand how these changes will affect them personally. It is important to have consistent and frequent communication through multiple channels.
- **Change Agents:** Organizational change requires effective change agents. A change agent is an individual with the skill and power to stimulate, facilitate, and/or coordinate the change effort. Change agents may be either external or internal. The success of any change effort depends heavily on the quality and workability of the relationship between the change agent and the key decision makers and sponsors within the organization.

We recommend that the Commission fully employ each of these elements as they implement the recommendations outlined in this Report.

## 4.2 PRIORITY OBSERVATIONS

Using all available data including media and document review, internal and external surveys, internal and external focus groups, site visits, and benchmarking, a total of 12 observation areas were identified. These issues were then prioritized based on an analysis of priority impact, prevalence, and the overall risk to the Commission. The graphic below depicts the process for developing these observations:



The ADC Team then validated this information in a Management Retreat with the Commission's Management Team as well as an All-Hands staff meeting open to all Commission staff. The team had several recommended changes that have been integrated in this Report. All organizational feedback has been detailed in a *Management and Staff Responses Report* accompanying this document.

Priority Findings are those that have the most potential risk and impact to the Commission. Secondary Findings are important but do not have a significant level of urgency or impact. Considerations when classifying priority included the following:

- Prevalence of issue across various data points including internal and external sources
- Potential impact to the Commission if the issue is not resolved
- The severity of the issue
- The ease in implementation of the issue.

The priority and secondary observations that emerged are as follows:

<i>Priority Observations</i>	<i>Secondary Observations</i>
<ul style="list-style-type: none"> <li>• <i>Internal and External Communication</i></li> <li>• <i>Commissioner Responsibilities</i></li> <li>• <i>Organizational Culture</i></li> </ul>	<ul style="list-style-type: none"> <li>• Process Improvement</li> <li>• Human Resources</li> <li>• Organizational Structure</li> </ul>

- *Awards & Recognition*
- *Succession Planning*
- *Use of Technology*
- Procurement
- Mission Alignment
- Organizational Performance (Use of KPIs)

For each of the six priority observations above, detailed recommendations have been included below.

### Priority #1: Internal and External Communication:

Despite being a critical aspect in the Commission's mission, ratepayers and other consumers are generally unaware of the Commission's role and impact. In addition, our survey and interviews with external stakeholders indicated that communications is an area that needs improvement in terms of frequency and relevance.

1. **Legislative Affairs:** Build a Legislative Affairs Office to focus on City Council relationships, emerging policies and other issues affecting the Commission's areas of responsibility. Consider assigning a dedicated policy resource to this team to proactively address and research trending issues of which the Commission may have future impact.
2. **Consumer Engagement:** Review the Consumer Service Outreach and Education Team's interactions with external stakeholders. Ensure interactions are consistent with the Commission's primary charter of a fair and balanced judicial review. Prescribe a Monthly Actions and Engagements Report to be aware of communications, get feedback and evaluate if relationships are effective amongst all consumer service entities.
3. **Communications Plan:** Develop a comprehensive communication plan that:
  - a. rebrands the renewed focus on consumers and ratepayers, consider coordination with the Office of the People's Counsel;
  - b. is distributed and communicated to all managers;
  - c. prescribes weekly, monthly and other intermediate meetings to inform management and staff of Commission activities;
  - d. includes formal policies for managing internal communications (e.g. bi-monthly newsletters, quarterly All-hands Meetings, monthly birthday/special happenings to employee events);
  - e. fully addresses all external communication (e.g. press releases);
  - f. covers at least one year; and
  - g. is part of the management evaluation process.
4. **Website:** Update the Commission's website to include additional ratepayer-friendly features and to include all case and issue documents from the Commission of interest to all stakeholders. Potential updates include an expanded Consumer Corner that presents guidance on key consumer touchpoints (regardless of whether they are regulated by the Commission such as solar and wireless). Also, consider a docket fully searchable by keyword and includes all documents from the Utility companies.

### Priority #2: Commissioner Responsibilities:

The roles and responsibilities of the Commissioners should be examined to assess workload volume and efficiency. Benchmarking analysis has shown that the span of responsibilities for the District of Columbia Commissioners is much higher than their counterparts in other State Commissions. For example, in Delaware, Commissioners' caseload is supported not only by administrative law judges who review cases, but also part-time commissioners who support the process. In addition, certain procurement approvals at the Commission below a certain threshold can be delegated to the Executive Director. This evaluation should also consider:

1. **Chairman Delegation of Authority:** Consider delegating approval for certain procurement and other Commission expenses and selected administrative duties to the Executive Director. For example, all procurements less than \$100k can have a streamlined approval that does not require signature at the highest level.
2. **Hearing Process Review:** Examine the existing hearing process to identify further efficiencies and process changes. For example, external stakeholders and civic organizations have argued that the process is biased toward large regulated entities simply because of the level of resources required to review and respond to Commissioner requests and rulings.
3. **Commissioner Staff:** Consider expanding the number of Commissioner staff to include additional attorney and policy resources. This will support the Commissioners ability to research trends, issues and cases without conflicting with OGC and OTRA research and findings of the same.
4. **Administrative Law Judge (ALJ) Resources:** Used effectively, ALJ's can be a valuable resource in managing Commissioner workload and overall process efficiencies. PSC should determine whether ALJ's can be effectively integrated into the adjudication process at the Commission.

### Priority #3: Organizational Culture:

The organizational culture at the Commission has impacted the overall morale and cohesiveness at the organization. Staff interviews and survey results indicate a strong need for focused and frequent communication from leadership to staff as well as across departments. Leadership should consider several recommendations, specifically, examining the "clock in" and "clock out" processes and emphasis on improving top-down communication and transparency.

1. **Clock In/Clock Out:** The Commission should immediately curtail the use of the timesheet clock in and clock out process for non-probationary employees. Consider alternatives to offer management to manage time and attendance. In addition, the Commission should consider the use of a flexible work policy for professional staff with emphasis on each employee responsibly ensuring work performance and accountability. Management should implement and track ongoing tasks, responsibilities, due dates and times and output for employees. This process should contribute to the employee evaluation process.
2. **Organizational Assessment Rollout:** Organize and hold a meeting with management and another meeting with all PSC staff to rollout the results of this assessment. Ensure this meeting occurs after management has reviewed all issues and recommendations. An off-site environment would be a more equal ground to encourage staff participation.
3. **Commissioners All Hands Meeting:** Hold a quarterly All Hands meeting, coordinated by the Executive Director and led by the Chairman, to communicate with all staff simultaneously. Possible agenda topics include upcoming procedural calendar and action items, information on emerging issues, stakeholder issues and ideas, summary of adjudications, and foster open discussion. The Executive Director should determine if one of the Departments with oversight of the topics will perform the agenda presentation.
4. **Staff Communication:** Develop an employee centric Newsletter highlighting key commission activities and forecasts, including policy initiatives/changes, upcoming events, new hires, departures, employee birthdays and recognition, and issues of interest. This is an opportunity to create archivable documentation in which current and future employees can refer to for information. Alternatively, the Commission can utilize an employee Intranet resource that

performs a similar purpose and provides a resource for relevant Commission documentation, i.e., MS365 SharePoint managed by the Information Technology Department.

5. **Employee Input:** Create a mechanism for internal employee input into process improvement (e.g. "Letter to the Director", Employee Suggestion Box or Employee Engagement Team).
6. **Social Activities:** Create a volunteer "Culture Team", "Team PSC" or similar mechanism for planning social activities. Consider holding at least two social events per year for staff including a holiday party and an off-site Employee Olympics event to change the work environment and employee interaction dynamic.

#### Priority #4: Process Improvement:

Policies and procedures exist throughout the organization, however the level of consistency in formalization and content varies. Generally, the Commission benefits from experienced staff who understand their respective tasks and assignments. However, while general practices are in place, written policies and procedures need to be formally documented to ensure consistency, cross-functional specificity, and common understanding.

1. **Process Assessment:** Conduct a process assessment that determines the adequacy of existing processes. Review, evaluate, and codify existing processes, including swim lanes. Prioritize human resources management and procurement processes given their importance in the organization and potential for risk. Draft or update existing standard operating procedures as referable documents to the internal business processes of the Commission.
2. **Key Performance Indicators:** In addition to the Commission's overall KPIs, consider adding additional KPIs and performance measures that consider issues outlined in this Report. Consider individual KPIs for staff that support employee growth and consider the overall Commission KPIs. Also, potentially add a dashboard to communicate key metrics to internal and external stakeholders.
3. **Process Workflows:** Improve Commission Standard Operating Procedures (SOP)'s with flow charts of activities reflecting interdepartmental workflows and connections.

#### Priority #5: Human Resources:

Human Resource practices have limited employee engagement and personnel growth. Many staff have specifically mentioned the need to improve the level of training and strengthen the performance evaluation process. Other areas of focus include:

1. **Bonus and Compensation Structure:** Implement a merit-based bonus and compensation structure that ties directly to the performance evaluation process. Develop valid measures to quantify bonuses and evaluate their achievement tied to performance measures for periodic outputs, training credits and new certifications achieved, and to the position description requirements. Consider non-financial benefits such as two-day telework options and employee recognition events.
2. **Management and Employee Training:** Develop a formal management and employee training program that focuses on key human resources activities such as performance management, coaching, counseling, development and professional job certifications. Certifications should include; recurring continuing education and points per year in legal, engineering and program and project management. The continuing education requirement and points should be a performance evaluation criterion or KPI's. Local universities, community centers, accounting firms and online institutions offer continuing education and certification training.

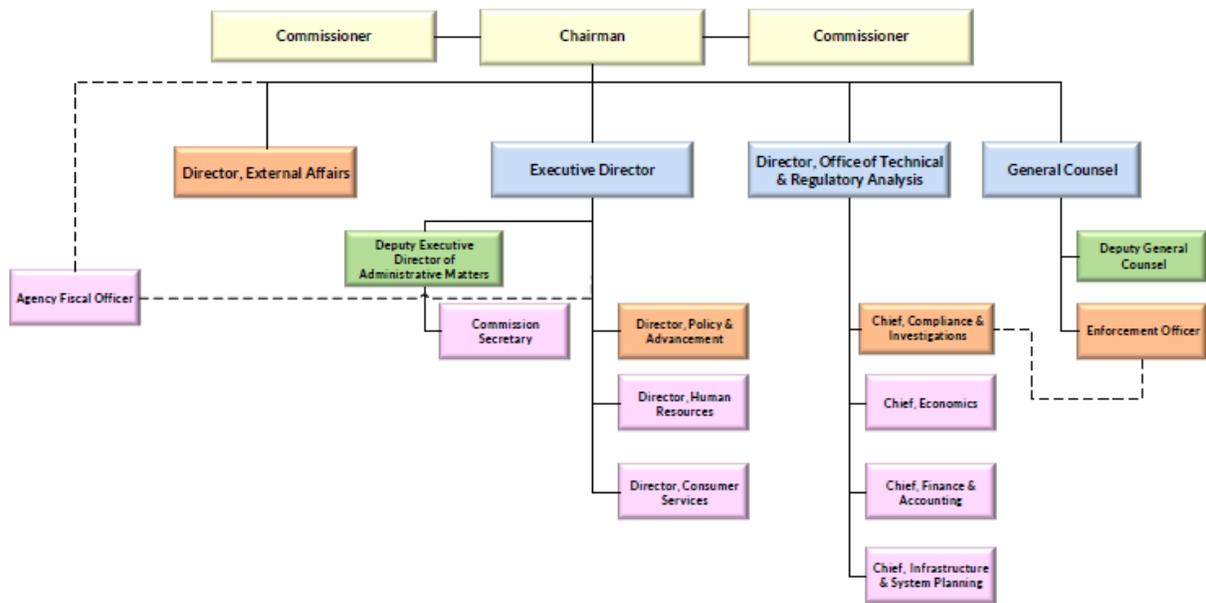
3. **Departmental Training Budget:** Establish training and travel budgets at the Department level and allow the Director full flexibility in allocating these funds as appropriate. The Executive Director should retain oversight and authority of the funds with measurable and executable input from the management team. Employee training and certification success measures should be a management KPI.
4. **Personnel Evaluations:** Develop a more comprehensive staff evaluation process that includes a recognition and rewards system to acknowledge exceptional performance. Ensure that evaluations are developed and reviewed on a consistent and timely basis.
5. **Onboarding and Orientation:** Consider a comprehensive orientation process for new employees that includes the existing New Employee Orientation (NEO) Guide and has appropriate participation by individuals within the transitioning employee's new Office.

#### Priority #6: Organizational Structure:

While the Commission is an established organization with an experienced and technically competent staff, the Commission would benefit significantly from management reforms targeting improvements to the organizational structure. Please note that there are other recommendations related to organizational structure in other sections (Legislative Affairs Office and Commissioner Staff).

1. **Leadership Evaluation:** Conduct an immediate evaluation of the senior leadership team (excluding Commissioners) and managers to ensure the capabilities are within the existing position requirements.
2. **Organizational Structure Review:** Conduct a formal review of the current organizational structure to help ensure overall operating efficiency. For example, one potential recommendation would move the Office of Technical and Regulatory Analysis (OTRA) reporting to the Office of the Chairman, parallel with the Office of General Counsel (OGC). The Offices of OGC and OTRA would both have dotted line responsibility to the Executive Director concerning administrative matters. This will help improve coordination between these two critical departments.

A draft organizational chart below is shown for discussion purposes below.



*Draft Organizational Chart*

## 4.3 SECONDARY RECOMMENDATIONS

Below is a comprehensive listing of recommendations for secondary areas. The listing includes a reference to specific tasks where this recommendation was mentioned.

RECOMMENDATIONS MATRIX									
RECOMMENDATION	PRIORITY RECOMM	INTERVIEWS		SITE VISITS	FOCUS GROUPS	SURVEY		LESSON LEARNED	
		INTERNAL	EXTERNAL			INTERNAL	EXTERNAL		
<b>PEOPLE</b>									
1	Establish relationships with universities to create internship program for college-level interns.			✓		✓		✓	
2	Develop a succession plan and provide cross training of staff to ensure organizational effectiveness.	✓		✓		✓		✓	
<b>PROCESS</b>									
3	Consider an organization-wide web-based dashboard that includes performance measures and KPIs.			✓				✓	
4	Consider the use of an electronic portal between utility companies to expedite communication.			✓				✓	
5	Establish a committee to review and identify processes that are no longer effective and redesign accordingly.			✓				✓	
<b>TECHNOLOGY</b>									
6	Include the information technology team when planning all major organizational initiatives.				✓				
7	Develop and implement an integrated database and customer portal to enhance data storage and retrieval.			✓		✓		✓	
<b>CULTURE</b>									
8	Develop mission, vision, code of conduct, and customer service standards that considers input from the Commission Management Team as well as the transition team.	✓		✓				✓	
9	Consider cross-departmental meetings to help increase cross functional collaboration between internal business units making each person aware of their input and value to the Commission.	✓		✓	✓	✓		✓	

## 4.4 DATA BENCHMARKING ANALYSIS

The following tables summarize the key data points from a comparison to each of the 11 entities identified. Each public service commission was either contacted via telephone or visited onsite. Data points shown in gray were not available.

### Section 1: Organizational Structure

	Organizational Structure													
	# of Commissioners	Avg Tenure (years)	# Employees	# Residents	Year created	Type of Comm. Appointment	External Regulatory Division?	# Entities Regulated (approx.)	# Entities Registered (approx.)	Budget (previous fiscal year)	Budget per comm.	Residents per comm.	FTE per comm.	Use of ALJs
DC Public Service Commission	3	4	83.3	703,608	1,913	Appointed (Mayor)	Yes Director of Consumer Services	109*	109	\$ 14,599,000	\$ 4,866,333	234,536	28	No
Maryland Public Service Commission	5	5	115	6,050,000	1910	Appointed (Governor/Senate)	Yes Consumer Affairs Division	19	2681	\$ 25,322,327	\$ 5,064,465	1,210,000	23	Yes
Pennsylvania Public Utility Commission	5	5	503	12,810,000	1937	Appointed (Governor/Senate)	Yes Office of Legislative Affairs	9,000+*	9,000+	\$ 79,036,000	\$ 15,807,200	2,562,000	100.6	Yes
Delaware Public Service Commission	5	5	30	971,180	1949	Appointed (Governor/Senate)	No	18	220+	\$ 4,421,400	\$ 884,280	194,236	6	Yes
Vermont Public Utility Commission	3	6	26	623,960	1999	Appointed (Governor/Senate)	No	8	50+	\$ 3,647,978	\$ 1,215,993	207,987	8.67	No
Regulatory Commission of Alaska	5	6	49	738,068	1970	Appointed (Governor/Legislature)	Yes Consumer Protection & Information	<333	680	\$ 7,769,859	\$ 1,553,972	147,614	9.8	Yes
Wyoming Public Service Commission	3	6	38	573,720	1915	Appointed (Governor/Senate)	Yes Office of Consumer Advocate	51*	51	\$ 8,391,492	\$ 2,797,164	191,240	12.67	No
North Dakota Public Service Commission	3	6	48	877,790	1885	Elected Statewide	Yes Office of Consumer Affairs Public Outreach	13+	843	\$ 21,721,146	\$ 7,240,382	292,597	16	No
South Dakota Public Utilities Commission	3	6	28	877,790	1939	Elected Statewide	No	196	468	\$ 4,763,962	\$ 1,587,987	292,597	9.33	No
Rhode Island Public Utilities Commission and Division of Public Utilities and Carriers	3	6	48	1,061,712	1839	Appointed (Governor/Senate)	No	24	520	\$ 8,733,815	\$ 2,911,272	353,904	16	No
Hawaii Public Utilities Commission	3	6	48	1,430,000	1913	Appointed (Governor)	Yes Office of Consumer Affairs & Compliance	1807*	1807	\$ 15,942,364	\$ 5,314,121	476,667	16	No
Georgia Public Service Commission	5	6	83	10,430,000	1879	Elected Statewide	Yes Consumer Affairs Unit	2503*	2503	\$ 11,800,000	\$ 2,360,000	2,086,000	16.6	No

## Section 2: Case Oversight and Consumer Engagement

	Case Oversight					Consumer Engagement					
	# Open Cases	# New Cases	# Cases per Comm.	Avg # cases per Comm.	# Cases closed	# complaints	Facebook	Twitter	Instagram	LinkedIn	YouTube
DC Public Service Commission	129	8	45.67	45.67	N/A	N/A	✓	✓	-	-	✓
Maryland Public Service Commission		357	71.4	71.4	283	2,696	✓	✓	-	✓	✓
Pennsylvania Public Utility Commission		25,711	5142.2	5142.2			✓	✓	✓	✓	✓
Delaware Public Service Commission		129	25.8	25.8			✓	✓	-	-	✓
Vermont Public Utility Commission			0	0	799		-	-	-	✓	-
Regulatory Commission of Alaska	97	149	49.2	49.2	137	162	-	-	-	-	-
Wyoming Public Service Commission			0	0	249	323	-	✓	-	-	-
North Dakota Public Service Commission		698	232.67	232.67		1,200+	-	✓	-	-	-
South Dakota Public Utilities Commission		155	51.67	51.67	119		-	-	-	-	-
Rhode Island Public Utilities Commission and Division of Public Utilities and Carriers			0	0		85	✓	✓	-	-	-
Hawaii Public Utilities Commission	163	429	197.33	197.33	451	77	-	-	-	-	-
Georgia Public Service Commission		593	118.6	118.6			-	✓	-	-	-

## 4.5 IMPLEMENTATION PLAN

The following are the recommended next steps for this engagement. Each of the recommendations have been classified as short, medium, or long-term.

### RECOMMENDATION IMPLEMENTATION PLAN: PRIMARY OBSERVATIONS

	SHORT TERM: <60 DAYS	MEDIUM TERM: 61-120 DAYS	LONG TERM: >120 DAYS
<b>PRIORITY</b>	<ul style="list-style-type: none"> <li>Consider delegating approval for certain procurement and other Commission expenses from the Commission Chairman to the Executive Director.</li> <li>Curtail the use of the timesheet clock in and clock out process for non-probationary employees. Consider alternatives to offer management to manage time and attendance.</li> <li>Consider the use of a flexible work policy for professional staff.</li> <li>Organize and hold a meeting with management and another meeting with all PSC staff to rollout the results of this assessment. (Completed)</li> <li>Develop an employee centric Newsletter highlighting key internal commission activities.</li> <li>Create a mechanism for internal employee input into process improvements (e.g. "Letter to the Director" or an Employee Suggestion Box).</li> <li>Create a volunteer Culture or Engagement Team", "Team PSC" or similar mechanism for planning social activities.</li> <li>Consider a comprehensive orientation process for new employees that includes the existing New Employee Orientation (NEO) Guide.</li> <li>Conduct an immediate evaluation of the senior leadership team (excluding Commissioners) and managers to ensure the capabilities are within the existing position requirements.</li> <li>Conduct a formal review of the current organizational structure to help ensure overall operating efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>Review the Consumer Service Specialists' Team's interactions with external stakeholders. Prescribe a Monthly Actions and Engagements Report to be aware of communications, get feedback and evaluate if relationships are effective amongst all consumer service entities.</li> <li>Develop a comprehensive communication plan.</li> <li>Examine the existing hearing process to identify further efficiencies and process changes.</li> <li>Hold a quarterly All-Hands meeting, coordinated by the Executive Director and led by the Chairman, to communicate with all staff simultaneously.</li> <li>Conduct a process assessment that determines the adequacy of existing processes.</li> <li>Implement a merit-based bonus and compensation structure that ties directly to the performance evaluation process.</li> <li>Consider non-financial benefits such as two-day telework options and employee recognition events.</li> </ul>	<ul style="list-style-type: none"> <li>Build a Legislative Affairs Office to focus on City Council relationships, emerging policies and other issues affecting the Commission's areas of responsibility. Consider assigning a dedicated policy resource to this team to proactively address and research trending issues of which the Commission may have future impact.</li> <li>Update the Commission's website to include more ratepayer-friendly features and to include all case and issue documents from the Commission of interest to all stakeholders.</li> <li>Consider expanding the number of Commissioner staff to include additional attorney and policy resources.</li> <li>Determine whether ALJ's can be effectively integrated into the adjudication process at the Commission.</li> <li>In addition to the Commission's overall KPIs, consider revising or adding additional KPIs and performance measures to track organizational performance to position descriptions which reflect the task requirements and support a Commission KPI objective.</li> <li>Improve Commission Standard Operating Procedures (SOP)'s with flow charts of activities reflecting interdepartmental workflows and connections.</li> <li>Develop a formal management and employee training program that focuses on key human resources activities such as performance management, coaching, counseling, development and professional job certifications.</li> <li>Establish training and travel budgets at the Department level and allow the Director full flexibility in allocating these funds as appropriate.</li> <li>Develop a more comprehensive staff evaluation process.</li> </ul>

## RECOMMENDATION IMPLEMENTATION PLAN: SECONDARY OBSERVATIONS

	SHORT TERM: <60 DAYS	MEDIUM TERM: 61-120 DAYS	LONG TERM: >120 DAYS
SECONDARY	<ul style="list-style-type: none"> <li>Include the Information Technology team when planning all major organizational initiatives.</li> <li>Consider cross-departmental meetings to help increase cross functional collaboration between internal business units.</li> </ul>	<ul style="list-style-type: none"> <li>Establish relationships with universities to create internship program for college-level interns.</li> <li>Consider an organization-wide web-based dashboard that includes performance measures and KPIs.</li> <li>Establish a committee to review and identify processes that are no longer effective and redesign accordingly.</li> <li>Develop mission, vision, code of conduct, and customer service standards that considers input from the Commission Management Team as well as the transition team.</li> </ul>	<ul style="list-style-type: none"> <li>Develop a succession plan and provide cross training of staff to ensure organizational effectiveness.</li> <li>Consider the use of an electronic portal between utility companies to expedite communication.</li> <li>Develop and implement an integrated database and customer portal to enhance data storage and retrieval.</li> </ul>

In addition to these recommended next steps summarized above, the Commission should:

- Identify a Champion:** Assign an overall champion to continue to move forward with the results of this assessment. This champion should be a member of Commission leadership and should identify the specific recommendations to be implemented and confirm the timing associated with each.
- Communicate Results:** Communicate the results of this assessment to key internal and external stakeholders. Based on Commission feedback, ADC is prepared to finalize a "Public Report" that highlights overall findings.
- Recognize Staff Feedback:** Communicate to each manager or staff member who submitted written comments during the assessment reporting process. ADC will provide language that will accompany this communication.
- Engage the Transition Team:** In addition to identifying the Champion, fully engage the Commission's Transition team to help implement the results of this assessment.