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December 23, 2020

Via Electronic Filing

Ms. Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission
of the District of Columbia
1325 G Street, N.W., Suite 800
Washington, D.C. 20005

Re: Formal Case No. 1156, In the Matter of the Application of the Potomac Electric Power Company for Authority to Implement a Multiyear Rate Plan for Electric Distribution Service in the District of Columbia

Dear Ms. Westbrook-Sedgwick:

Please find enclosed the Reply Brief of the International Brotherhood of Electrical Workers, Local 1900, in the above-referenced proceeding.

Sincerely,

SHERMAN DUNN, P.C.

/s/ Bart Sheard

Bart Sheard

Enclosure
cc: Parties of Record

**BEFORE THE
PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA**

IN THE MATTER OF THE APPLICATION OF)
POTOMAC ELECTRIC POWER COMPANY)
FOR THE AUTHORITY TO IMPLEMENT A) Formal Case No. 1156
MULTIYEAR RATE PLAN FOR ELECTRIC)
DISTRIBUTION SERVICE IN THE DISTRICT)
OF COLUMBIA)

REPLY BRIEF OF
THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1900

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**BEFORE THE
PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA**

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| IN THE MATTER OF THE APPLICATION OF |) | |
| POTOMAC ELECTRIC POWER COMPANY |) | |
| FOR THE AUTHORITY TO IMPLEMENT A |) | Formal Case No. 1156 |
| MULTIYEAR RATE PLAN FOR ELECTRIC |) | |
| DISTRIBUTION SERVICE IN THE DISTRICT |) | |
| OF COLUMBIA |) | |

**REPLY BRIEF OF
THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1900**

Pursuant to Rules 137 and 138 of the Rules of Practice and Procedure of the District of Columbia Public Service Commission (“Commission”) and the briefing schedule adopted by the Commission and subsequently extended on November 12, 2020, the International Brotherhood of Electrical Workers, Local 1900 (“IBEW Local 1900”), hereby submits its reply brief in the above-captioned proceeding.

I. INTRODUCTION

IBEW Local 1900 is the collective bargaining representative for many of Potomac Electric Power Company’s (“Pepco” or “Company”) employees and is party to a collective bargaining agreement (“CBA”) with Pepco that governs the wages, hours, and working conditions for those workers. IBEW Local 1900’s members include, among other positions, Pepco’s call center workers. Local 1900 intervened in this case to raise issues that are relevant and material to Pepco’s workforce, and to ensure that the viewpoints and concerns of Local 1900’s members are considered in this proceeding.

IBEW Local 1900 agrees with various parties, including the Office of the People’s Counsel, the District of Columbia Government, and LIUNA, that there are numerous deficiencies in Pepco’s application to implement a multiyear rate plan for electric distribution service in the District (“MRP”).¹ Like these parties, IBEW Local 1900 also urges the Commission to reject Pepco’s proposed performance incentive mechanisms (“PIMs”).

Other parties have more than adequately demonstrated that the Commission should reject Pepco’s application and proposed PIMs because they do not align with the District’s public policy goals. Local 1900 writes separately to explain that the Commission should also reject Company’s proposed Service Level and Abandonment Rate PIMs because it is unclear how the elevated benchmarks will affect Pepco’s workforce and, if implemented, Pepco’s call center workers may be adversely impacted.

II. ARGUMENT

1. The Commission Should Not Approve Pepco’s Proposed Service Level and Abandonment Rate PIMs Because the Potential Impact on Pepco’s Workforce is Unclear.

IBEW Local 1900 has opposed PIMs throughout this proceeding² because their adoption may have unforeseen consequences on the workforce. As explained below, Pepco’s proposed customer service PIMs will directly affect call center workers and may encourage Pepco to degrade their working conditions to obtain future monetary incentives. Moreover, the Company has failed

¹ See *Formal Case No. 1156*, Initial Briefs of the Office of the People’s Counsel, District of Columbia Government, and Laborers’ International Union of North America by and through the Baltimore Washington Construction and Public Employees Laborers’ District Council, filed Dec. 9, 2020.

² See *Formal Case No. 1156*, IBEW Local 1900’s Comments on the Application of Potomac Electric Power Company for Authority to Implement a Multi-Year Rate Plan, filed Nov. 1, 2019.

to explain what supports it will implement to ensure workers are adequately equipped to reach those goals without increased pressure, discipline, surveillance, or mandatory overtime.

Pepco proposes two Customer Service PIMs: “Service Level” and “Abandonment Rate.” The Company’s Service Level PIM seeks to track call response times and its Abandonment Rate PIM seeks to track calls dropped from the queue.

The Service Level PIM would be measured by calculating the number of calls answered within 30 seconds divided by the total number of calls received.³ Pepco proposes a target of 90% with a 3% deadband, meaning that the Company would receive a reward for answering more than 93% of incoming calls within 30 seconds.⁴ The District’s Electricity Quality of Service Standards (“EQSS”), however, only require Pepco to answer 70% of calls within 30 seconds. 15 DCMR § 3602.2.

These heightened standards are cause for concern because Pepco’s call center workers already struggle to meet the Company’s current standards which, record testimony demonstrates, has led to a 12-month average above 91.5% since August of 2017.⁵ To attain these goals, Pepco requires call center staff to do more with less, often requiring mandatory overtime for those employees working in the Company’s understaffed call centers. These workers’ actions are tracked to the minute and every act is accounted for to ensure they are meeting the Company’s standards for, among other metrics, calls answered, call times, and after-call data entry. Even without the added incentive of higher Commission-approved tracking measures, the Company disciplines employees who fail to adhere to the strict operating standards it adopted to meet Service Levels,

³ Exhibit Pepco (Q) (Poncia) at 12:4-8.

⁴ *Id.*

⁵ Exhibit OPC (E) (Mara) at 64:4-5.

which are already far above the EQSS. The unintended consequences may not be limited to employee stress and working conditions. Pressuring call center workers to end calls quickly may also affect customer service. That is, the increased pressure to ensure more than 93% of calls are answered in 30 seconds or less may drive call center workers to focus on ending calls quickly, rather than providing quality service, for fear of falling below Pepco's severe standards.

Pepco also proposes a PIM that rewards the Company for an Abandonment Rate below 0.5%. The Abandonment Rate is measured as the number of calls abandoned from the queue divided by the total number of incoming calls. The District's EQSS set the abandonment rate at 10%, 15 DCMR § 3602.8, but the record demonstrates that the Company is already surpassing the District's EQSS requirement for the Abandonment Rate. Pepco's proposed Abandonment Rate PIM is therefore unnecessary.

Compounding the unnecessary nature of both PIMs is the fact that the Company does not foresee a decline in Service Levels or Abandonment Rate if the PIMs are rejected.⁶ Any PIM related to these measures will not help the Company meet the District's requirements or improve customer experience – it will only encourage Pepco to place greater pressure on its already overburdened workforce.

Indeed, record testimony offers no substantive explanation of what labor-related changes are necessary to maintain, let alone improve, the Service Level and Abandonment Rate performance. It is similarly unclear whether the Company intends to require more mandatory overtime of its current call center employees, or if the Company intends to further grow its current

⁶ Exhibit OPC (E)-38 (Pepco Response to DCG Data Request No. 1-19).

use of out-of-state call center contract workers (with locations in Atlanta, Georgia and San Antonio, Texas⁷), instead of investing in its own workforce and District residents.

In short, the Commission should reject the proposed Service Level and Abandonment Rate PIMs because they will likely embolden Pepco to exert increased pressure on a workforce already burdened with extended workdays and performance expectations far greater than the District's EQSS.

2. Elevated Customer Service Standards Should be Explored via Notice and Comment Rulemaking.

The Commission also should reject Pepco's proposed PIMs because the adoption of what are effectively new customer service standards is better suited for formal notice-and-comment rulemaking. As reflected in record testimony, any amendments to the District's expectations and/or requirements for electric utilities should be made after careful consideration of community input focused on the specific issue.⁸ Just as the Commission issued a Notice of Proposed Rulemaking ("NOPR") to review potential changes to the EQSS for System Average Interruption Frequency Index ("SAIFI") and System Average Interruption Duration Index ("SAIDI"), it should also conduct a rulemaking with an opportunity for comment for customer service performance standards.⁹ Notably, Pepco's comments regarding the Commission's recent NOPR advocate for a legislative-style hearing to "more fully explain its position and afford the Commission a more

⁷ Exhibit Pepco (Q) – 1 (Poncia).

⁸ Exhibit OPC (E) (Mara) at 61:5-9. ("[I]f the community and the Commission desire reliability greater than that afforded by the EQSS, these higher standards should be established pursuant to a [Notice of Proposed Rulemaking] that allows parties to provide input for consideration by the Commission, including the parties' thoughts.").

⁹ See *RM36-2020-02-E*, Public Service Commission of the District of Columbia Notice of Proposed Rulemaking RM36-2020-02-E, Electricity of Quality of Service Standards, 67 DCR 11709 (October 9, 2020).

robust record upon which to make a decision.”¹⁰ The Company’s reasoning there applies here with equal force – potential changes to performance standards for customer service are important matters to the District, Pepco’s customers, and the Company’s workforce. Thus, a robust record through which the Commission may specifically consider changes to those standards is necessary. This is especially true here. Because the proposed incentive mechanisms will significantly impact employees, the heightened requirements should be explored in a proceeding wherein the Commission can weigh public interest in higher standards and survey increased workload and performance measures for call center workers.¹¹

Although Pepco proposes PIMs and not an amendment to the EQSS, the impact for workers remains the same – Pepco will adopt policies, procedures, and demands to ensure its workforce exceeds the 93% Service Level and 0.5% Abandonment Rate just as it would to reach EQSS of the same level. The standards proposed by Pepco, however, are far higher than the customer service-related EQSS agreed upon by relevant parties and ultimately adopted by the Commission.

The Service Level and Abandonment Rate customer service standards, now incorporated into the District of Columbia Municipal Regulations in the form of EQSS, were subject to multiple stages of notice and community comment prior to adoption. In 2002, by Order No. 12395, the Commission instructed Pepco to submit its proposed customer service standards to a Productivity Improvement Working Group (“PIWG”) for consideration.¹² IBEW Local 1900 participated in

¹⁰ *Id.*, Pepco’s Comments regarding Reliability Standards and Reporting Guidelines, filed Dec. 18, 2020.

¹¹ Exhibit OPC (E) (Mara) at 61:5-9.

¹² *See Formal Case No. 1002, in the Matter of the Joint Application of PEPCO and the New RC, Inc. for Authorization and Approval of Merger Transaction (“FC 1002”)*, Order No. 12395, rel. May 1, 2002 at 59-60.

that group pursuant to Order No. 12596. There, Pepco presented the list of customer service standards to the PIWG for review, including the current Service Level (70%) and Abandonment Rate (10%) standards. Pepco subsequently filed a Customer Service and Reliability Standards Report (“CSRS”) on behalf of the PIWG wherein Pepco informed the Commission that PIWG, and IBEW Local 1900, ***agreed on the final list of standards*** – including the 70% Service Level and 10% Abandonment Rate.¹³

By Order No. 13504, the Commission then invited public comment on the PIWG’s CSRS report.¹⁴ The public’s opportunity for review and comment did not end there, as the Commission subsequently invited public comment on the standards yet again, by Order No. 14080, to incorporate them into the EQSS.

Here, by contrast, Pepco seeks to adopt standards significantly higher than the EQSS without agreement of the parties or adequate exploration of the implications. Like the PIWG consideration required by the Commission in Order No. 12395, in this case, the Commission required the parties to conduct three meetings in which all Formal Case No. 1156 intervenors, and stakeholders were invited discuss potential PIMs.¹⁵ Unlike the PIWG in Formal Case 1002, however, the PIM working group here ***“did not reach consensus or unanimous agreement on specific PIMs or tracking metrics...nor did they agree that PIMs should be adopted in this proceeding at all.”***¹⁶

¹³ *Formal Case No. 1002*, Customer Service and Reliability Standards Report of the Productivity Improvement Working Group, filed June 4, 2003.

¹⁴ *Formal Case No. 1002*, Order No. 13054, rel. January 29, 2004.

¹⁵ *Formal Case No. 1156*, Order No. 20273 ¶ 116, rel. Dec. 20, 2019.

¹⁶ *Formal Case No. 1156*, DC Govt’s joint 10-Day report on the three workshops held among the parties and stakeholders to discuss Performance Incentive Mechanisms, filed June 23, 2020. (emphasis added).

Thus, the Commission should reject Pepco's proposed Service Level and Abandonment Rate PIMs in this proceeding. To the extent Pepco or the Commission wish to alter Service Level or Abandonment Rate standards, the Commission should instead convene dedicated working groups or initiate formal notice-and-comment rulemaking wherein the community and stakeholders enjoy greater opportunity for review and potential agreement.

III. CONCLUSION

The Commission should reject Pepco's proposed PIMs because the potential unintended consequences outweigh any benefit, and this proceeding is not the correct setting to adopt the performance levels Pepco requests.

Respectfully submitted,

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Dated: December 23, 2020

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the Reply Brief of the International Brotherhood of Electrical Workers, Local 1900 has been served this December 23, 2020 on the parties of record by electronic mail:

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