

Dennis P. Jamouneau  
Assistant General Counsel

Office 202.872.3034  
Fax 202.331.6767  
pepco.com  
djamouneau@pepcoholdings.com

EP1132  
701 Ninth Street NW  
Washington, DC 20068-0001

March 29, 2018

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

**Re: Formal Case No. 1119**

Dear Ms. Westbrook-Sedgwick:

Enclosed please find Potomac Electric Power Company's 2017 Annual Employment Report and Annual Workforce Diversity Report in response to Paragraph 16 and 21 of Attachment B to Order No. 18148, as supplemented by Order No. 18160 for Formal Case No. 1119.

Please feel free to contact me if you have any questions regarding this matter.

Sincerely,



Dennis P. Jamouneau

Enclosures

cc: All Parties of Record



## Potomac Electric Power Company 2017 Annual Employment Report



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## Executive Summary

This document constitutes the second of five annual reports presenting detailed employment data and workforce development initiatives for Potomac Electric Power Company (Pepco or the Company). It has been developed in response to Paragraph 16 of Attachment B to Order No. 18148 as supplemented by Order No. 18160 (Order). Employment data included in this document covers the period between December 31, 2016 and December 31, 2017 for any full-time or part-time Pepco employee with a work location in Washington, DC. A detailed breakdown of employment data, job losses and gains are delineated in this report using U.S. Equal Employment Opportunity Commission job classification codes for union (Local 1900) and management employees.

### Pepco Employment Levels

Table 1 shows Merger related and Non-Merger related changes in employment between December 31, 2016 and December 31, 2017.

*Table 1: Pepco Employee Headcount Change by EEOC Code*

EEOC Code	Total	Headcount as of 12/31/2016	Attrition				Total Hires 2017	Location Change	Headcount as of 12/31/2017	Total
	Hires		Merger Related		Non-Merger Related					Hires*
	2016		Vol.	Invol.	Vol.	Invol.				
<b>Local 1900</b>	<b>42</b>	<b>583</b>	-	-	<b>-32</b>	<b>-6</b>	<b>103</b>	<b>-11</b>	<b>637</b>	<b>145</b>
Craft Workers (skilled)	2	258			-8		1	36	287	3
Office and Clerical	15	146			-12		3	-3	134	18
Operatives (semi-skilled)	23	89			-4	-5	88	-45	123	111
Service Workers	1	3					1		4	2
Technicians	1	87			-8	-1	10	1	89	11
<b>Management</b>	<b>9</b>	<b>270</b>	-	-	<b>-24</b>	<b>-</b>	<b>33</b>	<b>9</b>	<b>288</b>	<b>42</b>
Office and Clerical	0	14			-2			-3	9	0
Officials and Managers	1	98			-8		6	11	107	7
Professionals	8	158			-14		27	1	172	35
<b>Pepco Total</b>	<b>51</b>	<b>853</b>	-	-	<b>-56</b>	<b>-6</b>	<b>136</b>	<b>-2</b>	<b>925</b>	<b>187</b>

*\* Total hires for the period March 24, 2016 to December 31, 2017.*

Headcount at Pepco increased by 72 employees (8.4%), from 853 to 925, over the reporting period.

A total of 136 employees were hired, with Local 1900 Operatives and Office and Clerical employees accounting for 91 (67%) of those hired. These headcount gains were offset by attrition of 62 positions and a net loss of 2 employees due to a change in work location.

In accordance to Paragraph 14<sup>1</sup> of Attachment B of the Order, Pepco exceeded its commitment to hire 102 union employees by hiring 145 employees in the District of Columbia within the two (2) years after merger closing date from March 24, 2016 through December 31, 2017.

A total of 62 employees were lost to attrition, with 90% (56 of 62) of these employees leaving due to normal business attrition (i.e., not related to the merger), including 56 employees who left voluntarily and 6 employees who were terminated involuntarily due to rules violations. No employees were terminated as a result of the merger during the period ending 2017. The 56 employees who left voluntarily are comprised of 31 employees who retired, 20 employees who left for personal/family reasons, three employees who left due to promotion or an opportunity with a competitor, and two employees who left for other reasons.

Employee location changes within the family of Pepco Holdings LLC (PHI) companies resulted in a net decrease in headcount of 2 employees. A net decrease of 11 Local 1900 employees moved to a location outside the District and/or to a different PHI company, while a net number of nine management employees relocated to Pepco over the reporting period.

In addition, Pepco completed its merger commitment to relocate 100 positions to the District of Columbia, and filed its report for this commitment on February 1, 2018.

As a result of the merger commitments in Paragraphs 12-17 of the Order, Exelon, PHI and Pepco committed that the merger's impact will be net jobs-positive for the District through at least January 1, 2018, and were required to report to the Commission by April 1, 2018, demonstrating satisfaction of the merger commitment in paragraph 18 of the Order. Effective December 31, 2017 this commitment was met and the District is net jobs-positive. At the time of the merger, March 24, 2016, there were 861 employees from Pepco, PHI, and Exelon in the District. As of December 31, 2017, there were 925 employees in the District for a total increase of 64 positions (an increase of 7.5%).

### **Pepco Workforce Development**

Pepco recognizes the need to maintain a skilled workforce in order to provide safe and reliable service to its customers. To achieve this goal, Pepco undertook recruitment activities in 2017 to fill openings throughout the year, worked to maintain existing employee retention and developed the skills of existing employees through the implementation of existing PHI practices and the implementation of new practices utilized at Exelon Utilities operating companies. In addition, Pepco worked with District stakeholders to identify and recommend initiatives aimed at developing skills in District residents that align with those needed at Pepco.

In 2017, Pepco recruiters engaged in outreach in the District at 10 events to identify candidates for open positions. The majority of this outreach was conducted through job fair participation and by holding meetings with groups of potential candidates. Recruiters also maintained relationships with 240 agencies and organizations across two states and the District that receive job postings for open positions at Pepco.

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<sup>1</sup> Paragraph 14 states the following: "In addition to honoring its existing collective bargaining agreements, Pepco will use its best efforts to hire, within (2) two years after the Merger closing date, at least 102 union workers in the District of Columbia. The incremental cost of these hires (a) will be included in rates only to the extent that the workers have actually been hired, and (b) in any event will not be included in customer rates until after January 1, 2017."

PHI also engaged in outreach to potential future candidates by hosting three high school and 40 college students hired for positions in the District in 2017 as part of internship programs conducted by PHI.

PHI also focused on further developing current employees through participation in employee development and apprenticeship programs in 2017. Eighteen training and leadership development programs were offered, with multiple sessions for each program. Pepco employees participated in one or more sessions over 2,000 times during the year.

Finally, of the nine or more Employee Resource Group chapters (ERGs) throughout the Exelon utilities, six (6) were chartered by current employees at Pepco in 2017. These grass roots groups were initiated by employees volunteering time and efforts throughout PHI utility operations. This is an initiative that promotes groups that serve as diverse forums for professional development, cultural education, and community involvement and allows employees to seek advice and guidance from their coworkers.

# 1 Introduction

## 1.1 Terms and Conditions of the Merger

This document presents the Potomac Electric Power Company (Pepco or the Company) 2017 Annual Employment Report for the District of Columbia (the Report), which has been developed in response to Paragraph 16 of Attachment B (Paragraph 16): Revised Terms and Conditions for Merger (Merger) of Exelon Corporation (Exelon) and Pepco Holdings, Inc. (PHI), (Attachment B) to Order No. 18148 as supplemented by Order No. 18160 (Order). This is the second report filing since the completion of the merger.

Paragraph 16 states the following:

Pepco shall, on an annual basis for the first five (5) years after Merger close, file a report with the Commission by April 1 regarding employment levels at Pepco. The reports shall detail all job losses – including whether the attrition was involuntary or voluntary – as well as any job gains, delineated using an industry-accepted categorization method such as by SAIC code.

## 1.2 Scope of this Report

This Report includes Pepco employment level data for the period covering December 31, 2016 through December 31, 2017 and for the one-year period between January 1 and December 31, 2017. For the purposes of this Report, a Pepco employee is any full-time or part-time employee with a work location in Washington, DC. Employment headcount data for the following are considered outside the scope of Paragraph 16 and, therefore, not included in this Report:

- Temporary employees, interns<sup>2</sup>, and employees on long-term disability at Pepco; and
- Employees of Pepco Energy Services, PHI Service Company, Exelon or any other related companies.

Job losses and gains are delineated in this Report using U.S. Equal Employment Opportunity Commission (EEOC) job classification codes. EEOC codes are an industry-accepted categorization method used by Pepco to track employees and provide more granularity than some of the other classification systems used within the industry, including Standard Industrial Classification system. Data will be provided for the following EEOC codes:

- Union (Local 1900)
  - Craft Workers (skilled)
  - Office and Clerical
  - Operatives (semi-skilled)
  - Service Workers
  - Technicians
- Management
  - Office and clerical

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<sup>2</sup> While headcount data for interns is not included in this Report, discussion around intern programs is included to provide background on employment interest in the Company.

- Officials and managers
- Professionals

In addition to providing the employment data called for in Paragraph 16, this Report provides an overview of the workforce development initiatives undertaken in 2017 to fill vacant positions and discusses the planning currently under way to identify and develop additional initiatives to ensure a viable, well-qualified candidate pipeline exists in 2017 and beyond. It should be noted that the plans for new initiatives in 2018 and beyond discussed in this Report are still in the exploratory phase and cannot be finalized until the appropriate arrangements with external parties have been agreed upon and funding has been identified.

This Report also discusses the \$5.2 million that Exelon contributed to promote local employment and the local economy in the District as called for in Paragraph 22<sup>3</sup> of Attachment B of the Order (Paragraph 22).

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<sup>3</sup> Paragraph 22 states the following: “In order to promote local employment and the local economy in the District, Exelon will contribute \$5.2 million to District workforce development programs including those administered by the Department of Employment Services (DOES), the University of the District of Columbia system, DC Water for green infrastructure training programs, and programs targeted to underserved communities, as directed by the District Government. These contributions will be in addition to the CIF, will not count toward, meeting the annual charitable contribution commitment described in Paragraph 25, and will not be recovered in utility rates.”

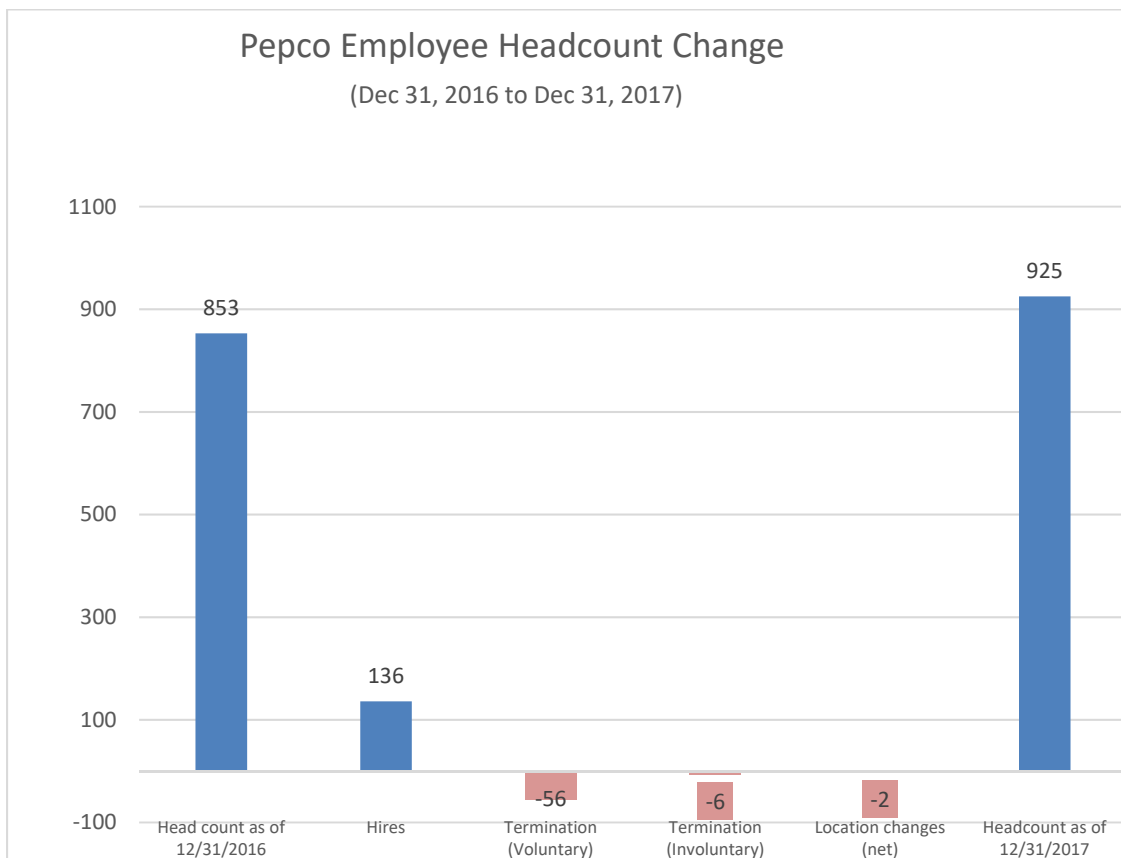
## 2 Pepco Employment Levels

Pepco headcount totaled 853 employees as of December 31, 2016 and totaled 925 employees on December 31, 2017, a net increase of 72 employees. As shown in Figure 1, Pepco headcount during this time period changed as a result of:

- 136 hires;
- 62 terminations, of which 56 were voluntary<sup>4</sup> and 6 were involuntary; and
- a net number of 2 employees moved out of the utility but moving to a job location outside the District or to another PHI or Exelon company.

These changes in Pepco headcount over the reporting period are broken out by EEOC job classification code in Table 2.

*Figure 1: Pepco Employee Headcount Change during Reporting Period*



<sup>4</sup> Voluntary terminations account for employees who leave Pepco as a result of retirement, personal/family reason, promotion/opportunity with a competitor, or other (for reporting purposes).

Table 2: Pepco Employee Headcount Change by EEOC Code

EEOC Code	Total	Headcount as of 12/31/2016	Attrition				Total Hires 2017	Location Change	Headcount as of 12/31/2017	Total
	Hires		Merger Related		Non-Merger Related					Hires*
	2016		Vol.	Invol.	Vol.	Invol.				
<b>Local 1900</b>	<b>42</b>	<b>583</b>	-	-	<b>-32</b>	<b>-6</b>	<b>103</b>	<b>-11</b>	<b>637</b>	<b>145</b>
Craft Workers (skilled)	2	258			-8		1	36	287	3
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Operatives (semi-skilled)	23	89			-4	-5	88	-45	123	111
Service Workers	1	3					1		4	2
Technicians	1	87			-8	-1	10	1	89	11
<b>Management</b>	<b>9</b>	<b>270</b>	-	-	<b>-24</b>	<b>-</b>	<b>33</b>	<b>9</b>	<b>288</b>	<b>42</b>
Office and Clerical	0	14			-2			-3	9	0
Officials and Managers	1	98			-8		6	11	107	7
Professionals	8	158			-14		27	1	172	35
<b>Pepco Total</b>	<b>51</b>	<b>853</b>	-	-	<b>-56</b>	<b>-6</b>	<b>136</b>	<b>-2</b>	<b>925</b>	<b>187</b>

\* Total hires for the period March 24, 2016 to December 31, 2017.

Table 2a: Merger Commitment for union hires March 24, 2016 to December 31, 2017

Merger Commitment	2016 Union Hires	2017 Union Hires	Total Hires
102	42	103	145

Further discussion of employee hires, terminations, and location changes is provided in the sections that follow.

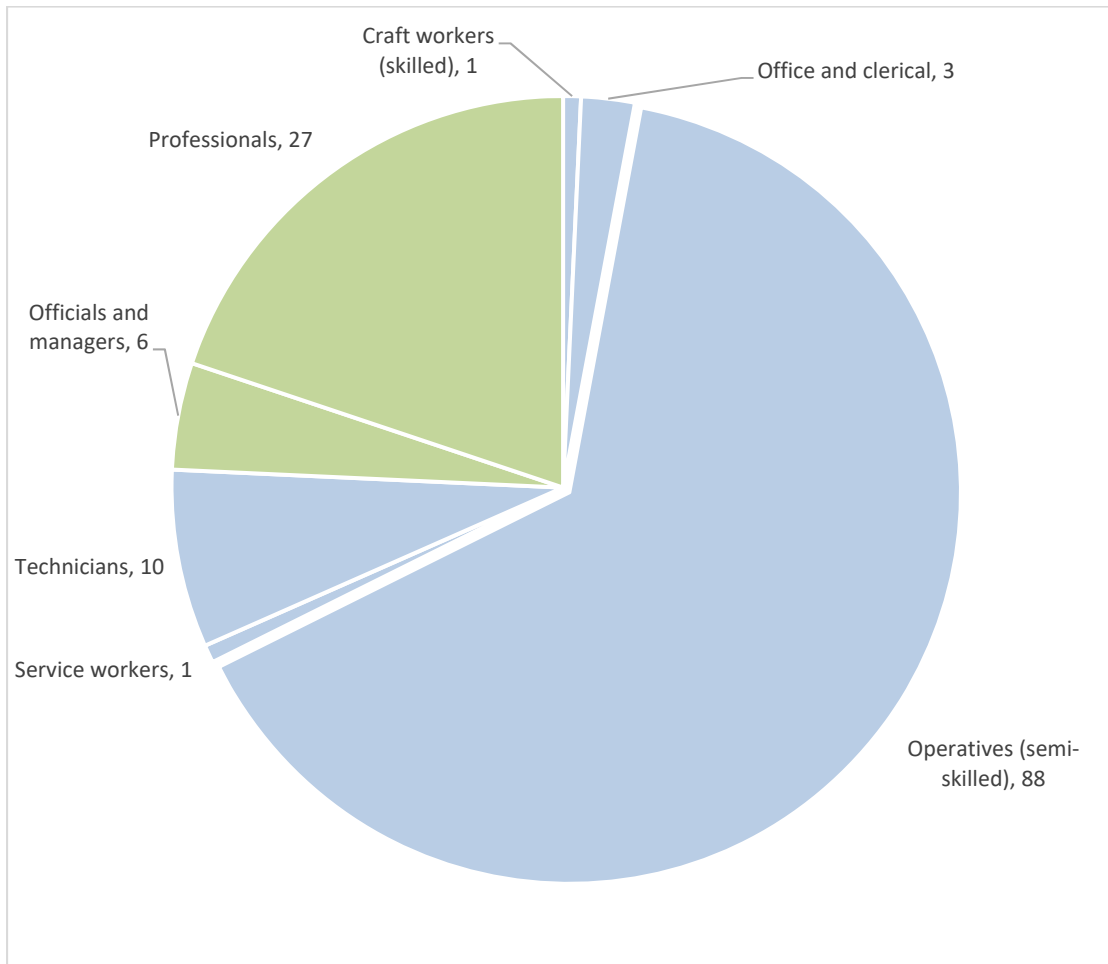
## 2.1 Employee Hires

Local 1900 union hires, shown in blue in Figure 2, totaled 103 employees during the January 1 through December 31 reporting period in 2017. Employees falling into the Operatives and Technicians categories accounted for 95% of union hires, numbering 88 and 10 employees hired, respectively. Since the merger

date, a total of 145 union employees were hired through December 31, 2017 exceeding the 102 employees Pepco committed to hiring in the District in the two years following the Merger. See Figure 2a.

Management hires, shown in green in Figure 2, total 33 employees, with Professionals and Officials and Managers employees accounting for 27 and 6 of those hires, respectively.

*Figure 2: 2017 Pepco Hires by EEOC Code (Jan 1 – Dec. 31)*



*As shown in*

Table 3, 25 of the 103 union employees, or 25%, hired during the reporting period were District residents. For each union and management employee hired there were, on average:

- 45.8 union applicants and 10.9 management applicants,
- 7.0 union applicants and 0 management applicants were tested, and
- 5.1 union applicants and 2.3 management applicants were interviewed.

Table 3: Average Number of Applicants, Interviews and Tests Administered for Each Employee Hired

EEOC Code	Hires		Average for Every Employee Hired		
	Total	DC Residents	Applicants	Applicants Tested	Applicants Interviewed
<b>Local 1900</b>	<b>103</b>	<b>25</b>	<b>45.8</b>	<b>7.0</b>	<b>5.1</b>
Craft Workers (skilled)	1	-	10.0	0	2.0
Office and Clerical	3	3	16.0	12.0	3.0
Operatives (semi-skilled)	88	20	80.2	8.0	10.3
Service Workers	1	-	48.0	0.5	2.0
Technicians	10	2	75.0	5.0	8.0
<b>Management</b>	<b>33</b>	<b>-</b>	<b>10.9</b>	<b>-</b>	<b>2.3</b>
Office and Clerical	0	-	-	-	-
Officials and Managers	6	-	1.6	-	1.0
Professionals	27	-	20.2	-	3.5
<b>Pepco Total</b>	<b>137</b>	<b>25</b>	<b>28.4</b>	<b>6.4</b>	<b>3.7</b>

## 2.2 Employee Attrition

As shown in Table 2, Pepco lost 62 employees to non-merger attrition in the District during the reporting period. Eighty-nine percent (89%) of the attrition, or 56 employees, left voluntarily and unrelated to the Merger.

- See Table 4 for a breakout of these terminations by EEOC code.
- 6 employees were terminated involuntarily and unrelated to the Merger due to rules violations.
  - 1 Local 1900 Technician
  - 5 Local 1900 Operative (semi-skilled)
- There were no involuntary terminations of management employees during the period.

A total of 62 terminations (100%) were not related to the Merger.

In accordance with the Order, Exelon, PHI and Pepco committed that the Merger's impact will be net jobs-positive for the District through at least January 1, 2018 and were required to report to the Commission by April 1, 2018, demonstrating satisfaction of this commitment. Effective December 31, 2017 this commitment was met and the District is net jobs-positive. At the time of the merger, March 24, 2016, there were 861 employees from Pepco, PHI, and Exelon in the District. As of December 31, 2017, there were 925 employees in the District for a total increase of 64 positions (an increase of 7.5%).

Table 4: Pepco Voluntary Attrition Not Related to the Merger (by Cause)

Non-Merger Voluntary Attrition					
EEOC Code	Retired	Personal/ Family Reason	Promo/ Opp. w/ Comp.	Others	Non- Merger Total
<b>Local 1900</b>	<b>27</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>32</b>
Craft Workers (skilled)	6	1	-	1	<b>8</b>
Office and Clerical	9	2	1	-	<b>12</b>
Operatives (semi-skilled)	4	-	-	-	<b>4</b>
Service Workers	-	-	-	-	-
Technicians	8	-	-	-	<b>8</b>
<b>Management</b>	<b>4</b>	<b>17</b>	<b>2</b>	<b>1</b>	<b>24</b>
Office and Clerical	-	1	1	-	<b>2</b>
Officials and Managers	1	7	-	-	<b>8</b>
Professionals	3	9	-	-	<b>14</b>
<b>Pepco Total</b>	<b>31</b>	<b>20</b>	<b>3</b>	<b>2</b>	<b>56</b>

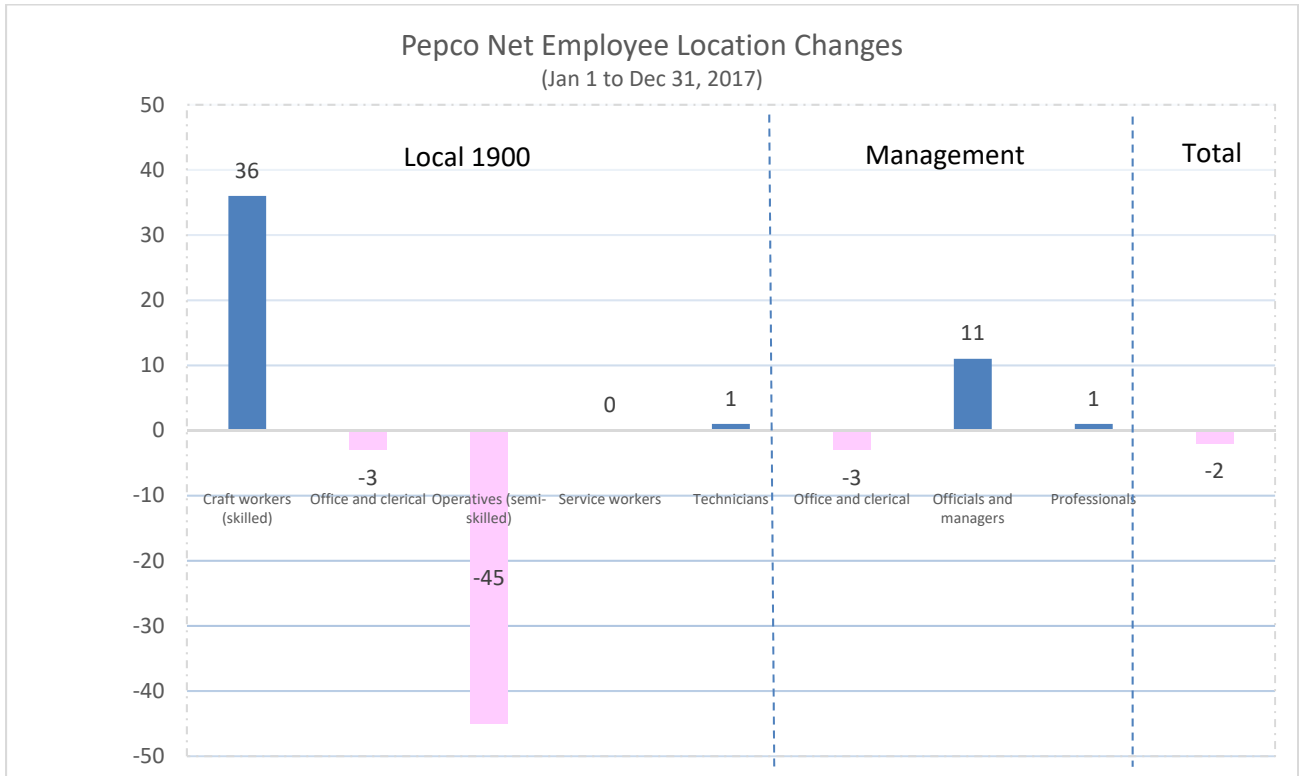
As shown in Table 4, 31 of the 56 (or 55%) employees who chose to voluntarily terminate their employment retired, of which 87% were Local 1900. This highlights the need for Pepco to maintain a candidate pipeline to ensure the Company maintains these critical skills. Section 3 highlights the workforce development initiatives Pepco currently undertakes and has recommended for implementation to promote a robust candidate pipeline.

### 2.3 Employee Work Location Changes

Employee work location changes impacted employee headcount at Pepco. Headcount at Pepco was reduced by a net number of 2 employees as a result of employee movement within the family of PHI companies over the reporting period (see Figure 3).

- A net number of 11 Local 1900 employees moved to a location outside the District and/or to a different company within PHI or Exelon. The loss of 45 Operatives (semi-skilled) and 3 Office and Clerical was offset by the net addition of 36 Craft Workers (skilled).
- A net number of nine management employees transferred from a location outside the District or from a different company within PHI or Exelon. The management additions were comprised of 11 Officials and Managers and one Professional offset by the loss of three Office and Clerical employees.

Figure 3: 2017 Pepco Employee Location Changes by EEOC Code



## 2.4 Relocation of 100 Positions

On February 1, 2018 and in accordance with its merger commitment paragraph 13 of the Order, as of January 1, 2018, Exelon and Pepco Holdings LLC, (PHI) reported to the Commission the satisfaction of this commitment. These positions are located in one of the following Exelon buildings:

Edison Place, 701 NW 9th Street;  
 Benning Road Service Center; or  
 101 Constitution Avenue.

## 3. Workforce Development

The electric utility industry as a whole, and Pepco in particular, faces a series of challenges to maintain an adequate, knowledgeable workforce capable of delivering quality and reliable service to their customers. The aging American workforce has emerged as a critical issue facing utilities across the country and the Company is faced with the challenge of finding qualified applicants in and around the District to fill open positions.

The impact of the aging workforce has been particularly acute within the union ranks of the Pepco workforce in the District. As discussed in Section 2.2 of this Report, union positions in the District accounted for 32 of the 56 employees who left due to voluntary attrition between January 1, 2017 and December 31, 2017, with 47% of Pepco's voluntary attrition in the District accounted for by the retirement of 27 union Craft Workers (skilled), Office and Clerical, and Technician employees.

Pepco recognizes that it needs to maintain a talent pipeline in order to develop qualified candidates to fill these vacated union field operation positions and other job openings while meeting Company diversity and merger commitment goals. A comprehensive approach to developing a healthy pipeline over the near-term, mid-term and long-term will allow the Company to raise its profile among potential candidates within the District while developing and nurturing partnerships and relationships with government and private organizations that seek to develop workers' skills. This will allow Pepco to address identified skill gaps in candidates in order to align them with organizational talent needs, allow for targeted diversity recruitment, and increase awareness and the number of female candidates.

Furthermore, Pepco realizes employees must be offered opportunities for growth in order to retain a skilled workforce. As described in Section 3.3, PHI utilizes a series of initiatives intended on promoting inclusion, education and opportunities for growth in the Company.

### 3.1 Near-Term Workforce Pipeline Initiatives

#### 3.1.1 Pepco Outreach Activities

Throughout 2017, recruiters engaged in outreach in the District focusing on interactions with potential candidates and members of organizations involved with placing candidates. As shown in Table 5, the majority of this outreach was conducted through job fair participation and by holding meetings with groups of potential candidates.

*Table 5: 2017 Recruitment Outreach Activities*

Date	Organization	Activity
Jan. 13	Clean Energy Leadership Institute	Job Fair
Feb. 10 & 11	Black Engineer of the Year	Job Fair
Feb. 17	Capitol College	Career Fair
Mar. 16	CFS Community Job and Resource Fair	Job Fair
Apr. 6	Multicultural Job Fair 2017 (El Pregonero)	Job Fair
Apr. 18	8th Annual Minority Annual Business Expo	Job Fair
Sep. 19	University of DC	Job Fair
Sep. 26	Capitol Technology University	Job Fair
Oct. 6	Gallaudet University Fall Career Fair	Job Fair
Oct. 18	America Works of Washington, DC	Job Fair

In addition to the direct outreach activities listed above, relationships are also maintained with 240 agencies and organizations across two states and the District that receive job postings for open positions at Pepco (see Table 6). A complete list of the 115 agencies that receive job postings in the District is included in Appendix A.

*Table 6: Number of Agencies and Organizations Receiving Pepco Job Postings*

Jurisdiction	Agencies/Organizations	
	Count	% of Total
District of Columbia	115	48%
Delaware	19	8%
Maryland	106	44%
<b>Total</b>	<b>240</b>	

PHI and Pepco employees also serve on the board of directors for a number of organizations in the District (see Table 97). This allows the Company to, among other things, increase its presence within organizations charged with developing people and the local economy. Where appropriate, the Company can leverage these relationships to identify opportunities for coordinating employment initiatives and candidates for open positions at Pepco.

Table 7: Examples of PHI and Pepco Representation on Boards in the District

Selected Board Membership
American Heart Association
Boys Town
Catholic Charities
City Year DC--Temp Board Member
DC Campaign to Prevent Teen Pregnancy
DC Chamber of Commerce--1st Vice Chair
DC Ed Fund
DC Police Foundation
DC Public Library Foundation
DC SCORES
DCPS NAF Academy for Engineering
Delaware State University Board of Trustees
District of Columbia Building Industry Association (DCBIA)
FONZ
Generation Hope
Girl Scouts of the Nation's Capital
Greater Washington Board of Trade
Greater Washington Hispanic Chamber
Greater Washington Urban League
Homeless Children's Playtime Projects
Imagination Stage DC
Jack and Jill Foundation
Junior Achievement
Kids Museum
Leadership Greater Washington
Living Classrooms - DC
Natalie Williams Breast Cancer Foundation
National Society of Black Engineers (NSBE)
NEW Endeavors Women
Recreation Wish List Committee- SETLC
She Should Run
Smithsonian's National Zoo
Step Afrika!
The Capital Area Food Bank
The High Tea Society
Trust for the National Mall
United Way of the National Capital Area
Washington Area's Women's Foundation
Washington Building Congress
Washington DC Economic Partnership (WDCEP)
Washington Performing Arts

## 3.2 Mid-Term Workforce Pipeline Initiatives

### 3.2.1 PHI College and High School Internship Programs

The PHI College Internship Program identifies and hires qualified diverse candidates and provides them real-life work experience in each region in which PHI operate (i.e., Delaware, District of Columbia, Maryland and New Jersey). PHI also provides high school internships in all regions to rising seniors who are interested in STEM, Engineering and Information Technology programs.

Hiring an intern provides a strategic and proactive approach to identifying college talent for future hard-to-fill positions. It also advances PHI's employment brand among high schools, colleges and universities.

PHI has been successful in offering internship opportunities to high school and college students in 2017. A total of 93 interns were hired in various disciplines across PHI, with nine high school and 40 college students hired for positions in the District (see Table 8). College interns were pursuing undergraduate and graduate degrees in accounting, business, engineering, information technology and law.

*Table 8: 2017 PHI Internships by Region*

Jurisdiction	Internships		
	High School	College	Total
Delaware	0	32	32
District of Columbia	9	40	49
Maryland	4	1	5
New Jersey	2	5	7
<b>Total</b>	<b>15</b>	<b>78</b>	<b>93</b>

## 3.3 Developing Future Workforce Pipeline Initiatives (Long-Term)

In addition to carrying out the recruiting activities listed in Sections 3.1 and 3.2, the Company began exploring targeted development initiatives with the aim of developing the skills required of candidates for jobs at Pepco over the long-term and promoting employment through the District. Throughout 2017 Pepco established partnerships with and shared Pepco's hiring needs, projected hiring timelines, skill gaps and position qualifications for current and future field operations openings with the entities noted in Table 9. Coordination with DC Works: Workforce Investment Council (WIC) was facilitated by PHI's VP of Support Services, Michael Maxwell, who is a member of their board.

Table 9: Workforce Development Partner Organizations

Partner Organization	Jurisdiction
DC Works: Workforce Investment Council	District of Columbia
Department of Employment Services	
University of the District of Columbia	

In 2017, Pepco engaged external stakeholders to launch the DC Quick Path to Energy (DCQPE) Program. The DCQPE program is a partnership between Pepco, the District of Columbia’s Workforce Investment Council (WIC), the District’s Department of Employment Services (DOES) and the University of the District of Columbia (UDC). The program serves as a Math and Test Preparation refresher for participants and addresses the need for skilled workers while developing a qualified, diverse pipeline of applicants for open vacancies at Pepco.

In 2017, Pepco served in the critical roles of employer, advisor and industry subject matter expert (SME) as evidenced below:

- Assisted with curriculum development to ensure that program training was aligned with the skills required for success in skilled labor positions within the energy industry.
- Provided information on hiring projections and career pathway ladders for upward mobility as it relates to growth within the energy industry.
- Provided the minimum qualifications required by Pepco’s skilled labor positions.
- Conducted information sessions for five program cohorts.
- Administered the Construction and Skills Trades (CAST) and physical pre-employment tests to applicants.
- Participated in the Demand Industry Council engagement session and industry based symposiums.
- Sponsored and co-hosted the DCQPE graduation ceremony.
- Interviewed all 19 participants who passed pre-employment tests associated with Pepco’s open positions.
- Provided ongoing feedback on the progress of participants as they advance through the staffing process.
- Hired a total of 14 participants from the 2017 DCQPE pilot; 11 of 14 hires started in 2017

The DCQPE Program utilized curriculum developed for industry wide implementation by the Center for Energy Workforce Development (CEWD). CEWD is a non-profit consortium of electric, gas and nuclear utilities formed in 2006 to help utilities work together to develop solutions to the anticipated workforce shortage in the sector. It is the first partnership between utilities, their associations, contractors and unions to focus on the need to build a skilled workforce pipeline that will meet future industry needs. As noted in the National Research Council of the National Academies’ 2013 report titled *Emerging Workforce Trends in the U.S. Energy and Mining Industries: A Call to Action*:

According to surveys by the CEWD (2009) and the National Commission on Energy Policy (NCEP, 2010), surveyed companies had difficulty finding qualified applicants to fill the skilled-craft positions. The CEWD found that 30 to 50 percent of the applicants who met the minimum requirements for a position were not able to pass the pre-employment aptitude tests. Additional applicants were eliminated by background

and drug screening so that 30 applicants had to be interviewed for every successful hire. Line workers were the hardest to find, with a hiring success rate of one in 50 applicants. However, by working with secondary and postsecondary institutions to create programs designed for the industry and aligned to industry skill requirements, companies have seen significant improvement in pre-employment testing success (CEWD, 2009). (p. 183)

### **3.3.1 DC Infrastructure Academy**

Exelon and Pepco contributed \$5.2 million toward the D.C. Infrastructure Academy and the support of workforce development programs per Paragraph 22 of the Order. Pepco is also providing an additional \$500,000, which includes cash contributions and the donation of human resources, equipment, and other in-kind materials and services, over the first five years of the Academy's operation. The Infrastructure Academy will focus on occupational skills training and work-based learning initiatives related to the infrastructure industry, including the utility, energy efficiency, transportation, and logistics sectors. Through this program, District residents will be able to access career counseling and planning; resume assistance; direct job placement; and information about local and regional infrastructure jobs and apprenticeships. Pepco's support for the Academy will create a pipeline for in-demand infrastructure jobs for District residents. Hundreds of District residents will receive training to develop skills needed to work in areas that will remain critical to the energy industry for years to come, along with other industries that are essential to supporting the hundreds of thousands of people who live and work in this region.

DC Department of Employment Services (DCDOES), a partner in this initiative for the Infrastructure Academy, will be responsible for recruitment and intake for the program and workforce preparations sessions aimed at developing interview skills, resume preparation and workforce readiness in advance of applying for positions at Pepco or other companies. UDC will be responsible for conducting the Boot Camp along with other curriculum covering personal effectiveness, academic competencies and workplace competencies.

One of the trainings offered by the Academy is the CAST and Math and Test Preparation Course. The course is focused on applied math skills specific to the energy industry and teaches concepts that are critical to success on energy industry jobs. The workshop addresses the skill gaps on Edison Electric Institute (EEI) tests (primarily the CAST test), the disparity in test success rates in some applicant groups, and the impact of the skill gaps on the diversity of qualified candidate pools. The workshop shows a direct relationship between the abilities required for success on energy industry jobs and the abilities assessed by EEI employment tests.

## **3.4 Employee Retention and Development**

### **3.4.1 Employee Resource Groups**

Exelon promotes and supports ERGs as part of its strategy to promote a diverse and inclusive work environment. Employees can initiate chapters and volunteer to lead these grass roots groups. This is an initiative that promotes groups that serve as diverse forums for professional development, cultural education, and community involvement and allows employees to seek advice and guidance from their coworkers. The six chartered ERGs at Pepco are listed below:

- Asian American Resource Group (AARG);
- Developing Young Professionals (DYP);

- Exelon African-American Resource Alliance (EAARA);
- Exelon Militaries Actively Connected (EMAC);
- Network of Exelon Women (NEW); and
- Pride.

### 3.4.2 Training and Leadership Development

PHI continues to make investments in its workforce to promote employee growth and successfully achieve its business objectives. The training activities at PHI provide vital services that improve human performance through a systematic approach of performance delivery and quality. This model furnishes PHI Electric, Gas and Customer Operations resource areas with employees that have the knowledge, skills, abilities and experiences to ensure safe and reliable performance.

PHI provides a variety of leadership and employee development opportunities to its workforce. PHI also provides leadership training to management employees, field supervisors and crew leaders through its expanded HR leadership development program. PHI has incorporated leadership development courses, assessments and programs to help ensure a robust pipeline of leaders with the skills, competencies and experiences necessary to drive teams forward.

In 2017, PHI invested in training that includes students/employees' time, instructors' time, materials, etc. This involved over 200,000 labor hours and includes the completion of over 80,000 computer-based training (CBT) and web-based training (WBT) sessions.

- The PHI training program is centralized in process and decentralized in delivery as a consequence of the over 8,000 square miles and 21 facilities that encompass the PHI service territory. The program covers traditional apprenticeship, regulatory compliance (e.g., OSHA, FERC, NERC, DOT, and EPA) and technical skills training.
- With over 700 current employees involved in apprenticeship programs at PHI, over 300 employees to be hired as part of the merger commitments, and the remaining workforce, PHI continues to expand its HR leadership development programs to ensure a robust pipeline of leaders with the skills, competencies and experiences necessary to drive teams forward.

In its effort to align with the Exelon family, Pepco employees with work locations in the District completed some of the following training in 2017:

- Workers Lock Out / Tag Out
- Smith Driving System 8-hour session including on-the-road training
- Physical Assessment Testing (PAT) – for physical testing as part of the hiring process – workshops conducted across PHI for Overhead, Underground, and Substations equating to more than 10,000 PHI labor hours
- Fall Protection
- Close Quarters Maneuvering
- Introduction of Comprehensive Injury Solutions physical therapists at all PHI's OH PQE and climbing schools
- Development and delivery of Management Model CBT
- Total Outage App new application
- Exelon Injury & Illness Reporting CBT
- Exelon Code of Business Training – All PHI employees are required to be trained

- PHI Thrive: Supervisor Development Summit
- MARC and consensus/fact finding training
- HR Talent Accelerated
- Leader as Coach
- Exelon Acumen Financial
- Time Entry Management
- Enterprise System Integration (ESI) Project Management
- ESI Supply

These efforts will continue through 2018, with additional training to be added as the companies integrate further.

## 4 Conclusion

Pepco recognizes its importance to the community it serves and is committed to employing local and diverse talent from the community and will continue to be a trusted community partner. This Report presents the Company's efforts to build an inclusive workforce capable of providing safe, reliable and affordable service to its customers.

## Appendix A: District Agencies Receiving Pepco Job Postings

Agency Name
40 Plus
AARP Foundation
Access Housing Inc. DC/Southeast Veterans Center
Access
African-American Veterans and Families
America Works DC
American Job Center - Northeast
American Job Center - Northwest
American Job Center Southeast
Anita Borg Institute
ARC
ARCH Training Center
Ayuda
Building Futures
Career Technical Institute
Center City Community Corp.
Center for Energy Workforce Development
Citiwide Computer Training Center
Community Family Life Services
Community Preservation & Development Corp.
Community Services Agency, MWC AFL-CIO
DC Coalition for the Homeless
DC Community Services
DC Sustainable Energy Utility
DC Dept. of Employment Services
DEAF-Reach
Department of Disability Services DC
Department of Labor One Stop Shop
Department of Veteran Affairs
Department of Youth Rehabilitative Services
Developmental Disabilities
Efforts
Emerald Cities Collaborative
EOFULA Spanish Senior Center

Agency Name
Families Forward
Federal Highway Administration, Office of Civil Rights
F.L.I.N.T. LLC (formerly Wider Opportunities for Women (WOW))
Food Stamps Employment & Training Program
Foster Care Division of PG County
George Washington University/School of Media
George Washington University
Georgetown University
Georgia Avenue Collaborative
Goodwill of Greater Washington
Gospel Rescue Ministries of WDC
Grant Associates Inc.
Greater Goodwill of Washington
Greater Washington Urban League
Hannah House
Heavy Construction Academy
Hero 2 Hired District of Columbia
Howard University/School of Communications-Office of Career Development
Howard University Career Services Office
Independent Living Centers
Jewish Council for the Aging of Greater Washington
Jubilee Jobs
Keystone Job Corps
Latin American Youth Center (LAYC)
Lutheran Services in America Disability Network
Marshall Heights Community Development Organization Inc.
Mary S. Center for Maternal & Child Care
Military/Navy Transition Assistance Programs
NAACP University of District of Columbia Chapter #7842
National Association of Hispanic Journalists
National Coalition for Homeless Veterans
National Council of Senior Citizens
National Council on Disability
National Governors Association
National Multiple Sclerosis SOC-OP Job Match
National Organization of Concerned Black Men
New Endeavors by Women

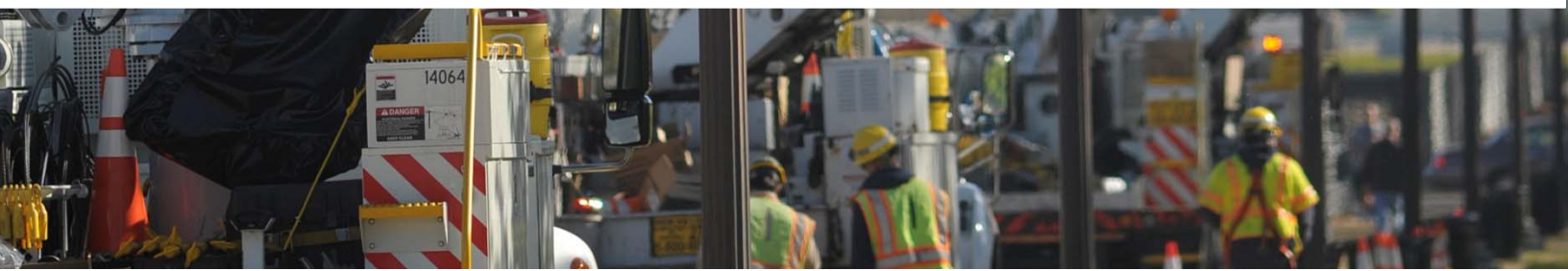
Agency Name
Office of Youth Programs/Passport to Work Program
OIC/DC
Operation Hope
Operation Job Match
Perry School Community Service Center
Project Action – Easter Seals
Protection & Advocacy Systems
Rehabilitative Services Administration, DC Disability Services
ResCare Workforce Services
Samaritan Inns Lazarus House
Samuel Christian Service Network
Some Center for Employment Training
Southeast Ministries
Strayer University-Washington Campus
STRIVE DC Inc.
Student Veterans of America
TASH
Ten Program
The Arc
The Catholic University of America/Media Studies
The Manufacturing Institute
The Partnership for Working Families
U.S. Department of Labor
United Cerebral Palsy
United Spinal Association
United States Veterans Assistance Center (USVAC) Veterans Affairs Regional Office
University of DC
Urban League
US - Ukraine Foundation
U.S. Air Force Transition Assistance Program
U.S. Vets Inc.
USDOL – VETS
VA for Vets
Veteran Employment Center – DC
Veterans on the Rise (VOTR)
Virginia Win Family Resource Center
Vishnevskaya Rostropovich

Agency Name
Washington DC Urban League Workforce Center
Washington Literacy Council
WGTB/Georgetown University
WRGW/George Washington University
YMCA
YMCA- DC
YWCA DC Workforce

# Appendix B: District of Columbia Workforce Diversity Report



**Potomac Electric Power Company  
Appendix B  
2017 Workforce Diversity Report**



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## Executive Summary

This document constitutes the second of three annual reports (the Report) presenting the efforts of the Potomac Electric Power Company (Pepco or the Company) to promote workforce diversity. It has been developed in response to Paragraph 21 of Attachment B of Order No. 18148 (Merger Commitment) as supplemented by Order No. 18160. The Merger Commitment asks Pepco to provide an overview of its efforts to promote both workforce and supplier diversity; a separate report is being filed to present Pepco's efforts to promote supplier diversity.

This report provides an overview of the age and race of Pepco employees and the existing and planned efforts of Pepco Holdings LLC (PHI) to promote diversity at each of its operating utilities, including Pepco. The employee demographic data included in this Report is comprised solely of full-time or part-time Pepco employees with a work location in Washington, DC.

### **Pepco Workforce Diversity Statistics**

Employees at Pepco are predominantly Black/African American or White, with both races representing a combined 90.1% of the total workforce (50.1% Black/African American and 40.0% White) in the District as of December 31, 2017. The remainder of the Pepco workforce is comprised of Asian/Pacific Islander (5.5%), Hispanic (2.6%), American Indian or Alaskan Native (0.2%), and two or more races (1.6%). Men accounted for 76.3% of the workforce and women 23.7% (see Table 1).

Table 1: Pepco 2016 and 2017 Year-End Employee Demographics

Gender	Race	December 31, 2016		December 31, 2017	
		Count	% of Total Employees	Count	% of Total Employees
Female	Black or African American	149	17.5%	141	15.2%
	White	44	5.2%	49	5.3%
	Asian/Pacific Islander	14	1.6%	16	1.7%
	Hispanic	7	0.8%	7	0.8%
	American Indian or Alaskan Native	1	0.1%	1	0.1%
	Two or more races	6	0.7%	6	0.7%
	<b>Female Subtotal</b>	<b>221</b>	<b>25.9%</b>	<b>220</b>	<b>23.8%</b>
Male	Black or African American	287	33.6%	322	34.8%
	White	294	34.5%	321	34.7%
	Asian/Pacific Islander	30	3.5%	35	3.8%
	Hispanic	12	1.4%	17	1.8%
	American Indian or Alaskan Native	1	0.1%	1	0.1%
	Two or more races	8	0.9%	9	1.0%
	<b>Male Subtotal</b>	<b>632</b>	<b>74.1%</b>	<b>705</b>	<b>76.2%</b>
Combined Male and Female	Black or African American	436	51.1%	463	50.1%
	White	338	39.6%	370	40.0%
	Asian/Pacific Islander	44	5.2%	51	5.5%
	Hispanic	19	2.2%	24	2.6%
	American Indian or Alaskan Native	2	0.2%	2	0.2%
	Two or more races	14	1.6%	15	1.6%
<b>Pepco Total</b>		<b>864</b>		<b>925</b>	

The breakdown of Pepco employees who are Black/African American and White (who account for 90.1% of the workforce) falls within three percentage points of the population at large in the District, where combined they account for 92.3% of the total.

- Blacks/African Americans alone account for 47.7% of the District population and 50.1% of the Pepco workforce.
- Whites alone account for 44.6% of the District population and 40.0% of the Pepco workforce.

**Workforce Diversity Initiatives**

In 2017 PHI continued the implementation of a formal structure and approach to promoting workforce diversity initiatives that drew on, among other things, the experience of and successful practices in place at Exelon. The efforts of the PHI Diversity and Inclusion Council (the Council) and the initiation of Employee Resource Group (ERG) chapters at Pepco continued in 2017.

The Council was charged with developing the Company's diversity and inclusion strategies and supporting its implementation, among other things. The following six key areas remained the focus by which the company intends to promote its diversity and inclusion strategy:

- Talent acquisition – hiring diverse candidates where applicable;
- Employee advancement and succession – maintain and promote a diverse group of internal candidates, where applicable;
- Employee retention – support employee resource groups and mentoring programs to further employee development;
- Inclusive leadership – promote leadership's understanding and growth through various events;
- Pay equity – implemented the White House Equal Pay Initiative and maintain competitive compensation; and
- Company profile – promote diversity and inclusion externally through the promotion of diverse suppliers and community engagement.

# 1 Introduction

## 1.1 Merger Commitment

This document constitutes the second of three annual reports (the Report) presenting the efforts of the Potomac Electric Power Company (Pepco or the Company) to promote workforce diversity. It has been developed in response to Paragraph 21 of Attachment B of Order No. 18148 (Merger Commitment) as supplemented by Order No. 18160. The Merger Commitment asks Pepco to provide an overview of its efforts to promote both workforce and supplier diversity; a separate report is being filed to present Pepco's efforts to promote supplier diversity. Paragraph 21 states the following:

Pepco shall also continue its commitments to supplier and workforce diversity. Pepco shall, on an annual basis for the first three (3) years following consummation of the Merger, file a report with the Commission by April 1 explaining its efforts to promote supplier and workforce diversity.

A separate report is being filed to present Pepco's efforts to promote supplier diversity. This is the second of three reports to be filed.

## 1.2 Scope of this Report

Pepco operates in a world rich in diversity – in race, ethnicity, gender, sexual orientation, gender identity, disability, religious affiliation, experience and thought. Diversity and inclusion (D&I) at Pepco strengthens its ability to achieve its vision by:

- Integrating D&I as a business imperative and a core value;
- Attracting, retaining and advancing employees who will best serve and represent our customers, partners and community; and
- Providing a workplace that ensures employees respect each other and that each employee has the opportunity to grow and contribute at their greatest potential.

Pepco Holdings LLC (PHI) establishes the D&I goals for its utility operating companies, including Pepco, and has developed a number of strategies to achieve them. Leveraging D&I at PHI and the operating utilities is critical to its business because experience has shown that diverse and inclusive companies are more innovative, more dynamic and more attractive to high functioning talent. Promoting diversity in the workplace is about more than social responsibility; it enhances the Company's brand, engages talented employees, and helps to foster innovation and creativity.

The D&I goals initiated by PHI and revitalized in 2017 cover a broad spectrum, including the following:

- **Diverse and Inclusive Workforce** to attract, develop and retain talent of all backgrounds that reflects the realities of the Company's marketplace, communities and the relevant labor market;
- **Inclusive workplace** to create a culture of inclusion through consistent and sustained execution of the D&I strategy, including progress measurement for results;
- **Diverse Suppliers** to achieve a diverse range of suppliers, vendors and service providers; and

- **Community Relationships** to ensure that PHI leadership has a significant reach and visible presence in a strategic core group of diverse community based organizations.
- **Leader in Diversity and Inclusion:** to earn PHI recognition as a D&I leader by its employees, local, regional and national thought leaders, and the community it serves.

This report presents metrics on Pepco workforce diversity through December 31, 2017, the strategies employed in 2017 to facilitate D&I, and strategies under development to drive D&I in 2017 and beyond.

For the purposes of this Report as it pertains to information provided about the gender and racial composition of the Pepco workforce, a Pepco employee is any full-time or part-time employee with a work location in Washington, DC. Diversity data for the following are considered outside the scope of Paragraph 21 and, therefore, not included in this Report:

- Temporary employees, interns, and employees on long-term disability at Pepco; and
- Employees of Pepco Energy Services, PHI Service Company, Exelon or any other related companies.

## 2 Pepco 2017 Workforce Diversity

### 2.1 Workforce Diversity Statistics

An overview of the gender and race of Pepco employees based in the District as of December 31, 2017 is shown in Figure 1a, Figure 1b, and Figure 1c.

*Figure1a: Pepco Employee Gender Composition*

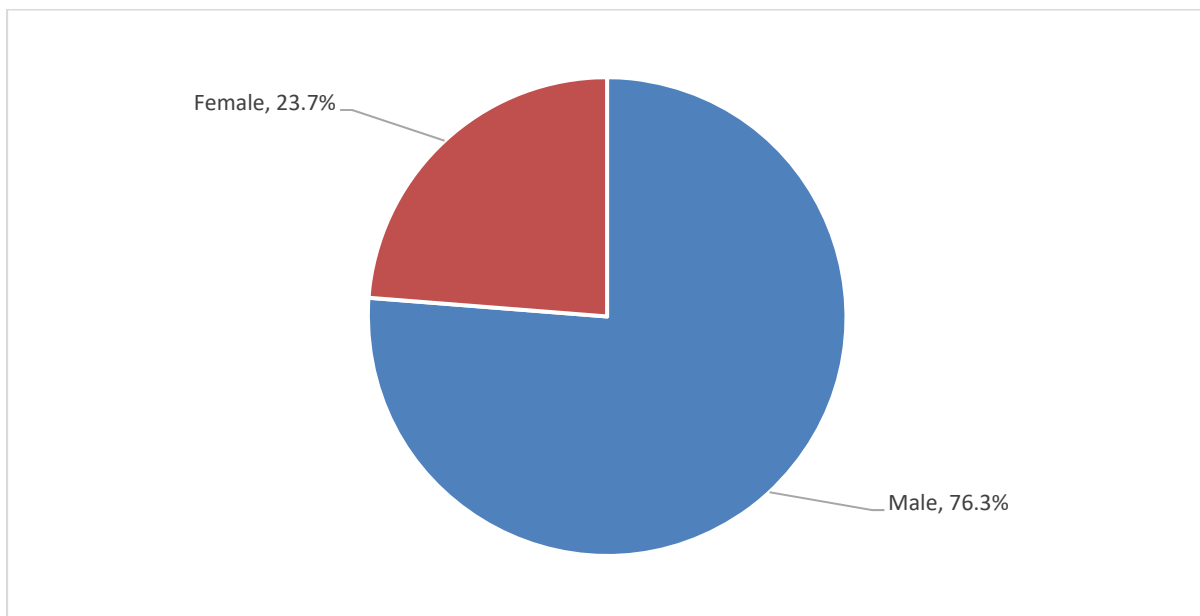


Figure 1b: Pepco Male Employee Racial Composition

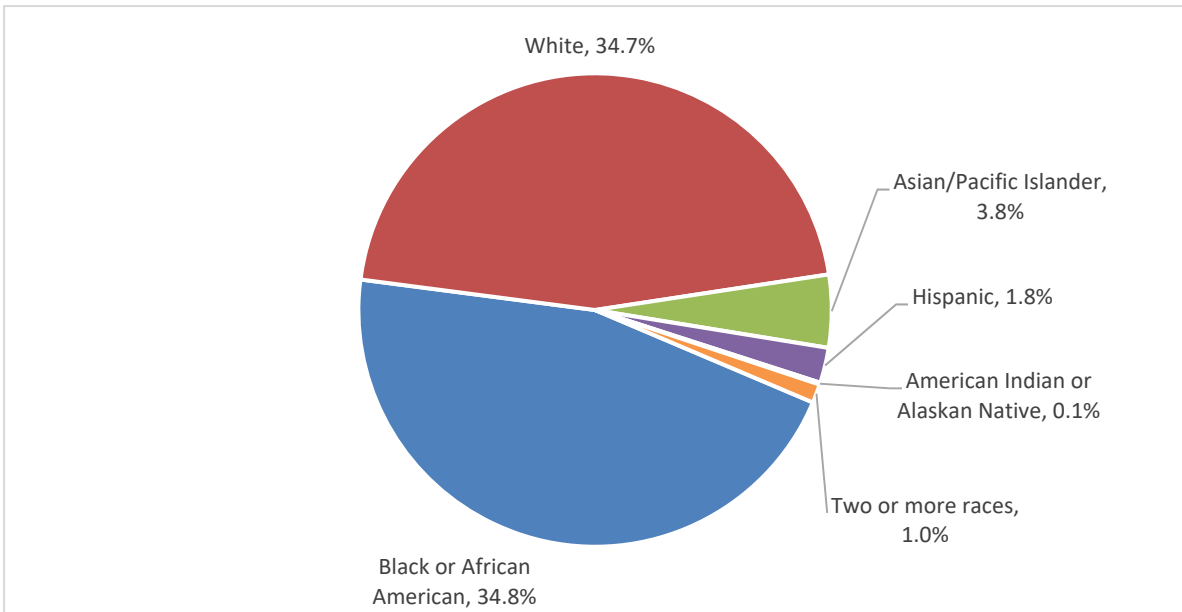
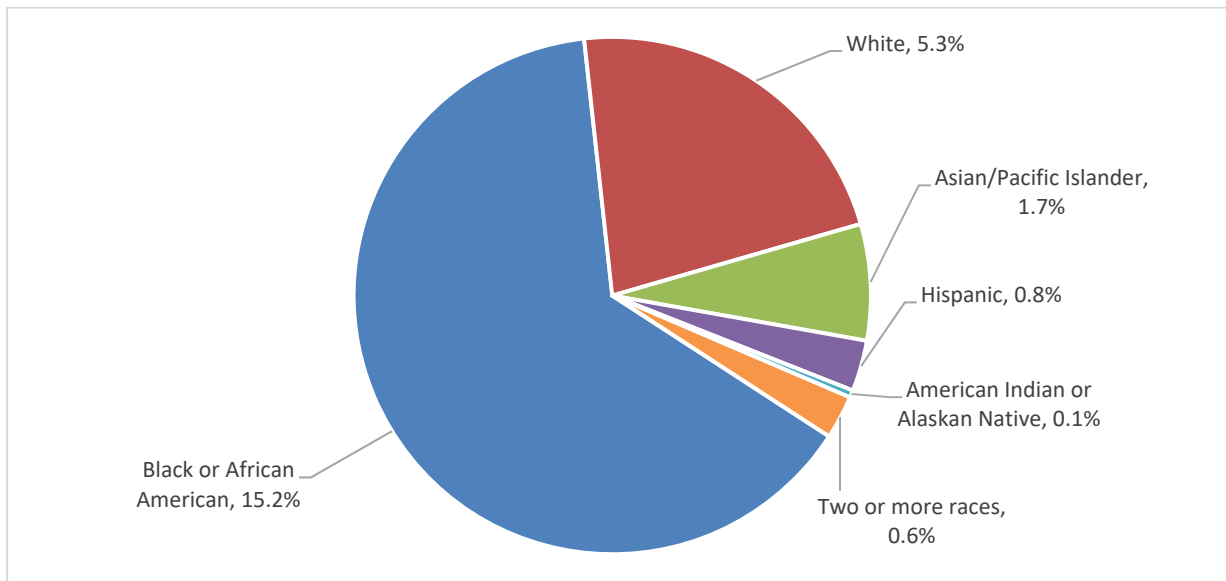


Figure 1c: Pepco Female Employee Racial Composition



As shown in more detail in Table 2, employees at Pepco are predominantly Black/African American or White, with both races representing a combined 90.1% of the total workforce (50.1% Black/African American and 40.0% White) in the District as of December 31, 2017. The remainder of the Pepco workforce is comprised of Asian/Pacific Islander (5.5%), Hispanic (2.6%), American Indian or Alaskan Native (0.2%), and two or more races (1.6%). Men represented 76.2% of the workforce and women 23.8%.

The breakdown of race by male and female employees follows the same pattern as for the Company overall and persists without significant change from year-end 2016 to year-end 2017.<sup>1</sup>

*Table 2: Pepco 2016 and 2017 Year-End Employee Demographics*

Gender	Race	December 31, 2016		December 31, 2017	
		Count	% of Total Employees	Count	% of Total Employees
Female	Black or African American	149	17.5%	141	15.2%
	White	44	5.2%	49	5.3%
	Asian/Pacific Islander	14	1.6%	16	1.7%
	Hispanic	7	0.8%	7	0.8%
	American Indian or Alaskan Native	1	0.1%	1	0.1%
	Two or more races	6	0.7%	6	0.7%
	<b>Female Subtotal</b>	<b>221</b>	<b>25.9%</b>	<b>220</b>	<b>23.8%</b>
Male	Black or African American	287	33.6%	322	34.8%
	White	294	34.5%	321	34.7%
	Asian/Pacific Islander	30	3.5%	35	3.8%
	Hispanic	12	1.4%	17	1.8%
	American Indian or Alaskan Native	1	0.1%	1	0.1%
	Two or more races	8	0.9%	9	1.0%
	<b>Male Subtotal</b>	<b>632</b>	<b>74.1%</b>	<b>705</b>	<b>76.2%</b>
Combined Male and Female	Black or African American	436	51.1%	463	50.1%
	White	338	39.6%	370	40.0%
	Asian/Pacific Islander	44	5.2%	51	5.5%
	Hispanic	19	2.2%	24	2.6%
	American Indian or Alaskan Native	2	0.2%	2	0.2%
	Two or more races	14	1.6%	15	1.6%
<b>Pepco Total</b>	<b>864</b>		<b>925</b>		

<sup>1</sup> Employment race and gender figures presented in this Report are as of year-end and may differ from figures presented to the Commission in other proceedings because, under other requirements, Pepco typically presents employment diversity figures for the end of the Company's fiscal year, which occurs on July 31.

Pepco strives to maintain a diverse and inclusive workforce that is representative of the community in which it operates. Data for the District of Columbia (see Table 3) shows that the population within the District is estimated to be comprised primarily of Black/African American and White residents. The breakdown of Pepco employees who are Black/African American and White falls within three percentage points of the population at large in the District in the respective race categories.

- Blacks/African Americans and Whites account for 92.3% of the District population and 90.1% of the Pepco workforce.
  - Blacks/African Americans alone account for 47.7% of the District population and 50.1% of the Pepco workforce.
  - Whites alone account for 44.6% of the District population and 40.0% of the Pepco workforce.

*Table 3: District of Columbia Demographics (Estimated as of July 1, 2016)<sup>2</sup>*

Race	% of Total Population
Black or African American	47.7%
White	44.6%
Asian/Pacific Islander	4.1%
Hispanic	n/a <sup>3</sup>
American Indian or Alaskan Native	0.6%
2 or more races	2.7%

## 2.2 Workforce Diversity Initiatives

In 2017 PHI initiated a formal structure and approach to promoting workforce diversity initiatives that drew on, among other things, the experience of and successful practices in place at Exelon. This culminated with the implementation and revitalization of the PHI Diversity and Inclusion Council (the Council) and the implementation of Employee Resource Group (ERG) chapters at Pepco.

### 2.2.1 PHI Diversity and Inclusion Council

The Council continued to focus on the development of programs, public awareness efforts, and other opportunities to create a workplace where diversity and inclusion continues to be brought to life, where everyone is treated with dignity and respect, and where team members can tap into their full potential. These are key components to the long-term success of PHI, its suppliers, and the communities served.

<sup>2</sup> Data source is the United States Census Bureau at the following web address: <https://www.census.gov/quickfacts/table/PST045216/11>

<sup>3</sup> Hispanics may be of any race, so are included in the applicable race categories in this table. A total of 10.6% of D.C. residents are estimated to identify as Hispanic, of which 8% are included in the White category.

The CEO remains the head of the Council which is comprised of employees, including senior leaders and executives, across all PHI utilities. The Council continues to focus on:

- Diverse workplace
- Inclusive workplace
- Diverse suppliers
- Community relationships
- Leader in Diversity and Inclusion

## 2.2.2 Employee Resource Groups

Exelon promotes and supports nine ERGs as part of its strategy to promote a diverse and inclusive work environment. Innovative employees within PHI initiated chapters and volunteer to lead these grass roots groups. This initiative promotes groups that serve as diverse forums for professional development, cultural education, and community involvement and allows employees to seek advice and guidance from their coworkers. As of the end of 2017, there were six chartered ERGs at Pepco:

- Asian American Resource Group (AARG)
  - Speaker - Transpacific Communication – Networking and Empowerment
  - Volunteer for Cherry Blossom Ten Miler – 50 volunteer hours logged
  - Children’s Miracle Network Hospital – Fund Raiser
  - Hosted Panel
- Developing Young Professionals (DYP)
  - Lunch and Learn – Executive Vice President and Chief Strategy Officer
  - Participated in Maryland Business Roundtable for Education Scholars Speakers Bureau Training Session
  - JDRF One Walk – Fund Raiser
- Exelon Militaries Actively Connected (EMAC)
  - Sponsored a Special recognition breakfast for Veteran Day
- Exelon African-American Resource Alliance (EAARA)
  - Speaker – Administrator of the Office of Juvenile Justice and Delinquency
  - Development workshop – External Speaker
  - Children’s Playtime Project 5K – Fund-raiser
- Network of Exelon Women (NEW)
  - National Breast Cancer Awareness Month – Educational forum and Panel discussion
- Pride
  - Speaker – Manager Corporate Programs at the Human Rights Campaign
  - D.C. Pride Festival – Volunteer
  - Food and Friends – Non-profit organization Fund-raiser

Above are a few of many activities the ERGs within Pepco conductive to initiate professional development training, to host internal and external speaker sessions, to supported non-profit organization and to work with the communities with the District of Columbia.

## 3 2017 Diversity Initiatives

### 3.1 2017 Diversity and Inclusion Achievements

PHI achieved the following successes in 2017:

1. **Talent Acquisition:** PHI seeks to hire diverse union and professional employees where possible, and utilizes its internship programs to develop a diverse candidate pipeline.
  - 65% of Pepco DC hires were diverse;
  - PHI partnered with the Workforce Investment Council (WIC), Department of Employment Services (DOES), and the University of the District of Columbia to launch the DC Quick Path to Energy (DCQPE) program. The program serves as a Math and Test Preparation refresher for participants and addresses the need for skilled workers while developing a qualified, diverse pipeline of applicants for open vacancies at Pepco. Pepco hired 11 DCQPE participants from the 2017 pilot.
  - a. **Advancement & Succession:** PHI maintains and promotes a diverse group of internal candidates for promotion, where applicable, and encourages employee rotation throughout the organization to allow employees the opportunity to develop a broad skill set. Sixty-five percent (65%) of Pepco DC promotions were diverse.
2. **Retention:** PHI supports employee resource groups to provide forums for diverse candidates to further their professional development and education, reinstitute a mentoring program to provide employees an internal resource in which to learn and advance their development, and expand the reward and recognition program.
3. **Inclusive Leadership:** PHI continues to implement D&I Council initiatives and carry out their responsibilities as noted in the previous section of this Report, host events such as external speaker series to facilitate leadership's understanding and growth, and promote 100% leadership participation in the Value of Mutual Respect course and other training opportunities.
4. **Pay Equity:** PHI implemented the Equal Pay Initiative and reviews compensation analytics in order to maintain competitive compensation packages.
5. **Company Profile:** PHI will seek to continue to increase the number of diverse suppliers, where possible, and engage the community and customer base via communications, events and awards in order to promote D&I.

## 4 Conclusion

Pepco recognizes the importance of maintaining a workforce representative of the community in which it serves and is committed to employing local and diverse talent. This Report presents the Company's efforts to build a diverse and inclusive workforce and the initiatives being carried out to ensure Pepco's success in this endeavor going forward.

## CERTIFICATE OF SERVICE

I hereby certify that a copy of Potomac Electric Power Company's 2017 Annual Employment Report and Annual Workforce Diversity Report was served this March 29, 2018 on all parties in Formal Case No. 1119 by electronic mail.

Ms. Brinda Westbrook-Sedgwick  
Commission Secretary  
Public Service Commission  
of the District of Columbia  
1325 G Street N.W. Suite 800  
Washington, DC 20005  
bwestbrook@psc.dc.gov

Sandra Mattavous-Frye, Esq.  
Laurence Daniels, Esq.  
Arick R. Sears, Esq.  
Travis Smith, Esq.  
Barbara Burton, Esq.  
Dwayne Houston, Esq.  
Office of the People's Counsel  
1133 15<sup>th</sup> Street, NW, Suite 500  
Washington, DC 20005  
smfrye@opc-dc.gov  
ldaniels@opc-dc.gov  
asears@opc-dc.gov  
tsmith@opc-dc.gov  
bburton@opc-dc.gov  
dhouston@opc-dc.gov

Christopher Lipscombe, Esq.  
Public Service Commission of DC  
1325 G Street NW - Suite 800  
Washington, DC 20005  
clipscombe@psc.dc.gov

Frann G. Francis, Esq.  
Nicola Y. Whiteman, Esq.  
Apartment and Office Building Association of  
Metropolitan Washington  
1025 Connecticut Avenue NW, Suite 1005  
Washington, DC 20036  
ffrancis@aoba-metro.org  
nwhiteman@aoba-metro.org

Bruce R. Oliver  
Revilo Hill Associates, Inc.  
7103 Laketree Drive  
Fairfax Station, Virginia, 22039  
revilohill@verizon.net

Michael Engleman  
Engleman Fallon, PLLC  
1717 K Street NW, Suite 900  
Washington, DC 20006  
[mengleman@efenergyllaw.com](mailto:mengleman@efenergyllaw.com)

Brian Caldwell  
Office of the Attorney General  
441 4<sup>th</sup> Street, N.W. Suite 1130 N  
Washington, D.C. 20001  
Brian.caldwell@dc.gov

Richard M. Lorenzo  
Loeb & Loeb LLP  
345 Park Avenue  
New York, NY 10154  
rlorenzo@loeb.com

David J. Arkush  
DC Sun and Public Citizen  
901 Fifteenth Street, N.W.  
Washington, DC 20005  
darkush@citizen.org

Olivia Wein  
NCLC  
1001 Connecticut Avenue Suite 510  
Washington, DC 20036  
owein@nclc.org

James K. McGee, Esq.  
Law Offices of Alexander & Cleaver, P.A.  
on behalf of the Washington, D.C. Chapter of the  
Sierra Club and the Grid 2.0 Working Group  
11414 Livingston Road  
Fort Washington, MD 20744  
jmcgee@alexander-cleaver.com

Telemac N. Chryssikos  
Washington Gas Energy Services  
101 Constitution Avenue NW Suite 319  
Washington, DC 20080  
TelemacChryssikos@washgas.com

Carolyn Elefant  
2200 Pennsylvania Avenue Fourth Floor  
Washington, D.C. 20037  
Carolyn@carolynelefant.com

Abraham Silverman  
NRG Energy, Inc.  
211 Carnegie Center Drive  
Princeton, NJ 08540  
Abraham.silverman@nrgenergy.com

Dennis Goins  
Potomac Management Group  
on behalf of the United States  
General Services Administration  
P.O. Box 30225  
Alexandria, VA 22310  
dgoinspmg@verizon.net

Jeffrey W. Mayes  
Monitoring Analytics, LLC on behalf of Independent  
Market  
Monitor for PJM  
2621 Van Buren Avenue Suite 160  
Eagleville, PA 19403  
Jeffrey.mayes@monitoringanalytics.com

Brian R. Greene  
GreeneHurlocker, PLC on behalf  
of Maryland DC Virginia  
Solar Energy Industries Association  
1807 Libbie Avenue Suite 102  
Richmond, VA 23226  
bgreene@greenehurlocker.com

Meena Gowda, Esq.  
DC Water and Sewer Authority  
5000 Overlook Avenue SW  
Washington, DC 20032  
Meena.Gowda@dcwater.com

Randall L. Speck  
Kaye Scholer LLP on behalf of DC Solar United  
Neighborhoods  
901 Fifteenth Street NW  
Washington, DC 20005  
Randall.speck@kayscholer.com

John Chelen  
DC Public Power  
1701 K Street NW - Suite 650  
Washington, DC 20006  
jchelen@dcpublicpower.org

Larry Martin  
GRID2.0 Working Group  
4525 Blagden Ave. NW  
Washington, DC 20011  
lmartindc@gmail.com

Charles Rories  
GRID 2.0 Working Group  
6309 Rockwell Road  
Burke, VA 22015

Charles Harak  
Attorney on behalf of NCLC/NHT/NHT-Enterprise  
7 Winthrop Square  
Boston, MA 02110  
charak@nclc.org

  
Dennis P. Jamouneau