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PUBLIC SERVICE COMMISSION

**PUBLIC SERVICE COMMISSION
OF MARYLAND**

C90G00

**Fiscal Year 2021 Operating Budget
Response to Department of Legislative Services Budget Analysis**

**House Appropriations Committee
Subcommittee on Transportation & Environment
Delegate Marc Korman
February 5, 2020**

**Senate Budget & Taxation Committee
Subcommittee on Public Safety, Transportation, & Environment
Senator Cory McCray
February 6, 2020**

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Good afternoon.

The Public Service Commission (“PSC”) thanks Ms. Zimmerman for the analysis that she prepared and concurs with her Recommended Action. As the subcommittee can see from the analysis, the PSC continues to be extremely busy addressing the filings by public service companies and other interested parties. The matters before the PSC during 2019 ranged from simple routine matters to more complex cases, such as the current proceeding to consider alternative forms of ratemaking (Case No. 9618 / PC51), and multiple cases docketed by the Commission that were initiated by the Commission’s Technical Staff regarding the investigation of certain energy suppliers’ practices and/or customer complaints.

Like many other State agencies, the PSC continues to meet the challenges of an increasing work load and limited resources. The Commission is very proud of its track record of meeting those challenges as evidenced by its continued high performance in exceeding its Managing for Results goals. The PSC is recognized as a leader in applying regulatory oversight over new technologies/applications, as well as ensuring that the rates of Maryland utilities’ customers are just and reasonable.

In addition, the PSC continues to play a visible and active role in proceedings before the Federal Energy Regulatory Commission to ensure that the procedures of the regional grid operator, PJM Interconnection, are reasonable and just, and do not have an unintended consequence of increasing the price of electricity supply for our retail customers or reducing the reliability or capacity of electricity supply in Maryland.

Unless you have any initial questions, I will address the specific comment identified in Ms. Zimmerman’s budget analysis:

Personnel Data:

1. Vacancy Levels.

The PSC should comment on the recent high levels of vacancies and the difficulties it has experienced in filling vacant positions.

Response:

As Ms. Zimmerman indicated in her analysis, as of December 31, 2019, the Commission had 11 vacant positions. Since that time, however, the Commission has already filled three of those. In addition, job postings have been completed and the Commission is currently in the process of conducting interviews for an additional four. The PSC anticipates filling those vacant positions no later than early March 2020.

As you are aware, the Public Service Commission is a specialized quasi-judicial entity, with several job classifications that are exclusive to the agency. The Commission employs a professional technical staff who are required to provide expertise in all aspects of utility regulation, including: rate design, cost allocation, equity and debt finance, market design, renewable programs, safety and reliability, cost efficiency analysis, low income program design, consumer protections, legal sufficiency and enforcement. These topics typically require multidisciplinary education and work experience. The topics and type of analysis are constantly changing with rapidly evolving industry developments and new regulatory requirements driven by state and federal legislative changes.

Typical employees bring utility operational experience and degrees in economics, engineering, finance, accounting and physical sciences at both the undergraduate and advanced graduate levels. In addition to subject matter expertise, these positions require proficiency in written analysis, verbal presentation and working group facilitation. Many of these employees provide written and oral testimony, under sworn oath, which not only imparts a recommended action but also critiques the positions taken by other parties employing highly experienced and frequently nationally recognized subject matter experts and consultants. This type of expertise is highly specialized and is difficult at times to find in applicants to Commission recruitments. The skill sets required are in high demand in the utility and consulting industries. After employees have achieved exposure to technical topics and gained regulatory experience, trained employees are often recruited by utilities, consulting firms, the federal government, and other commissions.

The Commission prides itself in attracting and maintaining well-qualified candidates as it to attempts secure the necessary personnel required to fulfill its statutory duties. The Commission always attempts first to provide an opportunity for advancement with existing personnel, if available. If not, the Commission creates a job posting as soon as possible to seek out outside candidates. Depending on the specific vacancy, the Commission uses a variety of outreach resources in addition to the traditional state job posting available on the Commission's and the Department of Budget and Management's websites. The recruitment process requires careful review of the applicant's writing and presentation skills, as well as excellent academic records and recommendations from references. For these reasons, the recruitment process can be lengthy and may require several postings to acquire a suitable pool of applicants. While at times it may take longer to fill a position than the Commission may like, it is critical from the Commission's perspective to obtain personnel with the necessary skills to provide Maryland rate payers with the best service and protection they deserve.

I will be happy to respond to any other questions that you may have. Otherwise, I thank you for your time and attention.