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CONTACT: Tori Leonard 410-767-8054 443-680-1619 (c) tori.leonard@maryland.gov

PUBLIC SERVICE COMMISSION

For Immediate Release

PSC Convenes Annual Supplier Diversity Hearing

More than \$567 million in Contracts with Diverse Suppliers

(BALTIMORE, MD-July 21, 2016) – The Maryland Public Service Commission today held its annual hearing for utility companies to report on their contracts with diverse suppliers. The proceeding reviewed the 2015 diverse supplier procurements—more than \$567 million--of participating companies, which include electricity and gas, transportation and telecommunications. The utility companies reported spending \$3.1 billion on all goods and services in 2015. The 18% total diverse spend ratio—a key metric of the program--represented a 6.25% increase over the previous year.

The Commission's Public Conference 16 on Supplier Diversity (PC 16) is aimed at providing women-, minority- and service-disabled veteran-owned businesses, as well as nonprofit organizations, greater opportunities to participate in and compete for contracts and subcontracts with public utilities. Nineteen companies signed a memorandum of understanding (MOU) with the Commission, committing to a goal of awarding 25 percent of their total spend to diverse suppliers. Of the 15 companies which filed reports, four of them met or exceeded that goal in 2015:

- Association of Maryland Pilots (42%)
- Potomac Edison (30%)
- AT&T (27%), and
- Washington Gas Light (26%).

Commissioner Harold Williams, who heads the Commission's internal supplier diversity working group, commended the overall efforts of the companies but acknowledged that there is still room for growth. "We encourage the utilities to strive toward meeting the 25 percent goal and increase access to more diverse suppliers in their business operations," said Commissioner Williams. "The success of this program contributes to

 WILLIAM DONALD SCHAEFER TOWER
 6 ST. PAUL STREET
 BALTIMORE, MARYLAND 21202-6806

 410-767-8000
 Toll Free: 1-800-492-0474
 FAX: 410-333-6495

 MDRS: 1-800-735-2258 (TTY/Voice)
 Website: www.psc.state.md.us

the strength of Maryland's overall economy and is ultimately beneficial to utility ratepayers."

The hearing included panel discussions highlighting the experiences of diverse suppliers in the program. Delegate Barbara Robinson (Baltimore City), Special Secretary Jimmy Rhee of the Governor's Office of Minority Affairs, and representatives from diverse business and advocacy organizations also participated in the proceedings.

Natalia Luis, Vice President of M. Luis Construction of Rockville—a utility contractor, praised those advocacy groups and utilities which are committed to supplier diversity. "I am the product and proof that embracing diversity is good for business and good for everyone," she said. "When we all work, we all succeed."

Mark Powell, CEO of ARGO Systems, a contractor of choice under Exelon Corporation's Focus 25 program, spoke of the diverse supplier program's positive economic impact to his company—20% of which are veterans. "We've not only been able to hire additional high-level and support staff, but the contracts we've secured have allowed us to provide work to diverse subcontractors who have <u>also</u> hired more people," he said.

Signatories of the Supplier Diversity MOU include: Association of Maryland Pilots **AT&T** Corporation Baltimore Gas and Electric Company CenturyLink Chesapeake Utilities Corporation – Maryland Division Choptank Electric Cooperative, Inc. Columbia Gas of Maryland Comcast Phone of Northern Maryland, Inc. and Comcast Business Communications, LLC Delmarva Power and Light Company Easton Utilities Pivotal Utility Holdings, Inc. d/b/a Elkton Gas First Transit BWI Airport Potomac Edison Company Potomac Electric Power Company Southern Maryland Electric Cooperative, Inc. Veolia Verizon Maryland, Inc. Washington Gas Light Company XO Communications (has now withdrawn from the program)

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More information on PC 16 and supplier diversity is available on the Commission's website, <u>www.psc.state.md.us</u>, under the <u>Supplier Diversity link</u> on the homepage.

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About the Public Service Commission:

The Maryland Public Service Commission regulates electric and gas utilities, telephone companies (land lines), certain water and sewer companies, passenger motor vehicle carriers for hire (sedans, limousines, buses, Uber, Lyft), taxicab companies (in Baltimore City and County, Cumberland and Hagerstown) and bay pilot rates.

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PC 16 Hearing Agenda

July 21, 2016

William Donald Schaefer Tower 6 St. Paul St, Baltimore, Maryland 21202

16th Floor Hearing Room – 10:00AM

- 1) Opening Remarks Chairman and Commissioners
- 2) Hon. Barbara A. Robinson, Delegate, Maryland General Assembly
- 3) Hon. Jimmy Rhee, Special Secretary, Governor's Office of Minority Affairs
- 4) Commission Staff Presentation of 2015 Annual Report Data
- 5) Utility Forum Presentation

PANEL 1 – SUPPLIER DIVERSITY ADVOCATE PERSPECTIVE

- Sharon R. Pinder, President and CEO, Capital Region Minority Supplier Development Council (CRMSDC)
- Susan Au Allen, National President & CEO and Mihyun Yun, National Marketing Director, Asian American Businesses, USPAACC
- Wayne Frazier, President, Maryland Washington Minority Companies Association
- Daryl Corley, Elite SDVOSB mid-Atlantic region

PANEL 2 - SUPPLIER DIVERSITY MOU: PRIVATE INDUSTRY PERSPECTIVE

- Maureen A. O'Connor, CEO, LEM Products Inc.
- Mark L. Powell, CEO, ARGO Systems, LLC.
- Robert Wallace, CEO, Bith Energy, Inc.
- Sridhar Kunadi, CEO, n-Tech.
- Greg Lindholm, Construction Manager DC and Va, Miller's Pipeline
- Pedro Alfonso, President, Dynamic Concepts, Inc.
- Natalia Luis, Vice President, M Luis Construction

LUNCH BREAK

UTILITY COMMENTS AND REPORT - JULY 2009 SIGNERS (PANEL)

SMECO, Inc. – Ken Capps, COO and SR Vice President of Engineering and Operations and Ashley Lacy Supplier Diversity Program Manager

Chesapeake Utilities Corporation - Maryland Division -

Choptank Electric Cooperative, Inc. - Mike Wheatley, President and CEO and Tiffany Trautman, Manager, Finance & Regulatory Affairs

Easton Utilities – Steve Ochse, CFO, Arnold Boughner, Electric Department Manager, & John Hines, Supervisor of Electrical Eng. & Design

Pivotal Utility Holdings, Inc. d/b/a Elkton Gas - Corey Hines, Supplier Diversity Manager

FIRST SIGNERS (INDIVIDUAL REPORTS)

Washington Gas Light Company – Joan Hairston, Program Manager, Supplier Diversity

Assoc. of Maryland Pilots - David Rachuba, Business Manager

The Potomac Edison Company - James Sears, President Potomac Edison Company

Baltimore Gas & Electric Co. - Emmett Vaughn, Dir, Exelon Diverse Business & Frank Kelly, Manager, Exelon Diverse Business Empowerment

Columbia Gas – Mark Kempic, President, Andrew S. Tubbs, Senior Counsel and Jacquelyn M. Lange, Director, Supply Chain **PHI (Pepco and DPL)** - Emmett Vaughn, Dir, Exelon Diverse Business & Frank Kelly, Manager, Exelon Diverse Business Empowerment

Verizon Maryland Inc. - Douglas Smith, VP – State Govt. Affairs, Mid-Atlantic Region; Pat Patterson, Manager – Supplier Diversity

AT&T - Oliver Turman, Director and Stephanie Bates, Sr. Manager, AT&T Supplier Diversity **Comcast Corporation** – Elizabeth Murray and Max Curran, Counsel

Veolia - Navin Dass, General Manager

Closing Remarks – Commissioners