

BEFORE THE
COMMITTEE ON
PUBLIC SERVICES AND CONSUMER AFFAIRS
of the
COUNCIL OF THE DISTRICT OF COLUMBIA
on the
OFFICE OF THE PEOPLE'S COUNSEL'S

FY 2012 PROPOSED BUDGET AND FINANCIAL PLAN

TESTIMONY
of
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I. INTRODUCTION

Good morning Chairperson Alexander and members of the Committee on Public Services and Consumer Affairs (“Committee”). I am Sandra Mattavous Frye, Esq., Acting People’s Counsel. As you are aware, I have been selected by Mayor Vincent C. Gray, as his nominee to serve as People’s Counsel. I am pleased and honored to have the opportunity to serve in this capacity.

Thank you for inviting the Office of the People’s Counsel (“OPC” or “Office”) to appear before the Committee to discuss the Office’s Fiscal Year 2012 Proposed Budget and Financial Plan. Seated at the

table with me is Attorney Brian O. Edmonds, Esq. who serves as Director of Operations and Mr. Curtis M. Lewis, II, who is OPC's Agency Fiscal Officer, assigned by the Office of the Chief Financial Officer. Mr. Lewis will provide specific details regarding OPC's Fiscal Year 2012 Proposed Budget and Financial Plan. Also in the hearing room is Mr. Herbert H. Jones who serves as Manager of OPC's Consumer Services Division and other members of my staff.

At the request of the Committee, OPC provided comprehensive responses to twelve (12) questions. The responses prepared to these questions provide the Committee with the requested information regarding the Office's budget. I hereby adopt the written responses the Office submitted, in response to questions from the Committee, as an addendum to this testimony.

As you are aware, OPC's budget is revenue neutral to the District's budget and tax base. Nonetheless, OPC remains mindful that District utility ratepayers, through the utility rates they pay, are the sole source of OPC's revenue, and therefore, these funds must be administered with the utmost fiscal responsibility. This is always an imperative, but is

even more critical given the economic and financial crisis facing the District in general and DC consumers, in particular.

II. FISCAL YEAR 2012 BUDGET REQUEST

OPC is requesting a Fiscal Year 2012 budget of \$5,447,000, which represents an increase of 5.4 percent or \$277,000 above the amount approved for the agency's Fiscal Year 2011 budget. The Office is requesting no change in the 33.4 FTEs approved in Fiscal Year 2011 and plans to fill all existing vacancies before the end of Fiscal Year 2011. The Office is not proposing program structure changes for the Fiscal Year 2012 Proposed Budget.

As Mr. Lewis will explain in further detail, the majority of the budget increase request is linked to adjustments to personal service expenditures designed to capture changes occurring between Fiscal Year 2011 and the projections for Fiscal Year 2012.

The Office testified before this committee on OPC's Fiscal Year 2011 Proposed Budget in May 2010. At that time, Ms. Brenda Pennington, the Interim People's Counsel, set forth objectives she planned to accomplish: They included expanding the Office's outreach

to consumers, increasing public awareness of our services, advocacy, consumer education programs and identifying necessary legislative initiatives. I will continue to move OPC in this positive direction.

In shaping my view of the direction OPC must take, I will focus on the basic regulatory entitlements, but review them in the context of today's realities. I bring to the table my years of experience in the field as well as my clear understanding of the mission of the Office to advocate on behalf of consumers for "safe, reliable and affordable utility service."

We are at a pivotal juncture in the regulatory arena. There will be major changes in the way consumers receive and use utility service. Consumers must be empowered to have a meaningful voice in the process. Advances in technology, the emergence of alternative and renewable resources, such as solar and wind power, are viable consumer options, and as you know, the Sustainable Energy Utility (SEU), has been selected and will offer energy efficiency programs to DC consumers.

Under my administration, I will focus on System Reliability. Reliability, in my view, is the benchmark by which utility service is judged. Notwithstanding, I will not lose sight of, nor deemphasize consumer entitlement to affordable basic service, quality service and the necessity for consumer empowerment and participation in the regulatory process. The Fiscal Year 2012 Proposed Budget will enable OPC to meet these objectives, to advocate rigorously, zealously, and effectively on behalf of District's utility consumers.

III. CONCLUSION

OPC's Fiscal Year 2012 Proposed Budget submitted by Agency Fiscal Officer Curtis Lewis is fiscally responsible and should allow the Office to meet all statutory mandates. This concludes the written testimony on OPC's FY 2012 Budget and Financial Plan. Thank you.

Mr. Lewis, Mr. Edmonds and I are available for your questions.