

**BEFORE THE**  
**COMMITTEE ON BUSINESS AND**  
**ECONOMIC DEVELOPMENT**  
*Of the*  
**COUNCIL OF THE DISTRICT OF COLUMBIA**  
*On the*  
**OFFICE OF THE PEOPLE’S COUNSEL**  
**FY 2018 BUDGET REQUEST**  
**STATEMENT OF SANDRA MATTAVOUS-FRYE,**  
**PEOPLE’S COUNSEL**  
**May 11, 2017**

Good morning Chairman McDuffie, members of the Committee on Business and Economic Development and members of the public. I would like to thank you for the opportunity to testify before you today. For the record, I am Eric Scott, Chief Operating Officer for the Office of the People’s Counsel appearing on behalf of People’s Counsel Sandra Mattavous-Frye who is not able to be here today. With me today to assist in responding to any questions you may have is Karen Sistrunk our Deputy People’s Counsel, Laurence Daniels our Director of Litigation and Gurmeet Scoggins our Agency Fiscal Officer.

## **INTRODUCTION**

The Office of the People's Counsel's fiscal year 2018 proposed budget is reasonable and appropriate to support consumer advocacy, education, and protection activities commensurate with the growing demand for premium quality utility services in the District of Columbia.

For the record, OPC is by law the public advocate for all consumers of natural gas, electricity and local telecommunications services in the District of Columbia. The Office is mandated to represent the interests of ratepayers before the DC Public Service Commission, the DC Court of Appeals, the Federal Energy Regulatory Commission, the Federal Communications Commission and other governmental and regional authorities. Our agency budget is an essential tool required to fulfill this mandate.

The budget of the Office of the People's Counsel is revenue neutral to the District government. All OPC funding is through Special Purpose Revenue Funds resulting from a surcharge placed on utility consumers' bills under the Public Utilities Reimbursement Fee Act (PURFA). OPC's budget contains no local funding.

## **PROPOSED BUDGET**

The FY 2018 proposed Budget of the Office of the People's Counsel is eight million sixty-two thousand, seven hundred and forty-four dollars (\$8,062,744). It represents a modest increase of \$565,459 or 7.5 percent over the authorized FY 2017 budget (\$7,497,285).

## **PERSONAL SERVICES**

OPC has proposed \$5.86 million in Personal Services which reflects a net increase of \$487,505 and adjusts our projected agency staff from 41.4 to 44.4 FTE's (3 new FTE's). The personal services increase of \$488,000 includes \$268,534 for 3 new FTE's, the remaining \$218,971 is to support mandated within grade salary increases and the District government's increase of attorney salaries to the OAG pay-scale.

The proposed positions will add significant value and greater efficiency to our overarching service delivery efforts. They include: 1) an executive assistant position; 2) a consumer services specialist who will be dedicated to enhancing our growing education and advocacy outreach in resolving consumer complaints and developing community education partnerships and; 3) a policy analyst to support our legal services division.

## **NON-PERSONAL SERVICES**

OPC's non-personal services budget is \$2.2 M, which reflects an increase of just under \$78,000 or 3.7% over FY 2017. The total adjustment of (\$77,955) in non-personal services derives from a net increase of \$22,675 in fixed costs, \$279 in other services and charges and \$105,000 in equipment costs (to fund copier leases) that are offset by a decrease of \$50,000 in our contractual services budget. These totals are the same as those reflected in the budget submitted to the Executive Office of the Mayor in October, 2016.

In framing this budget, the People's Counsel has endeavored to facilitate OPC's ability to anticipate and serve the needs of a growing socially, educationally and economically diverse District of Columbia ratepaying community. Our mission to represent the interests of all consumers regarding utility regulatory matters is unchanged, however the challenges to our mission continue to evolve. As evident from the Pepco merger commitments and the filing of Washington Gas Light's application to merge with AltaGas, the utility regulatory landscape for consumers has changed, even in the short period since this budget was proposed.

## **ADVOCACY**

OPC's FY 2018 budget is formulated to be a living document. For example, as expressed during our Oversight hearing, we are currently engaged in several proceedings, including monitoring Pepco and Exelon's compliance with the merger commitments, appeal of the merger, advocating for a significant reduction of Pepco's \$73 M rate increase request in Formal Case No. 1139 and implementing the DC Power Line Undergrounding Project (DC PLUG) to achieve urgently needed infrastructure upgrades and enhance reliability for all DC consumers.

Our litigation efforts were also successful in challenging WGL's payments to Third Party gas suppliers, resulting in the return of \$2.4 M to District of Columbia natural gas consumers.

## **CONSUMER PROTECTION**

Regarding consumer protections, in February, in response to consumer complaints concerning the business practices of some third-party energy suppliers entering the market, OPC filed important recommended updates to the Consumer Bill of Rights (CBOR) with the PSC. The process of revising the CBOR to meet the emerging needs of DC consumers is expected to be extensive. To date, we are awaiting PSC action regarding our petition.

FY 2017 introduced new demands on OPC's budget in Formal Case No. 1141 as consumer complaints about WGL's practices regarding customer meter relocations led OPC to file for an additional investigation which is currently pending before the PSC.

## **EDUCATION**

OPC's FY 2017 budget has successfully targeted new consumer education opportunities. Our Consumer Services Division has expanded outreach through our "OPC in Your Neighborhood" initiative which consists of targeted neighborhood "Pop Up's," and direct briefings with ANC's, social service network groups and Senior groups concerning utility and energy issues germane to their constituents and members. Our Energy Efficiency & Sustainability section has introduced focused learning to the District's youngest energy consumers in partnership with the Boys and Girls Club at THEARC, the YMCA, and a developing partnership with the District Department of Parks and Recreation to bring our energy awareness and energy safety course to more than 1,000 school age youth in the DPR summer camp system with the goal of also reaching the young adult and older family members of the campers with targeted energy messaging.

In addition, we are forging new partnerships with places of Worship in the District to assist them in bringing energy efficiency strategies and rooftop solar to their congregations and to their operations.

## **AGENCY PERFORMANCE**

As of second quarter FY 2017, we are on target to meet our key performance indicators. OPC's consumer services division has responded to over 1,040 consumer complaints, with a complaint closing rate of 95%. Staff has attended 211 community meetings to date, handling over 598 consumer inquiries and served 1,660 NEP/LEP consumers. To date our legal services division has litigated 19 distinct cases.

I am pleased to announce that OPC has recently earned a perfect score on the District's Language Access report for the fourth year in a row. In addition, we are on track in FY 2017 to meet our mandated District Small Local Business Development CBE compliance goal.

## **VALUE OF SOLAR STUDY**

In response to a Council directive (*Bill 21-158, the Fiscal year 2016 budget support Act, of 2015, subtitle K Section 6102*) OPC procured consultants to

conduct, and has now released, two comprehensive District of Columbia focused studies on the value of solar energy generated within the District. The studies are intended as tools to assist legislators, regulators and the public to engage in the formulation of policy, technology, and solar deployment that can bring the benefits of renewable energy and sustainability to District residents in all eight wards. It is our expectation that in FY 2018 and beyond, the data and recommendations from the VoS studies will foster broader conversation on the integration of sustainable resources in the District, consistent with the District's Renewable Portfolio Standards.

### **GOALS FOR THE FY 2018 REQUEST**

Our projected FY 2018 budget specifically incorporates further development of several of the aforementioned programs and activities. OPC anticipates new areas of investigation and legal advocacy around the development of renewable energy in the District.

Regarding regulated utility services, we are in a multi-year cycle of monitoring and evaluating Pepco's compliance with the terms and conditions of the Pepco-Exelon merger. This effort will require dedicated resources to ensure that every merger benefit promised to consumers is realized.



OPC is actively engaged in numerous proceedings that will have long-range implications in the energy market – Formal Case No. 1130 the Commission’s proceeding to identify technologies and policies that can modernize our energy delivery system, Formal Case No. 1142, the Commission’s review of the proposed merger of WGL and AltaGas and Formal Case No. 1143, the Commission’s review of Pepco’s Proposal for an electric vehicle charging station pilot program.

WGL’s pipeline replacement plan, “Project Pipes” will continue for the foreseeable future and consequently OPC’s budget dedicates resources to ensure that consumers are not made to pay for any expenditures by the company that are not immediately providing used and useful benefits. The constant review and detailed comments and filings required in this process is both labor and resource intensive. It is essential that OPC remain vigilant and engaged in this process to protect ratepayers.

OPC’s FY 2018 budget positions the Office to make great strides in our EES education and outreach, particularly as we build on our relationships with District consumers, community associations, non-profits, ANC’s, labor groups and places of worship and the considerable constituencies they represent.

OPC's FY 2018 budget supports the core objectives of the People's Counsel; Consumer empowerment, Affordability, Reliability, and Energy Efficiency and Sustainability (C.A.R.E), while accommodating the development of new business approaches and service offerings—with the caveat that consumers must be treated fairly, equitably and respectfully, each step of the way.

In closing, the People's Counsel believes that the OPC FY 2018 budget is responsive to the goals delineated above and will meet the forecasted needs of all ratepayers in the District of Columbia. On behalf of People's Counsel Sandra Mattavous-Frye, I want to thank you for allowing OPC to offer testimony today. I am available to respond to any questions you may have.