

Testimony of Sandra Mattavous-Frye
People's Counsel for the District of Columbia
On the
FY 2023 Budget Request of the Office of the People's
Counsel
Before the
DC Council Committee on Business and Economic
Development

March 28, 2022

Good morning, Chairman McDuffie, members of the Committee on Business and Economic Development, and our public viewers. I am People's Counsel, Sandra Mattavous-Frye. Thank you for the opportunity to present the Fiscal Year 2023 Budget of the Office of the People's Counsel. I am joined by members of my senior staff and Gurmeet Scoggins, OPC's Agency Fiscal Officer. Ms. Scoggins is available to answer technical questions related to our budget.

As People's Counsel, I have a fiduciary responsibility to DC ratepayers, who pay these costs, to carefully steward all expenditures made by the office on their behalf. My FY 2023 budget reflects fiscal restraint and accountability in conducting OPC's statutory mandate and mission.

FY 2023 BUDGET REQUEST

For FY 23, OPC's gross budget totals \$12,280,003 and 56.4 FTE's. This represents a 11.5% increase over the FY 22 budget. (Or \$1,270,151).

My testimony today will focus on why this increase is necessary and how it will achieve operational efficiencies to benefit District utility consumers.

First, I thank Mayor Bowser for including in her omnibus budget the additional funding OPC needs to fully address the mandate we were given by the "DC Water Consumer Protection Amendment Act of 2018," to conduct community education and outreach, to respond to and resolve water service disputes and complaints, and to participate in DC Water rate proceedings on behalf of DC water consumers.

LOCAL BUDGET

OPC's local budget totals \$1,012,875 and 8 FTE's. This represents an increase of 3 FTE's and \$338,315 over the FY 22 budget. The local budget supports the operations of our Water Services Division (or WSD), as

established by the Council in 2018. Unlike consumers of the three regulated utilities - *Pepco, Washington Gas, and Verizon* – prior to 2018, DC Water consumers did not have an independent advocate representing their interests.

The increase for the FY 23 budget is meant to bring the Division in line with the funding baseline originally established for staffing, expert technical, and legal resources.

Our FY 23 budget effectively addresses our need for additional staff and resources. It includes funding for two consumer complaint specialists and a program support specialist. These additions will facilitate our ability to shorten response times to clients and expand consumer outreach and education on water issues.

Also, DC Water filed its 2023 rate increase proposal on March 18th of this year, with rates to go into effect in October 2022. OPC will conduct a technical analysis of DC Water's filing, submit oral testimony, and prepare formal written comments.

We also anticipate an increase in the level of administrative hearings on contested consumer complaint cases.

The adjustments in this budget for contractual support (NPS), provide assurance that sufficient funding will be available to allow the agency to retain technical and legal experts as we review both the new rate application and address more complex consumer complaints.

Regarding standard consumer complaints, since the beginning of the current fiscal year (October '21-March 15 '22) we have received a total of 1,802 complaints, which represents an increase of 20% over FY 21 (1,439 complaints). Following the end of the disconnection moratoriums, we will closely monitor complaint trends because we do not yet know if the caseload volume has peaked.

However, we know that the complexity of complaints, and the scale of high bill complaints due to the pandemic and inflation will remain a significant burden for a high percentage of consumers.

SPECIAL REVENUE BUDGET

Regulated Utilities: Pepco, Verizon, WGL
OPC's special revenue budget totals \$11,267,128 and 48.4 FTE's. This is an increase of 9% over the FY 22 budget. The bulk of this increase is the result of fixed costs required by the Department of General Services to permit the agency to move into new office space. The lease at our current location expires in December 2022. DGS negotiates the lease costs, and

once they are approved, OPC includes the amount in our fiscal year budget. OPC's relocation will occur in November 2022.

OPC's focus on the utilities that fall under the purview of the Public Service Commission will involve heightened review of cases and proposed litigation involving climate change; the District's clean energy goals; carbon reduction targets mandated by the DC Council; and any rate case filed by a utility.

Customer Data Base Upgrade

The Office has invested in upgrading our customer database and technical infrastructure. Accurate and reliable data is extremely important as we move forward in a data centric environment. The new system will facilitate our ability to capture specific information on who our consumers are and where they are located, which is especially important for Diversity, Equity & Inclusion/DEI reporting. In addition, the new system will enable OPC to capture and monitor community outreach efforts, determine if they are reaching consumers, and help us pinpoint where we might need to expand outreach. It will be more robust than our present system and will generate exceptional data analysis.

Outreach and Education

We are expanding outreach efforts to target underserved communities and identify new demographic profiles. We have increased our budget by \$55K to reach a broader base of consumers. Our efforts include developing informational mailings, hosting webinars and podcasts, and resuming in-person community meetings. The goal is to reach many more DC consumers with our messages.

Consumer Engagement

Finally, during OPC's performance oversight hearing, I spoke of our first citywide climate conversation event. My plan is to continue holding these type of "citywide conversations" to ensure that all District residents are aware of how climate change realities impact their lives.

In sum, our budget plan incorporates the necessary expansion of our resources to effectively deliver vital messages to the public.

CLOSING

OPC will continue to press forward to meet the new challenges that are ahead. We will be zealous, proactive, and innovative, while retaining the standard of excellence that has characterized our service to consumers over the years.

Thank you. We are available for questions.

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