

Office of the People's Counsel

2018 ANNUAL REPORT

MEETING THE NEEDS OF
TOMORROW'S UTILITY
CONSUMER TODAY

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1. LETTER FROM THE MAYOR

Dear Washingtonians:

I am pleased to join the Office of the People's Counsel (OPC) in presenting its 2018 Annual Report: "Meeting the Needs of Tomorrow's Utility Consumer Today." District residents have come to know and depend on OPC to fervently advocate for them, as cited in this report.

OPC has shown strong resolve in negotiating fair and just rates for utility consumers. The Office has delivered on the promise to secure a wide range of tangible consumer benefits, while continuing to monitor the financial and operational efficiencies of utility companies to bolster the ability of our households and small businesses to thrive.

This past year has offered new challenges and opportunities, particularly as OPC has been tasked with an expanded role to assist DC Water customers. Already recognized by its

peers as one of the nation's premier utility consumer advocates, for more than 40 years OPC has provided effective representation to natural gas, electric, and telecommunications ratepayers, and no doubt will continue to answer the call to serve water ratepayers.

Like OPC, I am looking ahead to the future with optimism as we continue to equitably build our infrastructure to support a resilient, innovative 21st century city and ensure all Washingtonians get a fair shot. I can think of no better partner toward this end than our People's Counsel Sandra Mattavous-Frye and the staff of OPC.

Sincerely,



Muriel Bowser
Mayor



2. LETTER FROM THE PEOPLE'S COUNSEL

Dear District of Columbia
Utility Consumers:

I am honored to present to you the 2018 Annual Report of the Office of the People's Counsel (OPC): "Meeting the Needs of Tomorrow's Utility Consumer Today." I share with you that three fundamental trends have emerged as we review OPC's work on behalf of District consumers over the past fiscal year.

First among these trends are the expansive efforts underway to build out the infrastructure of multiple utility systems to respond to the requirements of new technologies and changing consumer demand. Fueling the urgency to prepare for tomorrow today is the District's mandate that 50% of our energy needs must be met through renewable energy such as solar by 2032. This reality has set in motion activities on multiple regulatory levels. Consequently, OPC attorneys are representing consumer interests

before the Federal Energy Regulatory Commission (FERC) where key rules for purchasing power in the wholesale market are changing; and locally, where the path to building the renewable energy supply must be paved with protections for consumers in all eight wards of the city.

A second trend has centered on balancing new initiatives and projects with significant price tags. OPC is active in the case of the Capital Grid Project, Pepco's \$1 billion distribution system improvement plan. Getting the right plan at the right cost is essential because simultaneously the Public Service Commission's MEDSIS project, Modernizing the Energy Delivery System for Increased Sustainability, is now moving along. OPC has been a key player in MEDSIS, serving on all six working groups grappling with issues as diverse as data access to how to build smaller microgrids to developing equitable rate plans. Also driven by



Smart Tools Don't Have to be Expensive



costs is the heightened desire to electrify transportation. OPC is working to preserve competition in the electric vehicle charging market as a prelude to fair pricing for consumers.

The third trend has been the struggle to upgrade aging natural gas infrastructure. OPC's advocacy effectively saved DC consumers \$46.5 million in cost overruns for repairs made under Washington Gas' (WGL) Vintage Mechanical Coupling Replacement Program (VCMR). In 2018 OPC advocated successfully to dissuade WGL from renewing attempts to recover these excessive costs from ratepayers. WGL is in the 5th year of a planned "ProjectPipes," its 40-year program to replace aging infrastructure. This second phase of the project is projected to cost more than \$305 million. OPC's scrutiny of the plan identified multiple problems and we continue to keep a watchful eye on it.

In preparing today to protect the environment for tomorrow with cleaner energy, third party energy suppliers (TPSs) are continuing to aggressively market their products such as wind and hydro power. Questionable and deceptive marketing practices by some TPS companies have kept OPC

vigilant. We noticed an uptick in utility scams in 2018 and wasted no time in repeatedly alerting consumers about the scams.

The challenge of educating all consumers in all eight wards is being met by staff speaking with consumers up-close-and-personal at hundreds of outreach events and meetings while distributing thousands of pieces of educational literature translated into multiple languages. We also produced eye-catching animated videos and used social media, public space advertising, radio, television and print media to get the word out about our services to a changing DC population.

We are set to welcome DC residents into our "Energy Affordability Lab" where they can attend workshops and demonstrations to help them become more energy efficient at home. OPC also welcomed a diverse group of lay advocates to the Utility Consumer Advisory Network (UCAN), a panel I formed in 2018 to garner valuable community input.

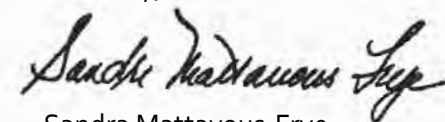
2018 closed out with a challenge OPC stepped right up to tackle: bringing DC Water

consumers under the OPC umbrella. After a storm developed over DC Water's Clean Rivers Impervious Area Charge (CRIAC), the DC Council passed a new law opening the door for OPC to respond to consumer complaints about rates, billing and water service delivery.

I intend to deliver through our new Water Services Division the same level of advocacy and consumer care that has been the hallmark for OPC for more than 40 years. And it is my intention to do so by ensuring a place at the table where decisions are being made for water consumers, just as we've fought for consumers of electric, natural gas, and telecommunications services to be heard. My goal as People's Counsel is always to raise the bar for the delivery of services District utility consumers deserve, no matter the utility.

As we move into 2019, the challenges may be great, but I promise all ratepayers that the Office of the People's Counsel is aggressively Meeting the Needs of Tomorrow's Utility Consumer Today!

Sincerely,



Sandra Mattavous-Frye
People's Counsel

3. ABOUT THE OFFICE OF THE PEOPLE'S COUNSEL

The Office of the People's Counsel is an independent agency of the District of Columbia government. By law, the Office advocates for consumers of natural gas, electric, telephone, and water services. The Office also represents the interests of District utility ratepayers before the DC Public Service Commission (PSC), Federal Energy Regulatory Commission (FERC), Federal Communications Commission (FCC), other utility regulatory bodies, and the courts. The Office is mandated to conduct consumer education and outreach, and as the utility lawyer for ratepayers, OPC may represent individual consumers with complaints related to their service and bills.

The Office is authorized to investigate the operation and valuation of utility companies independent of any regulatory proceeding. The Office's mandate is to advocate for the provision of quality utility service and equitable treatment at rates that are just, reasonable, and non-discriminatory; to assist individual consumers in disputes with utility companies about billing or services; and to provide technical assistance and consumer education to lay advocates and community groups.

In Meeting the Needs of Tomorrow's Utility Consumer Today, OPC pursues its mission to the benefit of consumers in all eight wards, as well as the betterment of the economy of the District of Columbia, the conservation of natural resources, and the preservation of environmental quality.

HISTORY OF THE OFFICE

Originally established by the United States Congress in 1926, the Office was eliminated by that body in a federal Executive Branch reorganization in 1952. Community concern in the early 1970s about rapidly rising electric rates resulted in the reestablishment of the Office by Congress. OPC became an independent agency of the District of Columbia government on January 2, 1975. Community concern about rising water bills resulted in passage of a new law in 2018 establishing OPC as the advocate for DC Water ratepayers.

Joslyn N. Williams, Administrator of the DC Chapter of the Coalition of Black Trade Unionists, Immediate Past President, Metropolitan Washington Counsel, AFL-CIO:

"The correlation between one's ability to keep the lights on and the road to homelessness is frequently overlooked, despite the fact that many of our city's residents struggle every day to make ends meet. As the cost of housing increases, now more than ever, District residents need an experienced and passionate utility consumer advocate to represent and protect their interests. I applaud People's Counsel Sandra Mattavous-Frye's efforts to improve utility reliability and keeping costs affordable for consumers."



Learn more about OPC's work on behalf of DC consumers by viewing our videos on how OPC resolves complaints, the Consumer Bill of Rights, and the basics of utility service, available on our website:

www.opc-dc.gov/news-events/videos/english.

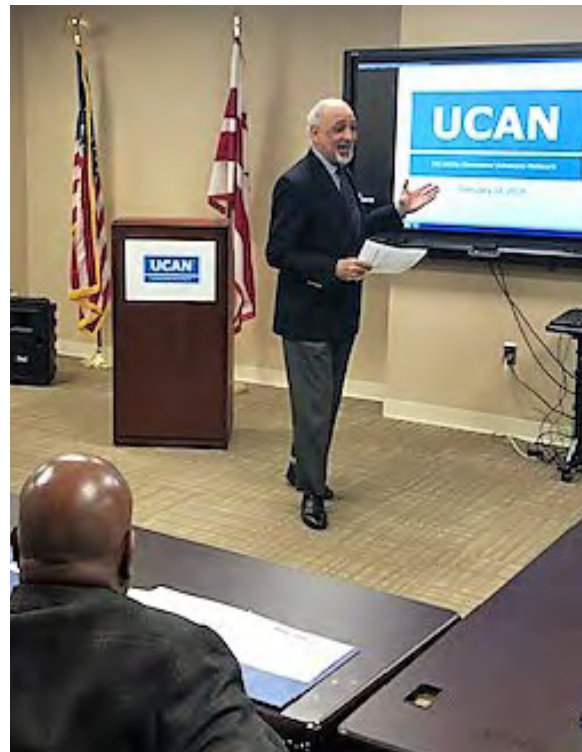
4. CONSUMER SERVICES AND COMMUNITY OUTREACH: MEETING CONSUMER NEEDS TODAY

YES, UCAN IS OFF AND RUNNING

Yes, UCAN! Yes, UCAN! Yes, UCAN! That's the chant that followed the introduction of the Utility Consumer Advocacy Network (UCAN) in September 2018. The People's Counsel launched UCAN as a new body to help OPC serve DC utility consumers. UCAN is comprised of District residents and stakeholders representing a broad spectrum of neighborhoods, industries, and interests.

OPC has always operated under the premise that consumers must have a place at the table in all utility proceedings. UCAN members will educate OPC staff on utility issues affecting their neighborhoods, keep residents informed about important utility matters, host community events, and engage in utility advocacy, including testifying before the Public Service Commission, DC Council, and other forums.

They will provide the guidance OPC staff needs as a basis for policy formulation and legal representation. UCAN members were selected based on expertise in their fields and representation of the District of Columbia's diversity.



Lisa Lewis, Reconnecting Gas Service

OPC was contacted by Lisa Lewis for support in getting her gas turned back on after it was turned off due to non-payment. Ms. Lewis had trusted that another occupant of the home was paying the gas as rent payment, and only learned that this was not the case after turning on the water one day and it was not hot. OPC lobbied on her behalf to have late fees and penalties waived, and to have service turned on as quickly as possible, due to Ms. Lewis having children in the home, one being severely handicapped. OPC helped secure a payment arrangement for Ms. Lewis, so the gas would be turned back on as soon as possible. Ms. Lewis states, "I am forever indebted to OPC for helping to get my gas turned back on."



Rev. Patricia Hailes Fears, Ward 4 resident, Pastor of Fellowship Baptist Church, and community activist:

"It has been my experience that the changing DC utility marketplace can be overwhelming. Yet, without knowledge and awareness of changing regulations and service delivery, consumers risk financial hardship not just from legitimate service providers but also scammers. The Office of the People's Counsel is the critical bridge that moves our residents from utter confusion to clarity. The support, advocacy, and training they provide are making a real difference...We left [our] session not just informed but empowered."

ENERGY AFFORDABILITY LAB EDUCATES DC CONSUMERS

Ensuring that all District residents have access to clean and affordable energy is a priority for OPC. In 2018, the Office set out to create a new tool to engage and educate District consumers on energy efficiency right inside our offices, located at 1133 15th Street NW. That tool, the "OPC Energy Affordability Lab," is now a reality in the form of a model of a small one-bedroom home. The Lab houses tips and exhibits on how consumers can use energy efficient appliances, smart devices and distributed energy resources, like solar, to reduce their energy use and save on utility bills. Through educational classes, seminars, and demonstrations to individuals or groups, the Lab will empower consumers to actively contribute to cleaner energy right at home.

OPC is helping to design a roadmap for modernizing the grid and improving the customer experience by focusing on new technologies and simple solutions. Meeting the Needs of Tomorrow's Utility Consumer Today, the Office of the People's Counsel continues to strive to bring innovative educational tools and programs to residents in all eight wards of the District.

OPC ALERTS CONSUMERS TO "SPOOFING" SCAM

OPC first became aware of the issue by monitoring chatter on neighborhood listservs. Pepco customers were reporting that scammers were contacting them masquerading as utility workers and demanding immediate payment on purported large past due bills to prevent immediate disconnection of electric service. Scammers would then instruct consumers to purchase gift cards at local convenience stores and make a payment over the phone using those cards. Because the "spoofed" phone number appeared to be a legitimate utility contact number, several consumers were unfortunately tricked into giving up payments they did not owe.

OPC jumped into action upon observing an uptick in complaints about this scam. The Office immediately posted alerts on social media, distributed multiple consumer advisories, conducted outreach to the press, and shared information about scams at community meetings. Among other tips, we advised that utility companies never contact consumers demanding immediate payment in this manner. OPC also consulted with Pepco on ways to protect their customers.

OPC AND LANGUAGE ACCESS

The Office of the People's Counsel (OPC) once again exceeded language access compliance requirements and continues to model best practices for authentic community engagement and accessible government.

In FY18, OPC provided comprehensive data on the agency's interactions with Limited English Proficient and Non-English Proficient (LEP/NEP) residents by pulling from bilingual staff interactions with LEP/NEP customers, identifying LEP/NEP individuals tracked in the agency's customer tracking system, and reporting usage of in-person and telephonic interpretation services. OPC also reported participating in 60 community events through which the agency intentionally targeted the District's diverse LEP/NEP populations.

Bilingual staff attended neighborhood meetings, job fairs, and open markets in the Latino, African, and Asian communities and engaged LEP/NEP residents through the Mayor's Constituency Offices, faith-based organizations, and schools.

Additionally, OPC translated 31 vital documents in FY18, including two informational documents for consumers that were translated into six languages.

OPC earned a perfect score from the DC Office of Human Rights for its Language Access activities in FY 18. This is the sixth consecutive year OPC has earned a perfect score for compliance activities.

The Office of Human Rights commended OPC for its unwavering commitment to language access implementation, and for ongoing efforts to build the organization's cultural and linguistic capacity.

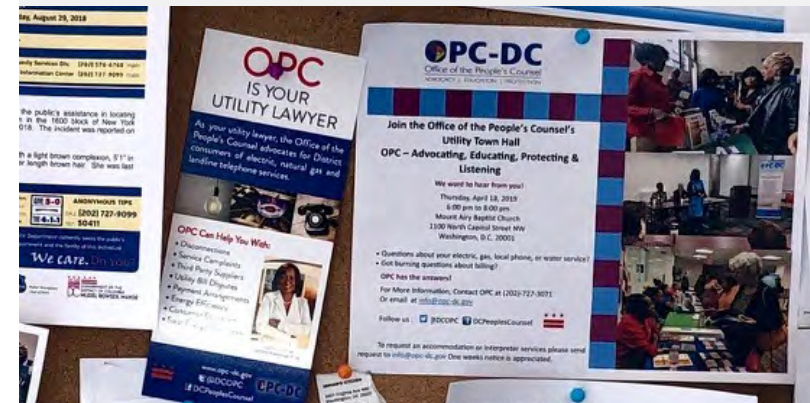
This year, OPC:

Engaged **2,871** limited (LEP) and non-English (NEP) speaking persons.

Participated in **60** outreach events for LEP/NEP consumers at which **5,804** people attended.

Translated **31** documents in Amharic, Chinese, French, Korean, Spanish and Vietnamese; and three videos in Spanish.

www.opc-dc.gov/news-events/videos/videos-spn



OPC Hosts Events and Provides Services to Engage DC Consumers in FY 2018



12 Presentations at job readiness programs at DC Department of Employment Services.



24 *OPC in Your Neighborhood* events at libraries, shopping centers, senior centers, and farmers' markets.



45 Energy efficiency workshops for youth at public schools and recreation centers.

Lily Alvaro, Language Translator for DC Public Schools:

"The beautiful OPC pens, the night light, the first-aid kit and the OPC-DC bag are so helpful! Not to mention all the tips from the cute set of cards and the OPC literature. Your organization is doing an amazing job at helping and keeping the consumers informed. Congratulations!"



Jim Schulman, a Capitol Hill resident, tells Deputy People's Counsel Karen Sistrunk: "OPC is hands down the best DC government agency for consumers."

5. RESOLVING CONSUMER COMPLAINTS IN 2018

OPC efforts to educate consumers about energy efficiency and hold utilities more accountable to ratepayers contributed to a 30% decrease in complaints against the three major utilities across the board handled by the Consumer Services Division in fiscal year 2018. Complaints for fiscal year 2018 totaled 1,593. More than half of the calls were Pepco complaints,

followed by Washington Gas (WGL). There was a drop in Verizon complaints, which may be attributed to the use of cell phones or computer-based communications systems instead of traditional landline phones. Third party energy suppliers (TPS) saw a 42% increase in complaints from the previous year.

Utility	Number of Complaints
Pepco	873
Washington Gas	312
Verizon	215
Third Party Suppliers	193
Total	1,593



THIRD PARTY ENERGY SUPPLIERS (TPS)

The significant increase in TPS complaints over the previous year appears to be attributed to the marketing practices of TPS vendors who approached consumers on fixed incomes who were otherwise seeking help from DC government social service agencies. Complaints ranged from dramatic increases in consumers' bills, TPS representatives' failure to explain the difference between fixed- and variable-rate contracts, and difficulty contacting a TPS to terminate contracts. Most of these complaints continue to be received from residents living in Wards 7 and 8.



VERIZON

The complaints involved delays in processing applications for discount programs for senior consumers, equipment problems, customer fees, billing disputes over bundle packages, high pressure marketing to get customers to switch from copper to fiber optic cable, and Verizon representatives' lack of knowledge about residents' rights to keep their copper lines.



WASHINGTON GAS LIGHT (WGL)

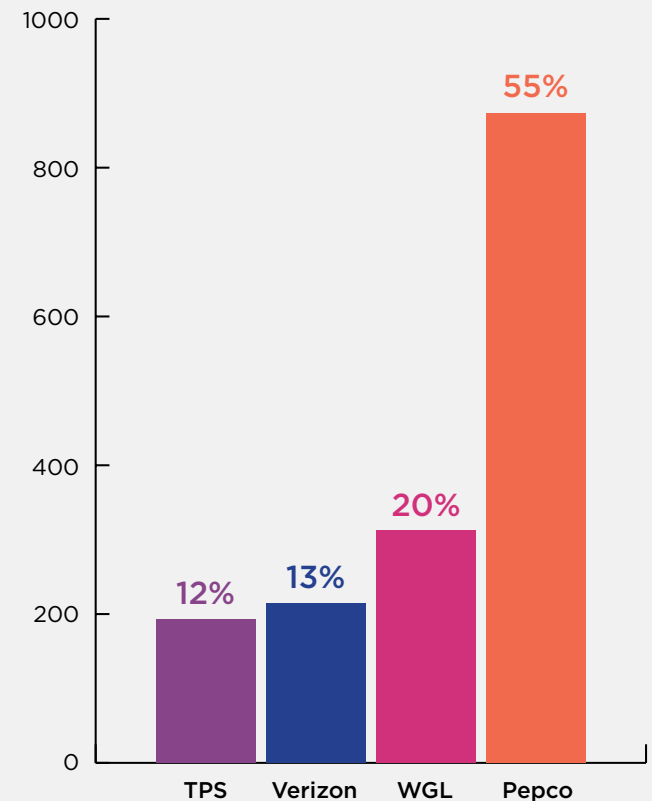
WGL complaints included high bills, billing disputes, large deposit fees, disconnections and notices for disconnections, and inadequate notification prior to pipeline construction, as well as property damage and poor meter relocation.



PEPCO

Pepco complaints presented issues most frequently related to billing disputes, high bills, time payment arrangements, bill classifications, power outages, disconnections, and disconnection notices.

Fiscal Year 2018 Consumer Complaints



WGL GAS LEAKS PROMPT OPC CONCERNS AND ENGAGEMENT

Consumer Services Division staff became concerned about an uptick in calls in the summer and fall of 2018 from residents alarmed about gas leaks in their neighborhoods and not satisfied with Washington Gas's response to the leaks. Typically, OPC receives just a few gas leak complaints each year. They primarily involve odors from gas ranges or furnaces and OPC resolves them through our complaint resolution process. Consumers, for the most part, usually call Washington Gas (WGL) and the DC Fire Department about suspected leaks.

OPC and WGL representatives meet periodically to discuss a variety of issues, including construction projects, meter relocations, and complaint trends. In addition, since AltaGas acquired WGL in a merger proceeding in June 2018, OPC has monitored the company's compliance with merger commitments to provide gas leak data.

The rise in complaints, however, prompted OPC to investigate reported leaks, particularly in the Georgetown East Village neighborhood and in the 28th and Dumbarton Streets NW area, and to be in closer contact with the gas company.

After OPC brought greater attention to the leaks, the Public Service Commission held two community hearings for consumers to air their concerns. People's Counsel Sandra Mattavous-Frye testified about OPC's findings and recommended WGL improve its transparency and response to repairs. Washington Gas discussed the steps it would take to address consumer worries and promised increased remediation.

OPC will continue to engage WGL representatives while keeping consumers informed about gas leaks repairs.

Resolving Complaints and Meeting Needs One Consumer at a Time

OPC regularly advocates on behalf of individual consumers in order to help them resolve complaints and meet their needs. Below is an example of one such interaction in 2018.

William Crane,
Ward 2 resident
who received
OPC's help after
complaining about
the safety of natural
gas meters near his
Northwest home:

Mr. Crane: "You will notice neither meter has guard rail protection... I just saw a white van nearly drive into the one on the right. This is EXTREMELY dangerous for the entire row of houses...I witnessed a reversing truck nearly hit the meter... The meters were relocated [21 days ago] due to interference with water meters. Washington Gas failed to protect the relocated meters with bollards, creating this hazardous situation. As of today, these meters lack ANY physical protection and gas is running through the meters.

If one of these units catches fire, the entire row is at risk due to the age and condition of these properties."

OPC Consumer Outreach Specialist Cheryl Morse:

"Thank you Mr. Crane for your email. I contacted the Washington Gas representatives once I received your complaint. They responded [12 days later]: The ticket was created and has been expedited. The customers will be informed with a call when work begins in 10 days. I will contact the company on that day to make sure the work has started, and notification given to residents."

Mr. Crane: "Wow! Thank you. So impressed with OPC...Your efforts are so appreciated!"

DOING WHAT'S RIGHT BY CONSUMERS WITH TPS MARKETING

OPC is continuing the important work to monitor the marketing practices of third party energy suppliers (TPS). OPC significantly increased posts on neighborhood listservs, social media platforms and online blogs to respond to consumer complaints and inquiries about TPS companies. OPC hosted a meeting with the Retail Energy Suppliers Association, a major industry trade group, to discuss how to work together to protect District consumers. In addition, OPC held meetings with numerous TPS companies to voice concerns about deceptive marketing practices.

In one powerful example, OPC sponsored a “ride along” with officials from one company to observe first-hand questionable street-level tactics by their sales representatives who were approaching low-income clients outside social services agencies. OPC was successful in getting the company to make key changes to its marketing practices to protect consumers.

At hundreds of community meetings and events, OPC outreach staff distributed more than 7,000 copies--in multiple languages--of our “[Consumer’s Guide to Third Party Suppliers](#),” provided warnings about possible scams, and gave tips on ways to determine if a TPS is the right choice for particular households.

In Meeting the Needs of Tomorrow’s Utility Consumer Today, OPC is investigating how other jurisdictions are responding to similar challenges with third party energy suppliers and will continue to be a staunch advocate for fair and proper practices by all utilities.



Soyun Park, owner, Micro Business Network, testifies at a DC Council hearing:

“[OPC’s] support in rate cases has been really significant. There are lobbyists for federal buildings, the hospital network, the university system-big businesses. [They are] well-represented. With OPC, not only are the low-income, public housing and seniors represented, but OPC also includes the voice of small business in their work.”

6. LITIGATION, LEGISLATION, AND REGULATORY AFFAIRS: PREPARING TODAY FOR THE INFRASTRUCTURE OF TOMORROW

OPC ADVOCATES FOR DC WATER CUSTOMERS

In the wake of loud outcry by DC Water customers over increasingly higher and sometimes dramatic rates, billing increases, and concern that the District's sole water utility was unresponsive to their complaints, members of the DC Council introduced the [DC Water Consumer Protection Amendment Act](#) in early 2018.

The bill passed in December 2018, expanding the scope of OPC's mission by now allowing the Office to advocate on behalf of District water consumers through our complaint resolution process. OPC commented on the

legislation along the way and worked with the water utility to develop a DC Water Consumer Bill of Rights.

Under the new law, OPC can assist consumers facing termination of water services by negotiating payment arrangements to forestall disconnection. This new area of responsibility aligns with OPC's mission of consumer advocacy and education and the Office's extensive experience in successfully brokering resolutions for electric, natural gas, and local phone consumers.

To view the legislation, visit the DC Council website: lims.dccouncil.us/Download/39558/B22-0662-SignedAct.pdf

DC Water Consumer Bill of Rights

Although DC Water will remain a self-regulated agency that can set its own rates, the new law authorizes OPC to represent and educate District water consumers by:

- 1 commenting on any proposed water rates;
- 2 representing DC Water consumers at administrative hearings;
- 3 attending public meetings;
- 4 mediating individual water consumer complaints; and
- 5 educating DC Water customers on their legal rights in billing disputes.

Graylin Presbury, Ward 8 resident, President of the DC Federation of Civic Associations and President of the Fairlawn Civic Association:

“Through their consumer advisories, briefings at the OPC office or at the DC Federation of Civic Associations and other civic association meetings, OPC staff has provided utility consumers with invaluable information on third-party-suppliers, utility scams, home energy efficiency, and clean energy alternatives. OPC leads an enduring effort to represent consumers in all utility regulatory matters to ensure both appropriate service delivery and affordable rates. When consumers are facing challenges with utility service delivery or even paying their utility bills, OPC staff has provided consumer advocacy with complaint resolution assistance and, if necessary, referrals for financial assistance with social service organizations. As DC’s utility consumer advocate, OPC continues to be an exemplary DC government agency.”



Timeline for DC Water Legislation on Consumer Protection

January 9, 2018	DC Councilmembers introduce the DC Water Consumer Protection Amendment Act of 2018.
July 12, 2018	The Committee on Transportation and the Environment holds a public hearing on the proposed legislation: B22-662.
November 27, 2018	The Committee on Transportation and the Environment votes in support of the legislation with key changes. They include: requiring the Office of the People’s Counsel to prepare a study of DC Water’s billing, meter reading accuracy, and customer service operations; and requiring a working group of OPC, DC Water, and the Department of Energy and Environment to develop a DC Water Consumer Bill of Rights.
December 4, 2018	Council passes the bill on first reading.
December 18, 2018	Council gives final passage.
January 23, 2019	Council sends the bill to Mayor Muriel Bowser for consideration.
February 7, 2019	Mayor Bowser signs the legislation.
February 28, 2019	The bill is transmitted to Congress for 30-day congressional review period.
April 11, 2019	Law goes into effect at the completion of the congressional review. OPC officially becomes the advocate for DC Water consumers.

ENSURING UTILITY INFRASTRUCTURE IS SAFE & RELIABLE TODAY AND TOMORROW BUT NOT AT EXCESSIVE COSTS

Because of OPC's advocacy, Washington Gas Light (WGL) ratepayers will never be responsible for the \$46.5 million in cost overruns resulting from WGL's recently completed Vintage Mechanical Coupling Replacement Program (VMCR). VMCR was an infrastructure replacement project whereby the utility enclosed or replaced mechanically connected main pipes and service lines that were installed between 1952 and 1965.

The program launched after OPC filed multiple petitions with the Public Service Commission in 2004 questioning the integrity and safety of WGL's aging natural gas distribution system. In 2009, after numerous discussions, the Commission approved a settlement agreement between OPC and WGL, which governed the program. The agreement allowed the gas company to recover up to \$28 million of its program costs through a surcharge on ratepayers. However, the final cost of the program was \$74.5 million (\$46.5 million above the agreed-upon ceiling).

WGL planned to fully recover its cost overruns from its ratepayers. However, in light of the \$28 million cap on costs coming out of ratepayers' pockets as reflected in the settlement agreement, the Office challenged WGL's plan to recover the additional \$46.5 million as grossly inequitable. In 2018, OPC was successful in getting WGL to drop its plans to make consumers pay for these cost overruns.

Victoria Leonard,
Executive Director,
Political and Legislative
Affairs, Baltimore
Washington Laborers'
District Council, LiUNA,
which is part of the
Laborers' International
Union of North America.
LiUNA represents
more than 7,000
construction and public
service workers in the
Washington, DC area:

"LiUNA has regular
interactions with the OPC
because utility company

regulation is important
to our members. First,
many of our members are
District residents, so they
are ratepayers directly
impacted by the cost
of heat and electricity.
Second, we have about
700 members who work
on Washington Gas
pipeline replacement
projects. Washington Gas
outsources this function,
so our members are
part of a contracted-out
workforce. Last year, OPC
played a critical role in
extracting protections for
contracted-out workers

in the Washington
Gas/AltaGas merger
negotiations. Specifically,
OPC was instrumental in
getting AltaGas to commit
to ensuring that at least
90 percent of Washington
Gas' contracted-out
workforce is covered
by union protections.
People's Counsel Sandra
Mattavous-Frye and her
staff are accessible, skilled,
insightful, and helpful.
Without doubt, OPC is
a tremendous resource
and fantastic asset for the
District of Columbia."



OPC FILES COMMENTS ON PROJECTPIPES PHASE 2 APPLICATION

OPC recognizes that in order for utility infrastructure to facilitate safe and reliable services, it must undergo periodic upgrades. Because the cost of construction is embedded in consumer rates over the life of the facilities for decades, it is imperative that any construction project not result in unjust and unreasonable costs to today's consumers. Thus, OPC carefully analyzes costs and potential rate increases regarding all utility construction projects.

"PROJECTpipes," WGL's proposed 40-year Revised Accelerated Pipe Replacement Plan involving work on certain aging main and service lines, is a prime example. In 2014, the PSC approved Pipes I, the first five-year phase of the project, subject to conditions. That phase will end on September 30, 2019. In late 2018, WGL filed an application with the Public Service Commission requesting authorization to implement Pipes 2, the next five-year phase, which would span from October 1, 2019 thru December 31, 2024. The price tag for Pipes II is estimated at \$305 million.

In response, OPC filed comments on the application, identifying serious problems with WGL's proposal. For example, WGL plans to include transmission projects in Pipes II. However, OPC contends transmission pipeline, which is interstate infrastructure, should not be included because WGL should be held to the original intent of PROJECTpipes – to only upgrade the distribution infrastructure that lies within the District.

In addition, OPC questions WGL's selection of pipeline to be replaced. WGL must replace the riskiest pipe first for safety and environmental reasons. Past practice indicates that WGL does not properly select the most leak-prone pipe, as evidenced by an increase in leaks. OPC also calls for more stringent reporting requirements given the company's sub-par performance in Pipes I. Considering the continuing critical need to replace aging and leaky pipes, this proceeding is an opportunity to review past performance and ensure that the same mistakes are not made in Pipes II.

OPC also asked the Commission to hold an evidentiary hearing to determine the appropriate funding mechanism for Pipes II and to discuss the inclusion of transmission projects. The Office anticipates a Commission decision on the WGL application in 2019.

Overview of PROJECTpipes



Washington Gas & Light Company (WGL) **40-year accelerated pipeline replacement program** was approved by the PSC in Order No. 17602. and **launched in 2014.**



WGL is **projected to enhance the safety and reliability** of Washington Gas's distribution and transmission systems in DC, while also **reducing greenhouse gas emissions** related to leaks on aging infrastructure.



Since 2014, WGL has **replaced approximately 13 miles of pipe and 3,000 service lines**, and in Phase 2 of the project, it **proposes replacing approximately 22 miles of pipe and 8,274 service lines** from October 1, 2019 through December 31, 2024.



As of September 30, 2018, Phase 1 of the program **cost \$78.1 million**, with a **projected investment of \$110 million** by September 30, 2019, and Phase 2 has a proposed **cost of \$305.3 million**, for a **total expenditure of approximately \$415.3 million** for the first two phases of this initiative.

WGL Proposes to Replace:

23,600 bare and/or unprotected steel service segments

29 miles of bare steel main

25 miles of targeted unprotected steel main, and

428 miles of low pressure and medium case iron main

OPC CHALLENGES PEPCO'S "CAPITAL GRID" PROJECT

The future of the modern energy delivery system is undergoing seismic change. Decisions made today must be predicated on a holistic approach that incorporates all available options. In 2018, OPC challenged Pepco's request to undertake a \$1 billion infrastructure improvement project known as "Capital Grid." If approved as submitted to the Public Service Commission (PSC), Pepco will collect that \$1 billion from consumers in future rate increases.

According to Pepco, the project is necessary to strengthen aging transmission and substation infrastructure that poses risks to the utility's electricity distribution system and to enhance reliability. Nonetheless, OPC must make sure this massive capital improvement project is in the public interest and well worth the cost to ratepayers.

Pepco proposes to upgrade the Harvard and Champlain Substations

in the District, build a new Mt. Vernon Substation, and build a new 10-mile underground transmission line to connect the substations and create a networked system through which it will deliver electricity.

OPC urged the Commission to reject Pepco's Capital Grid application for several reasons. First, Pepco failed to comply with the PSC's directives to include a detailed analysis of at least three project alternatives, including feasibility, reliability, and cost/benefit studies. In addition, Pepco did not demonstrate the need for the Mt. Vernon Substation. OPC found that non-wires alternatives, such as demand-side energy resources, utility-scale batteries, and traditional wires alternatives, do not support construction of the Mt. Vernon Substation. Contrary to Pepco's claims, OPC also concluded the Capital Grid Project will not support the integration of distributed energy resources like wind and solar into the electric grid.

OPC expects the PSC to issue a decision on Capital Grid in 2019.



Nicole Sitaraman, Vice President, Board of Directors, Maryland-DC-Virginia Solar Energy Industries Association (MDV-SEIA):

"The Office of the People's Counsel has been a leader in consumer education and stakeholder engagement on the critical role that clean energy resources, such as solar energy and energy efficiency, have in achieving energy affordability, economic development, and equity. The People's Counsel and her staff have coordinated countless consumer education workshops, in all eight wards of the city, to equip DC residents with the information they need to go solar. OPC's litigation division has provided expert, stellar advocacy on numerous critical issues facing utility customers: included, but not limited to, the importance of reducing interconnection costs, defending against anti-consumer utility charges that undermine distributed solar, and ensuring that energy efficiency and solar are given fair treatment in wholesale energy markets such as PJM, our region's transmission organization."

LEADING ON NATIONAL ISSUES TO MEET THE NEEDS OF TOMORROW'S UTILITY CONSUMER TODAY

OPC is a leader in shaping federal and regional initiatives that affect DC households' energy bills. Undisputedly, decisions made at the [PJM Interconnection](#), our regional grid operator that coordinates the movement of wholesale electricity to the District, and the Federal Energy Regulatory Commission (FERC) will have a long-term impact on DC consumers. OPC is committed to ensuring that ratepayers are protected today, tomorrow, and in the future. For example, when PJM Interconnection undertook major redesigns of its primary markets to meet the challenges of the future, OPC played an active role in ensuring that reasonable prices and clean energy were a part of that future.

In June 2018, FERC found that existing rules for PJM's capacity market, whose purpose is to spark incentives for the development of new resources to generate electricity, were unjust and unreasonable. FERC was concerned about the impact of state incentives on certain types of resources, such as nuclear, wind, and solar.

Working with a cross-sector coalition of PJM stakeholders, OPC helped craft a solution that would ensure that the District could continue to support the renewable generation necessary to meet its clean energy goals while still protecting consumers from undue price increases.

OPC also took a leadership role in PJM's review of the capacity market supply curve, which

occurs every four years. OPC offered a proposal as part of the review and filed it for FERC consideration. FERC accepted several of OPC's recommendations, including a change to the supply curve that will reduce costs in the capacity market, which will result in long-term cost savings for DC consumers and elsewhere.

MEETING CONSUMER ENERGY NEEDS THROUGH MODERNIZATION

OPC is deeply involved in the Public Service Commission's (PSC) grid modernization initiative, commonly referred to as "MEDSIS," which stands for Modernizing the Energy Delivery System for Increased Sustainability. OPC believes MEDSIS is a critical aspect of Meeting the Needs of Tomorrow's Utility Consumer Today. To do so, OPC must be sitting at the table as the advocate for consumers. A PSC order dated August 9, 2018, approved recommendations from its MEDSIS consultant – Smart Electric Power Alliance – to, among other actions, form six working groups to address a variety of issues.

OPC has actively participated in all six working groups, dedicating more than 75 hours of staff-power to group meetings in 2018.

On April 12, 2019, the MEDSIS working groups submitted a draft report to the Commission containing all of their proposed recommendations. That same day, the Commission issued a public notice soliciting comments on the draft report from the community. On May 31, the Commission received the final working group report with 32 recommendations for the Commission to consider. OPC will continue to be a voice for consumers

and ensure that as our energy delivery system modernizes, the resulting benefits will be equitably distributed to the residents of all eight wards of the District of Columbia.

Smart Electric Power Alliance Working Groups include:



Data and Information Access and Alignment



Non-wires Alternatives to Grid Investments



Rate Design



Customer Impact



Microgrids



Pilot Projects

OPC CAREFULLY TRACKING ELECTRIC VEHICLE GROWTH IN DC

OPC fully supports the development and use of electric vehicles and has been fighting for consumers' voices to be heard in the move to put more electric vehicles (EVs) on DC roads. EVs are one of several options that can help to advance the District's clean energy and climate change goals. In 2018, Pepco filed an application with the Public Service Commission (PSC) for approval to operate an [electric vehicle program](#). EV expansion is in keeping with the District's clean energy and climate change goals and the need to reduce greenhouse emissions to protect the environment for current and future generations.

As the PSC considered Pepco's proposal, OPC raised several concerns, including:

- » whether Pepco was the proper entity to operate EV charging stations in the District when a competitive market already exists;
- » if the allocation of costs for the proposed chargers should be borne by all District ratepayers;

- » if there was a true need for such a large number of chargers as proposed by Pepco; and
- » to what degree can equitable and direct benefits be derived for all District residents, whether an EV owner or not.

Following OPC's comments, on April 12, 2019, the Commission granted in part and denied in part Pepco's application. The Commission also directed Pepco to convene a working group to discuss topics such as EV infrastructure and rate design. The Commission further advised that OPC should actively participate in the working group to ensure consumers' interests are protected.

In Meeting the Needs of Tomorrow's Utility Consumer Today, OPC believes it must be at the table as the utility landscape continues to evolve with new and emerging technology, including electric vehicles.

Pearl Whitfield, Ward 5 Resident:

"I am writing to advise you of the excellent customer service and advocacy I received from Ms. Silvia Garrick [Consumer Outreach Specialist]. I have and still am battling advanced stage cancer for the past nine months. I found it necessary to reach out for help and was directed to your office. After letting Ms. Garrick know my situation, she reached out on my behalf and brought resolution to an ongoing situation with the utility company. What was amazing is the fact that Ms. Garrick followed up with me on the ever-changing details and status of her negotiations while advising that she is doing all she can to help. I heard from her sometimes as much as three times a day with status updates. Truly her attention to my problem prevented me from worrying. It seemed that I was the only client. At least that's the way she made me feel. I had to make a down payment before an installment plan could be put in place and she negotiated more time with the utility for me to get the money together and I did before disconnection. Ms. Garrick is awesome and I wanted you to know! I am very grateful to you and your staff for being there to help."



7. AGENCY FUNDING

SOURCE OF FUNDS

Funding for the Office of the People's Counsel is provided through two sources: 1) Appropriated Budget and 2) Assessment Funds. All funds are paid by DC utility ratepayers.

APPROPRIATED BUDGET (OPERATING FUNDS)

The appropriated budget provides for administrative and general operating expenses for OPC (rent, salaries, equipment) and is authorized by the District of Columbia in the government budget review process. OPC's FY18 appropriated budget was \$8,377,744. Appropriated funds are also used to support such additional activities as:

1. Representing the interests of District consumers before the DC Council, Congress, and federal courts and agencies;
2. Conducting independent investigations or audits of utility companies;
3. Monitoring the implementation of utility rates; and
4. Providing technical assistance to community groups.

By law, these funds must be reimbursed to the District by the three regulated utility companies and the alternative energy and

telecommunications providers according to an established formula, outlined in the Public Utility Reimbursement Fee Act, DC Code §34-912(b)(1).

FORMAL CASE ASSESSMENTS

Assessment funds are used to pay the costs of litigation and investigations. OPC assesses the affected utility and the utility can recover those costs directly from consumers through rate increase cases.

To fully participate in complex litigation before the Public Service Commission and the courts, the People's Counsel is authorized to retain the professional services of attorneys and expert technical consultants such as economists, accountants, and engineers, as needed, to effectively represent DC utility consumers. By law, the affected utility company is required to pay a special franchise tax to cover the costs of regulatory litigation by OPC. In turn, the law recognizes that the utility may include these costs, as well as its own litigation-related expenses, as operating expenses that can be recovered from consumers through rate increase requests. OPC must adhere to monetary limits in imposing assessments on the utilities. In a rate case, the Office is permitted to assess the utilities no more



than a total of one-quarter of one percent of a company's net investments in plant operations, which is referred to as "rate base."

With respect to all other cases or investigations (those involving the setting of rates), OPC is permitted to assess one-twentieth of one percent (five cents on \$100) on a company's rate base during a calendar year. By law, unused money is returned to the utility.



Management Staff



Office of the People's Counsel Staff

8. OFFICE OF THE PEOPLE'S COUNSEL STAFF

DIRECTORATE:

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Alya Solomon
Consumer Affairs Liaison

Cecilia Walker-Jones
Human Resources Specialist

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Anthony T. Lee
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Gurmeet K. Scoggins
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Alicia Smith
Financial Specialist

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Senior Economist, Market Monitoring Specialist

Jason Cumberbatch
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Christopher K. Sellers
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LITIGATION SERVICES DIVISION:

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Denise Blackson

Community Outreach Specialist

Silvia Garrick

Consumer Outreach Specialist, Hispanic Coordinator

George Gilbert

Consumer Outreach Specialist

Jean Gross-Bethel

Consumer Outreach Specialist, Elderly Community Liaison

Erica Jones

Consumer Outreach Specialist

Stephen E. Marencic Jr.

Consumer Outreach Specialist

Cheryl Morse

Consumer Outreach Specialist

**This list includes employees currently on staff.*

WATER SERVICES DIVISION:

Chandler Crumlin

Water Services Manager

Grace D. Soderberg, Esq.

Assistant People's Counsel

Rusheeda Boyd

Community Outreach Specialist

Kiana Blackstone

Community Outreach Specialist

Valca Valentine

Community Outreach Specialist

Marchim Williams

Community Outreach Specialist



Staff Appreciation Day 2018, OPC employees received awards for outstanding service. Front row from left: Doxie McCoy, Denise Blackson, Deputy People's Counsel Karen Sistrunk, People's Counsel Sandra Mattavous-Frye, Pamela Nelson, Barbara Burton, Linda Jefferson, Cheryl Morse. Back row: Alya Solomon, Jean Gross-Bethel, Erica Bright, Tamika Dodson, Stephen Marencic, Jr., Laurence Jones. Not pictured: Frederick Heinle III, Adrienne Mouton-Henderson and Christopher Sellers.



OPC staff and attendees at OPC Utility Town Hall in Ward 8.



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