**Testimony of People’s Counsel Sandra Mattavous-Frye**

**Before the**

**DC Council Committee on Business and Economic Development**

**On The**

**FY’24 Budget of the Office of the People’s Counsel**

**April 5, 2023**

Good morning Chairman McDuffie, members of the Committee on Business and Economic Development, and District residents. I am People’s Counsel Sandra Mattavous-Frye. Joining me today are members of my management team and our Agency Fiscal officer, Ms. Gurmeet Scoggins. Ms. Scoggins is available to answer any technical questions. Thank you for the opportunity to present OPC’s Fiscal Year 2024 Budget.

**INTRODUCTION**

At the outset, I thank Mayor Bowser for including in her omnibus budget funding OPC needs to address the mandate we were given by the “DC Water Consumer Protection Amendment Act of 2018.” Specifically, OPC is required to conduct community education and outreach, resolve water service complaints, and comment on DC Water rate proceedings on behalf of DC water consumers. I assure you, OPC will steward our funds responsibly and transparently pursuant to our statutory mandate and mission.

The FY24 budget proposed by the Office comes at a time when the District government is duly concerned about the current shortfall in District revenues and its potential impact on the ability to provide the level of services our citizens need. OPC wholeheartedly shares this concern. Our Budget reflects the measures we are taking to exercise fiscal prudence and accountability with each ratepayer dollar entrusted to us.

**FY 2024 BUDGET REQUEST**

OPC’s FY’24 proposed Gross Budget is $12.6 Million ($12,593,228) which represents a 2.6 percent increase over our FY23 approved budget. This year’s (FY’24) budget includes 56.4 FTE’s. We are not requesting new positions. The slight increase in our budget is necessary to fund mandatory salary and benefits increases. OPC’s Special Purpose Revenue Funds account for $11.5 Million ($11,568,000) which represents a 2.7% increase. An additional $1,026,000 is for our local budget, which is an increase of 1.3 percent over our FY23 budget.

 The combined personal services (PS) budget for FY24 is $8.6 Million ($8,624,000.) The combined non-personal services (NPS) budget is $3.9 Million ($3,969,000.) I will discuss OPC’s Local Budget and Special Purpose Revenue Budget, separately.

**LOCAL BUDGET**

The local budget supports the operations of our Water Services Division (WSD), as established by Mayor Bowser and 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. OPC’s responsibilities are similar to the work we perform with regard to the incumbent utilities regulated by the Public Service Commission.

A major challenge for the Office over the last three years has been ensuring that we have sufficient funding to meet the escalating growth of consumers seeking our assistance. For FY23 the office requested and received $308K for three FTEs: Two consumer complaint specialists and a program support specialist. Without question, the new WSD staff is an extremely productive addition to our water services team, allowing us to respond faster and follow up quickly to our clients. However, complaints continue to increase. For example, at the close of FY22, complaints were trending upward. The uptick continues in FY23.

As we look ahead to FY24, OPC’s local budget continues to present challenges. In addition to the increase in complaints, another area of ongoing concern is our ability to hire expert and legal consultants to review and analyze complex and technical engineering and accounting data that DC Water relies upon to support its operations.

**SPECIAL PURPOSE REVENUE BUDGET (SPR)**

Likewise, OPC has exercised fiscal discipline and restraint regarding its SPR Budget. The $11,568,000 and 48.4 FTEs constitute the bulk of OPC’s total Gross Budget.

As I discussed during my FY23 Oversight Hearing, we are currently litigating a Washington Gas $53M rate case. Pepco has indicated it will file its next rate case in April. These cases include the price consumers will pay for energy should the Commission grant the utilities’ requests. Other cases before the PSC include grid modernization, public safety such as gas leak detection, energy reliability, and climate change. Our in-house attorneys are busy. However, the demand for assistance from our consumer services staff working on energy, telephone, and water service consumer complaints is growing unpredictably, while the need to provide equitable and sustainable service is constant.

 Exacerbating matters in this post-pandemic period is that the public safety net is far more limited, as programs that provided millions of dollars in financial assistance to consumers are ending.

OPC is taking a proactive approach to the problem, in addition to tightening our belt, we are aggressively negotiating with the utilities on behalf of consumers, identifying charitable givers, and considering other regulatory options such as expanding utility discount and arrearage management programs.

OPC is striving to effectuate our commitment to support the District’s goals. As always, OPC will utilize available resources to mitigate dire consequences to District consumers to the best of its ability.

In closing, I want to update you on the status of our office relocation. Our new address is 655 15th Street NW. We have increased our space, but we have reduced our rent and moved closer to the PSC.

Ms. Scoggins and I are available for questions.