

The  
**POWER** of  
**ADVOCACY**  
Office of the People's Counsel



**1975-2018**



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Office of the People’s Counsel

ADVOCACY | EDUCATION | PROTECTION

## Mission Statement

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 and telephone services. The Office also represents the interests of District utility ratepayers before the DC Public Service Commission, Federal Energy Regulatory Commission, Federal Communications Commission, other utility regulatory bodies, and the courts. The Office is mandated to conduct consumer education and outreach, and may represent individual consumers with complaints related to their utility service and bills.

Through this mission, the Office of the People’s Counsel is Preparing Today for a Brighter Utility Tomorrow for 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.

## Movements. Milestones. Moments.

***We are not makers of history. We are made by history.***  
– Martin Luther King, Jr.

In the complex and changing landscape of public utilities, the Office of the People's Counsel (OPC) has remained a constant and steadfast advocate for electric, natural gas and local telecommunications consumers. Our history informs and incites us. From the energy crisis, to telecom divestiture and deregulation of energy markets, to the 21st Century surge of technology and renewable energy, OPC has fought big battles. And during those contests, we have always stood with and for consumers.

While our mission has remained steadfast through the decades, the power dynamics have changed radically. The terrain is increasingly dominated by forces that champion energy and telecommunications providers, rather than consumers.

Left unchallenged, the potential for consumer harm is magnified. As the utility paradigm shifts and evolves, the need for strong advocacy and rigorous consumer representation increases. Shifting demographics have dramatically changed how these entities and markets operate.

The immutable constant is the past.

We respect history as a chronicle that helps guide and predict today, and provides the clarity and compass to navigate the future.

***The Power of Advocacy*** is a brief compilation of highlights that capture OPC's milestones and moments over more than 40 years.

We stepped into the demands of the 21st Century embracing a 2020 Vision to ensure that DC residents have access to high-quality utility services that are safe, reliable, universally affordable, nondiscriminatory and environmentally sustainable.

We must embrace the future, informed by understanding the road we have traveled. Equally important as the rear-view mirror, are accurate forecasts that anticipate trends, embrace innovations and fight for consumers in the courts, the public square and the chambers of policymakers.

Since the genesis of OPC, reliable and affordable utility service has extended beyond a public entitlement. It is an economic imperative. The nation's capital cannot be a place where our seniors and working-class families are priced out of the marketplace or receive substandard service. Our job, as public servants of the ratepayers, is to ensure that consumers get what they need, what they deserve and what is rightfully theirs.

***Left unchallenged the potential for consumer harm is magnified.***

We take a look back. Advocacy, education and protection – then and now – are worth recording.

But even more essential, they are treasures to preserve.



***Protest in the early 1990s against construction of the Georgetown University cogeneration power plant, over which OPC won strong environmental protections.***

## Bridging the Demographic Divide

The Office of the People’s Counsel (OPC) was born during the escalating energy crisis that erupted during the seventies, and is statutorily mandated to protect and advocate for all ratepayers — across every ward, neighborhood, race, ethnicity and income. The 1970s also witnessed the awakening of consumer activism.

Today, even as the District withstands dramatic demographic shifts, OPC has maintained its mission, rising to and meeting the ever-unfolding challenges and special needs of the District’s diverse community and pledges vigilant advocacy as demographic and income shifts continue to reshape DC neighborhoods. In addition to zealously litigating utility rate increase proposals, OPC keeps a watchful eye on innovations and trends that directly impact the provision of utility service to District consumers. This includes technological advances, policy shifts, and the emergence of trends, such as third-party suppliers, meter conversion and renewable energy deployment, particularly solar energy, to assure that these advances benefit all consumers equally.

The chart below provides a historical snapshot of the changing face of the District.

Year	White - includes White Hispanics	Non-Hispanic White	Black	Asian	Native American	Other	Hispanic or Latino (any race)
1950	64.6%		35.0%	0.4%			
1960	45.2%		53.9%	0.6%	0.1%	0.2%	
1970	27.7%	26.5%	71.1%	0.7%	0.1%	0.4%	2.1%
1980	26.9%	25.7%	70.3%	1.0%	0.2%	1.6%	2.8%
1990	29.6%	27.4%	54.8%	1.8%	0.2%	2.5%	5.4%
2000	30.8%	27.8%	60.0%	2.7%	0.4%	3.8%	7.9%
2010	40.2%	34.8%	50.7%	3.5%	0.3%	4.1%	9.1%
2014	43.6%	35.8%	49.0%	4.0%	0.6%	2.6%	10.4%

The **OPC enabling statute** flowed from the District’s home rule status, which was enacted by federal law and signed by then President Richard Nixon on December 24, 1973. The next year, District voters would elect their first government, installing Mayor Walter E. Washington. He would appoint the first People’s Counsel, Annice Wagner, in 1975. She was followed by four successors between 1977 and 2011, each empowered to advocate, educate and protect the District’s utility ratepayers.

**Creation and evolution** are best viewed against the backdrop of the political evolution and development of the District. A dramatic demographic shift changed the face of the city between 1950 and 1970, both racially and economically. In mid-century, Whites constituted 65 percent of the population, but by the 1970 Census, their numbers dwindled to 28 percent. The Black population nearly doubled, swelling to 71 percent, and the city affectionately became known as “Chocolate City.”

**Unprecedented civil rights** strides of the era, a growing professional Black workforce, the election of Marion Barry who served consecutive terms as mayor from 1979 to 1991, put a focus on government and institutional support for the “least, the left out and the forgotten.”

**Changing demographics** dramatically shift again as the 1980s introduced economic stagnation and social crisis, shattering many District neighborhoods. Populations of elderly and low-income residents lingered in a racially concentrated milieu of decline and blight. Middle-class professionals fled to neighboring suburbs while global unrest created a proliferating immigrant community. By the 1990 Census, racial categories other than White and Black expand above their once fractional percentages. The increase in the ratio of lower-income residents and their inability to meet the rising costs of city services, including utility service, required OPC to expand its focal point to a broader client base.

**Pervasive economic** misfortunes began to reverse by the early 2000s. Boarded dwellings in abandoned blocks were transformed into multi-million-dollar townhomes and condominiums. Enter a population of young, White, affluent newcomers.

By 2011, Census data revealed that the Black population had slipped to less than 50 percent for the first time since the 1960s. Other economic data also show the increased disparity between District residents, resulting in one of the largest wealth gaps in the nation.

**Strong pockets of economic growth** coexist next to pockets of entrenched unemployment and poverty, resulting in economic and educational disparities

*Bridging the Demographic Divide continued on page 5*

*Bridging the Demographic Divide* continued from page 4

throughout the city and sometimes within the same block. The cityscape is multi-national, multi-racial and multi-lingual. More than 17 percent of DC residents are foreign-born and 17 percent speak a language other than English at home. Meeting the needs of this diverse community for equitable, safe, reliable and affordable utility service is more important than ever.

## Advocacy by Any Language

Determined to deliver on the agency's mission to advocate, educate and protect every DC utility consumer, OPC has utilized a plethora of tools and tactics to bridge a wide demographic divide and language diversity. The agency's Consumer Services Division prides itself in engagement of Advisory Neighborhood Commissioners (ANCs) in every ward and has established ongoing relationships with civic and community groups that serve the elderly, tenants and low-income residents. An ambitious outreach campaign netted a winning 100 percent score for compliance with the District's Language Access Act, every year from 2012-2016.

### Language access strides:

- Translated dozens of consumer education guides into Spanish, Vietnamese, Amharic, French and Chinese
- Host the agency website into multiple languages
- Provide Spanish language instruction for OPC employees
- Participate in some 50 events a year for limited/non-English speaking communities
- Engaged 4,492 limited and non-English speaking persons in 2016 alone



## Annice M. Wagner - In The Beginning

Annice M. Wagner, considered a consummate trail-blazer, was the first People's Counsel, appointed to lead the Office of the People's Counsel when it was established in 1975. Her tenure created the lasting footprint of advocacy, education and protection that would define the OPC mission, approach and operations into the next century. In launching the Office, Wagner helped to define the importance of consumer protection and etch the legacy of protection and support for the ratepayers of the District under the watchful gaze of a utility lawyer.

Prior to OPC, from 1973 to 1975, Wagner served as general counsel of the National Capital Housing Authority, predecessor to the District of Columbia Housing Authority. She was the first woman to serve as general counsel to the housing authority, then a federal agency.

Following her tenure at OPC, in June 1977, Wagner became a judge of the Superior Court of the District of Columbia, and in 1990 she was elevated to the Court of Appeals. She was designated chief judge in 1994, becoming the country's first African American woman chief justice at the state level.

She served on many professional committees and organizational boards, garnering many awards throughout her legal career. In 2005, she took senior status and retired from the bench in 2013.

A native Washingtonian, Wagner graduated from Dunbar High School in 1955 and went on to earn her

*Wagner continued on page 5*

*Wagner continued from page 4*

undergraduate and law degrees at Wayne State University in 1959 and 1962, respectively. After law school, Wagner spent a decade in private practice in Washington, including at the law firm of Houston & Gardner, where she was engaged in a wide variety of civil matters, ranging from landlord-tenant disputes to family court cases and probate. The Annice M. Wagner Pioneer Award was established in her honor by the District of Columbia Bar Association to recognize extraordinary community and public service contributions.



## Brian Lederer – Winning Big

*My term ended and the fight continued. We won big in 1985 when the DC Council overrode the mayor’s veto to pass the Utility Funding Act ensuring fiscal support of consumer protection.*

Brian Lederer became the second People’s Counsel in 1977, serving in that position until 1984. He began his tenure with a pledge to help stabilize utility rates and generate more community input through engaging Advisory Neighborhood Commission members and establishing a new consumer outreach office.

Overseeing the agency at the height of the energy crisis, Lederer secured a federal grant to institutionalize grassroots participation in the citywide energy debate, forging a path of consumer engagement that has remained a hallmark of the agency. Access to funding for building operations was critical in those early days as OPC fought to level the playing field on behalf of ratepayers against the powerful phone, electric and gas companies.

Lederer also solidified a structure to give OPC a decisive advocacy role in monitoring and challenging utility rate cases. He guided passage of the Consumer Bill of Rights, important regulations that further elucidated the OPC mission to District residents.

Under his leadership, the agency also succeeded in lowering off-peak electric rates and preventing Pepco from charging customers for power plant construction costs before the plants went online to serve customers. The Pepco battles also centered on OPC’s right to assess the utility companies for the cost of hiring experts and outside legal counsel necessary to intervene in rate cases before the Public Service Commission. These fees, which remained a source of contention during the tenures of successive People’s Counsels, were directly drawn from the ratepayers and not utility company operating costs or profits.

A native of Honolulu, Lederer earned a BA from Harvard in 1967, a master’s degree from the London School of Economics in international relations in 1968 and a law degree from the University of Washington in 1972. He practiced law in Hawaii, Arkansas and the District prior to becoming People’s Counsel, and was a founding member of the National Association of Consumer Utility Advocates.

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*“On many occasions, the Office has signaled the clarion call when we believed proposed legislative, economic, or regulatory policies have not been in the best interests of our clients, DC consumers.”*

*Elizabeth Noel, People’s Counsel (1991–2010)*

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## Meeting the People Where They Live and Thrive

The Consumer Services Division (CSD) of the Office of the People's Counsel (OPC) is called by many names: the heartbeat, the eyes and ears, front line troops, boots on the ground.

But at its core, CSD meets the people where they are, where they live and where the demands trigger OPC's mandate to advocate, educate and protect consumers in the nation's capital. Like the canary in the coal mine, CSD operates as OPC's early warning system, surfacing complaints and foul play; exposing utility scams, escalating energy bills and unreliable service.

From door to door outreach, to faith community visits, to art contests and social media campaigns, the CSD staff remains a mighty force that literally and figuratively connects the people to the Office of the People's Counsel.

***Consumer outreach has been at the heart of OPC's mission since the agency's beginnings in 1975.***

Consumer outreach has been at the heart of OPC's mission since the agency's beginnings in 1975, but the division was formally organized in 1981 within the Litigation Division. As the energy landscape has

transformed from complete regulation of vertically integrated utilities to divestiture and deregulated markets and acquisitions and consolidations, Consumer Services has kept pace.

The mainstay of services includes public education and outreach campaigns, educating and counseling consumers on their rights, and resolving consumer complaints. The Division continues to play a major role in leveling the utility playing field, producing brochures, fact sheets and guides that translate the technocratic world of utility regulations and policies into simple words and concepts. Many of which are translated into multiple languages spoken by District consumers.

The Division led a citywide education campaign to help residents understand the new smart meter (Advanced Metering Infrastructure) system initiated in 2010. CSD's outreach and education activities encompass all eight wards and every segment of the DC community from seniors and students to the low-income and working middle-class people.



*"OPC in Your Neighborhood" information table at grocery store*

A key example is PowerCentsDC, a smart meter pilot program that ran from 2008-2009. The pilot was established and developed by the Smart Meter Pilot Program, Inc. which was comprised of representatives from OPC, Pepco, the DC Public Service Commission, the Consumer Utility Board and IBEW Union Local 1900. Approximately 900 residential customers across the District received a smart meter that recorded electric power usage under one of three pricing plans. The results of the pilot provided insights into what should be done with deployment of a citywide smart meter network.

In September 2010, the Smart Meter Pilot Program board presented its findings to White House officials, who subsequently cited PowerCentsDC as an innovator in consumer education and a model for states to follow in deploying a smart grid.

Because CSD staff was vigilant at the ground level, OPC was alerted to what would later prove to be widespread

*Meeting the People continued on page 7*

*Meeting the People continued from page 6*

deceptive high-pressure tactics by a new breed of energy suppliers, known as third-party suppliers. The evidence of consumer fraud and abuse was followed by an intensive public education initiative to empower residents to recognize and defend themselves against such marketing abuses.

In April 2015, OPC convened a consumer education symposium, "Horizons 2015: Uniting Energy, Technology and Consumers," to educate every day consumers about the benefits of distributed generation, including solar energy. The symposium was held at the University of the District of Columbia's David A. Clarke School of Law and attended by more than 300 residents. District residents participated in informative and interactive workshops and the symposium featured presentations and discussions with leading utility industry experts and a keynote address by community activist Rev. Lennox Yearwood, Jr. of the Hip Hop Caucus.

**CSD's outreach and education activities encompass all eight wards and every segment of the DC community.**

"OPC In Your Neighborhood," launched in 2016, deploys CSD foot soldiers to community meetings, libraries,

farmers' markets and shopping centers. They also conduct art contests, energy workshops and year-round engagement with numerous youth organizations and schools.

The successful completion of the public-private Undergrounding Task Force comprised of the Mayor's office, public utilities, the Public Service Commission, DC Councilmembers and OPC culminated with legislation authorizing the placement of the worse performing electric power lines underground. The multi-year project could not have prevailed without CSD's meticulous testimonials and fact-gathering from residents suffering from periodic and sustained power outages during 2003's Hurricane Isabel through the 2012 Derecho. Residential outrage over outages, disproportionately impacting the city's poorest wards, was carefully aired and documented at community meetings CSD organized across the city, and at Council hearings.

Recognizing that today's youth are tomorrow's energy consumers, the Division expanded its outreach even further in 2016 when it launched a youth energy education program complete with coloring books and art contests to teach children as young as five about energy and conservation tips. The initiative, conducted in partnership with the Boys & Girls Clubs of Greater Washington, included kid-friendly nightlights and backpacks.



*Young artists display coloring skills with Sparky the Energy-Saving Squirrel*

## Herbert Harris, Jr. – The Human Face of Utility Regulation

Herbert Harris Jr., a 20-year member of the District’s Consumer Utility Board (CUB), with an abiding commitment to civic activism, viewed his work as an essential counter-force to utility companies drenched in “unadulterated power.”

Likening the CUB as “the eyes and voice of the public,” he described the interfacing triangle between the Office of the People’s Counsel and the PSC as distinct and mission-driven. Each entity had a different but critical role in fairly and rationally holding the public utilities to public scrutiny.

“The relationship with OPC was one of interdependency; transparency,” he said. We looked to OPC for legal and technical support which they freely provided. With the Public Service Commission, the body that sets the rules for regulated utilities, there was a healthy tension. “We were determined to hold it [PSC] accountable for the impact its decisions had on consumers.”

Through the years, the CUB was served by several chairmen, including Dr. Robert Stiehler, Col. George Haley, Paul Greenberg, and Joyce-Robinson Paul.

For most of his time on the CUB – from 1999 to 2014 – Harris served as chairman. Then a Ward 6 ANC leader and president of the Kingman Park Civic Association, his formal job was (and remains) as an Amtrak locomotive engineer.

The CUB was formally established with a grant from the federal Department of Energy in 1977 at the height of the energy crisis. The national conversation about energy conservation solidified the diverse group of consumers who composed the volunteer board. OPC provided technical and administrative support to the body and the DC Council approved the enabling funding measure to keep the CUB operating.



“Our job was to put a human face on the impact of rate increases and regulatory policy.”

— Herbert Harris Jr.

DC consumers were challenged and overshadowed by the public utility companies across a wide territory: costs, service, quality and even employment/diversity. The sheer magnitude of power held by the utilities was mind-boggling and intimidating.

*The sheer magnitude of power held by the utilities was mind-boggling and intimidating.*

“Our job,” says Harris, “was to translate the data and numbers to human dimensions — to put a human face on the impact of rate increases and regulatory policy.”

Working closely with OPC, the CUB helped draft the Consumer Bill of Rights produced in 1979 and updated in 2009 to ensure that the changing times spoke to the immutable need for consumer protection ranging from environmental to dispute resolution, housing to economic development, privacy to minority representation.

“The strength of the CUB was its diverse membership. Our racial, class, and economic differences were never issues,” noted Harris, who says the common ground was the group’s reliance on utility services and the collective demand for better service and affordable rates.

Harris noted that one of the most significant accomplishments of the CUB was the report it produced early in its inception entitled: “Sharing the Burden and Benefits of Electricity Conservation in the District of Columbia.” “The foundation for many of our current issues and challenges were outlined in that report.”

According to the former CUB chairman, “The major challenge is ever-increasing cost and the magnitude of need for essential electric energy. The sheer costs to an average household have increased exponentially. Consumers will need a strong and well-prepared partner in OPC to challenge and litigate on our behalf in the future.”

Perhaps there is a silver lining. Renewables and distributed energy resources are critical to controlling rates and protecting the environment, of which the District is a national leader in promoting.

*(The CUB reorganized in 2015-2016 and transformed into a nonprofit organization, has redefined its partnership with OPC and its role as a citizen watchdog group.)*

## Proclaiming Consumers Matter – The Consumer Bill of Rights

A bedrock guarantee of consumer protection is enshrined in the Consumer Bill of Rights (CBOR), providing safeguards to District users of natural gas, electricity or telecommunications services.

The Consumer Bill of Rights, developed in 1979 and amended in 2009, is a resolute statement that consumers matter. It defines the relationship, rights and responsibilities

of utility service providers and consumers. Initially designed as a safeguard in a traditionally regulated market, divestiture, deregulation and rapid technology advances demanded that the updated CBOR speak to the realities of the current competitive environment. It is a living and dynamic document that was created to respond to the ever-changing and evolving utility landscape.

### CONSUMER BILL OF RIGHTS HIGHLIGHTS

- ✓ Creates universal standards for the utilities, competitive energy and telecommunications service providers and consumers.
- ✓ Educates the public about their rights and responsibilities.
- ✓ Requires energy and telecommunications bills to include the name and phone number of the Office of the People's Counsel and the Public Service Commission; third party-suppliers of gas and electric must include emergency telephone numbers for Washington Gas or Pepco.
- ✓ Protects customer information: Consumers are not required to disclose Social Security numbers to the utility, energy supplier or local telecommunications service provider to obtain or maintain services. Unless consumers consent in writing, their information may not be disclosed.
- ✓ Prevents disconnection of residential service without notification of at least 10 days for telecommunications providers and 15 days for utilities.
- ✓ Requires providers to inform consumers of their right to contact the Public Service Commission for resolution of complaints and of their right to be represented by the Office of the People's Counsel in a dispute before the Commission.
- ✓ Mandates free Spanish translation services during normal business hours at each utility, energy supplier or local telecommunications service provider.
- ✓ Protects tenants and renters from termination of utility service when a landlord or property owner is delinquent in payment.

## In Their Own Words

*In every ward, OPC hears and acts on consumer needs. First-hand accounts from DC consumers provide testimonials and impetus for OPC action.*

"OPC's creative outreach efforts through the weekend educational seminars and workshops have been extremely useful and a big hit in the community."

**Damu Smith**

*Former Ward 1 Advisory Neighborhood Commissioner, DC Environmental Planning Commission*

..."Savings on utility bills means more money is available for food and other necessities. OPC has been zealous in advocating for and protecting the rights of all DC residents including our most vulnerable population."

**Stephen Courtien, Community Hub for Opportunities in Construction, Ward 2**

"I very much appreciate this intervention of the Office to which I had recourse only as an ultimate solution. I still think it is shameful that Verizon forces its customers to fall back on the services of the People's Counsel as the only way in which it can be reached in the event of a disagreement on a minor billing issue."

**Jacques Pola, Ward 3**

"Our utility bills got out of hand... I contacted the Office of the People's Counsel and we were able to get some assistance. We also expressed our concerns about the lack of trust or respect for seniors, especially those on a fixed income. With the help of the People's Counsel, we are demanding and getting more respect."

**Bettie Florence, Ward 4**



*People's Counsel Elizabeth Noel meets with community leaders*



*Reaching people where they live and shop*

"If you have a problem with the service that utilities are supposed to be providing you, take your issue to the Office of the People's Counsel. They will straighten things out."

**Harold Fisher, Ward 5**

"OPC staff is responsive and attentive to utility consumers' needs. The staff goes the extra mile to assist DC's residents in need."

**Venus Little, President, Tyler House Apartments Tenants Association, Ward 6**

"OPC has been one of the premier customer advocate offices in the country. Many states use OPC's community education and outreach model as a measuring stick for success. OPC-DC truly believes that an educated utility consumer is our greatest resource."

**Richard Powell, Jr., Ward 7**

"Our civic associations and assembly can better understand technical rules and regulations because of the guidance and partnership of OPC. And as consumers, we've learned the importance of "buyer beware."

**Graylin Presbury, President DC Federation of Civic Associations, President Fairlawn Civic Association, Ward 8**



It is not a consumer folly to expect the lights or heat to come on and stay on or to lift the telephone handset and receive a dial tone... Reliable and affordable utility service extends beyond a public entitlement. It is an economic imperative. The Nation's Capital cannot be a place where our seniors and working-class families are priced out of the marketplace. If service is off for any reason, we all suffer.

– Sandra Mattavous-Frye,  
People's Counsel

## Affordability

Affordable utility rates and their impact on the energy burden faced by many of the District's low and moderate-income consumers have been cornerstones of OPC's policies from its inception. The term "energy burden" is the percentage of a consumer's gross household income that is used to pay the annual energy share of household bills. Economists consider 6 percent of income to be an "affordable" energy bill, but unfortunately, many low-income consumers pay about 30 percent of their income for energy services. This disparity too often creates a subset of consumers who are deprived of their entitlement to basic and essential utility service. In a present and future world where energy and telecommunications services are rapidly becoming the "network of everything," it is imperative that all consumers are connected.

OPC plays a critical role in keeping rates not only reasonable but affordable for all Washingtonians. For more than 40 years, OPC has vigorously represented consumers in utility proceedings before the PSC and advocated for affordable utility bills. The agency saved DC ratepayers more than \$580 million dollars in electric bills, \$179 million in gas bills and \$289 million in telephone bills.

Statistics on energy affordability in the District show that approximately 27,000 District of Columbia households live with income at or below 50 percent of the Federal Poverty

Level and face a home energy burden of 30 percent -- a distressing statistic that indicates the magnitude of this problem in the nation's capital.

Looking to the future, DC ratepayers must have access to distributed energy resources, such as solar power, as well as essential tools to maximize energy efficiency.

Through a DC Council mandate, the agency conducted a Senior Outreach, Awareness and Energy Efficiency Education Campaign in 2016, deploying a strategic approach to servicing DC seniors on utility service issues impacting the quality of life, including viable and affordable energy efficiency measures. Armed with this information, OPC brought its findings to the PSC and launched an Awareness and Energy Efficiency Education Campaign targeted to the senior community.

District of Columbia 2016 HOME ENERGY AFFORDABILITY GAP			
Shortfall Calculation—less than 50% of Federal Poverty Level			
Individual HH Shortfall	Number of Households	Aggregate Shortfall	Home Energy Burden
\$1,618	26,979	\$43,656,162	29.9%

Published in 2017 / Fisher, Sheehan & Colton

## Reliability

Assuring system reliability, resiliency and public safety are fundamental requirements for every utility operating in the District of Columbia. Utility networks and infrastructures date far back to the 1900's. These aging systems have led to network deterioration, service failures and gas leaks that threaten public safety.

Through the years, OPC has led the drive for greater electric system reliability for DC residents by filing numerous pleadings and petitioning the Public Service Commission to open investigations to curtail the unexplained and

prolonged electric outages, beginning with the 1995 ice storm, continuing through "Snowmageddon" in 2010 and the 2012 Derecho. The agency also was an active member of the groundbreaking public-private partnership, "the public utility under-grounding working group" which provided the basis for the DC Council and the PSC to authorize Pepco to move approximately 30 of the worst performing electrical feeders underground throughout five wards of the District. This multi-year project represents a giant leap forward to safeguard reliability for every District consumer.

## Romaine Thomas – A Legend in Her Own Time



*"How far you go in life depends on your being tender with the young, compassionate with the aged, sympathetic with the striving, and tolerant with both the weak and the strong, because some day, in life, you will have been one or all of these."*

– George Washington Carver

Romaine Thomas embraces that theme as her guiding light, calling it a blend of compassion, concern and creativity. "This view about how far you go is very important if you work with all people regardless of race or creed – from the babies to the advanced elderly – who may be subjected

*"In whatever capacity I have served, I have always felt comfortable referring seniors to the OPC, knowing they will give compassion, commitment and creativity."*

to abuse or neglect, ignored or without clout," says Mrs. Thomas. "We need organizations that can stand with us, that can protect us, understand the laws and fight for us."

A native Washingtonian, Mrs. Thomas is a retired educator with 50 years of service in DC Public

Schools. Civically engaged since her days as the Ketcham Elementary School principal, she is a life-long Ward 5 resident credited as the catalyst for the successful political career of her late husband, Ward 5 Councilmember Harry Thomas and the late Mayor Marion Barry.

Romaine Thomas, wrapping up a 12-year, three-term tenure as chair of the DC Commission on Aging, is a legend in her own time.

These days she worries that the elderly are easy prey to fraud and deceptive schemes. Utility consumers are especially vulnerable, says Thomas, noting that more than 100,000 of DC's population are over the age of 60.

In the next breath she praises one group for "coming to the rescue": The Office of the People's Counsel.

*Romaine Thomas continued on page 14*

*Romaine Thomas continued from page 13*

"In whatever capacity I have served, I have always felt comfortable referring seniors to the OPC, knowing they will give compassion, commitment and creativity." She continued, "The OPC representatives were welcome and frequent presenters at the Commission's public meetings."

Thomas ticks off the litany of experiences often encountered by senior residents: overcharging, confusing surcharges, poor quality, less service or services that do not live up to expectations.

In recent years, seniors have also been vulnerable to the tactics and trickery of third-party suppliers, an issue that OPC has championed in an intensive public education campaign that is especially targeted to seniors.

"Aging comes on you so fast until you don't realize it until it's there," Thomas remarks. "I've had to understand the historical significance of aging from a personal perspective and as a civic leader." In her capacity as a leader of the

AARP Retired Educators of America, she also participated in a multi-year study group, the DC Age-Friendly Initiative, a global task force dedicated to improving the health and well-being of older populations.

Comprehensively looking at the intersection of needs, the task force explored transportation, housing, respect for social inclusion, civic participation, communications, emergency preparedness, elder abuse, neglect and fraud. "With that broad range and perspective, there's an opening for OPC to be involved," offers Mrs. Thomas. She pulls out the OPC 2016 annual report. "I can quote Counselor Frye (The People's Counsel Sandra Mattavous-Frye) who stated, 'I will never lose sight of the consumer entitlement...and the necessity for empowering consumers to have a place at the table in the regulatory process.'"

"That says it better than me," Mrs. Thomas affirms. "It's about leadership and really meeting the needs of their mandate to educate neighborhoods, civic associations and especially the elderly on our rights and responsibilities as utility consumers."

## Frederick D. Dorsey – Upgrade and Expansion

***People's Counsel is still the best job I ever had. I did have the idea that I would end my career as a judge. I think the utilities arranged my nomination. I was clearly a Democrat, but somehow, I got nominated by a GOP administration. Pretty much kicked upstairs.***

Frederick D. Dorsey became the third People's Counsel for the District of Columbia in 1984 and served in that position until 1990. On his watch, OPC witnessed a tripling of the budget and staff and upgraded the operational capacity of the agency. By the end of his tenure, the staff had expanded from 11 to 33 people. He also created systems that assisted in growing the Office into a full-fledged agency committed to doing battle on behalf of the public.

Dorsey distinguished himself as a consumer advocate during an era when that movement was gaining strength. He served on the executive board of the National Associ-



ation of State Utility Consumer Advocates (NASUCA) and became vice president of NASUCA in 1989. In 1987, he was named Consumer Lawyer of the Year by the District of Columbia Bar.

Joining the government of the District of Columbia in 1982, he was the principal deputy corporation counsel for  
*Frederick D. Dorsey continued on page 19*

## Empowerment

### Pepco-Exelon Merger: Pushing the Limits on Mission, Media and Motion

*A corporate acquisition that irrevocably reshaped the District's electric utility landscape*

The Pepco-Exelon merger, one of the most important utility cases of our time, presented OPC with an unparalleled challenge to press into high gear its mission to Advocate, Educate and Protect. From trial litigation to public education campaigns, OPC's response to the merger would reshape the way the Office engaged consumers, policymakers and the industry to ensure that consumers received tangible and measurable benefits while maintaining necessary consumer protections.

The Exelon acquisition of Pepco, creating the largest electric conglomerate in the world, was the most significant upending for District ratepayers since Pepco's divestiture of its generation plants in 2000. The new corporate footprint impacted 10 million customers from Illinois to Maryland to the District of Columbia.

After a comprehensive review, the People's Counsel gave the merger application a failing grade based on the three R's: Reliability, Rates and Renewables. Although the merger was ultimately approved, OPC's advocacy influenced major decisions affecting the present and future direction of utility services in the region.

The battle persisted for three years but compelled OPC and its allies to push once unimagined limits in the pursuit of mission. What ensued was a barrage of contentious litigation, dozens of community briefings, forums and public hearings, Advisory Neighborhood Commission meetings in all eight wards, Council involvement, dozens of media interviews, a new embrace of social media spurring community awareness, protests and petitions.



*Reporters interview People's Counsel about opposition to Pepco-Exelon merger*

Ultimately, the Public Service Commission approved a revised merger proposal in March 2016. OPC's footprint during the marathon proceedings was felt and resulted in increased benefits for consumers. Advocacy did not end with the final Public Service Commission decision. OPC filed a legal challenge to the PSC's final merger decision before the DC Court of Appeals. The Court upheld the PSC's decision.

Moving forward, OPC established an internal merger compliance unit to ensure that Pepco meets all authorized merger commitments, and continues today to monitor the non-negotiable demands for reliable and affordable electric service.

Throughout the merger case, OPC kept multiple and diverse sectors of the community engaged. Our outreach campaign to keep the public informed about Pepco's compliance with the merger set a new standard for our public engagement priorities.

*Frederick D. Dorsey continued from page 14*

two years before his appointment to OPC. In that new role, he planned and implemented a multi-year agency expansion and realignment in accord with newly-enacted legislation which clarified the agency's statutory authority.

Dorsey earned a law degree in 1972 at Georgetown University Law Center. He began his legal career in Wisconsin as an assistant district attorney for Milwaukee County. In

1974, he returned to the District of Columbia and joined the U.S. Commission on Civil Rights as a staff attorney. By 1979, he was acting general counsel of the commission. Dorsey then moved to the U.S. Equal Employment Opportunity Commission (EEOC) as director of the Office of Policy Implementation, where he became associate general counsel and director of systemic programs.

He became an associate judge on the Superior Court of the District of Columbia in 1990 until his retirement in 2003.

## Let the Sunshine with Inclusive Clean Energy

Our most potent natural resource – the sun – gives us life, produces food and inspires dreams. So, it seems fitting that the District's abundant sunshine may lead the path to a clean energy future.

OPC was in the vanguard and an early advocate promoting conservation, energy efficiency and utilization of distributed energy resources such as solar energy. Born in the fevered crush of the 1975 energy crisis, the agency has long sought ways to help District consumers achieve higher energy efficiency at affordable costs and lessen the environmental impact of fossil fuels.

Fostered by Mayor Muriel Bowser and the DC Council, the District is a national leader in advancing sustainability policies and has set ambitious goals to reduce the District's "carbon footprint." It encourages the use of solar power, through net metering, community solar and Solar Renewable Energy Credits (SRECs) which incentivize consumers to install solar, and facilitates consumer participation. Some consumers generate a net return that covers their monthly bill or additional credits that offset the initial outlay of solar conversion.



OPC is a permanent member of the District's Sustainable Energy Utility, created and charged with developing policies to reduce the District's dependence on fossil fuels and reduce carbon emissions. OPC supported the law requiring providers to expand solar capacity in the District to five percent and increase the amount of energy generated from renewable sources to 50 percent by 2032.

OPC's Energy Efficiency and Sustainability Section was established in 2011 with an eye to the future. The section staff includes specialists in litigation, technical and consumer education. Their mandate is to increase awareness of renewable and sustainable energy options across all the District's wards and income levels.

OPC produced a handbook, "A DC Consumer's Guide to Going Solar," in April 2018.



## Framing Solar Benefits

To set a framework for an inclusive clean energy strategy, the agency commissioned two studies. These pioneering companion reports are the first to be produced with District-specific data. Some key takeaways from the studies:

Distributed Solar in the District of Columbia, Policy Options, Potential Value of Solar and Cost-Shifting

### **The Sun ~ A Great Natural Resource**

Solar power is sunlight that is converted into usable electricity using panels or Photovoltaic (PV) cells. The District averages 4.23 hours of sunshine per day that is available throughout the year.

### **Solar is Growing**

Experts forecast that solar will grow to 200 megawatts over the next decade if barriers are reduced. The District could achieve its goal of five percent of solar-generated electricity by 2032.

### **Abundant Rooftops**

There are 85,000 small residential buildings in the District suitable for solar generation.

### **Recovering Costs**

The cost for investment in all solar generation systems can be recovered within five years through SRECs and other incentives.

### **Future Non-Solar Costs May Rise**

Non-solar customers could potentially see their costs rise as solar adoption expands. That reinforces the OPC push for initiatives that provide economic and environmental benefits to consumers across all wards and income levels.

Solar Generation Potential and Distributed Energy Resources in Low-and Moderate-Income Communities in Washington

### **Meeting Electricity Needs**

Solar PV (Photovoltaic) has the potential to meet a significant portion of the electricity needs of low-income households.

### **Lower Costs**

Solar PV panels mounted on rooftops in low-income areas could offset and potentially eliminate consumers' electricity bills.

### **Solar on the Ground**

Residents in buildings with unsuitable rooftops can still participate in solar through ground-mounted PV systems (in parking places and other suitable spaces) or off-site community solar systems (this requires "virtual net-metering"-VNM).

### **Utility-in-a-Box**

To reduce consumption, energy burdens and the investment needed to install solar PV, there are three options for utility-in-a-box:

- o Housing Design + Solar PV
- o Energy Efficiency + Solar PV + Storage
- o Energy Efficiency + Neighborhood Scale Energy Systems + Solar PV

### **More Than Cost Benefits**

- o There is a value of solar for low-income households
- o Access to energy that reduces or eliminates monthly electricity costs
- o Reduces need for subsidies to pay electricity bills and reduces public tax burdens so all District residents benefit
- o Expands energy choices, environmental and social benefits

## Elizabeth A. Noel – Standing on Solid Ground



Under Noel's leadership, the OPC stepped up technical assistance to community and civic groups. She expanded the in-house staff to 36, including attorneys, economists, accountants, community outreach coordinators and technical and administrative support staff.

Prior to her appointment as People's Counsel, Noel served as deputy and led litigation, consumer services and the operations divisions of the Office. She directed the OPC legal team in utility rate cases before the District Court, U.S. Bankruptcy Court, as well as appellate cases before the D.C. Appeals Court. She also represented individual consumers in billing and service complaints against gas, electric and telephone companies and developed in-house procedures for handling consumer complaints.

Noel led the battle to shut down Pepco's Benning Road Power Plant which was emitting toxic pollutants in the area. She also spearheaded the campaign to control the proliferation of customer-owned pay phones.

*The groundwork for my administration was laid by my predecessors. Their unique skills as dynamic lawyers and their progressive visions were the building blocks for the evolution of the Office into the venerable and unique institution it is today in the District and in the nation.*

Elizabeth A. Noel became the fourth People's Counsel in 1991 and led the Office of the People's Counsel until 2010. She was the longest serving People's Counsel.

During her tenure, Noel managed to forge continuity that built upon the strides of her predecessors, breathing passion into the notion of representing DC residents with a zealous fervor. She solidified the agency's standing as an unwavering voice and defender of consumers, facing off against the utilities with the refrain that "the ratepayers are our shareholders." She planted her flag as a policy strategist, litigator and negotiator before the Public Service Commission, the Council of the District of Columbia, the Consumer Utility Board, federal agencies, and appeals courts.

.....

*"I am glad to know that we DC consumers have such a forceful and effective advocate at the Office of the People's Counsel."*

*John H. Foster, the District of Columbia Bar Chairman, Environment, Energy and Natural Resources Sections*

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## Tracking Third-Party Suppliers

### Consumer Choice Retail Competition Open Marketplace

These buzzwords helped open the door for third-party suppliers to launch intensive marketing campaigns to District gas and electricity consumers.

The claim that greater competition would lead to greater choices for ratepayers was the big pitch for divestiture and deregulation. The Public Service Commission (PSC) authorized Pepco to separate the production and distribution of electricity and authorized Washington Gas to unbundle the cost of the gas from the cost of distributing it. This meant that the two regulated utilities would continue to deliver electricity and gas to consumers and maintain the wires, poles and gas lines to transmit energy but consumers could choose to buy energy from other companies—at a competitive and presumably lower price.

But the dreams of a competitive marketplace teaming with endless choices and lower rate bills didn't unfold as promised. While Pepco and Washington Gas are regulated by the Commission and must get approval for the rates they charge—third-party suppliers are not public utilities and are not subject to Commission rate regulation.

Instead, consumers have faced escalating costs and threatened shutoffs. As the flood of complaints swelled, the Office of the People's Counsel geared up with a frontal approach to a traditional problem. OPC petitioned PSC to investigate the matter and launched a public education campaign to inform citizens of their rights and how to protect themselves from unscrupulous marketers.

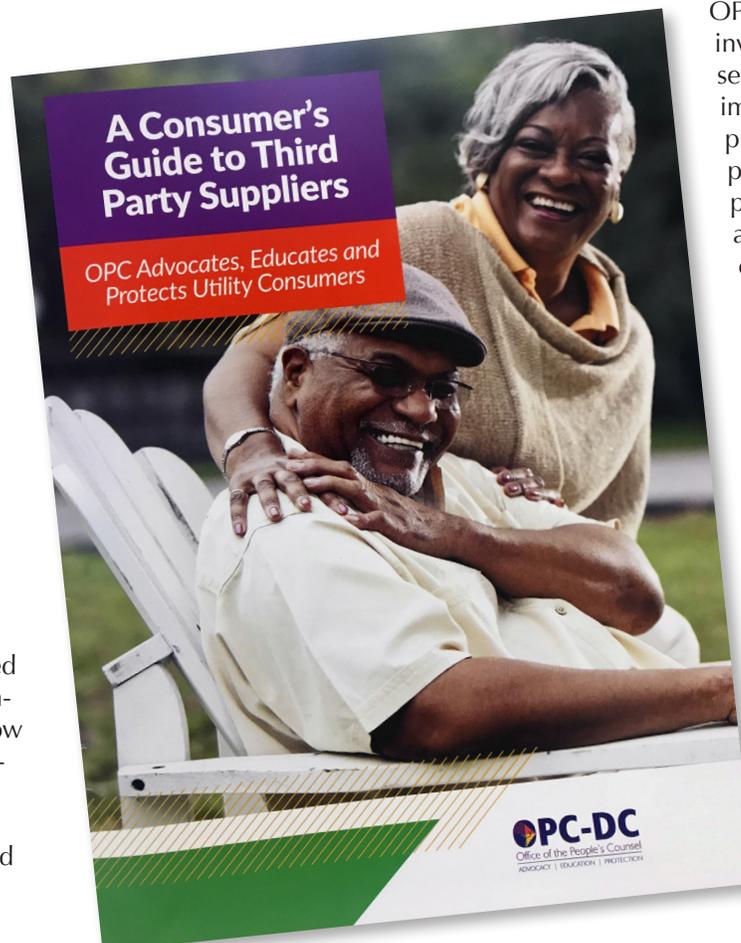
OPC's two-pronged strategy proved effective. DC residents made their

voices heard at a public hearing that documented testimony from 22 witnesses who described unscrupulous and hard-sell pressure tactics. Accounts included blatant misrepresentation of services and cases of “slamming” – switching to a supplier without the consumer's permission.

More than 145 complaints against third-party suppliers were filed in 2013. Nearly 75 percent of all the complaints were from residents of Wards 4, 5, 7 and 8, neighborhoods that were overwhelmingly Black and low-income. Many of the complaints came from senior citizens.

As a result of OPC's petition and consumer testimony, the Commission launched a formal investigation of the energy company most frequently cited for bad behavior. That investigation led to an unprecedented global settlement with the culpable company in 2014 that addressed the needs of 500 aggrieved customers and the creation of a \$100,000 low-income energy grant fund.

OPC leveraged the investigation and settlement to establish important consumer protections for ratepayers choosing third party suppliers. The agency published a comprehensive report, *A Consumer's Guide to Third Party Suppliers*, to help ratepayers navigate the process of selecting an energy provider while safeguarding their rights.



## More than a Watchdog Making a Difference

Sandra Mattavous-Frye was determined to focus her career around giving voice to the voiceless, leveling the playing field and challenging powerful forces on behalf of the underserved.

*We are ever-mindful of all ratepayers, especially the people for whom an extra dollar or two in their utility rates really matter.*

A graduate of Howard University, Mattavous-Frye began her legal career as an intern at her law school, Antioch School of Law. More than 30 years and five positions later, Sandra Mattavous-Frye, the People's Counsel for the District of Columbia, remains unwavering in that value.



Her technical expertise is coupled with tenacious advocacy and "zealous representation."

"We represent the interests of all eight wards of the city," Mattavous-Frye explains. "Our representation ensures that the Public Service Commission is not just listening to the high-powered lawyers and lobbyists, but also to competent experts on the consumer side who are well-versed in utility issues."

"Our work has always been dedicated by active engagement, shared responsibility and social equity. We are ever-mindful of all ratepayers, especially the people for whom an extra dollar or two in their utility rates really matter," says Mattavous-Frye. I learned early that what some consider a trinket is meaningful to consumers trying to make ends meet. The bedrock of utility regulation is to ensure that consumers are

protected and receive services at fair and affordable rates. Our role is to make that happen and be more than a watchdog."

Our mission is carried out on multiple fronts: listening to consumers, discovering their challenges, learning the process, regulatory standards, the industries, the terminology, the technical and the legal requirements.

"Before OPC was re-established in the 1970s, you had high-powered lawyers representing powerful utilities setting rates for gas, electricity and telephone and no one argued against them," Mattavous-Frye remembers.

*More than a Watchdog continued on page 16*

### 1975-1980 National Energy Crisis

The national energy crisis leads to gas shortages and rationing. District of Columbia residents are hit hard by skyrocketing utility bills. Fueled by the recent Home Rule victory and an emerging consumer rights movement, DC residents win congressional approval to re-establish the Office of the People's Counsel.

**1975** The Office of the People's Counsel becomes an independent District of Columbia government agency. Mayor Walter Washington appoints Annice Wagner as the first People's Counsel.

**1977** Brian Lederer becomes the second People's Counsel, following Wagner's appointment to the District's Superior Court.

**1978** The Consumer Utility Board (CUB) establishes a 40-member board drawn from labor, political, faith, citizen action, government, legislative and commercial sectors.

**1979** DC adopts the Utility Consumer Bill of Rights, providing safeguards for utility consumers of natural gas, electricity and local telecommunications services in the District. The Consumer Utility Board is instrumental in garnering support for the Bill.

*More than a Watchdog continued from page 15*

“Without lawyers and technical experts, people were throwing up their hands in frustration because their voices were not heard.”

“OPC gave me the opportunity to start making a difference right away.” Mattavous-Frye took on litigation, representing the full panoply of constituents ranging from problem resolution for individual residents to monumental cases on behalf of District-wide ratepayers. She was guided and mentored by the People’s Counsels that preceded her.

Upon appointment as People’s Counsel, Mattavous-Frye expressly committed to focus the agency’s advocacy on four critical areas: Consumer empowerment, Affordability, Reliability, and Energy efficiency and sustainability (CARE).

She scored major victories for consumers, including an unprecedented settlement of \$100,000 for low-income consumers from an alternative energy provider; ensured Verizon honored its promise to maintain its copper wire system when it implemented Fios; successfully advocated for stringent system reliability standards for Pepco; and commissioned the first DC-based Value of Solar Study.

Mattavous-Frye has witnessed enormous changes during her tenure. Deregulation, layered with advances in technology, policy and structural changes, have upended the industries and utility landscape.

One of the biggest single battles ever taken on by OPC was its challenge to the proposed merger of Potomac Electric Power Company (Pepco) with the Chicago-based Exelon Corporation in 2014. Leading a 10-member team of litigators, Mattavous-Frye faced-off against a company with revenues of approximately \$34.5 billion and a personnel force of 34,000.

The merger proved to be a contentious, three-year struggle. In the end, OPC succeeded in securing a five-fold increase in consumer benefits, from the initial \$15 million proposal to \$72 million, and consumer protections and enforceable commitments to mitigate consumer risks. “An ancillary positive outcome that emerged from the merger struggle,” Mattavous-Frye explained, “The Office succeeded in galvanizing the public, establishing broad consumer based liaisons as demonstrated by the more than 300 public witnesses who participated in the proceeding. OPC’s efforts to empower the consumer to be heard in the regulatory process had been realized.”

In 2013, Mattavous-Frye received the University of the District of Columbia Advocate for Justice Award in recognition of her career in public interest law, and in 2016 she received the State Regulatory Practitioner Award from the Energy Bar Association for demonstrated professional competence in energy law.

Always questioning and probing, Mattavous-Frye says: The collective commitment of each People’s Counsel has built and sustained the Office, but it is our constituents who are the lifeblood of OPC. Their issues and concerns are all that matter. “It’s a lot to balance. It’s challenging. But at the end of the day, serving the public is self-rewarding.”



*Public protest against Pepco-Exelon Merger in downtown Washington, DC*

## 1981-1990 Divestiture

A 10-year legal battle between AT&T and the Department of Justice culminates in a federal court mandate for divestiture. The AT&T breakup of the Bell operating companies (BOCs) and its manufacturing subsidiary Western Electric ensues. (BOCs are the local telephone companies owned by the seven larger regional companies left after the breakup. They offer local and regional phone services). The breakup created renewed demands on the Office of the People’s Counsel to advocate for consumer protections.

**1982** OPC wins case against the utilities which challenged assessments of the utility companies to cover OPC consumer protection expenses including litigation, technical experts and other costs incurred in advocating for District ratepayers. Washington Gas v. Public Service Commission (1982).

**1984** Frederick D. Dorsey is appointed the third People’s Counsel by Mayor Marion Barry. He would advance the mandate by expanding the infrastructure and operations of the agency, increasing the staff exponentially. He served from 1984 to 1990.

**1985-1995** Continuing its energy conservation efforts, OPC endorses integrated least cost planning, a policy involving reducing energy usage to postpone or prevent construction of a new power plant by offering consumers rate incentives to use electricity and gas more efficiently.

**1987** Greater institutional resources to fight for consumers are available after OPC wins budget autonomy from the Public Service Commission.

# Consumer Savings by the Numbers 1975–2018

*Affordability. Equity. Reliability.*

From day one of its operations, the Office of the People’s Counsel has been driven by a trifecta – Affordability, Reliability, and Equity – key standards on which to hold the public utilities accountable. Those elements remain a beacon lighting the way for consumer protection. The numbers over the years illustrate a study in success and savings.

## PEPCO

Formal Case #	Amount Requested	Amount Granted	Savings (Millions)	Date Granted
651	57,578	29,411	\$28,167	10/20/1976
685	44,800	5,783	\$39,017	7/18/1979
715	48,049	35,465	\$12,584	5/15/1980
748	37,100	23,389	\$13,711	12/31/1981
785	97,700	34,003	\$63,697	1983
813	85,995	29,900	\$56,095	7/2/1984
869	40,746	(14,553)	\$55,299	3/4/1989
889	38,500	9,461	\$29,039	1/18/1991
905	56,414	19,740	\$36,674	10/23/1991
912	54,090	30,380	\$23,710	6/26/1992
929	72,573	23,234	\$49,339	3/4/1994
939	66,964	27,887	\$39,077	6/30/1995
1053	50,500	28,286	\$22,214	1/30/2008
1076	51,700	19,833	\$31,867	3/2/2010
1087	42,500	24,376	\$18,124	9/27/2012
1103	44,816	23,448	\$21,368	3/26/2014
1139	77,400	36,800	\$40,600	7/25/2017
1150	66,200	*24,100	\$50,900	8/9/2018
<b>TOTAL</b>	<b>967,425</b>	<b>386,843</b>	<b>\$611,482</b>	

\*Includes \$39.4M rate reduction in Washington Gas Formal Case #1151

## VERIZON

Formal Case #	Amount Requested	Amount Granted	Savings (Millions)	Date Granted
595	21,649	8,063	\$13,586	4/5/1974
631	14,000	7,400	\$6,600	5/17/1976
729	36,196	10,916	\$25,280	5/28/1981
777	97,100	40,300	\$56,800	4/16/1982
798	82,027	41,993	\$40,034	11/10/1983
814	79,976	-	\$79,976	4/15/1985
824	27,300	22,250	\$5,050	9/9/1985
850	39,000	632	\$38,368	9/10/1985
926	39,600	15,800	\$23,800	12/21/1993
<b>TOTAL</b>	<b>436,848</b>	<b>147,354</b>	<b>\$289,494</b>	

## WASHINGTON GAS

Formal Case #	Amount Requested	Amount Granted	Savings (Millions)	Date Granted
647	7,497	6,409	\$788	10/29/1976
686	11,000	7,200	\$3,800	12/10/1977
722	17,800	11,900	\$5,900	11/2/1979
768	17,000	8,800	\$8,200	2/9/1982
787	26,300	14,300	\$12,000	2/25/1983
840	16,400	10,800	\$5,600	9/5/1986
870	24,500	10,200	\$14,300	10/28/1988
890	17,200	4,509	\$12,691	5/31/1990
922	24,500	4,685	\$19,815	10/8/1993
934*	17,300	6,400	\$10,900	8/1/1994
989	16,300	(7,500)	\$23,800	10/29/2002
1016	18,800	5,377	\$13,423	11/10/2003
1054	20,000	1,400	\$18,600	12/31/2008
1093	29,000	8,381	\$20,619	5/15/2013
1137	17,400	8,731	\$8,669	3/3/2017
<b>TOTAL</b>	<b>280,997</b>	<b>101,992</b>	<b>\$179,105</b>	

## 1991-2000 Deregulation

The decade of the 1990s presents new challenges and demands for OPC and consumers. The Energy Policy Act of 1992 is followed by two Federal Energy Regulatory Commission orders allowing state deregulation. Energy companies begin to separate the energy production and distribution arms of their businesses – transforming DC’s energy landscape.

**1991** Elizabeth Noel becomes the fourth People’s Counsel and serves in that position for over 18 years.

**1995** Washington Gas separates the production and distribution parts of their business.

**1999** Pepco is subject to a rate moratorium and cannot raise its retail rates.

**2000** Pepco sells its power plants.

*“One of my proudest moments was blocking the phone companies from quadrupling their rates. At the time they were trying to develop internet service—and thought they could just pass the costs on to their customers. We hired an economist, an engineer and lawyers. We deployed their technical expertise to show the impact quadrupling the rates would make on people’s lives. And we prevailed.”*

– Brian Lederer, People’s Counsel (1977 – 1984)

## 2000-2010 Outages and Sustainability

The city is plagued with unremitting power outages and recurring service disruptions curtailing the provision of reliable electric and gas services to DC consumers. Prolonged ice storms cause tree damage and massive outages across the region. Emerging policies promoting the use of non-fossil sustainable resources, such as solar and wind, require intensive advocacy and engagement by OPC on behalf of consumers.

**2003** Hurricane Isabel causes severe flooding and widespread tree damage in the DC region. Hundreds of thousands of families are without power, some for over a week. Service restoration is uneven, with the District’s poorest wards suffering the longest. OPC challenges Pepco and other utilities to improve reliability and quality of service and files requests for investigations before the Public Service Commission.

**2006** Pepco marks the end of a moratorium on rate increases by filing a rate hike request that generates a vigorous challenge by OPC.

**2008** *PowerCentsDC*, a smart meter pilot program in the District of Columbia, began in July 2008, as part of a settlement agreement of a Pepco rate case. The DC Council passed the Clean and Affordable Energy Act of 2008 in October. This establishes the Sustainable Energy Utility (DCSEU), the central resource for energy efficiency and renewable energy programs and services for District residents and businesses. OPC is a statutory member of the DCSEU Advisory Board and plays an active role in shaping the structure, operations and ongoing activities.

**2009** The Consumer Utility Bill of Rights is revised to reflect technological changes and new legislative and regulatory developments leading to an evolving industry landscape for natural gas, electricity and telecommunications.

## 2011-2018 New Age of Mergers and Acquisitions

Industry mergers and reconsolidation produced an intense and massive sea change for ratepayers. OPC redoubled consumer education, outreach and partnership engagement to spark and lead public conversations about the new energy landscape, solar innovations, energy efficiency and third-party suppliers.

**2011** Sandra Mattavous-Frye is appointed the fifth People’s Counsel, rising from the position of Deputy People’s Counsel that she had held since 1997.

**2003-2011** Deployment of Advanced Metering Infrastructure (AMI “Smart meters”) is initiated. OPC embarks on a city-wide consumer education program.

**2012** Reliability continues to be a hot-button issue for DC utility consumers. OPC files a petition with the Commission to open a formal investigation into electricity outages, impacting 18,000 customers in Wards 3, 4, and 5. The June 29 Derecho storm leaves hundreds of thousands of residents sweltering in the dark for days. The OPC, a major party challenging Pepco to bring undergrounding to every ward, pushes for system reliability.

**2013** OPC petitions the PSC to investigate Verizon’s transition from providing copper wire-based service to fiber optic service (Fios) to ensure non-discriminatory service to all telecommunications consumers. PSC issues Order requiring Verizon to maintain its copper wire service.

**2014** A victory is scored on the challenge to third-party suppliers allowing OPC to provide \$100,000 in settlement funds to the Greater Washington Urban League for energy assistance to low-income consumers. The Commission adopts new rules to monitor third-party supplier marketing practices.

**2014** An opening salvo is fired against the announced Pepco-Exelon merger which OPC points out is devoid of tangible ratepayer benefits resulting in protracted litigation by OPC on behalf of DC ratepayers.

**2016** Intensive review, public education and legal challenges persist as OPC is tasked with monitoring Exelon compliance to ensure the spirit and letter of the merger terms are achieved.

**2017** WGL Holdings, the parent company of Washington Gas, and Canadian-owned AltaGas file an application to merge.

**2018** WGL/AltaGas merger is approved with substantial consumer benefits as result of OPC’s advocacy.

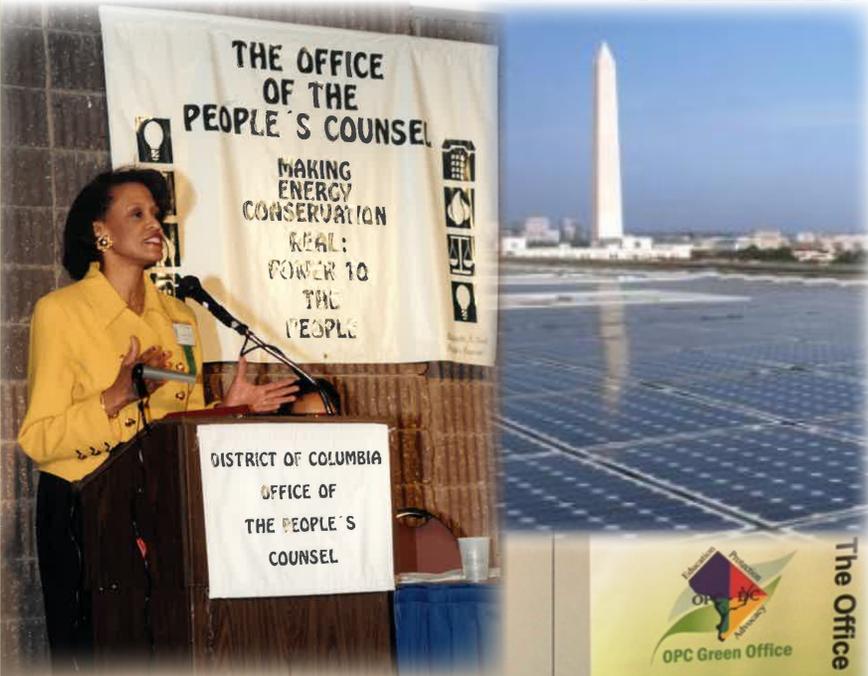
**2018** Upon passage of 2017 Tax Cuts and Jobs Act, OPC successfully negotiates major rate reductions for Pepco and WGL customers.

## ZEALOUS REPRESENTATION

OFFICE OF THE PEOPLE'S COUNSEL  
HISTORY HIGHLIGHTS 1975-2018

Through the years the Office of the People's Counsel has zealously represented consumers as the District's utility lawyer. The goal has always been watchful monitoring and zealous representation to ensure that the utility companies and the regulatory process deliver affordable, reliable, safe and sustainable services.

We provide highlights of six pivotal cases that have delivered important outcomes to our clients, the ratepayers of the District.



## 1 Sea Changes in Telecommunications Divestiture

### Duration:

Case opened November 15, 1983  
Docket closed in December 2006

Related case opened August 24, 1984  
Docket closed on December 11, 2008

The impetus of the Communications Act of 1934 dates back to the New Deal. Congress mandated universal telephone service across the country at reasonable rates. The only game in any town was AT&T (“Ma Bell”), a regulated monopoly that provided both long-distance and local telephone service through its wholly-owned subsidiaries. This progeny included C&P (the Chesapeake and Potomac Telephone Companies), which thrived in the Mid-Atlantic area until the US Department of Justice filed an antitrust suit against AT&T in 1974. Seven years later, the Justice Department and AT&T agreed on the terms by which the telecommunications giant would divest itself of its local telephone operations.

Thus, began the Ma Bell breakup.

To implement the settlement and address the new complex world of telephone competition, the District’s Public Service Commission opened an investigation in 1983 dissecting the division of assets — buildings, equipment, telephone lines and more — between AT&T and C&P. With little documentation to justify the request, Bell Atlantic sought a rate increase of more than \$11 million. OPC successfully opposed the increase, winning a PSC determination that the divestiture case was not meant to consider rates.

Another cause of action for OPC stemmed from the initial allocation of assets between C&P and AT&T doled out while C&P was still a subsidiary of AT&T. Arguing that the allocation violated an arm’s length transaction, OPC sought special scrutiny of that agreement. The review led the PSC to rule that ratepayers be relieved from subsidizing competitive entrepreneurial ventures launched by the parent company. Eventually the PSC directed those matters to be considered in Formal Case 827 already underway. Customers also felt the impact of the case in the transfer of ownership of copper telephone wire from inside homes from C&P to residential ratepayers: ratepayers are now responsible for inside wire repairs.

Aided by the strong voice of OPC, two years after the case started in 1985, the PSC became one of the first state commissions in the nation to modify its regulatory framework in order to respond to the new challenge of separating new competitive ventures from legacy telephone service.

OPC pushed the legal parameters to protect ratepayers from subsidizing the development of the new unregulated subsidiaries of Bell Atlantic — companies that could piggy back off the accumulated investment in C&P under the old monopoly system. Indeed, Bell Atlantic grew from 17 non-regulated subsidiaries after divestiture to more than 90 at the end of 1989.

Traditionally, rate of return regulation governed telephone company rates at the state level. Under rate of return regulation, the PSC essentially set rates at a level that would allow companies to recover approved costs plus a rate of return on assets (in effect, a predetermined profit). But by 1992 C&P (soon to be known as Bell Atlantic-D.C.) was arguing that monopoly-era rules were outmoded.

The Bell companies were engaging in non-regulated businesses and competitors were eager to enter the local telephone market. The Commission considered whether and how to abandon the rate of return regulation.

As this debate played out, the federal Telecommunications Act of 1996 reinvented how telecommunications services were provided, establishing the principle of local competition and allowing state commissions to implement the provisions of the act. In turn, the DC Council passed the 1996 DC Telecommunications Competition Act authorizing the PSC to establish a new regulatory framework — telecommunications competition governed only by “alternative incentive regulation.”

The PSC approved a price cap plan, providing Bell Atlantic-DC (which became Verizon in 2013) pricing flexibility with a \$4 million Infrastructure Trust Fund for broadband Internet access to all public schools and libraries in the District, a proposal put forward by OPC.

At every step of this shifting telecommunications landscape, OPC was steadfast in challenging the assumptions and figures. The agency had no constraints digging into the weeds of accounting and new technology in order to

*Sea Changes continued on page 26*

*Sea Changes continued from page 25*

forcefully protect the District ratepayer. The outcomes along the way were not always to OPC’s satisfaction, but the Office insisted on a full airing of the issues.

Other cases, especially Formal Case 827, addressed the financial consequences of divestiture in the form of new rates and new definitions of company assets and liabilities. Without OPC at the table, the other side could use the protracted, highly specialized and arcane elements of telecommunications divestiture to swamp consumer interests in pursuit of unregulated and wholesale corporate profits.

.....

**“Together we will remain informed partners, working to ensure the interests of consumers are not ignored, benignly neglected, or co-opted in the race to competition and restructuring of traditional utility industries.”**

*Elizabeth Noel, People’s Counsel (1991 – 2010)*

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## **2** Energy Restructuring: A New Energy Marketplace for DC Consumers

**Duration:**

Case opened October 27, 1995  
Docket closed December 30, 1999

### Natural Gas

Washington Gas enjoyed long-held authority to charge separately for natural gas fuel costs and for delivery service. In 1995, the company sought to go a step further. Washington Gas asked the Public Service Commission to open the company’s delivery services to other natural gas suppliers.

OPC responded by asking the hard questions about the impact this move might have on DC gas customers. If suppliers were deregulated, who would protect customers from price gouging? Who would ensure that once a customer picked a supplier, gas supplies would remain adequate for all who had signed up to receive the service? What were all of the ramifications of the new relationships?

OPC began receiving complaints about deceptive practices that resulted in consumers entering contracts with natural gas providers and being hit with excessive bills. In 2001, OPC filed a Petition for Investigation into the Solicitation Practices of PowerTrust.com. The case ended with PowerTrust.com filing for bankruptcy in May 2002. Just over 10 years later, in April 2013, OPC asked the PSC to investigate

the business practices of alternative energy suppliers in the District. The PSC responded by opening an investigation into the business practices of all alternative energy suppliers and by separately investigating the business and solicitation practices of one of the most flagrant providers. Over the next several months, consumers submitted testimony describing their interactions with alternative energy suppliers—also known as third-party suppliers—and the resulting harm they suffered.

The investigation ended in a settlement agreement approved by the PSC wherein the offending energy supplier agreed to recalculate all the complainants’ bills and pledged to work with OPC to design and implement written guidelines with greater transparency in the contract terms and conditions. The company also agreed to pay \$100,000 to the Greater Washington Urban League to provide energy assistance to low-income consumers. During the ensuing three years, the company under OPC’s watchful eye, fulfilled all the mandates of the settlement order and the parties’ settlement agreement. The company revamped its outreach operations and implemented comprehensive compliance training for its staff. After a one-year probationary period, in December 2016, it resumed marketing to customers in the District of Columbia.

OPC conducted a public education campaign that included a special consumer report on third-party suppliers to inform consumers about purchasing natural gas service from suppliers.

## Pepco

Historically, Pepco provided generation (supply), transmission and delivery service to its customers. In 1999, Pepco sought permission to sell its generation power plants and become a transmission and distribution company only. The separation would allow customers to enter into contracts with third-party suppliers for the first time for their electric power supply. Pepco would continue to distribute that power through its own transmission lines.

Over OPC's strenuous objections, the Public Service Commission approved a settlement agreement that allowed Pepco to proceed with its plan in December 1999.

PSC approval of Pepco's divestiture request was followed in 2001 by a DC Council measure that permitted multiple companies to offer electric service in the District. As OPC feared, after the initial rate caps expired in 2005, residential consumers were hit with huge cost increases for generation, coupled with a rate increase for the distribution portion of their bill.

OPC independently embarked on an intensive community education plan and joined with the Commission and other stakeholders to create plans of action to address retail

competition issues in the District as an active member of the Commission's electric restructuring working group. To that end, procedures and standards were established for consumer protection along with electricity supplier licensing and operations standards; and the PSC approved a new "unbundled" rate structure for Pepco. As a result, separate billing for the delivery of electricity through Pepco's transmission lines and for the electricity itself was created, which allowed consumers to see the amount they were paying for fuel supply on their bill. This information helped consumers compare prices being offered by the third-party suppliers and the Standard Offer Service (SOS) provider (the default provider). OPC also created an electronic "price to compare" calculator on its website.

The PSC also adopted an interim code of conduct while it considered a District-specific code of conduct for energy suppliers and approved a two-year consumer education campaign to provide electricity consumers with clear, concise and unbiased information on consumer choice.

OPC's successful participation in the deregulation process of both Washington Gas and Pepco highlights OPC's commitment to support a competitive energy environment while safeguarding consumers' ability to make informed choices free from supplier abuses.

## 3 Smart Meters

### **Duration:**

Case opened April 2007 and remains open

Smart meters are providing consumers detailed information about their energy usage and have allowed them to remotely control electricity usage. In the future, usage of Advanced Meter Infrastructure (AMI) will include a choice of pricing plans that fits their usage and remotely controls their heating and air conditioning systems.

Although the country's electric grid has not fundamentally changed for 100 years, today transformations are underway. In April 2007, Pepco requested that the Public Service Commission approve the deployment of a smart grid network and an energy efficiency plan entitled the "Blueprint for the Future." A major component of the plan was the replacement of 256,357 existing electric meters with new AMI "smart meters."



**Laurence Daniels, Director of the Litigation Services Division, making presentation on Smart Meters**

OPC analyzed Pepco's proposal to evaluate the potential impact on consumers and presented issues for the Commission to consider.

In February 2009, President Barack Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA). Included in the ARRA was a \$4.5 billion Smart Grid Investment Grant (SGIG) program to be administered by the Department of Energy (DOE) to help spur the

*Smart Meters continued on page 28*

*Smart Meters continued from page 27*

deployment of the smart grid. In June 2009, in an effort to allow Pepco to have the best opportunity to receive money from the DOE's SGIG, the DC Council enacted the "Advanced Metering Infrastructure Implementation and Cost Recovery Authorization Emergency Act of 2009." The AMI Act approved the implementation of AMI in the District of Columbia, contingent on the Commission determining that Pepco received a sufficient amount of funds from the DOE to make the cost of AMI reasonable. Pepco received a federal economic stimulus grant of \$44.6 million, estimated to be about half the cost of replacing all the meters and upgrading the network. The PSC determined that Pepco could collect the balance of the costs from ratepayers.

Beginning in 2010, Pepco began installing the smart grid network. OPC insisted on a comprehensive education program to inform consumers about the need for the smart grid and how consumers could derive benefits from it and held a series of smart meter town halls. OPC also moved on other consumer concerns including the health effects of the radio frequency emissions connected to the smart meters and petitioned the Commission to allow consumers to opt-out of receiving a smart meter. The PSC concluded it could not mandate an opt-out provision without legislation from the DC Council, which has not materialized.

The conversion to smart meters was completed in 2015 and OPC continues to monitor the performance of the new network and a changing energy market.

## An 'A Grade' for the Future

William P. Lightfoot is a walking history book. He brings decades of connections to the Office of the People's Counsel as a man who wears many hats as OPC legal counsel, policy staff and elected representative.

It began in 1977 as legislative committee staff providing oversight for the agency's procedures, operations and budget. This was just two years after the institution was created by DC statute.

He continued to get to know OPC as a member of the Consumer Utility Board (CUB), an entity that he would help create through enabling measures adopted by the Council of the District of Columbia. He would also be assigned to serve on the CUB as a staff representative of the DC Council and also manage the hearings to appoint members of the Public Service Commission (PSC) that regulates the utilities.

Next stop, Lightfoot, moving to private practice, was tapped by OPC to serve as a consultant lawyer. His task was to navigate the federal regulations that impacted on ratepayers and transform that into mandates for the local utility companies.

As an attorney and civic leader, he would return to the CUB, as a general member. He helped draft the language for what would become the Consumer Bill of Rights.

And finally, he returned to the DC Council as an elected member and served as the chair of the Public Service Committee he staffed more than 10 years earlier. During his tenure between 1988 and 1996 he would adopt policies regarding energy and electric service with a reach and footprint deeply implanted today.

"In the early days of the OPC the priority was rate regulation and affordable gas, electric and telephone service," remembers Lightfoot, referring to his tenure as staff for Ward 8 Councilmember Wilhelmina Rolark who headed the Committee on Public Services and Recreation.

“Some of the emphasis shifted to alternative energy and the concerns started moving to questions about what could be done by utilities in a more environmentally friendly way.”

Lightfoot explained that the late councilmember was one of the District’s early proponents of clean, alternative and renewable energy that opened the door for what would become a robust solar energy push.

In those days, DC had no Department of Energy, Lightfoot said. The ground on both the energy and the environment was being laid, largely due to Councilmember Rolark’s advocacy.

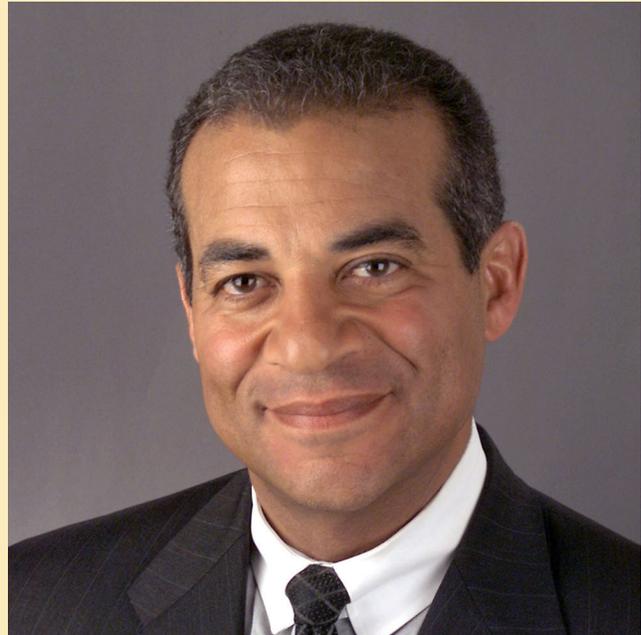
It was the late 1970s and the energy crisis was at fever pitch level. Jimmy Carter was in the White House and policymakers were being forced to understand that foreign oil and fossil fuel production was not only unreliable from a cost standpoint, but also environmentally. It was a no-win proposition for American consumers.

Lightfoot noted that Councilmember Rolark forged a strong bond with then People’s Counsel Brian Lederer, the second leader in that position. Together they pushed the envelope on alternative energy. The foundation was established and that trend would continue with all of Lederer’s successors.

Engaged as an OPC consultant attorney, Lightfoot worked on measures that ensured the power companies lived up to the letter and spirit of the Public Utility Regulatory Policy Act (PURPA), a provision of the National Energy Act promoting greater utilization and supply of renewable energy.

“I worked on one case related to PURPA ensuring that the utility companies had a broad plan to implement alternative energy in the rate-making process,” Lightfoot said, remembering that the case lasted two years and netted long-term benefits.

Looking back and examining the trajectory of challenges and opportunities facing District utility consumers,



Lightfoot points to tangible returns. The incentives and benefits of solar power have paid off substantially for DC residents through Solar Renewable Energy Credits (SREC), among the highest in the country.

Lightfoot reveals that he is among the growing number of DC residents that receives a generous return on his investment through SREC payments, reduction in monthly power bills, coupled with tax credits of 30 percent.

Credit goes to OPC for its push to ensure the rate-making process benefited residential consumers early on and into the future.

“If I were giving OPC a grade, I think they would have earned an A,” he offers. “Safety, affordability, alternative energy and protection of environment all factor into the score.”

## 4 DC PLUG – Improving Resiliency in the Path of a Storm

### Duration:

Case opened August 16, 2012 and remains open

Hundred year-old trees and a 100-year-old electric distribution system combined with the District's thunderstorms, hurricanes, and the occasional blizzard is a recipe to plunge residents and businesses into the dark. As climate change continues to upend all predictable weather conditions, the need to address antiquated electric infrastructure with improvements and upgrades to the power grid becomes more urgent.

The outages caused from the early 2000s thru 2012 by overhead power lines downed by the mix of storms and vulnerable trees, and exacerbated by Pepco's deferred maintenance of its system, sparked public pressure to reduce the frequency and duration of power outages, by relocating Pepco's poorest performing overhead primary and lateral lines to underground conduits making them less vulnerable to damage from inclement weather. OPC has led the way in advocating for this change.

In 2012, Mayor Vincent C. Gray formed the Power Line Undergrounding (DC PLUG) Task Force, comprised of various District agencies, including OPC, and stakeholders to study the feasibility of undergrounding to improve electric system resiliency and the public safety of District residents. As a result of the recommendations put forth by the Task Force, in 2014 the Mayor introduced legislation before the DC Council calling for the establishment of a historic public-private partnership between Pepco and DDOT to improve the District's troubled electric distribution system.

DC PLUG is a real-life example of the power of advocacy and a representative illustration of OPC's role as the District's statutory utility consumer advocate. OPC is legally obligated to represent the interests of DC ratepayers throughout the completion of DC PLUG.

All stakeholders knew that undergrounding would be a costly endeavor. As a result, to minimize the costs incurred by ratepayers, the Task Force proposed financing \$375 million of DC PLUG costs through the issuance of debt bonds. The Task Force also proposed allowing Pepco to raise \$500 million through traditional

debt/equity financing to pay for its construction costs and to recover that money from ratepayers over an extended period of time. Both of these proposals were geared toward minimizing DC PLUG's impact on consumers' pocket-books.

Construction was originally scheduled to begin in June 2015. However, it was delayed due to legal challenges. One issue was resolved before the DC Court of Appeals in January 2016. The other was resolved through DC Council legislation in May 2017. This legislation amended the law authorizing DC PLUG by, among other things, changing the financing mechanism that will be used to pay for DDOT's construction costs.

Over more than six years, OPC advanced and defended ratepayer interests before the Task Force, DC Council, the PSC, and the Court. OPC closely monitored cost estimates, ever-mindful that DC ratepayers would have to pick up the entire tab. The Office thoroughly reviewed Pepco/DDOT's Triennial Plan and Financing Application filed with the PSC in 2014 and zealously advocated on behalf of District ratepayers and consumers in the underlying PSC proceedings that same year. OPC similarly reviewed Pepco/DDOT's 2017 Biennial Plan and Financing Application. The purpose of OPC's advocacy in both instances was to ensure they complied with the law that authorized undergrounding and would deliver the needed infrastructure at a reasonable cost.

Current law allows for \$437.5 million to fund DC PLUG, with \$250 million from Pepco and \$187.5 million from the District government. Although not authorized by statute, an additional \$62.5 million will come from DDOT's capital improvement budget. The PSC approved Pepco/DDOT's joint Biennial Plan and Financing Application in November 2017. Construction is slated to begin in November 2018.

OPC continues to monitor the project's implementation, as well as seek public input and educate consumers through outreach meetings and informational materials distributed to affected areas. The issue is bound to last a decade.

## 5 Navigating the Grid of the Future

### Duration:

Case opened June 12, 2015 and remains open.

The national energy grid is changing in significant ways to respond to new energy sources and consumer needs. How will we integrate distributed energy, including solar power produced by homeowners into Pepco's existing energy supply system to facilitate a more sustainable energy future for the District? What role will micro grids, all electric vehicles, battery storage and other advanced technologies play in this development? These are just two of the many questions that confront the District as residents, regulators and suppliers navigate the grid of the future.

The DC Public Service Commission (PSC) sought to address those issues when it launched Formal Investigation 1130 (FC 1130), entitled Modernizing the Energy Delivery System for Increased Sustainability (MEDSIS), also known as The Grid of the Future, in response to community pressure and a changing energy market.

In the forefront of the citywide conversation about supply and cost, OPC is helping to set the parameters of progress and decide the future of energy generation and distribution in the District. The agency also is focused on ensuring that fair, equitable and efficient solutions create a grid that serves every demographic in all eight wards of the city.

The District's aging energy infrastructure and the role of utility suppliers and their stakeholders are at the center of this discussion. Those concerns are not isolated, but must be balanced against reliability, affordability and increasing consumer demand for renewable and distributed energy resources.

Distributed energy resources are small-scale energy sources that are locally controlled, such as solar or wind power, that can be combined to provide power needed to meet everyday customer demand. Their scale and local control stand in sharp contrast to the massive power plants operated by power companies for generations.

As policymakers and regulators favor more environmentally responsible energy options, distributed generation and renewable energy sources are being embraced by consumers who understand the importance of clean energy



options today and for the future. This is a citywide initiative. In September 2017 under Mayor Muriel Bowser's Administration, the U.S. Green Building Council named the District the world's first LEED (Leadership in Energy and Environmental Design) Platinum certified city for its cutting-edge policies and practices.

OPC and other consumer advocates await the outcome of the PSC MEDSIS investigation which is striving to produce a more reliable and energy efficient electric system, reduce carbon emissions, increase energy cost savings and expand opportunities for clean energy jobs for DC consumers.

As part of its contribution to the energy debate in the city, OPC issued two important studies in response to a request from the DC Council. The "Value of Solar" study found that the District can indeed achieve the goal of obtaining five percent of its energy needs from local solar energy. The companion report, "Solar Potential for Integration of Distributed Energy Resources in Low- and Medium-Income Communities," looked closely at DC-specific demographics, building types, existing programs and the impact solar may have on affordable housing. The findings clearly point to a wide range of options and advantages to creating value for residents who adopt solar solutions.

**6 A Rare Rate Event**

**Duration:**

Case opened December 2017  
Docket closed August 8, 2018

Inform any OPC employee that Pepco is filing a rate application and the first question you will hear, automatically, is: How much is the increase? In fact, over Pepco's five most recent rate cases, the Public Service Commission has granted over \$132 million in increases, representing more than one-half of the Company's initial requests. On December 17, 2017, Pepco filed an application seeking to increase its distribution rates by another \$66.2 million and OPC began its deep review. This case, however, would not follow the usual course of events.

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act of 2017 (TCJA), which, among other things, lowered the federal corporate tax rate from 35 percent to 21 percent. Because Pepco's tax liability is included when determining its rates, the Commission opened a proceeding, Formal Case No. 1151, to explore the TCJA's impact on Pepco's existing rates and set the stage for a historic and rare event in the District's utility history—a distribution rate reduction.

On April 17, 2018, OPC, Pepco, the District of Columbia government, the Apartment and Office Building Association of Metropolitan Washington, the DC Climate Action Network, Tesla, the DC Consumer Utility Board, Solar United Neighbors of DC and LiUNA filed a settlement agreement with the Commission that, if approved, would lower Pepco's distribution rates by \$24.1 million. The settling parties derived the reduction from the TCJA's impact and agreements

on numerous components of Pepco's revenue. In order to approve a settlement, the Commission must find that it is in the public interest. The Commission approved the settlement on August 8, 2018.

The settlement's chief benefit, a rate reduction, is certainly a victory for consumers. However, to truly appreciate OPC's zealous representation in providing rate relief to consumers, this rate reduction must be viewed along with the Residential Customer Base Rate Credit, the rate freeze the Office advocated for and won in the Pepco-Exelon merger. As a result of both, District of Columbia consumers have not had to pay for an increase in Pepco distribution rates for four years.

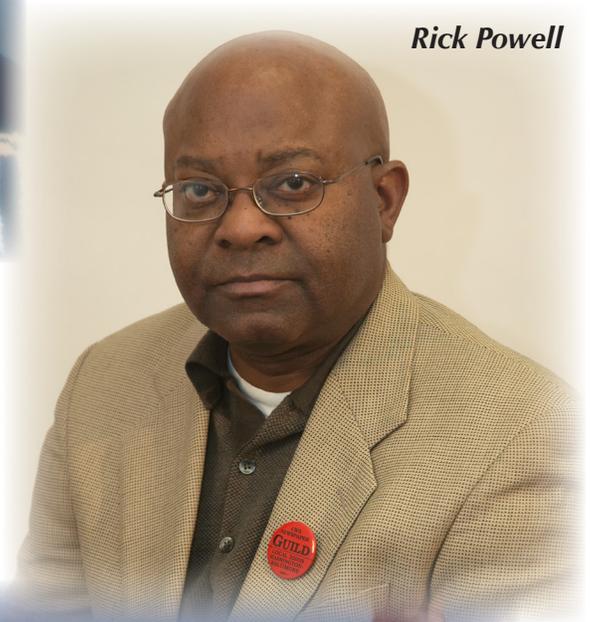


*Seated: Deputy People's Counsel Karen Sistrunk, People's Counsel Sandra Mattavous-Frye, Assistant People's Counsel Arick Sears. Standing: Litigation Services Director Laurence Daniels, Trial Supervisor Travis Smith, Paralegal Tamika Dodson*

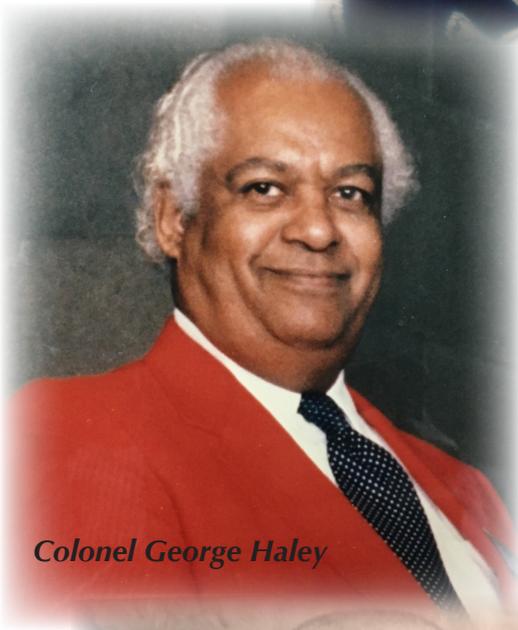
# OPC Consumer Champions through the Years



*Theresa Howe Jones*



*Rick Powell*



*Colonel George Haley*



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