



ADVOCATING



EDUCATING



PROTECTING

2012 ANNUAL REPORT

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 in the District of Columbia. By law, the Office represents D.C. utility ratepayers' interests before the District of Columbia Public Service Commission, FERC, FCC, 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.





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Concept Design by Melanie L. Deggins



VINCENT C. GRAY
MAYOR

August 14, 2013

Dear District Residents:

It is my pleasure to present the 2012 Annual Report of the Office of the People's Counsel.

The Office of the People's Counsel is an independent agency of the District of Columbia Government responsible for advocating for and educating District consumers on utility issues affecting rates, quality of utility services, alternative competitive choices and consumer protections.

This past year, 2012, brought particular focus to the issue of reliability of electric service. By midyear, a series of electrical outages, followed by delayed restoration of service, frustrated consumers and threatened the District economy. As Mayor, I called for a "Game Change" solution to the District's electric reliability challenges and brought together key stakeholders, including OPC on the Powerline Undergrounding Task Force. As a key participant in the Task Force, OPC has zealously represented the needs of all District consumers, through timely and substantive input in the process which led to the submission of the comprehensive Task Force Recommendations and Report.

The Office of the People's Counsel contributes greatly towards our goal of making the District of Columbia a more energy efficient and sustainable community. As a member of the DC Sustainable Energy Utility Advisory Board, OPC is working diligently to bring the benefits of a green energy economy to our residents. Through the Energy Efficiency and Sustainability section of the Office, District consumers are being well represented before federal energy agencies, regional energy and transmission organizations and consumer and environmental groups.

Throughout the year, OPC excelled not only in performing its statutory roles to resolve consumer complaints, educate consumers and represent consumers before the District of Columbia Public Service Commission, but also as an exemplary partner to sister agencies sharing a common goal to deliver outstanding service quality to District residents.



As Mayor, I have come to rely on the integrity and judgment of OPC and I believe OPC's work is a clear symbol of our ongoing governmental commitment to deliver premium services and move the District forward in becoming a world-class city.

Sincerely,

Vincent C. Gray
Vincent C. Gray
Mayor



*Mayor Vincent C. Gray swearing-in
People's Counsel Sandra Mattavous-Frye
for her second term.*



*Mayor Gray speaking at the DC SEU
Community Forum co-sponsored by OPC.*



Dear District of Columbia Utility Consumers,

For 2012, I set new goals for the Office of the People's Counsel (OPC) around the

themes of creating opportunities for **C**onsumer Empowerment, protecting and preserving the **A**ffordability of utility services, ensuring the **R**eliability of utility service and promoting **E**nergy Efficiency and Sustainability to help consumers gain control of their bills and meet the sustainability goals of the District of Columbia government.

Consumer empowerment is why OPC was created. It remains at the core of our mission to advocate on consumers' behalf. Throughout the year we worked diligently to ensure consumer's voices were heard and given the opportunity to fully participate in the regulatory process. OPC conducted briefings for numerous governmental and non-governmental agencies. OPC partnered with the DC Office of Disability rights, the United Planning Organization, senior centers, AARP, DC Council Constituents Services, the Office on Aging, Office of the Tenant Advocate, tenant associations, solar cooperatives and ANC's to inform and educate our shared constituents.

By law, consumers are entitled to receive affordable, quality utility services. As regulated monopolies, Pepco, Washington Gas and Verizon are the only utility service options. In Formal Case No. 1087, Pepco sought an increase of \$42.1 million in additional revenues and a new Reliability Investment Mechanism (RIM) that would have permitted automatic recovery of certain investments it made on reliability projects without prior approval by the PSC. OPC's vigorous opposition along with public support allowed the Commission to reject the "RIM" and limit Pepco's rate recovery to \$24 million.

Unfortunately, there are those who believe that everyday consumers are simply not interested in proceedings before the Public Service Commission (PSC) that affect their utility service. I say nothing could be further from the truth! In Formal Case No. 1087, aided by AARP, and a host of civic, citizen and community organizations, OPC successfully partnered with stakeholders to galvanize public participation. The PSC received more than 5,000 comments from members of the public and direct witness testimony from 42 consumers regarding the rate proposal.

In February, Washington Gas Light petitioned the PSC for a \$29 million increase in natural gas rates. OPC's analysis suggested that the company was already earning more than the rate of return approved by the PSC. OPC's

case requests the Commission decrease Washington Gas' rates by \$9 million. A final PSC decision is expected midyear, 2013.

In July, OPC responded to complaints from consumers regarding Verizon's failure to meet customer expectations for basic telephone service by petitioning the PSC to investigate Verizon DC's Quality of Service. When the PSC did not schedule public hearings to hear directly about consumers' service experiences, OPC used its independent authority to schedule two "Town Hall" Verizon Quality of Service meetings.

In August, after another round of sustained power outages and delayed restoration times, OPC staff developed and deployed a survey regarding the outage experiences of DC electric consumers. OPC's survey included more than 1,200 responses from individual consumers who expressed their opinions on the value of underground power lines. This information has been tabulated and included in the public record of two PSC Service Outage dockets and shared with the Mayor's Power Line Undergrounding Task Force which is reviewing the potential reliability improvements that infrastructure investment may provide.

OPC has been a leader in efforts to bring verifiable improvements to Pepco's reliability. Following the June 2012, storm related outages, I provided detailed testimony at the July 13th roundtable convened by

Councilmember Yvette Alexander on Pepco's outage and restoration efforts. My testimony focused on Pepco's excessive reliance on outside contractors and its inability to restore service within a reasonable period after the storms. I continue to seek an answer to the most basic question; why are ratepayers asked to pay for reliability improvements that Pepco has failed to make and should have made on its own, over the last decade?

One positive sign in 2012, is that electric reliability issues have drawn the interest of the highest levels of District government. Members of OPC staff and I have served on the Mayor's Powerline Undergrounding Task Force and continue to work towards developing a plan of action to address these seemingly irresolvable issues.

2012 has also been a milestone for OPC because it marks the first full year of operation for our Energy Efficiency and Sustainability Section (EES). In response to new City Council mandates, I assembled a team from my litigation, technical and consumer education staffs to represent DC ratepayers before Federal and State level authorities such as Federal Energy Regulatory Commission and PJM, our regional transmission operator, and to localize the impact of energy efficiency to everyday consumers. The EES unit has conducted over 135 energy efficiency workshops citywide, participated in federal proceedings involving transmission and renewable issues

and works with local environmental and solar energy communities. This team complements and supports the District's ongoing energy and sustainability initiatives established by the Mayor.

I serve on the 13 member Sustainable Energy Utility Advisory Board and am working to help the group meet its statutory mandate of transitioning the District to a "Clean Energy Economy." In May we co-sponsored a conference; "Saving Energy and Money through the DC SEU Sustainable Energy Programs" at the DC Convention Center.

In 2012, OPC continued to provide the high level of service consumers expect by responding to 2,230 complaints and 1,789 inquiries and conducting over 190 community outreach meetings. We have received outstanding performance ratings for our services to the limited and non-English proficient (LEP/NEP) communities and are making excellent progress in our service to the physically challenged and hearing impaired communities.

Pepco is in the process of installing "smart meters" throughout its service territory. Customers have complained that the potential health and safety impact of the devices were not fully considered before deployment was authorized. OPC has not made a determination regarding health or safety issues. However, in December, I petitioned the PSC to investigate the feasibility of

offering customers, the ability to "opt-out" of having a smart meter at their home. The PSC has indicated it will investigate the feasibility of an opt-out provision.

Late in the year, OPC began to learn from consumers that an alternative energy supplier, Horizon Power and Light, had entered the DC market using aggressive and potentially abusive tactics to access customer accounts. OPC moved swiftly to petition the PSC to investigate these consumers' concerns. OPC requested and Horizon has since agreed to comply with 30 days notice before reentering the District market and to provide randomly selected samples of sales calls for the next 6 months. OPC continues to monitor the activities of alternative service suppliers as new players enter the market.

In closing, while it is impossible to truly sum up an entire year of our activities, I encourage you to review this document and share with us any questions or recommendations you may have to help us better serve you. At OPC, you are more than just "our customers;" you are also our neighbors and our friends.

Sincerely,



Sandra Mattavous-Frye Esq.
People's Counsel



ORGANIZATION STRUCTURE

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ORGANIZATION STRUCTURE

OPC Directorate Division

The Directorate determines policy consistent with the Agency's mission to advocate for and protect the interests of DC utility consumers.

OPC Operations Division

The Operations Division is responsible for fiscal management, editorial functions, assessments, space acquisition and management, procurement, human resources, staff development, benefits administration, and legal matters related to OPC's daily operations.

OPC Technology

Management Information Systems (MIS) is responsible for all aspects of the Office's computer network and information management. MIS provides staff computer training and support, tools for production of consumer education and outreach materials, maintenance of the Consumer Information Database and other information databases, and equipment and technology upgrades. MIS is responsible for updating and monitoring OPC's website, www.opc-dc.gov.

OPC Litigation Services Division

The Litigation Services Division consists of the Energy, Telecommunications, Technical and Market Monitoring Sections, created pursuant to the District's electric retail restructuring law. The Division litigates cases involving utility companies before the Public Service Commission, federal regulatory agencies, and the D.C. Court of Appeals. This work includes developing overall litigation strategies, case management and coordinating outside counsel and expert technical witnesses.

OPC Consumer Services Division

The Consumer Services Division provides education and outreach to District consumers. Consumer Services staff provides assistance and representation to individual consumers in disputes with utility companies. The Division also provides assistance and resources to the Consumer Utility Board (CUB) and other community, civic and consumer organizations.

A Litigation Division staff attorney advises the consumer complaints staff to determine whether legal action should be taken.

This function helps OPC identify trends and provides a basis for determining the need for a policy shift or legal action.

OPC Energy Efficiency and Sustainability

The Energy Efficiency and Sustainability (EES) Section identifies strategies and activities that once implemented, will help transition the District to a Clean Energy Economy. In developing clean energy policies and strategies, the Office insists on pursuing only those initiatives that will provide long term environmental and economic benefits to the ratepayers of the District.



CONSUMER SERVICES DIVISION

People's Counsel Sandra Mattavous-Frye pictured with Mary Cuthbert, 2012 Consumer Advocacy Award recipient for outstanding lay advocacy on behalf of DC utility Consumers. She is the Advisory Neighborhood Commissioner for 8C03.



Complaint Trends 2012

OPC staff received 2,230 consumer complaints in 2012. By a wide majority, Pepco generated the most complaints among all utility companies. Forty eight percent (48%) of the complaints OPC staff received were about Pepco services. Consumers complained most frequently about poor quality of service and chronic service outages for both energy and telephone service providers. The June 22 and June 29, 2012, weekend storms left thousands of District residents in the dark, many for more than a week. As the year ended, staff also began to notice an uptick in complaints about overly aggressive alternative energy service companies' sales practices.

Pepco Complaints

Reliability of Pepco's distribution system

and the quality of its services continued to be the primary causes for consumer discontent with the company even though Pepco implemented its reliability improvement program. The reliability program produced marginal improvements in some neighborhoods. However, based on consumer complaints and community hearing testimony in Pepco's rate increase case, service reliability is still a real problem for far too many of its customers. Long standing problems with contacting customer service representatives to report power outages, service restoration time, increasing billing amounts, meter accuracy and frequently estimated meter readings are still concerns for Pepco customers. Pepco's requested \$42.1 million

rate increase request angered many consumers. In September, 2012, the DC Public Service Commission (PSC) awarded Pepco \$24 million in additional revenue. As expressed through complaints and comments at community meetings, ratepayers cannot understand why they should pay more money for unreliable, poor quality service.

Pepco began distribution of Smart meters as part of its Advanced Metering Infrastructure in October 2010. By late 2012, more than 266,000 smart meters had been installed in residential and commercial buildings. Consumers contacted OPC to ask why they had not been notified about smart meter installation, how the meters would benefit them and if, in fact, the meters are safe. In 2011,

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responding to consumers' concerns, OPC requested the PSC investigate the technical and economic feasibility of a smart meter opt-out program.

In February, 2012, the Commission denied OPC's Petition citing, "...the Council chose not to include an opt-out provision and further inquiry by the Commission into the propriety of the Council's action would be inappropriate."

Subsequently, on August 9, 2012, Chairperson Alexander and other members of the Committee on Public Services and Consumer Affairs of the Council sent a letter to the PSC requesting the agency open an investigation on a smart meter opt-out provision. On September 7, 2012, the Commission established a proceeding for that investigation.

Consumers continued to demand Pepco implement a more effective vegetation management program to minimize service disruption by tree damage. Calls for undergrounding of overhead power cables gathered

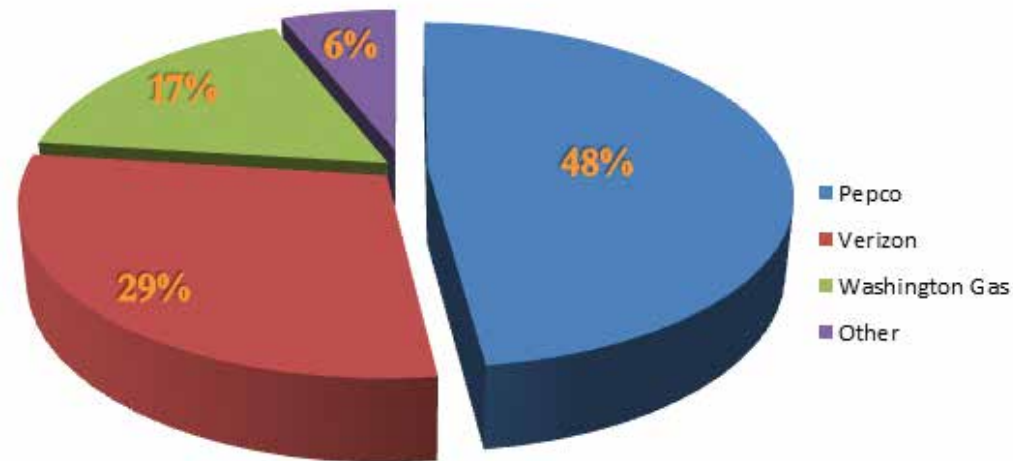
momentum among community groups throughout the city. In August, 2012, Mayor Gray established the Powerline Undergrounding Taskforce comprised of OPC, PSC, several other DC government agencies, community leaders and Pepco. Its purpose is to develop a "game changer" to prevent hardships caused by power failures.

The task force report, due in early 2013, will detail how the project will be implemented and financed.

Verizon Complaints

As with Pepco, Verizon customers complained about poor reliability and quality of service. Verizon accounted for 29% of the complaints OPC

2,230 Consumer Complaints 2012



CONSUMER SERVICES DIVISION

staff received in 2012. Complainants described poor service, frequent need for repairs, loss of phone service during inclement weather, phone line interference, poor copper line maintenance, removal of copper lines without informing consumers and inaccurate bundled service costs. Consumers also complained about aggressive FiOS salespersons and poor quality FiOS installation. The continued complaints about Verizon prompted OPC to file a Petition in August 2011 with the PSC to initiate a formal investigation into Verizon's provision of reliable service and poor quality of customer service. The Petition was docketed as Formal Case No. 1090. OPC filed its Direct Testimony in July, 2012. OPC contends the PSC should set telecommunications quality of service standards at a higher level and should sanction Verizon with penalties if it does not meet those standards.

Washington Gas Complaints

Consumer Complaints against Washington Gas Light (WGL), included difficulties initiating

service through customer service representatives, high cost of service line repairs, delayed service restoration and poor quality of outsourced customer services. WGL generated 17% of OPC's 2012 complaints received and resolved by staff. In February 2012, WGL filed a \$29 million rate increase application. In July, OPC filed its Direct Testimony in opposition to the rate increase, citing among other concerns, that WGL's proposed rate of return and projected expenses were excessive and its accelerated pipeline replacement plan unnecessary. OPC held a public briefing on the rate case in September, 2012.

Other Utility Service Providers

In 2011, OPC received numerous calls about aggressive telephone sales solicitations from alternative energy provider Horizon Power and Light. Complainants reported the sales representatives said they represented Pepco and asked for their Pepco account numbers. Many of the complaints were from seniors. OPC requested the PSC investigate

the claims. Horizon representatives responded by saying they would implement an improved training program for sales staff. In late 2012, OPC staff noticed an increase in complaints about alternative energy suppliers' sales practices.

CONSUMER SERVICES DIVISION

OPC Conducts Utility 101 Workshop for DC Residents

In its role as the District's utility consumer advocate, OPC, through its Consumer Services Division, educates consumers about changes affecting their utilities. In response to a growing number of consumer complaints and inquiries regarding high utility bills, utility billing issues and how to reduce their energy consumption, OPC created its "Utility 101 Workshop."

The first workshop was held on September 14, 2012. In attendance were District residents who had previously been assisted by OPC. The purpose of the workshop was to empower consumers by educating them on how to read and understand their utility bills and to provide simple energy efficiency tips to help reduce their energy consumption.

The Office plans to conduct future workshops in all eight wards of the city.



OPC staff member Linda Jefferson greeting community leaders at OPC's Utility 101 Workshop.



OPC staff member Laurence Jones presenting information to community leaders at OPC's Utility 101 Workshop.

CONSUMER SERVICES DIVISION

OPC's Pepco Power Outage Survey

The Survey

Following Hurricane Isabel in 2003, the District has been hit by increasingly violent storms. High winds, heavy rain, falling limbs and trees have caused major damage to Pepco's overhead electric distribution system, frequently leaving homes, businesses, institutional and government services without power, sometimes for days. However, the June 22 and June 29 weekend storms left thousands of District residents in the dark, many for more than a week.

The disruption to the city's electric system following the June 29 "derecho" storm was unprecedented. Against a back drop of telephone and email complaints and comments at community meetings, People's Counsel Sandra Mattavous-Frye determined that OPC had to quantify consumers' concerns about the loss of vital electric service and the impact on their quality of life. A team was selected to develop a survey that would sample consumers' attitudes and experiences following Pepco's

outages, the results to be used to inform OPC's policies and decision makers. OPC's "Pepco Power Outage Survey" has been used to provide background information for the Office's testimony at the DC Public Service Commission's October 11, 2012, power outage hearing and presented to the Mayor's Task Force on Powerline Undergrounding.

The survey committee developed

83% of survey residents indicated undergrounding Pepco's cables would reduce the frequency of outages affecting their homes

questions to determine how many District residents were affected by the June power outages, where they lived, how long they were without service, how frequently their homes suffered power outages and their opinions about Pepco's responsiveness after outages. With power outages followed by uncertain restoration times, calls for undergrounding Pepco's overhead cables increased. The committee included survey questions to assess consumers' opinions about the effectiveness of undergrounding as a

way to minimize outages.

The survey was conducted online from August 1 through September 14, with hard copies provided upon request and also translated into Spanish.

OPC received 1,204 survey responses.

What We Learned about the Impact of Pepco's June Power Outages on District Residents:

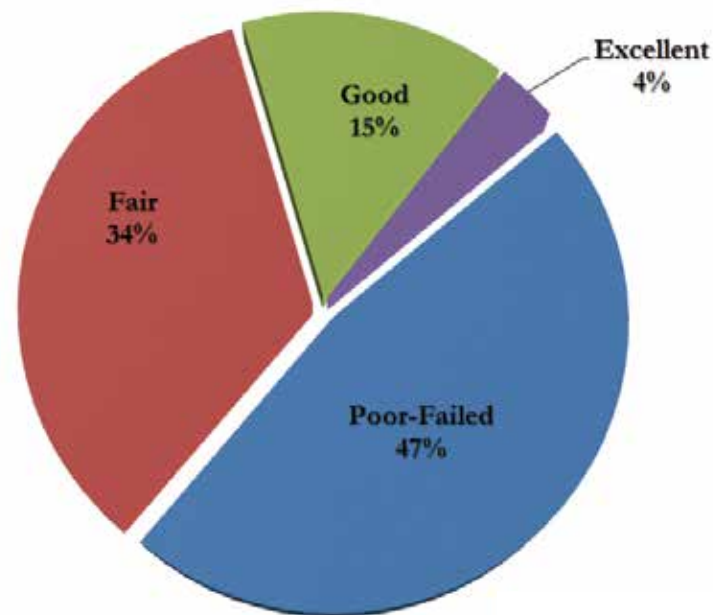
- 71% of all survey respondents experienced power outages on either June 22 or June 29;
- Residents in Wards 3, 4, 5, 7 and 8 were most often affected by the outages;
- Residents in Wards 1, 2 and 6, neighborhoods with a high

CONSUMER SERVICES DIVISION

percentage of underground cables, reported fewer outages;

- More than half of the survey respondents experienced loss of service for more than 48 hours;
- Residents in Wards 3, 4, 5, 7 and 8 reported the highest percentage of outages lasting 48 hours or more;
- Approximately half of the survey respondents graded Pepco's restoration efforts as poor to failed;
- 83% of survey residents indicated undergrounding Pepco's cables would reduce the frequency of outages affecting their homes;
- Overall, 60% of respondents reported frequent outages in their neighborhoods.

Average Rating of Pepco's Power Restoration Efforts



CONSUMER SERVICES DIVISION

OPC Sponsors Public Meeting on D.C. Language Access Act

All District residents, regardless of their proficiency with the English language, should understand OPC's mission, the services the agency provides and how OPC can assist them. To that end, and in compliance with the Language Access Act of 2004 ("ACT"), OPC sponsored one public meeting in June 2012 to foster a dialogue between OPC and the District's Chinese speaking community so that OPC can improve its services to this community. The meeting targeted Chinese-speaking District residents and was held at a

center that serves this population. During the meeting, professional interpreters assisted OPC by delivering OPC's message in the language of the participants, both Mandarin and Cantonese.

OPC delivered its message that participants will receive from OPC the same type and quality of service regardless of their language or culture. Under the Act, OPC is required to convene at least one public meeting per fiscal year.



People's Counsel Sandra Mattavous-Frye responds to consumers with the assistance of translators.



OPC Staff member Silvia Garrick explains the process for filing a complaint.



OPC staff members respond to individual consumer complaints after the meeting.



OPC Staff member Barbara Burton discusses OPC's pending Formal Cases.

CONSUMER SERVICES DIVISION

OPC in the Community 2012

January 2012

Queens Chapel Civic Association
Ward 7 Civic Association
Senior Briefing
ANC 5B10 Single District Meeting
Senior Outreach - Beatrice Wellness Center
Senior Outreach - Congress Heights
Services Wellness Center
Senior Briefing on Formal Case 1087

February 2012

The Deaf, Hard of Hearing and
Blind Needs Assessment Collaborative
The Holy City Church
ANC 4A
ANC 3C
AMI Meeting
The Chinese New Year Celebration
ANC 1A10
ANC 5A02
Outreach - Asian Senior Center
Metropolitan AME Senior Ministry
DC Development Disabilities Council
Councilmember Marion Barry's
Constituent Services
East of the River Senior and
Family Center
ANC 1D

Ellen Wilson Townhome
Cooperative Association
ANC 4B

March 2012

La Casa
ANC 8C
ANC 2F
Mary's Center
Ethiopian Orthodox Tewahedo Church
Ward 4 - Commission on Aging
Carter Baron East
Neighborhood Association
ANC 2B
ANC 5A02
CentroNia



OPC staff member Cheryl Morse, assisting a consumer at the DC SEU Forum.

ANC 2D
Deadwood Senior Organization
The National Youth Transitions Center
Andromeda Transcultural Health
Bruce Monroe Elementary School
PTA Meeting and Food Bank

April 2012

Mayor's Office on African Affairs
Bruce Monroe Elementary School
Penn Branch Civic Association
ANC 4C
ANC 1A
Mayor's Office on Latino Affairs
Emancipation Day Parade
ANC 5C



People's Counsel Sandra Mattavous-Frye speaking with members of the Shepherd Park Civic Association.



CONSUMER SERVICES DIVISION

OPC in the Community *(continued)*

Development Disabilities Counsel
Foster Grandparent Program
Far Southeast Family Strengthening
Collaborative, Inc.
ANC 5A
DC Office on Aging - Senior Symposium

May 2012

Wesley House Tenants Association
Andromeda Transcultural Health
Senior Outreach
Congress Heights Senior Wellness Center
Iona Senior Services
Dialogue on Diversity
Senior Outreach
Green Pre-Apprenticeship
Construction Program
Senior Outreach
Energy Savings Presentation
Senior Outreach
Senior Outreach
Senior Outreach
Family Matters, Older Americans Event
DC SEU Education Forum
DC Office of Aging - Senior Symposium
Vietnamese-American Community
Service Center
Senior Outreach - Ward 1 Street Festival
Outreach - Parkview Elementary



Deputy People's Counsel Karen Sistrunk listening to the concerns of Dupont Park Civic Association President Barbara Morgan.



OPC staff members Linda Jefferson (left) and Jean Gross-Bethel (right) at DC Green Day with former ANC 5C12 Commissioner GiGi Ransom.

Mayor Gray's 2012 Asian American and Pacific Islander Heritage Month Celebration

June 2012

SEU Advisory Board Meeting
Public Meeting and Dialogue with Chinese Speaking DC Residents
Family Matters of Greater Washington
Asian and Pacific Islander Senior Center
Ward 7 Solar Coop/DC Sun
Green Living
Health Fair for the Latino Community
Annual Senior's Legislative Day
Senior Outreach
Transportation Forum

July 2012

ANC 8A
Ward 2 Outreach Alternative
Energy Suppliers
Senior Outreach
Senior Outreach
Senior Outreach - St. Albans
Episcopal Church
ANC 8C
Senior Outreach - Ward 2
Senior Outreach - Hattie Holmes
Wellness Center
Bloomingdale Civic Association

CONSUMER SERVICES DIVISION

OPC in the Community *(continued)*

Outreach - First Baptist Senior Center
 Senior Outreach - Ward 4
 Senior Outreach - St. Albans
 Episcopal Church
 Developmental Disabilities Council
 Senior Outreach - Ward 5
 Senior Outreach - AARP
 Senior Outreach - Fort Lincoln
 Office of Disability Rights
 Senior Outreach - Delta Towers
 Neighbors Consejo
 CentroNia
 Shrine of the Sacred Heart

August 2012

Spanish Catholic Center
 Senior Outreach - DC Senior
 Resource Group
 District of Columbia
 Development Disabilities Counsel
 Spanish Catholic Center
 Family Matters of Greater Washington
 Asian Pacific Islander Senior Center
 Andromeda Transcultural Health
 Senior Outreach
 Pepco's Distribution Upgrade Project -
 Ward 1
 ANC 8E02
 Community Night Out
 Senior Outreach - Ward 5

Senior Outreach
 Senior Outreach
 Casa Ruby
 Senior Outreach - Fort Lincoln

September 2012

Catholic Charities
 Key Community Leaders Briefing
 Family Matters of Greater Washington
 Asian and Pacific Islander Center
 Key Community Leaders Briefing
 Andromeda Transcultural Community
 Event for "Food Distribution Day"
 Community Advocacy Workshop
 Caracen
 Family Matters of Greater Washington



People's Counsel Sandra Mattavous-Frye speaks with a reporter from Washington Hispanic newspaper.



People's Counsel Sandra Mattavous-Frye, Deputy People's Counsel Karen Sistrunk and Energy Efficiency Outreach Specialist Pamela Nelson at the DC SEU Conference.



CONSUMER SERVICES DIVISION

OPC in the Community *(continued)*

Asian and Pacific Islander Center
Utility 101 Workshop
Hispanic Heritage Month Celebration
Capitol View Civic Association
Central Civic Association
The 5th Annual Tenant Summit
Senior Outreach - AARP
Deanwood Civic Association
Empowering People with Disabilities by
Closing the Gap
Consumer Education Program
3rd Annual DC African Festival

October 2012

Fort DuPont Civic Association
The DC Senior Resource Group

Senior's Health Fair
6th Annual Columbia Heights Day
Festival
Carter Baron East
Neighborhood Association
Language ETC
Senior Event
2012 Mayor's Annual
Disability Awareness Expo
ANC 2B
DCSUN Solar Congress Workshop
Ward 3 with AARP
Eastland Garden Civic Association
Senior Outreach
Community Network Meeting
Burville Civic Association
Ethiopian Orthodox Tewahido Religion

Martha's Table, Inc.
Andromeda Transcultural Health
Shepherd Park Citizen Association
Senior Outreach
DC Federation Civic Association
Luncheon
Senior Outreach
Senior Outreach

November 2012

Senior Outreach - Providence Hospital
Ethiopian Community Services and
Development Council
Green Pre-Apprenticeship
Construction Program
Ward 3 Citizens Advisory Council
ANC 4C



OPC staff member Herb Jones assists a consumer with a Verizon consumer complaint.



OPC attorney Jennifer Weberski presents information to key community leaders.

CONSUMER SERVICES DIVISION

OPC in the Community *(continued)*

Edgewood/Brookland Family
Support Collaborative
Family Matters of Greater Washington
Jubilee Housing
Shrine of the Sacred Heart
The Family Place
Columbia Heights Educational Campus
Neighbors Consejo
Mt. Pleasant Neighborhood Library
Senior Outreach - Walter E. Washington
Convention Center
Family Matters of Greater Washington
Asian and Pacific Islander Senior Center
Chinatown Cultural Community Center

December 2012

Spanish Catholic Charities
International Ethiopian
Evangelical Church
Neighbors Consejo
Senior Annual Holiday Celebration
The DC Center for Independent Living
Ward 3 - Citizens Advisory Council
Whitman-Walker Clinic
Jubilee Housing, Inc.
ANC 2A



DC People's Counsel Sandra Mattavous-Frye, with Mary Cuthbert and Judge Zachary W. Carter at the DC Federation of Civic Association Awards Luncheon.



OPC staff member Silvia Garrick consults with a consumer at the Pepco Power Outage Hearing.



OPC staff attorney Laurence Daniels speaks with consumers at the DC SEU Forum.

LITIGATION SERVICES DIVISION

Formal Case No. 1087 – Pepco Rate Case

In Spring 2012, OPC participated in the Pepco rate case evidentiary hearing. There were three major issues in the case – service reliability, smart grid cost recovery and a new proposal that would allow Pepco to recover large amounts of money outside of the traditional ratemaking process called the Reliability Improvement Recovery Mechanism (“RIM”).

OPC’s Position on the Issues

Reliability -- OPC has always maintained that reliability is vital! Consumers are entitled to reliable service. OPC’s position is that before any rate increase is

granted, all reliability projects must be well designed and carefully analyzed to ensure there will be a marked improvement in the quality and reliability of Pepco’s service.

Smart Grid -- OPC’s expert engineer evaluated Pepco’s deployment of meters and associated costs and found them to be reasonable, but expressed doubts whether the smart grid system would be operational and delivering benefits in the timeframe Pepco proposes.

RIM -- OPC strongly opposed the RIM! These costs should be recovered through the traditional ratemaking process.

As the advocate for utility consumers, OPC thoroughly examined Pepco’s rate increase application using a team of engineers, economists, and accountants. After evaluating Pepco’s request for a rate increase, OPC recommended the Commission reject \$34 million of Pepco’s \$42.5 million rate increase request.

The Commission issued an order in September 2012, granting Pepco a \$24 million rate increase and required Pepco to file a substantial amount of information before it files its next rate case. The PSC rejected Pepco’s request to implement the RIM.



Consumers voicing their opinions at the Formal Case No. 1087 Pepco Rate Case Hearings.



OPC regularly conducts Key Community Leaders' Briefings to inform constituents about current utility issues in the District.

LITIGATION SERVICES DIVISION

OPC Petitions the DC Public Service Commission to Offer Smart Meter Opt-Out Provision

After hearing a number of complaints and concerns from consumers about the safety of Pepco's newly deployed smart meters, OPC requested the Public Service Commission to investigate the feasibility of an opt-out provision for consumers. The opt-out would allow a consumer to not have a smart meter installed on their home. The Commission denied OPC's request citing, "... the Council chose not to include an opt-out provision and further inquiry by the Commission into the propriety of the Council's action would be inappropriate." OPC continued to advocate for consumers by requesting the Council direct the Commission to conduct the opt-out feasibility study and to study the health and safety of the new meters. The Council encouraged the Commission to conduct the study. Shortly thereafter, the Commission initiated a proceeding to determine if an opt-out is feasible and to investigate the health and safety of the smart meters.

OPC believes opt-out is an important public interest issue involving myriad considerations, including public safety, privacy and cost issues. The proposed study being conducted by the Commission will provide the needed facts to determine the impact of an opt-out provision on all D.C. ratepayers and consumers. At a minimum, OPC believes the public has a right to have its concerns addressed.



LITIGATION SERVICES DIVISION

Questions and Answers about the Mayor's Powerline Undergrounding Project

Why did the Mayor choose to gather Pepco and other stakeholders outside the normal process of a Public Service Commission proceeding?

In July, 2012, following a series of major electric reliability failures, Mayor Gray announced an ambitious plan to engage himself and the resources of city government to determine whether undergrounding key overhead power lines in the District would be feasible, and could be done more expediently and economically.

In August 2012, Mayor Gray issued an executive order establishing a Powerline Undergrounding Task Force composed of 15 key stakeholders including Pepco, other utilities, government agencies involved in infrastructure and finance, government regulators, the DC Council and public representatives. The Task Force began with the clear charge that it must bring an end to the public's "outage anxiety" by devising a comprehensive solution to the health, safety and economic threats outages pose to the District. OPC participated extensively in the task force to ensure that the interests of everyday

consumers would be fully represented at all times. OPC's non-negotiable principle was that any decisions made regarding undergrounding costs must result in equitable cost sharing and nominal impact to the average consumer's bill.

The proposed undergrounding project is an aggressive, yet comprehensive approach to quickly address electric service reliability problems. Effectively, it is the "game changer" that the Mayor called for. By contrast, if we were to rely on the traditional rate case process we could not achieve the time sensitive improvements needed to upgrade an electrical system that is more than 100 years old.

What priorities "drove" the process forward?

Reliability was the primary determinant. The second driver was the bill impact on consumers. At every turn the Task Force was required to address whether a proposal would result in a measurable service improvement. This meant that placing select feeders underground must result in a reduction of both the frequency of outages in the service area and the

length of time or duration of outages experienced by customers. Aesthetics, such as removing wires that string through wooded areas, were not a consideration.

Coordinating of the efforts of government agencies and the private sector was another goal. District officials adopted a plan to streamline the permitting process, scheduling the building of underground vaults for electric service to coincide with planned roadwork and streetscape construction and using District government workers and equipment to further minimize costs.

LITIGATION SERVICES DIVISION

Pepco's Request to Amend the Rules to Allow for Remote Disconnection - Formal Case No. 712

In March 2012, Pepco filed a petition for a rulemaking to amend the Commission's rules to allow Pepco to use the remote disconnection feature of the smart grid. If Pepco's request for a rule change is accepted, Pepco would no longer have to make a visit to the customer's home at the time of disconnection. In July 2012, OPC filed comments opposing Pepco's request to change the rule in this manner.

OPC's position is the current rule is an important consumer protection that allows consumers one last chance to avoid electric service disconnection. Additionally, maintaining the rule allows Pepco the opportunity to educate consumers about the full array of services available through AMI to empower consumers to have more control over their energy usage. Also, maintaining the rule will allow energy efficiency programs

such as the ones being administered by the Sustainable Energy Utility to be more widely adopted by consumers. Taken together, greater consumer understanding of how to use AMI technology and wider adoption of energy efficiency programs should enable consumers to avoid being subjected to disconnection because their bills should not reach a point where they cannot be paid.

OPC Files Petition to Investigate Pepco's Executive Compensation

For several years, OPC has advocated that Pepco's executive compensation, which is funded by D.C. ratepayers, be tied to Pepco's electric reliability woes. In numerous comments, OPC has stated that such a tie is necessary and fair to reflect the electric reliability issues that plague the District. In August 2012, OPC filed a petition requesting the Commission initiate an investigation to establish a mechanism that ties the compensation of Pepco's senior management to the Company's reliability performance.

OPC is confident that its proposed executive compensation mechanism will serve the public interest as it will ensure that Pepco incorporates reliability management into its corporate culture. In practical terms, the mechanism will be effective in that both Pepco's management and the public will know in advance the consequences Pepco management will face if reliability is poor.

"In August 2012, OPC filed a petition requesting the Commission initiate an investigation to establish a mechanism by which the compensation of Pepco's senior management will be directly tied to the Company's reliability performance."



LITIGATION SERVICES DIVISION

OPC Advocates for a Reduction of Washington Gas Light Company's Rates

The Public Service Commission initiated an investigation on November 2, 2011, (Order No. 16596) into the reasonableness of WGL's base rates to ensure that District consumers are paying rates that reflect WGL's actual cost of service and are just and reasonable in light of current economic conditions. WGL's last base rate case was 9 years ago (2003).

In response to the investigation, on February 29, 2012, WGL filed a base rate application requesting approximately \$29 million in additional revenues - an overall increase of approximately 14% in revenues. WGL's requested \$29 million would increase the average District natural gas consumer's bill by \$11.79 per month or by 14.9% overall. OPC vehemently opposed WGL's requested rate increase and recommended a rate of return on equity of 8.50%, as opposed to the 10.9% proposed by WGL, thereby capping the amount of profit the company is allowed to earn. OPC recommended an overall reduction in current rates of over \$9 million.

On July 17, 2012, OPC filed its direct testimony in the proceeding urging the PSC to reject numerous unjustified rate adjustments that increased WGL's revenue requirement. The evidence proffered by the Office demonstrated that WGL's proposed rate increase is inflated, unjust and unreasonable. In accordance with its proposed \$9 million plus rate reduction, OPC made the following assertions:

WGL's proposed depreciation rates and resulting depreciation expenses are excessive. WGL has over-recovered \$97.7 million of future costs it will not incur.

WGL's proposed weather normalization adjustment is understated. OPC estimates that customers actually use \$4.25 million more in natural gas.

WGL's cost of service study understates the contribution of residential ratepayers to the Company's earnings. OPC finds the proposed rates and rate design are flawed.

OPC also opposed WGL's accelerated pipe replacement proposal because it is extremely vague. Specifically, the

proposal does not clearly describe the number of service lines and miles of unprotected steel and small diameter cast iron pipe to be replaced, fails to identify how the work would proceed each year, and lacks specific performance measures and details regarding how the costs and budgets will be controlled. The Company has not shown how it will use funds to replace system components with the highest risk to the public, nor how these steps will impact leak hazard levels on its most vulnerable pipe materials. As submitted, the proposal gives WGL too much flexibility in its pipeline replacement activities with no accountability regarding the use of program funds.

OPC's analysis of WGL's leak rates does not support an urgent need for accelerated replacement programs.

Evidentiary hearings were held on October 2012. Post hearing briefs were filed by the parties in November 2012.

LITIGATION SERVICES DIVISION

OPC Advocates for Adjustments to Washington Gas Light Company's Rate Proceeding (continued)

The Following Chart Outlines the Proposed Increases for Residential Customers

Type of Customer	Current Monthly Charges ¹	Proposed Monthly Charges
RESIDENTIAL		
Heating/Cooling	\$7.95	\$9.90
Non-Heating/Non-Cooling		
Individually Metered Apartments	\$4.10	\$5.30
Others	\$4.85	\$6.30
RESIDENTIAL (Gas used during the billing month)		
Heating/Cooling	\$0.3873	\$0.5424
Non-Heating/Non-Cooling	\$0.4260	\$0.5431
RESIDENTIAL		
Average discount for qualified customers in November - April	\$0.2186	\$0.3917



LITIGATION SERVICES DIVISION

OPC Petitions the Commission to Investigate the Reliability of Verizon DC's Telecommunications Infrastructure in the District of Columbia

In August 2011, OPC petitioned the DC Public Service Commission to conduct an inquiry into Verizon DC's service quality performance. In its petition, OPC advised the Commission that it had received numerous complaints from consumers and ratepayers in all wards about the recurring service outages and interference on their telephone lines. The common theme of these complaints was that Verizon DC's existing telecommunications infrastructure in the District of Columbia is neither adequate nor reliable, as required by DC law. The complaints OPC received indicate Verizon DC's service is inconsistent with its statutory requirements; therefore, OPC determined that a formal investigation was necessary. The Commission granted OPC's request for an investigation into the reliability of Verizon DC's telecommunications infrastructure.

After completing its review of the matter, OPC filed testimony with the Commission making the following key points:

- The Commission should require Verizon DC to provide the highest



level of service possible consistent with its statutory obligation regardless of the medium (e.g., copper infrastructure, FiOS and Broadband) used to provide local exchange service in the District of Columbia;

- The Commission should require Verizon DC to develop a plan to ensure proper maintenance of Verizon's copper facilities serving customers in the District;

- Verizon DC failed to incorporate the terms of the 2008 Settlement Agreement approved by the Commission into its day-to-day operations or business practices. Verizon DC continued business as usual, using the same training programs, even after the Settlement Agreement ordered Verizon DC to amend its policies and practices;
- The Commission should amend its service quality standards so that trends in residential service quality are easier to identify. Furthermore, the Commission should sanction Verizon DC with penalties if the quality of service standards are not met.

ENERGY EFFICIENCY AND SUSTAINABILITY DIVISION

DC Sustainable Energy Utility Moves Forward

In October 2008, the DC Council passed the Clean and Affordable Energy Act of 2008 (CAEA), which established the Sustainable Energy Utility (DC SEU). The DC SEU serves as the central resource for energy efficiency and renewable energy programs and services for District residents and businesses. OPC is a statutory member of the SEU Advisory Board. OPC has been actively engaged in providing advice regarding the DC SEU's structure, programs and operations since the Board's first official meeting in September 2009.

The DC SEU provides energy efficiency and renewable energy services under a performance-based contract required under the CAEA. The source of funding for the DC SEU is the Sustainable Energy Trust Fund, which, in turn, is funded by a surcharge on consumers' electric and gas bills. The CAEA and the SEU contract set forth the following performance benchmarks for the SEU:

- Reduce per-capita energy consumption;



- Increase renewable energy generating capacity;
- Reduce growth in peak demand;
- Improve energy efficiency of low-income housing;
- Reduce growth of energy demand of largest energy users;
- Increase number of green collar jobs.

During fiscal year 2012, the DC SEU served over 18,000 DC households, installed 153 kilowatts of renewable

energy generating capacity, achieved over 24,000 MWh in electricity savings and created 43 full-time jobs for DC residents.

OPC has worked with the DC SEU, the Board and other community stakeholders to address certain challenges that have emerged since the entity was implemented. Those challenges include: 1) lack of awareness among DC consumers about the DC SEU and its



ENERGY EFFICIENCY AND SUSTAINABILITY DIVISION

DC Sustainable Energy Utility Moves Forward *(continued)*

programs; 2) restrictions on participation in multi-year contracts; 3) the lack of certainty due to the DC SEU's year-to-year option contract structure; and 4) underperformance in natural gas savings and efficiency.

OPC will continue to help ensure that DC energy customers receive the energy savings, environmental benefits and economic improvements that they have paid for and deserve. Learn more about DC SEU at www.dcseu.com

OPC Participation in Community Solar Working Group

In March 2012, the DC Council introduced the Community Renewables Energy Act of 2012 (CREA) which will expand access to renewable energy, such as solar, to more DC ratepayers by allowing for community-shared renewable energy facilities. CREA removes the prerequisite of home or building ownership for solar energy generation and allows DC residents to subscribe to a portion of an array of solar panels anywhere in the city. In June 2012, OPC testified at the public hearing held by the DC Council regarding the

legislation. OPC was a participant in the CREA working group convened by the Council. The CREA working group deliberated on a variety of issues including the costs and benefits of solar, whether the Federal Energy Regulatory Commission would have jurisdiction over community-shared renewable energy facilities and how DC ratepayers would benefit from virtual net metering. The goal of the working group was to ensure that a well-designed bill was developed for reintroduction in the DC Council in 2013.

Development of “Strategies for a Cleaner Electricity Future in the District of Columbia” Report

Working with Synapse Energy Economics, Inc., OPC developed a study that examined the costs and benefits of a faster transition to cleaner electricity in the District of Columbia. This study examined four ways the District could accelerate this transition, including:

- Expanded efficiency (conservation) programs,
- Expanded photovoltaic (PV) power

generation in DC,

- Combined heat and power (CHP) generation in DC, and
- Long-term contracts with renewable power plants outside of DC.

The study estimated the costs of these initiatives to DC consumers and the likely reductions in fossil fuel use and air emissions. The preliminary findings of this study were encouraging and showed that a more rapid move to cleaner electricity in DC would not cost more than business as usual in the near term, and would likely cost less over the long term. OPC plans to use this study to inform its energy policy agenda and deliberations.

Laying the Foundation for DC Comprehensive Energy Plan

OPC served as one of two reviewers to analyze and evaluate contractor proposals to conduct a one to five year Comprehensive Energy Plan (CEP) for the District Department of the Environment. OPC worked with DDOE staff to assist with the selection of consultants. The CEP will outline

ENERGY EFFICIENCY AND SUSTAINABILITY DIVISION

strategies and propose initiatives to help DC residents achieve the city's energy goals in an environmentally sustainable manner. The CEP is scheduled to be prepared in 2013.

OPC Continues Active Role in PJM Stakeholder Process

PJM Interconnection is the mid-Atlantic regional transmission organization which coordinates the movement of wholesale electricity in Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM is responsible for planning transmission expansions in the mid-Atlantic region, forecasting future loads to be served, maintaining the reliability of the bulk power system and administering several energy markets where power is bought and sold to serve load. Policies established at PJM ultimately impact rates and services at the local level. OPC continues to play an active role in the PJM stakeholder process through its involvement in numerous committees and user groups such as the Markets and Reliability

Committee, the Members Committee, the Interregional Planning Senior Advisory Committee, the Public Interest Environmental Organization User Group and the Regional Planning Process Task Force. Throughout the year, OPC made presentations to the PJM Board of Directors on a range of issues including demand response performance, coal plant retirements, planning reforms in compliance with FERC Order 1000 and compliance with EPA environmental rules.

OPC Secures Funding for Formation of Consumer Advocates of PJM States, Inc.

In collaboration with consumer advocate agencies in 13 other PJM states, OPC participated in a settlement proceeding between FERC and Constellation Commodities, Inc., regarding a \$6 million fund. OPC and the consumer advocates petitioned to obtain funding for the formation of a new group that would advocate consumer interests in PJM. They developed a proposal to allocate a portion of the \$6 million settlement to create a permanent consumer advocate organization called

Consumer Advocates of PJM States, Inc. (CAPS) that would represent the interests of ratepayers within the PJM Interconnection stakeholder process. OPC and the consumer advocates were successful in their petition for funding to operate CAPS within PJM. They established CAPS as a new 501(c)3 organization incorporated in the State of Maryland in 2012.

They developed a proposal to allocate a portion of the \$6 million settlement to create a permanent consumer advocate organization called Consumer Advocates of PJM States, Inc. (CAPS) that would represent the interests of ratepayers within the PJM Interconnection stakeholder process.



ENERGY EFFICIENCY AND SUSTAINABILITY DIVISION

Advocacy for DC Ratepayers at the Federal Energy Regulatory Commission

Over the past year, OPC filed several comments and interventions at the Federal Energy Regulatory Commission. A few of these pleadings are highlighted below:

OPC filed a response to a FERC Whitepaper requesting comments on how to advise the Environmental Protection Agency when a generator requests an extension in compliance with the new Mercury Toxics Standard (MATS). OPC recommended that violations of North American Electric Reliability Corporation standards, as well as instances where a region drops below its target reserve margin, should be grounds for considering an extension in order to preserve grid reliability.

OPC intervened in a FERC matter amending PJM's Schedule 6 which governs transparency in the technical analyses conducted during PJM's planning process.

OPC participated in a forum in which Transmission Owners presented a new

cost allocation proposal to comply with FERC Order No. 1000, which is a Final Rule that reforms the FERC's electric transmission planning and cost allocation requirements for public utility transmission providers. Order No. 1000 was promulgated in response to the growing need for interregional transmission planning that has resulted from more states codifying renewable energy standards and energy efficiency mandates. Among other things, the order requires that public utility transmission providers establish procedures for identifying transmission needs driven by local and regional public policy requirements. Also, transmission providers in neighboring regions must have common interregional cost allocation methods.

OPC advocated for full consideration of public policy drivers for cost allocation.



ENERGY EFFICIENCY AND SUSTAINABILITY DIVISION

OPC Continues to Educate DC Residents on Energy Efficiency

OPC has successfully reached its one year anniversary of conducting Energy Efficiency Workshops where District residents are educated on how to take control of their daily energy consumption for energy savings.

Over the past year, OPC conducted over 135 Energy Efficiency Workshops to District consumer groups, civic associations, small business associations, senior and church groups, elementary schools, multi-family building owners, property managers and tenants. The Office shared simple and practical energy efficiency measures and tips that workshop participants can apply immediately apply in their homes and properties for energy savings.

OPC continues to form partnerships and collaborative relationships with a variety of government agencies, such as DDOE's Energy Department, SEU, the FCC and many private groups, such as, the AARP's Home Fit section and many renewable energy providers. One such successful collaborative effort, involved convening an Energy Efficiency Round



OPC staff member Pamela Nelson speaks with consumers regarding Energy Efficiency.

Table comprising of the Hubbard Place, property owner and managers, DDOE's Energy Department and DC PACE representative, Solar Photovoltaic and Solar Thermal Heating and Hot Water providers to successfully discuss and provide collaborative cost effective energy efficiency upgrades to this large multi-family apartment complex.

OPC's Energy Efficiency and Outreach Specialist, Pamela Nelson, took OPC's EEW message to the National Energy and Utility Affordability Conference where she participated on two Energy

Efficiency Panels. She shared OPC's best practice EEW's approach from the consumer advocate's viewpoint, and outreach strategies, including empowering our most vulnerable consumers. People's Counsel Sandra Mattavous-Frye also spoke at the conference.

OPC looks forward to making even greater strides through its energy efficiency workshops as the Office continues empowering DC residents to take control of their energy usages through simple and practical behavioral changes for energy savings.



ENERGY EFFICIENCY AND SUSTAINABILITY DIVISION

OPC Co-Sponsors Education Forum with the DC Sustainable Energy Utility

District utility consumers, including residents and small businesses, pay surcharges on their utility bills for energy efficiency and renewable energy programs that are administered by a District Government contractor, the DC Sustainable Energy Utility (DC SEU). District residents had the opportunity to hear about ways they can save money and energy with programs administered by the DC SEU at the education forum co-sponsored by the DC SEU and the Office of the People's Counsel in 2012. The forum, entitled "OPC/DC SEU Education Forum," was held on May 24, 2012, at the Walter E. Washington Convention Center. The purpose of the education forum was to discuss the DC SEU launched in 2011. The DC SEU represents a new concept in the provision of energy services to District utility consumers. Topics covered at the forum included the DC SEU's creation, the current status of the DC SEU and its energy programs, what District consumers need to know about the DC SEU, and energy efficiency/renewable energy success stories within the District.

District Mayor Vincent C. Gray made the introductory remarks and discussed his "Vision for a Sustainable DC," the plan resulting from an almost year-long process involving citizens, government agencies and the private sector, to develop a strategy to make "in just one generation—20 years—the District of Columbia ...the healthiest, greenest, and most livable city in the United States."

During the People's Counsel's introduction of Mayor Gray, Sandra Mattavous-Frye, Esq. explained that OPC was in the vanguard of the sustainability movement, supporting energy efficiency, and demand side options, over 20 years ago. OPC realized early on that a kilowatt hour or therm not used translates into real money savings for consumers and reduces our carbon footprint. OPC's bottom line objective in participating in

Commission proceedings that focused on utility demand side programs is that the consumer must receive real and tangible benefits.

In addition to comments by the People's Counsel, a member of OPC's Energy Efficiency and Sustainability task force presented a workshop on energy efficiency measures that can produce immediate results and are easy on a consumer's budget. OPC's presentation was followed by the District Department of the Environment's presentation of information on related programs administered by that agency.



DC Mayor Vincent C. Gray addresses constituents at the DC SEU Forum.

ENERGY EFFICIENCY AND SUSTAINABILITY DIVISION

DC SEU Education Forum



DC Residents, Community Activists Small Businesses and Government Officials came together to discuss DC SEU's programs.



REACHING OUT

OPC Staff Lend a Helping Hand to those in Need

Every year the Office of the People's Counsel (OPC) chooses opportunities during the holiday season to give back to the community by making donations to organizations in need throughout the District. As the 2012 holiday season approached, the Office directed its seasonal initiative toward donating to two local charities, the Emory Fellowship in the Brightwood section of Northwest on Georgia Avenue and the D.C. Child and Family Services Agency's Christmas Drive operated out of its headquarters in Southeast Washington, D.C.

OPC employees gathered clothing for women and small children, as well as toiletries and everyday household supplies. Organized by Senior Outreach Specialist, Linda Jefferson, OPC's seasonal mission is strictly voluntary. Participation is strong each year as everyone that works at OPC already has a deep commitment to community outreach. The fact that co-workers are committed to giving back because they want to, not because they have to, helps to make the event a seasonal priority.

"The Homeless Ministry" of Emory Fellowship located at 6100 Georgia Avenue, NW, works directly to offer support services for the homeless by collecting essentials such as food, clothing and household supplies for those in need. OPC staff was pleased to support and give to an organization devoted to helping others. Much like the Emory Fellowship, the D.C. Child and Family Services Agency also sponsors an annual Christmas drive to collect children's clothes to be donated to families in need. In 2012, OPC was proud to have contributed to both holiday programs.

On December 14, 2012, Ms. Jefferson, OPC Outreach Specialist Cheryl Morse, OPC Senior Attorney Barbara Burton, OPC Policy Analyst Phil Harmon and OPC Administrative Assistant Chris Sellers delivered these items to its donation gathering sites. OPC's donations were accepted with open arms and tremendous amounts of appreciation, as the items assuredly went a long way in helping certain families in need to have a more prosperous and joyous outlook on the holiday season. The Office would

like to extend their sincere gratitude to all the volunteers at both the Emory Fellowship and the D.C. Child and Family Services Agency who donated their time and energy working to make these drives possible and to extend the joy of the season into the lives of so many District residents. Their efforts should not go unnoticed. For OPC, it was a privilege and an honor to be associated with their cause.

REACHING OUT

OPC Employees Hand Out Gifts and Coats During the Holidays



AGENCY FUNDING

Source of Funds

Funding for the Office is provided through two sources. The appropriated budget provides for administrative and general operating expenses (rent, salaries, equipment) and is authorized by the District of Columbia in the governmental budget review process. Assessment funds are used to pay the costs of litigation and investigations; These costs are directly assessed to the affected utility. All funds are paid by DC ratepayers.

Operating Budget

Appropriated funds are also used to support such additional activities as: 1) representing the interests of District consumers before the Council, the Congress and federal courts and agencies; 2) conducting independent investigations or audits of utility companies; 3) monitoring the implementation of utility rates; and 4) providing technical assistance to community groups. By law, these funds must be reimbursed to the District by the three regulated utility companies and the alternative energy and telecommunications providers according

to an established formula, outlined in the Public Utility Reimbursement Fee Act, D.C. Code § 34-912(b)(1).

Formal Case Assessments

To fully participate in complex litigation before the Public Service Commission and the courts, the People's Counsel is authorized to retain the professional services of attorneys and expert technical consultants such as economists, accountants and engineers, as needed, to effectively represent D.C. utility consumers. By law, the affected utility company is required to pay the costs of regulatory litigation of the Office through a special franchise tax. This applies to the PSC as well (See D.C. Code § 34-912 (a)(1)). In turn, the law recognizes the utility may include these costs, as well as its own litigation-related expenses, as operating expenses which are an element of rates, and recovered from consumers.

There are monetary limits to the assessments of the utilities by the Office. With respect to rate cases the Office is permitted to assess no more than a total of one-quarter of one percent of a company's District revenues.

With respect to all other cases or investigations (those not involving the setting of rates), the Office is permitted to assess one-twentieth of one percent of all investigations of a company per year. All unused money is returned to the company on an annual basis.



CONSUMER EMPOWERMENT

History of Electric Rate Cases in the District of Columbia 1976 - 2012

Formal Case No.	Amount Requested	Amount Granted	% Denied	Savings	Year Granted
1087	\$42,500,000	\$24,376,000	57.36%	\$18,124,000	2012
1076	\$51,700,000	\$19,833,000	38.36%	\$31,867,000	2010
1053	\$50,500,000	\$28,286,000	56.01%	\$22,214,000	2008
939	\$66,964,000	\$27,887,000	58.36%	\$39,077,000	1994
929	\$72,573,000	\$23,234,000	67.99%	\$49,339,000	1994
919	\$54,090,000	\$30,380,000	43.83%	\$23,710,000	1992
905	\$56,414,000	\$19,740,000	65.01%	\$36,674,000	1991
889	\$38,500,000	\$9,461,000	75.43%	\$29,039,000	1991
869	\$40,746,000	(\$14,553,000)	-35.72%	\$55,299,000	1989
813	\$85,995,000	\$29,900,000	65.23%	\$56,095,000	1984
785	\$97,700,000	\$34,003,000	65.20%	\$63,697,000	1983
748	\$37,100,000	\$23,389,000	36.96%	\$13,711,000	1981
715	\$48,049,000	\$35,465,000	26.19%	\$12,584,000	1980
685	\$44,800,000	\$5,783,000	87.09%	\$39,017,000	1979
651	\$55,578,000	\$29,411,000	48.92%	\$28,167,000	1976

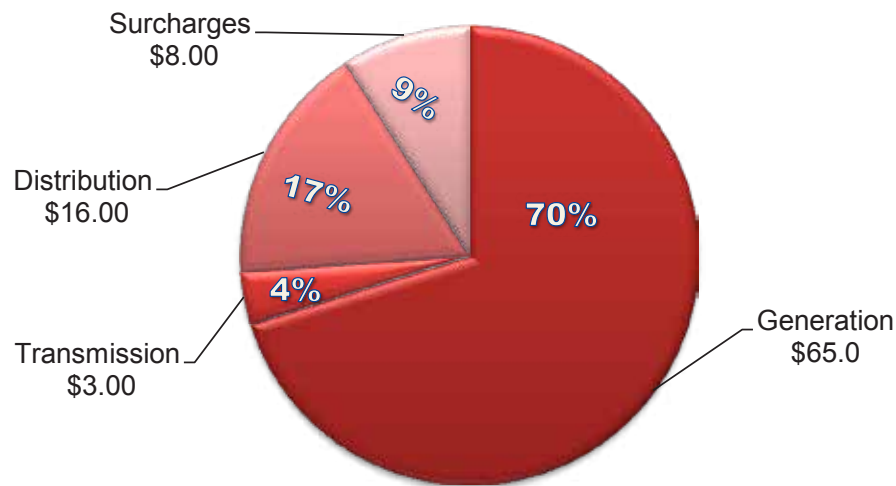
OPC HAS SAVED DC UTILITY CONSUMERS
\$570,714,000
 OVER THE PAST 3 DECADES!



CONSUMER EMPOWERMENT

SOS Monthly Bill for An Average Residential “R” Customer, 2012

■ **Generation** ■ **Transmission** ■ **Distribution** ■ **Surcharges**



Most Frequent 2012 Consumer Complaints by Utility

Pepco

- High Bills/Payment Problems
- Frequent Rate Increases
- Delayed Power Outage Restoration
- Concerns about Smart Meter Safety and Privacy
- Poor Vegetation Management

Verizon

- Poor Quality of Customer Service
- Deteriorating Quality of Phone Service
- Poor Copper Phone Line Maintenance
- Overly Aggressive FiOS Sales Practices
- Inaccurate bundled package costs

WGL

- Poor Quality of Outsourced Customer Service
- Delayed Service Restoration after Disconnection
- Concerns about Aging Infrastructure
- Lack of Customer Education about Infrastructure Improvements Program

Other Utility Companies

- Overly Aggressive Alternative Energy Suppliers Sales Practices
- Poor Consumer Education about Alternative Energy Suppliers Costs and Services

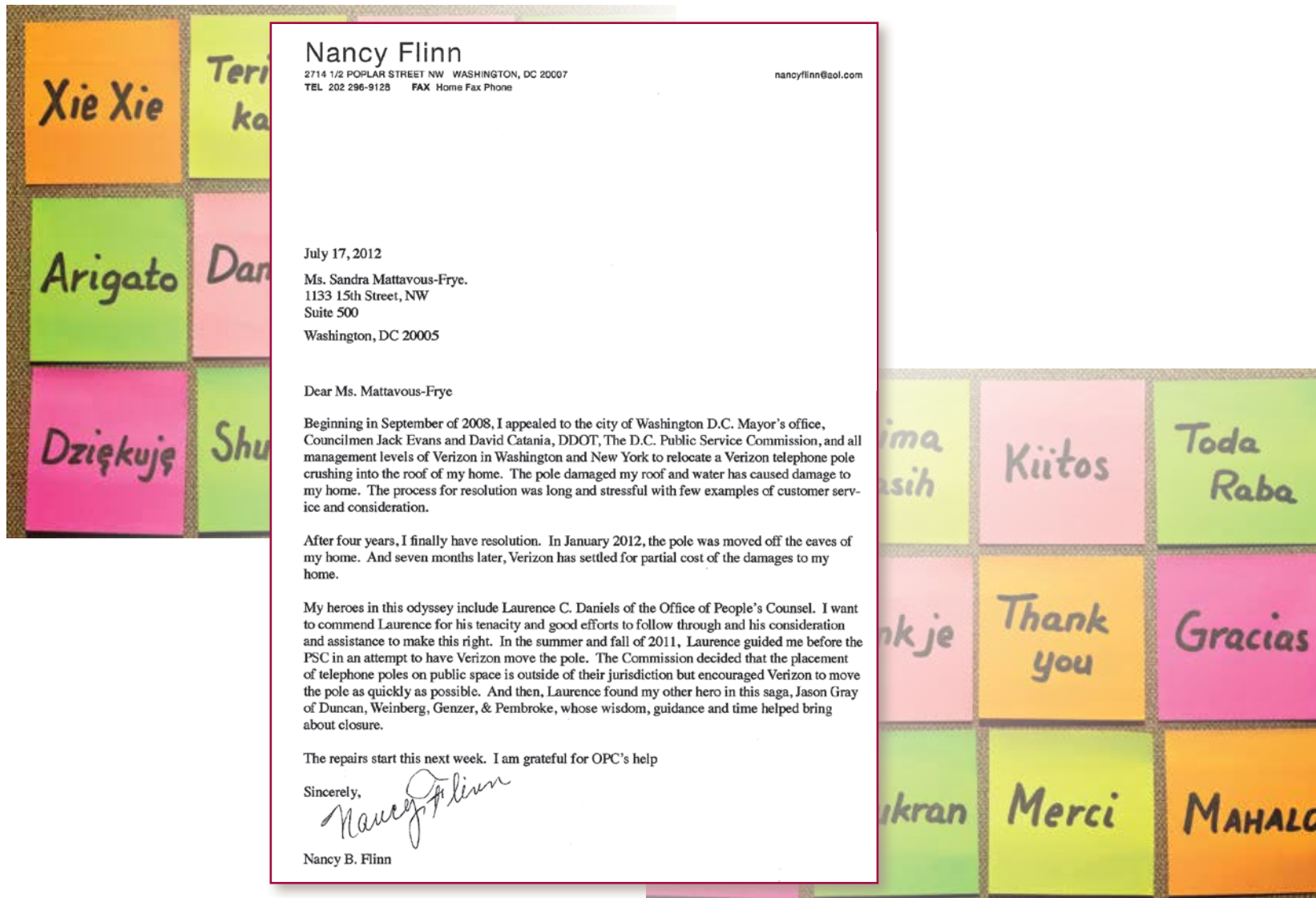
CONSUMER EMPOWERMENT

LET YOUR VOICES BE HEARD

District of Columbia Utility Consumers actively participated in a number of hearings in 2012 before the DC City Council and the DC Public Service Commission.



CONSUMER EMPOWERMENT



Nancy Flinn
2714 1/2 POPLAR STREET NW WASHINGTON, DC 20007
TEL 202 296-9128 FAX Home Fax Phone nancyflinn@aol.com

July 17, 2012
Ms. Sandra Mattavous-Frye.
1133 15th Street, NW
Suite 500
Washington, DC 20005

Dear Ms. Mattavous-Frye

Beginning in September of 2008, I appealed to the city of Washington D.C. Mayor's office, Councilmen Jack Evans and David Catania, DDOT, The D.C. Public Service Commission, and all management levels of Verizon in Washington and New York to relocate a Verizon telephone pole crushing into the roof of my home. The pole damaged my roof and water has caused damage to my home. The process for resolution was long and stressful with few examples of customer service and consideration.

After four years, I finally have resolution. In January 2012, the pole was moved off the eaves of my home. And seven months later, Verizon has settled for partial cost of the damages to my home.



My heroes in this odyssey include Laurence C. Daniels of the Office of People's Counsel. I want to commend Laurence for his tenacity and good efforts to follow through and his consideration and assistance to make this right. In the summer and fall of 2011, Laurence guided me before the PSC in an attempt to have Verizon move the pole. The Commission decided that the placement of telephone poles on public space is outside of their jurisdiction but encouraged Verizon to move the pole as quickly as possible. And then, Laurence found my other hero in this saga, Jason Gray of Duncan, Weinberg, Genzer, & Pembroke, whose wisdom, guidance and time helped bring about closure.

The repairs start this next week. I am grateful for OPC's help

Sincerely,
Nancy Flinn
Nancy B. Flinn

ima
asih Kiitos Toda
Raba
nk je Thank
you Gracias
ikran Merci MAHALO

CONSUMER EMPOWERMENT



National Energy and Utility Affordability Conference

Presented by the National Fuel Funds Network and the National Low Income Energy Consortium

July 10, 2012

Ms. Sandra Mattavous-Frye
People's Counsel
District of Columbia
1133 15th Street N.W., Suite 500
Washington, DC 20005

Dear Ms. Mattavous-Frye: *Sandra:*

We are writing to thank you for helping to make the 2012 National Energy and Utility Affordability Conference in New Orleans, Louisiana, such an overwhelming success. With more than 650 conferees, NEUAC 2012 was one of our best-attended conferences ever.


Throughout the workshops and general sessions, we sought common ground among the many interests working to help low-income energy consumers. We would not have done so without the efforts of such an outstanding team of speakers, presenters and moderators.


Comments about the conference were overwhelmingly positive. Here are three examples:

- "One of the major benefits of this conference is the caliber of the attendees. The discussions (were) very, very worthwhile and energizing."
- "The conference was excellent, providing valuable information and opportunity for networking."
- "A great conference. I learned many things, met peers from all over the country (and) can't wait for San Diego in 2013! Thanks for everything!"

Work is already under way on the 2013 National Energy and Utility Affordability Conference, which will be held next June 10-12 at the Hilton San Diego Bayfront hotel in beautiful San Diego, California. We really look forward to seeing you there!

Sincerely,


George Coling, Executive Director
National Fuel Funds Network


David Fox, Executive Director
National Low Income Energy Consortium

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CONTACT US

Do You Need More Information?

At OPC we are proud of the wide range of quality services we provide to DC utility consumers. If you want to learn more about the Office of the People's Counsel or changes regarding utility services and policies in the District of Columbia, the OPC Speakers Bureau can provide a representative from our office to speak with your community group, tenant association, church, labor or civic group. Our staff can provide information regarding a variety of consumer utility issues such as changes in rates or services affecting consumers. Speakers are available for daytime, evening and weekend meetings, provided the Office is notified early enough to schedule your event. You may contact OPC at:

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