



Office of the People's Counsel

2014 Annual Report



2014



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Concept Design by Melanie L Deggins

MESSAGE FROM MAYOR MURIEL BOWSER



MURIEL BOWSER
MAYOR

April 13, 2015

Dear District Residents,

I am pleased to present the 2014 Annual Report of the Office of the People's Counsel (OPC).

2014 has been an important year for OPC. In March the Office announced a settlement with the competitive energy supplier, Starion Energy, to compensate hundreds of District consumers who experienced marketing, and billing issues resulting from Starion's business practices. OPC successfully negotiated refunds, credits and cancellation of fees for hundreds of customers, in addition to securing a \$100,000 donation to the Greater Washington Urban League for low income energy assistance.

This past year, OPC has worked on behalf of consumers in the city's development of a plan to underground electrical feeders in Wards 3, 4, 5, 7 & 8, to reduce electric service outages and otherwise enhance electric reliability. OPC's advocacy is consistent with the District's interest in ensuring the best possible outcome for all District residents. In response to the growing safety concerns pertaining to the aging natural gas infrastructure in the District, OPC worked with Washington Gas to develop a plan to replace significant portions of the District's natural gas distribution system on an accelerated basis to ensure consumer safety at an affordable cost.

The District is a recognized national leader in promoting sustainability and renewable resources. In this vein, OPC continues to represent the interests of District consumers as a member of the DC Sustainable Energy Utility Advisory Board to promote the development and implementation of cost-effective energy efficiency and renewable energy programs. It also appears before Federal regulators such as the Federal Energy Regulatory Commission, the Federal Communications Commission and before the PJM Interconnection, the independent system operator that assures stability of the power grid.

Finally, OPC has been busy this year serving the residents and leaders of the District through its assistance in resolving countless individual consumer complaints and hundreds of educational presentations to community and consumer groups, and government agencies.

The District of Columbia is a world-class city that continues to grow and thrive. With strategic investments in education, job training and affordable housing, we will build a viable pathway to the middle class so that all District residents can benefit from the city's progress. And, as we now look toward a new year, I am confident the Office of the People's Counsel will continue to be a strong advocate for all current and future District utility consumers.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser". The signature is fluid and cursive, with the first name "Muriel" written in a larger, more prominent script than the last name "Bowser".

Muriel Bowser,
Mayor

MESSAGE FROM THE PEOPLE'S COUNSEL



Dear District of Columbia Consumer:

As People's Counsel, I have devoted my career to ensuring District consumers are not only expertly represented by the Office of the People's Counsel, but are recognized and heard in all phases of the utility regulatory process. Representing the interests of District utility consumers is a tremendously challenging and commensurately rewarding undertaking and I am committed to ensuring that District residents have utility services they can afford, are universally reliable, and reflect the District Government's goals of energy efficiency and sustainability.

The march of change in the District's utility industry began more than 15 years ago – with events such as Pepco's selling of its power plants (divestiture) and the introduction of customer choice – and continues at an unrelenting pace. In 2014, we faced several familiar issues, including efforts to provide enhanced electric reliability through the implementation of the Power Line Undergrounding Plan (DC-PLUG), the investigation of Verizon's service transition from copper wire to fiber optic (FiOs), and plans to accelerate the replacement of Washington Gas Light's (WGL) aging pipeline infrastructure.

We see, more and more, that utility providers are reformulating their consumer relationships, the services they offer, and increasingly, the technologies they use to deliver service. Consumers are demanding more control of their energy destiny; consequently advocacy can, and indeed must, adapt to this paradigm shift. I have chosen to address these challenges through litigation and, as appropriate, settlement. In fact, a critical aspect of my leadership approach has been a willingness to propose and negotiate innovative resolutions to modern utility challenges that reflect my determination to achieve tangible results for consumers and to tread in new and exciting areas.

The promotion of energy efficiency and DC sustainability polices continues as one of my primary goals. OPC vigilantly advocates and promotes renewable energy issues before the Public Service Commission and the DC Council. For example, we provided extensive input on the Renewable Portfolio Standard Amendment Act of 2014, the Sustainable DC Omnibus Act and the Community Reliability Energy Act of 2013, the ground-breaking community solar gardens legislation. I also serve on the advisory board of the DC Sustainable Energy Utility, which is responsible for achieving energy reductions through a wide variety of energy efficiency programs and consumer education. We continue to forge alliances with environmental community stakeholders around critical environmental issues.

Launched three years ago, OPC's Energy Efficiency and Sustainability Section (EES) has vigorously represented District consumers before regional stakeholders such as the PJM Interconnection, the regional transmission organization that manages the electric grid and flow of electricity for much of the mid-Atlantic region. In 2014, OPC addressed issues before the PJM including Capacity Import Limits, Clearing of Limited Demand Response, and the Exelon-PHI (Pepco) Merger application. OPC is committed to being an active participant in and keeping a watchful eye on these regional issues because critical decisions and policies made at the wholesale level affect District consumers and their utility bills.

Our litigation strategies are likewise evolving consistent with the changing regulatory environment. For example, in 2014, we strongly supported approval of the law authorizing the nearly \$1 billion dollar reliability improvement plan which made DC-PLUG a reality. This law, which became effective on May 3, 2014, was the culmination of a public-private partnership that has received national recognition. It will result in measurable improvements in electric reliability and create employment opportunities for our citizens. In the WGL pipeline replacement case, OPC reached a unanimous settlement agreement that addressed critical infrastructure improvements, ensured public safety, and provided essential safeguards and protections for consumers.

Beginning in 2013 and continuing in 2014, OPC worked to respond to consumer complaints about a new competitive

energy supplier (CES), Starion Energy. These efforts resulted in the March 2014 announcement of a first-of-its kind settlement with Starion and the donation of \$100,000 to a local non-profit, the Greater Washington Urban League, to assist low-income energy consumers.

On April 30, 2014, Exelon Energy announced its plans to acquire Pepco/PHI for \$6.8 billion. If the PSC approves this acquisition/merger proposal, it will fundamentally alter the utility regulatory landscape in the District of Columbia. District law requires that for a merger to be approved, District consumers must not only be unharmed, but receive tangible and measurable financial benefits and be better off than they would have been without a merger. We evaluated the merger proposal initially filed and raised several as yet unanswered concerns regarding its long-term electric rate stability, reliability guarantees, effects on sustaining progress on the District's renewable energy programs, regulatory governance, and enforcement.

OPC's Consumer Services Division (CSD) had a busy year responding to over 2,523 consumer complaints and more than 1,006 inquiries. We began the year by enhancing OPC's consumer complaint training and related materials for CSD staff so that we can better respond to consumers' needs. We then supplemented that training with software updates to our consumer information database to better capture and analyze complaint trends.

For 2014, complaints about CES's accounted for 18% of OPC's total complaints. For the second straight year, Verizon complaints declined, dropping to just 12% of complaints logged by OPC—likely an indication that traditional hardwired telephone penetration rates are decreasing as the unregulated mobile phone market share increases. Complaints concerning Pepco services accounted for 47% of the total, dominated by high bills, billing disputes, disconnection notices, and payment problems, while fewer complaints about reliability were received as infrastructure upgrades progressed. Complaints about WGL's services rose slightly again in 2014 to 22% of the total complaints received.

OPC's CSD developed and conducted a series of "Utility 101" Workshops in all eight wards in the District to educate consumers on utility matters such as billing, CES's, energy efficiency, and resolving individual complaints. CSD also planned and conducted four workshops with AARP-DC that reached over 500 seniors during the winter heating season.

Throughout the year, CSD, EES, and the Litigation Services Division conducted briefings on significant emerging issues, including four briefings on Power Line Undergrounding for ANC's and Civic and Community Leaders, four briefings on the Exelon/Pepco Merger proposal, six briefings on CES's and over 180 tenant, civic, and community group presentations through our Speakers Bureau. Additionally, in 2014, the EES conducted 70 stand-alone energy efficiency workshops throughout all 8 wards of the District. Engaging DC consumers at the grass-roots level is a critical part of our focus.

I am encouraged that, for the third consecutive year, OPC's service to the District's Non English proficient/Limited English proficient community has been outstanding. In 2014, OPC attained a perfect compliance score for its Language Access activities and this is affirmation of the strides we continue to take in broadening our outreach to all consumers.

I encourage all District utility consumers to remain vigilant, engaged and vocal, as we work together to shape the utility future for a District of Columbia that can thrive environmentally and economically thanks to well-planned and inclusive energy policies that are sensitive to both the traditional and evolving needs of all consumers.

Sincerely,



Sandra Mattavous-Frye, Esq.
People's Counsel

ORGANIZATIONAL 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.

Sandra Mattavous-Frye, Esq., People's Counsel

Karen Sistrunk, Esq., *Deputy People's Counsel*

Thaddeus Johnson, Esq., *Executive Assistant*

Phillip Harmon, *Policy Analyst*

Naunihal Gumer, *Account/Rate Case Manager*

Alya Solomon, *Consumer Affairs Liaison*

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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.

Eric Scott, Esq., Chief Operations Officer

Erica Bright, *Administrative Specialist*

Aniccia Miller, *Human Resources Specialist*

Erica Jones, *Administrative Assistant*

Frank Scott, *Administrative Officer*

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.

Anthony Lee, *Computer Specialist*

Michael Essien, *Webmaster/IT Specialist*

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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.

Laurence Jones, Interim Manager

Melanie Deggins, *Consumer Outreach Specialist*

Jean Gross-Bethel, *Consumer Outreach Specialist*

Abigail Marcus-Garvie, *Consumer Outreach Specialist*

Christopher Sellers, *Administrative Assistant*

Silvia Garrick, *Consumer Outreach Specialist*

Linda Jefferson, *Senior Consumer Outreach Specialist*

Cheryl Morse, *Consumer Outreach Specialist*

CONSUMER SERVICES DIVISION

2,253 Consumer Complaints 1,006 Consumer Inquiries
180 Community Outreach Events



The Office of the People's Counsel recognized 10 community leaders for their work as Lay Advocates for District of Columbia utility consumers at the DC Federation of Civic Associations Luncheon.



Utility Consumer Complaints in 2014: When District Ratepayers Speak, OPC Listens

In 2014, OPC received 2,523 consumer complaints from utility ratepayers in the District of Columbia – more than double the 1,020 complaints logged in 2013. As it has for the last several years, Pepco received the highest number of complaints about its services followed by Washington Gas (WGL). Complaints about Verizon decreased, continuing a two year trend, which may be due to the fact that the District’s younger, more mobile populations’ use cellular or computer-based communications systems, making these “millennials” less dependent on hard-wired telephone service. Consumer complaints about Competitive Energy Suppliers (CES) dramatically increased, with CES’s joining the “Big Three” – Pepco, Verizon and WGL – as major players in the District’s utility market. Nearly half (49%), or 1,238, of complaints received by OPC came from consumers in Wards 5, 7, and 8.

Below is a detailed breakdown of utility consumer complaints received by OPC in 2014:

Pepco

Consumer complaints about Pepco’s services totaled 1,195, representing 47% of those received by OPC in 2014. The most frequent of these consumers’ complaints were high bills, payment problems, billing disputes, disconnection notices, and disconnections. Complaints about power outages decreased as Pepco’s infrastructure upgrades improved service reliability; however, hundreds of ratepayers lost service following periodic “blue sky” outages (loses of power caused by non-weather related conditions, such as equipment failure or accidents) and underground power cable vault fires. A vocal minority of consumers expressed concerns about smart meters and their effect on privacy, safety, health, and billing accuracy.

Washington Gas

Consumers’ complaints about WGL services have increased over the last several years. In 2014, OPC received 552 WGL complaints or 22% of all received. The primary complaints about WGL’s services included high bills, billing disputes, disconnection notices and disconnections, lack of prior notice before moving gas meters outside of homes or making street cuts,

delayed repairs following street cuts, and poor quality of outsourced customer services.

Verizon

Consumers reported 323 complaints about Verizon’s services making up 12% of 2014 complaints. The decline in complaints may be related to the District’s increasingly younger population’s use of wireless and Internet phone systems. However, ratepayers did express concerns about Verizon’s removal of copper phone lines without prior notification, aggressive and often misleading FiOS marketing practices, service outages, difficulty navigating Verizon’s customer service help line, higher than advertised bundled features costs, and delayed Economy II recertification that caused higher phone bills for seniors.

Competitive Energy Suppliers (CES)

CES’s emerged as active players in the District’s residential energy market in 2014. OPC received 446 consumer complaints about CES’s, representing 18% of all complaints received. Consumers complained about deceptive marketing practices, billing disputes, high bills, failure of CES sales representatives to provide complete information about fixed and variable rate contracts, and difficulty contacting company representatives to terminate contracts.



Utility	Number of Complaints
Competitive Energy Supplier	446
Pepco	1,195
Verizon	323
Washington Gas Energy Services	7

OPC and the Greater Washington Urban League Lend a Helping Hand to Consumers in Need

On March 13, 2014, People's Counsel Sandra Mattavous-Frye and Greater Washington Urban League (GWUL) President George H. Lambert, Jr. held a joint press conference to announce that GWUL would manage a \$100,000 Special Energy Assistance Fund which was a direct result of OPC's advocacy for District utility consumers.

In February 2013, following numerous consumer complaints, OPC petitioned the D.C. Public Service Commission to open an investigation of Competitive Energy Suppliers (CES). Consumers complained that CES's used deceptive marketing practices and that their energy bills were increasingly higher after contracting with these suppliers.

Following a public hearing, OPC reached a settlement agreement with Starion Energy (Starion), a CES, and a part of this settlement required Starion to make a significant financial contribution to a District non-profit organization to provide energy assistance for consumers. OPC arranged for the GWUL to receive this contribution because of its successful record of managing energy assistance grants and meeting reporting and administrative requirements. It was decided that the purpose of this Fund would be to help qualifying consumers pay their winter heating bills.

The Fund began serving consumers immediately after the press conference and, by the end of March 2014, the GWUL had already provided more than \$24,000 in energy assistance for 52 consumers. In April, an additional 156 consumers received nearly \$70,000 to assist in paying their winter heating bills and, by the end of that month, the Fund was depleted. In all, the Special Energy Assistance Fund successfully assisted 208 District consumers with their energy bills and is an excellent example of OPC's advocacy, in partnership with the GWUL, to assist utility consumers in need.

Staff members from District of Columbia City Council, OPC, PSC and GWUL present District of Columbia residents with utility assistance fund for low income District families.



People's Counsel, Sandra Mattavous-Frye along with PSC Commissioner Joanne Doddy Fort present a check for \$100,000 on behalf of Starion Energy to George H. Lambert, Jr., of the Greater Washington Urban League.



People's Counsel Sandra Mattavous-Frye and GWUL's George H. Lambert, Jr. establish Special Energy Assistance Fund to assist District of Columbia families.



OPC & AARP Join Forces to Help Seniors

In 2013, OPC received a large number of complaints from consumers about aggressive sales and business practices of Competitive Energy Suppliers (CES) offering services in the District of Columbia. Through a coordinated OPC inter-divisional effort, a filing was made with the DC Public Service Commission (PSC or Commission) requesting an investigation of these practices. As a result of this filing, the Commission's investigation, and community hearings, OPC made sure that all affected consumers' bills were recalculated and a settlement of \$100,000 was reached with the most aggressive CES at the time, Starion Energy (Starion). These settlement funds went to the Greater Washington Urban League's (GWUL) energy assistance program which helps low income DC consumers pay their energy bills.

OPC's trending data analysis revealed that a substantial number of affected consumers were seniors and OPC wanted to make sure senior communities were aware of the many options available as a result of Council



AARP members listen to presentations from OPC staff regarding emerging utility trends and current cases before the Public Service Commission.

legislation opening up electric and gas competitive markets in the District. OPC prides itself on finding and maintaining ways to grow our community partnerships and AARP, a U.S. based membership organization for people age 50 and over, has been a key strategic partner for over a decade and a half for these efforts.

OPC and AARP joined forces to empower District seniors by educating them about their

rights as consumers and, through this partnership, four workshops were held in the fall of 2014 aimed at helping these senior communities make informed choices about CES's. Over 500 seniors participated in these workshops held throughout the city -- two of which were conducted east of the river, reflecting trends from OPC consumer intake complaint data. Moving forward in 2015, OPC will continue to collaborate with local AARP leaders on a variety of new utility fronts in an effort to increase this needed collaboration with our strategic partner, including a joint workshop for seniors on the use of technology to help them better manage their utility costs and energy consumption.



OPC staff members Laurence F. Jones, Danielle Lopez, Esq., and Kenneth Mallory, Esq., inform AARP members about Formal Case No. 1105, regarding the investigation in to the solicitation practices of competitive energy suppliers in the District.

An OPC Team Effort: Improving Competitive Energy Supplier Business Practices

In 2013, OPC's Consumer Services and Litigation Services Divisions formed the Competitive Energy Supplier (CES) Team to analyze complaint trends about competitive energy suppliers and prepare background reports to investigate CES's business practices in the District.

CES complaints continued to increase in 2014. The CES Team addressed these complaints through meetings with CES company representatives to familiarize them with OPC's role as the District's utility consumer advocate as well as by reviewing the Consumer Bill of Rights regulations concerning

marketing, sales, and contract standards for energy suppliers.

Additionally, OPC sent out letters inviting company representatives to meet with OPC staff which also contained CES informational and marketing materials aimed at residential consumers. During the year, the CES Team met with representatives from competitive energy suppliers Starion, Liberty Power, Constellation Energy, and Stream Energy, providing each CES the opportunity to present information on its marketing practices, generation rates, and customer contracts.

OPC's "Utility 101": Learning How to Be (& Save) Green

As the advocate for DC's utility ratepayers, OPC's Consumer Services Division (CSD) Consumer Outreach Specialists educate consumers on utility matters and resolve individual consumer complaints. Through the consumer complaints process, OPC identifies trends in the District's rapidly changing utility markets. From concerns about billing and how bills are calculated to meter accuracy and the emergence of Competitive Energy Suppliers (CES) in the marketplace, OPC carefully tracks what's working and what could work better for energy consumers.

To better respond to consumers' concerns about high bills, line item charges, and various taxes and fees, OPC created "Utility 101 Workshops." During these workshops, CSD specialists explained OPC's role as the District's utility consumer advocate, helped consumers better understand how to read their utility bills by giving detailed descriptions and clarifications of energy and telephone billing and features, and provided a variety of energy efficiency tips to help consumers reduce electric and natural gas consumption in their homes. The "Utility 101 Workshops" also gave consumers the opportunity to learn more information about DC's competitive energy suppliers (CES) as well as the questions they should ask company representatives when choosing an energy supplier.

In 2014, OPC's CSD held 9 workshops, reaching a variety of consumers throughout the city. Following the "Utility 101" presentations, workshop attendees

engaged CSD specialists in lively discussions about the District's utility and CES service providers and important energy efficiency best practices to reduce their bills.

By providing information on billing, energy efficiency, and CES's during the 2014 "Utility 101 Workshops," OPC helped District residents become more informed utility consumers who can better manage their energy consumption. Furthermore, implementing energy efficiency practices can reduce individual ratepayers' utility costs and help the District meet its "green energy" objectives.



OPC staff members, Jean Gross-Bethel and Cheryl Morse conduct an Utility 101 workshop to seniors at the Hattie Holmes Senior Center.

OPC Makes Sure District Utility Consumers Don't Get Lost in Translation

OPC continued its proactive strategy of reaching out to and advocating on behalf of limited English proficient and non-English proficient (LEP/NEP) District consumers in 2014. OPC topped its 2013 activities by improving its website to make it easier for LEP/NEP consumers to access OPC's vital documents and increasing the number of documents available on its website to six languages

other than English: Amharic, Chinese, French, Korean, Spanish, and Vietnamese. OPC prepared an energy consumption survey on its website in those six languages in order to make a comprehensive assessment of how much energy is being consumed by the District's entire population. In 2014, OPC also increased its budget for translating documents and interpretative services, a measure that clearly demonstrates OPC's commitment to provide LEP/NEP consumers with access to its informational and educational materials.

Throughout 2014, OPC fulfilled its responsibilities under the Language Access Act of 2004 -- which holds District agencies accountable for providing LEP/NEP residents with greater access to and participation in programs, services, and activities -- by distributing information about public utility issues at community meetings, health and wellness fairs, workshops, expos, forums, symposiums, advocacy group meetings, and during walk-throughs in commercial areas of LEP/NEP neighborhoods.

For example, in September 2014, OPC sponsored a public meeting at the Hubbard Place Apartments in NW DC aimed at improving services to and fostering a dialogue between the District's Amharic-speaking



OPC conducting community outreach at an Amharic festivity as part of the office's commitment to Language Access initiatives.

community and OPC. With the assistance of an interpreter, OPC explained, in Amharic, its role as the District's utility consumer advocate and its commitment to provide high quality services to all consumers, regardless of language or culture. Two weeks later, as a direct result of this meeting, the management of Hubbard Place Apartments asked OPC to participate in

a health fair which brought together many residents of the Amharic-speaking community.

For the first time, OPC provided an abridged version of its annual report in Spanish and expects to distribute the Spanish version of its 2014 annual report in 2015. OPC also took advantage of many opportunities in 2014 to inform LEP/NEP District residents that, regardless of their proficiency with the English language, they are entitled to a clear understanding of OPC's mission and how OPC can advocate for all utility consumers.

LITIGATION SERVICES DIVISION



2014 ELECTRICITY FORMAL CASES

Formal Case No.	Case Description
712	In the Matter of the Investigation into the Public Service Commission's Rules of Practice and Procedure
945	In the Matter of the Investigation into the Electric Service Market Competition and Regulatory Practices
1056	In the Matter of the Application of Potomac Electric Power Company for Authorization to Establish a Demand Side Management Surcharge and an Advance Metering Infrastructure Surcharge and to Establish a DSM Collaborative and an AMI Advisory Group
1085	In the Matter of the Establishment of a Purchase of Receivables Program in the District of Columbia
1086	In the Matter of the Investigation into the Potomac Electric Power Company's Residential Air Conditioner Direct Load Control Program
1078	In the Matter of the Investigation into the Adequacy of the Billing Format for Monthly Utility Bills
1098	In the Matter of the investigation into Retail Electricity Supplier Access to their Customers' Smart Meter Data
1109	In the Matter of the Investigation into the Potomac Electric Power Company's District of Columbia Dynamic Pricing Program Proposal
1114	In the Matter of the Investigation of the Policy, Economic, Legal and Technical Issues and Questions Related to Establishing A Dynamic Pricing Plan in the District of Columbia
1116	In the Matter of Applications for Approval of Triennial Underground Infrastructure Improvement Projects Plans
1119	In the Matter of the Merger of Exelon Corporation, Pepco Holdings Inc., Potomac Electric Power Company, Exelon Energy Delivery Company, LLC, and New Special Purpose Entity, LLC
1120	In the Matter of the Investigation into the Structure and Application of Low Income Assistance for Electricity Customers in the District of Columbia
1121	In the Matter of Application of Potomac Electric Power Company for Issuance of a Financing Order Under the Electric Company Infrastructure Improvement Financing Act
1123	In the Matter of the Potomac Electric Power Company's Notice to Construct a 230 kv/138 kv/13 Substation and Four 230 kv/138 kv/13 Underground Transmission Circuits on Buzzard Point
1125	In the Matter of the Promotion of the Utility Discount Programs

OPC Takes on Competitive Energy Suppliers: A Win for Consumers in Need

OPC successfully negotiated a comprehensive settlement agreement with Competitive Energy Supplier (CES), Starion Energy (Starion), that provides substantial tangible benefits to energy consumers in the District. At the outset of this matter, OPC filed a Petition requesting the DC Public Service Commission (PSC or Commission) formally investigate consumer claims that CES were engaging in the unauthorized switching of customer accounts (commonly known as “slamming”), overly aggressive marketing practices, misrepresentations, and deception. OPC requested that the PSC institute a wide-ranging investigation of all CES companies operating in the District. Further, upon a finding of wrongdoing, OPC requested the Commission impose sanctions or suspend or revoke the offending CES’ license.

The Commission granted OPC’s Petition in part by opening a formal investigation into the business and solicitation practices of one licensed CES - Starion. During the beginning of the case OPC and the PSC, combined, received more than 250 complaints against Starion. It then became OPC’s priority to regularly meet with Starion representatives to discuss improvements to Starion’s customer-acquisition process, the use and training of outside subcontractors, the terms of service (as explained to consumers), and contract termination issues. During these discussions it became apparent that OPC could secure concrete benefits for consumers while having meaningful input in the sales and marketing practices of Starion. As a result of these discussions, OPC and Starion reached a consensus and entered into a settlement agreement that was filed with the Commission on December 9, 2013 and approved on February 6, 2014 by Order No. 17369.

All aspects of the Agreement were developed with the consumer in mind. A top priority for the Office was making all consumers who lodged complaints with OPC or the PSC “whole”—restoring them to the position they would have been in had they not enrolled with Starion. In addition, the settlement included an agreement by Starion to make a donation in the

amount of \$100,000 to the Greater Washington Urban League’s (GWUL) energy-assistance program. The funds were to be used to benefit those in the District who were in substantial need of assistance with their energy bills. Two hundred and eight applicants (208) were provided with assistance from the fund established by this settlement.

In addition to the monetary remedies provided, it was equally important to OPC that the Agreement addressed the issues that appeared to be at the heart of consumers’ complaints—Starion’s business practices and procedures. Consequently, OPC and Starion developed a plan of action to create a standard of practice that would serve to prevent a re-occurrence of any of the types of complaints that were the impetus for the initial investigation. OPC was granted the opportunity to review and issue comments on Starion’s sales and marketing materials per the agreed-upon compliance program included in the settlement. To date, Starion has elected to abstain from marketing to new customers in the District. Nonetheless, should Starion seek to reinstate its marketing and sales campaign in the District, it must notify OPC (as well as the PSC) and OPC will commence its monitoring and review of Starion’s marketing and sales practices to ensure that consumers’ rights and interests are protected.

Improving District Power Lines: OPC Sheds Light on a Complex Process for Consumers

In 2014, the Office of the People's Counsel (OPC) continued its zealous advocacy for consumers with the Undergrounding Initiative -- a product of former District of Columbia Mayor Vincent C. Gray's Power Line Undergrounding Task Force. The purpose of this Task Force was to determine how relocating overhead power lines underground could improve electric system reliability and public safety in the District. The Task Force published its Final Report in October 2013, calling on the Mayor to immediately develop a plan to initiate the legislative and regulatory procedures necessary to begin designing and constructing the underground power line facilities.

On July 9, 2013, per the Task Force's recommendations, the Mayor introduced legislation (D.C. Bill 20-387—the Electric Company Infrastructure Improvement Financing Act of 2014 or “Electric Act”) to the D.C. Council to authorize the undergrounding of Pepco's poorest performing overhead power lines in the District. The Electric Act was approved by the Council on February 4, 2014 and became law on May 3, 2014.

The Electric Act marked the culmination of a nearly two-year effort by the Task Force to form a historic public-private partnership between the District and Pepco to improve the reliability of the District's electric-distribution system, which has been plagued with repeated power outages for decades. The Undergrounding Initiative is expected to last 7-10 years and cost nearly \$900 million.

Once the Electric Act came into effect in May 2014, Pepco made two filings with the D.C. Public Service Commission (PSC). First, both Pepco and the District Department of Transportation (DDOT) jointly filed a Triennial Plan which set forth the construction plans, related costs, and customer surcharge (for Pepco's expenses) for the undergrounding work that will occur in 2015-2017.



Second, Pepco filed an Application for a Financing Order which set forth the:

1. **Terms and conditions** of the District's forthcoming bond issue, the proceeds from which will pay DDOT's undergrounding costs, and
2. **The customer surcharge** for servicing the bond debt.

PSC then began to evaluate Pepco and DDOT's joint Triennial Plan as well as Pepco's Financing Application. OPC actively and successfully advocated on behalf of District ratepayers during this process. (See Formal Case Nos. 1116 and 1121.)

For example, OPC filed numerous pleadings with the PSC after problems were identified with engineering aspects of the proposed Triennial Plan and planned communications protocols. OPC also successfully fended off attacks against the surcharges proposed in the filings that would have substantially increased each charge and persuaded the PSC to revise one discrete aspect of Pepco's Financing Application. OPC's successful advocacy for District consumers resulted in preventing an overall cost increase and sidestepped a major delay in the project. OPC's actions resulted in a complete resolution of these issues by Pepco, DDOT, and OPC in a joint stipulation which was accepted by the PSC in its approval of the Triennial Plan on November 12, 2014, followed by its approval of Pepco's Financing Application on November 24, 2014.

In its November 12, 2014 Order approving Pepco and DDOT's Triennial Plan, PSC announced the creation of the Undergrounding Project Consumer

Education (UPCE) Task Force. PSC directed that the UPCE Task Force be comprised of multiple District stakeholders to include: OPC, Pepco, DDOT, the Apartment and Office Building Association of Metropolitan Washington, D.C. Climate Action, Advisory Neighborhood Commissioners, The PSC Staff, residents from affected wards, as well as any governmental or non-governmental entities representing consumer interests that wished to participate. PSC also recommended that the District's Office of the City Administrator coordinate and chair the UPCE Task Force.

The stated purpose of the UPCE Task Force is to monitor Pepco and DDOT and ensure that both entities satisfy their consumer outreach objectives. The PSC stated that the UPCE Task Force "should":

1. **Review materials** for community education and outreach,

OPC Looks Out for Consumers, Not Utility Companies' Bottom Line

In June 2014, Exelon and Pepco jointly filed an application to merge before the District of Columbia Public Service Commission (PSC) whose role was to determine if the two companies' application satisfied legal requirements. (See Formal Case No. 1119.) In November 2014, OPC filed testimony stating that the merger application did not serve the public interest because it would provide a wealth of benefits for Exelon and too few benefits to consumers who would also be exposed to a number of risks.

As a matter of law, Exelon and Pepco must show that: (1) consumers will be better off as a result of the merger; (2) consumers will receive a direct and traceable benefit from the merger; and (3) the merger is in the public interest. The PSC established seven factors to determine if the merger application meets this legal standard and over a period of several months a team of OPC attorneys, engineers, and accountants engaged in a robust examination of the two companies' application to determine if the merger would be in the public interest.

In its testimony before the PSC, OPC identified four areas of concern regarding the proposed merger, the first being service reliability. In its application, Exelon and Pepco admitted that they would not be able to

2. **Consider how community complaints** will be handled,
3. **Make recommendations** to improve the undergrounding process based on consumer feedback and complaints,
4. **Consider alternatives** to educate consumers on the implementation of the undergrounding project throughout its life,
5. **Recommend improvements**, and
6. **File monthly or quarterly reports** with the Commission.

Finally, PSC directed the UPCE Task Force to hold its initial meeting by Jan. 11, 2015 and to meet monthly for the initial 6 months of the undergrounding project and quarterly thereafter.

meet PSC's reliability standards in years 2018 to 2020. As OPC has focused a great deal of advocacy over the past 10 years to ensure that Pepco improves its service and that the PSC establish robust reliability standards, OPC did not find the District's consumers' interest would be served by merging with Exelon -- a company which could not meet the Commission's standards.

Second, OPC was concerned that consumers' energy rates would increase with the merger because Exelon's credit rating was slightly lower than Pepco's. Third, due to Exelon's well-known opposition to renewable energy generation in a number of other states, OPC believed that the District's renewable energy progress over the past decade would be impeded if Exelon had a voice in this process going forward. Lastly, OPC concluded that the proposed post-merger governance structure for Pepco would prioritize the financial interest of Exelon over the interest of District consumers. Taken together, these concerns led OPC to the determination that the merger, as filed, was not in the public interest.

Pursuant to PSC's procedural schedule, an evidentiary hearing will be held in February 2015 and a final decision is expected in June.

2014 NATURAL GAS FORMAL CASES

Formal Case No.	Case Description
874	In the Matter of the Gas Acquisition Strategies of the District of Columbia Natural Gas, A Division of the Washington Gas Light Company
1027	In the Matter of the Emergency Petition of the Office of the People's Counsel for an Expedited Investigation of the Distribution System of Washington Gas Light
1115	In the Matter of WGL's Request for Approval of a Revised Accelerated Pipeline Replacement Plan
1126	In the Matter of the Office of the Peoples Counsel's Complaint against Washington Gas Light Company Regarding the Unlawful Compensation of Competitive Service Providers in Violation of Its Rate Schedule Number 5

Pipeline Replacement in the District: OPC Reads Between the Lines So Consumers Know What They're Paying For

As a result of OPC's fervent opposition to Washington Gas Light Company's (WGL) request for an increase in rates, in Formal Case No. 1093, the Commission issued Opinion and Order No. 17132, denying over 70% of WGL's requested rate increase. WGL's application for approval of an Accelerated Pipe Replacement Plan (APRP) represented a major portion of the rate increase denied in Formal Case No. 1093. The Company's plan proposes to replace bare/unprotected steel services and mains, as well as cast iron pipe in WGL's D.C. system with modern polyethylene (plastic) pipe. However, instead of recovering monies for these improvements through a traditional rate case recovery mechanism (i.e., once the work is completed) WGL sought approval to obtain monies for these projects upfront in the form of a surcharge.

Although the Commission initially rejected the Company's APRP in Formal Case No. 1093, WGL was granted an opportunity to revise its APRP for further consideration. On August 15, 2013, WGL filed a Revised APRP with the PSC. On March 31, 2013, via Order 17431, the PSC granted conditional approval (subject to WGL's submission of additional details concerning the selection and implementation of pipeline replacements) in part of the first 5 years of WGL's Revised APRP at \$25 million per year, for a total of \$125 million. Although the Commission conditionally approved WGL's Revised APRP, the Commission created a separate proceeding, Formal

Case No. 1115, for the purpose of determining the appropriate funding mechanism for the cost of said plan.

OPC again expressed its concerns about WGL's Revised APRP, including its concern regarding the lack of sufficient details and reliable data regarding the plan. OPC has been persistent in its advocacy for stringent reporting by WGL that would enable the Commission to follow the progress of the work being performed and the dollars being expended. This would help to ensure only approved accelerated projects are being performed, and that they are completed in a timely manner and within budget.

It is of the utmost importance that OPC has access to certain details and information concerning the Revised APRP. Such details and information would afford OPC the ability to identify and pinpoint any significant deviations from the estimated costs of the projects so that the Office is able to appeal to the Commission, if necessary, to address any issues the Office may identify. This will also serve to prevent a double recovery for projects that WGL should be undertaking as part of its normal replacements.

Everyone can appreciate that the electric and natural gas transmission and distribution infrastructure in this country as a whole are aging and safety and reliability are crucial issues. No one wants to have a gas-main failure. The reality is that WGL's Revised

APRP has been approved and WGL has been granted a substantial amount of money to carry out its accelerated pipeline replacements. Given these facts the Office took the position that it was imperative that OPC continue to advocate on behalf of consumers as the surcharge proposed by WGL may have significant implications for consumers, particularly those who are on limited or fixed incomes.

The Office then sought to fashion a surcharge process in this unique case that would protect consumer interests while addressing the urgent nature of the issue facing the District—WGL's aging natural gas pipeline system. A top priority for the Office is ensuring that the Revised APRP approved by the Commission is transparent and accountable. To that end, the Office negotiated a settlement with WGL wherein the Commission and interested parties are provided with the detailed information necessary to thoroughly vet and evaluate the work WGL proposes in each year of its plan. The settlement also provides the Office and the public with reasonable opportunities to review, comment upon, and, if necessary, oppose specific projects.

The Office agreed to a limited surcharge that is finite in duration and is tempered by WGL's obligation to file two rate cases during the span of the 5-year Revised APRP. This allows for completed Revised APRP projects to be swept into and subsumed by the new rates set in each case without risk of utilizing stale rate-making components such as cost of capital. It also ensures that consumers are not living with a perpetual surcharge.

The unanimous Settlement Agreement reached by the parties and submitted to the Commission for its approval on December 10, 2014, successfully addresses the issue of the District's aging gas system while providing strong protections and safeguards for consumers.

**As filed, WGL requested \$110 Million
for the First 5-years of the Revised APRP (2014-2018):**

Program 1 Projects:

- \$40 million to replace an undetermined number of bare and/or unprotected service replacements.
-

Program 2 Projects:

- \$32.5 million to replace 18 miles of bare and unprotected steel main and an undetermined number of services.

Program 4 Projects:

- \$37.5 million to replace 20 miles of cast iron mains.

Customers using an average of 760 therms per year can expect an increase of \$6.22 during the first year of the APRP (approx. 52¢ per month).

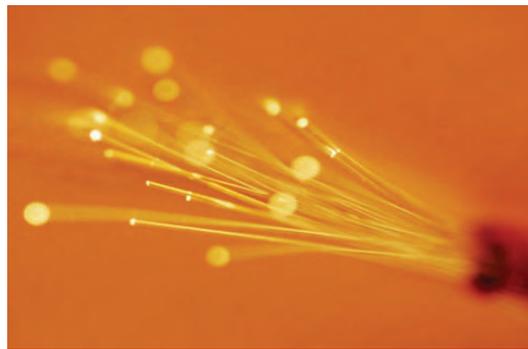
2014 TELECOMMUNICATIONS FORMAL CASES

Formal Case No.	Case Description
1090	In the Matter of the Investigation into the Reliability of Verizon Washington, DC's Telecommunications Infrastructure
1102	In the Matter of the Investigation into the Continued Use of Verizon Washington, DC's Copper Infrastructure to Provide Telecommunications Services
1112	In the Matter of the Amendment of the Commission's Rules Regarding Regulation of Local Exchange Carriers
RM27-2014-01	In the Matter of the Commission's Investigation into the Rules Governing Local Exchange Carrier Quality of Service Standards for the District of Columbia

Copper vs FiOS: OPC Stands Up for Consumers' Right to Choose

Since 2011, OPC has worked diligently to advocate for consumers before the District of Columbia Public Service Commission (PSC) to address complaints about Verizon DC's (Verizon) quality of service and reliability. (See Formal Case No. 1090.) Based on numerous consumer complaints about their lack of choice of telephone network infrastructure, OPC requested that the PSC investigate the accuracy of the information provided to customers by Verizon's customer service representatives regarding what will happen to their copper wire service during the transition to a fiber service infrastructure (FiOS).

On January 17, 2013, PSC began its investigation into: (1) how Verizon transitions its customers from a copper to FiOS; (2) whether consumer choice is respected; and (3) whether service quality and reliability is preserved during and after the transition. (See Formal Case No. 1102.) Verizon maintains that it can provide District consumers with more reliable local telephone service over a new, technologically advanced FiOS network instead of the copper wire network that has served the District for decades. However, some consumers want the existing copper service and Verizon makes it difficult for them to keep it.



OPC is one of the few state consumer advocacy agencies litigating this issue of choice before a state utility commission. As the consumer's voice in this matter, OPC's participation and aggressive pursuit before the PSC for consumers to have the right to choose have captured the attention of major national organizations and the Federal

Communications Commission. While OPC supports the introduction of new technologies in the District, it is imperative that the PSC ensure that consumers can choose how their local telephone service is delivered (either through copper networks or FiOS). OPC also wants PSC to make sure that Verizon's copper-to-FiOS service transition neither erodes nor encroaches upon consumers' rights and that FiOS service offers the same reliability and functionalities as copper.

Beginning in December 2014, OPC engaged in settlement discussions with Verizon, the Communications Workers of America, and the AFL-CIO to determine how this question of choice could best be resolved. However, despite all the parties' best efforts, no settlement agreement was reached. An evidentiary hearing scheduled for December 4-5, 2014 was rescheduled for January 2015 and OPC looks forward to representing the interests of the District's public utility ratepayers and consumers as this important proceeding unfolds.

ENERGY EFFICIENCY AND SUSTAINABILITY SECTION

2014 - A Year of Consumer Advocacy: OPC & the PJM Stakeholder Process

PJM INTERCONNECTION, INC. STAKEHOLDER PROCESS

PJM Interconnection, LLC is the mid-Atlantic regional transmission organization that manages the electric grid, coordinates the movement of wholesale electricity, and administers the wholesale electricity market in Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM is a nongovernmental company that 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.

OPC served on the Executive Committee of Consumer Advocates of PJM States, Inc. (“CAPS”), a non-profit organization established to serve as a resource for all of the consumer advocate agencies in the PJM region and to represent their interests in PJM proceedings. 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, Market Implementation Committee Capacity Senior Task Force, the Public Interest Environmental Organization User Group, the Regional Planning Process Task Force and the Intermittent Resources Task Force.

In FY14, OPC tracked and provided substantive comments on a wide variety of matters pending in the PJM stakeholder process. By and large, the singular most urgent issue that all PJM stakeholders dealt with in 2014 was PJM’s plan to restructure the capacity market to address resource adequacy shortfalls that occurred during the 2013/2014 severe winter events. PJM proposed to create a new, more expensive capacity product that was purported to address generator performance during peak periods. The PJM Board expedited the process of addressing winter capacity

performance by forming a new committee focused on developing solutions that would prevent a repeat of the significant non-performance of generators during the 2013/2014 winter. During the winter 2013/2014, generators failed to provide 40,000 MW of energy during the polar vortex events, despite their being compensated, in prior auctions, for the expectation of being able to provide peak period energy. OPC, along with CAPS members and other stakeholders, engaged in numerous, lengthy discussions regarding PJM’s proposal to, among other things, expand penalties for non-performance and provide incentives for generators to ensure their performance during peak demand periods. OPC and CAPS members further submitted several letters and alternative proposals to addressing capacity shortfalls to the PJM Board.

In addition to being involved in deliberations about the capacity market, OPC engaged in several committee meetings about how to integrate renewable energy and energy storage resources into the RPM. Given the growing commercial viability of energy storage, PJM stakeholders are exploring how renewable energy and energy storage can be incorporated in the PJM markets to assist reliability, grid resiliency, as well as yield cost savings for both utilities and end-users.

ADVOCACY AT THE FEDERAL ENERGY REGULATORY COMMISSION

The U.S. Federal Energy Regulatory Commission (“FERC”) is the federal regulatory agency with jurisdiction over the interstate transmission of electricity, wholesale electric rates, interstate natural gas and oil pipelines, and hydroelectric licensing. Any changes which PJM intends to make to its market rules must first be approved by FERC. OPC is a party to various proceedings before the FERC which have an impact on D.C. ratepayers. Indeed, rules established by that agency have a direct impact on retail customer utility bills because generation costs make up the majority of ratepayers’ bills. Additionally, it is widely believed that the integration of renewable energy in a way which equitably benefits the economic and

environmental wellbeing of all consumers will occur at the interstate transmission level.

Return on Equity (Docket No. EL13-48)

OPC continued its collaboration with other consumer advocate offices in this case regarding the end-user advocates' complaint challenging the percentage of return on equity (ROE) of Baltimore Gas & Electric and Pepco Holdings. OPC and Consumer Advocates argued for the reduction of the ROE currently allowed for these utilities. In this and other proceedings, OPC has contended that FERC should continue to scrutinize transmission rates with full consideration of all relevant factors, including reduced interest rates and other changing economic conditions.

Capacity Import Limits (Docket No. ER14-503)

On November 29, 2013, PJM submitted its plan to FERC to establish limits on capacity sales across PJM borders with other neighboring regional transmission organizations that mirror limits on capacity transfers that PJM has already established between zones within the PJM network itself. PJM presented this proposal out of a concern that external resources may clear auctions but then not take proper steps to ensure that they will be able to deliver their promised capacity resources needed in the delivery year. PJM was also concerned about over-commitment of external resources in its auctions, which could suppress prices and negatively impact resource adequacy in the PJM region.

On December 20, 2013, OPC and the consumer advocates filed a Joint Protest at FERC. OPC and the Consumer Advocates generally supported filling in gaps in the capacity market rules that address underlying reliability constraints but advocated that FERC must also ensure efficient capacity trade to keep energy consumers' costs low. OPC argued that any limits on externally-sourced capacity resources should not create unnecessary and costly barriers to entry and trade. The primary goal should be efficient trade mechanisms that benefit consumers. For the capacity markets to be efficient, the rules must allow room for the fact that capacity sellers face some uncertainty in the 3-year forward time frame. In April 2014, FERC granted PJM's proposed tariff changes.

Clearing of Limited DR (Docket No. ER14-504)

On November 29, 2013, PJM filed a proposal at FERC to change the process by which resources clear in the capacity market auction and to place a hard cap on the amount of certain types of Demand Response to be allowed in the market. Prior to this matter, there was a minimum requirement for Extended Summer and Limited Demand Response. PJM sought to create a maximum-allowed amount of those resources. Given the important role of all types of Demand Response in maintaining reliability in the grid, OPC joined with other consumer advocates and filed a protest of this filing.

OPC and consumer advocates offered an alternative proposal which would protect the reliability value of Demand Response and be substantially less costly than PJM's proposal (PJM's plan would have cost \$1 billion annually and the consumer advocates' plan would cost \$128 million). Most importantly, the joint consumer advocates asserted that PJM had not demonstrated that its proposal would be just and reasonable. The joint consumer advocates contended that PJM's proposal unduly discriminated against certain Demand Response bids and would, in fact, cause decreased reliability in the grid. Ultimately, however, FERC found in PJM's favor.

Replacement Capacity in PJM (ER14-1461)

On March 31, 2014, the consumer advocates joined with other PJM capacity market participants to file a joint protest against PJM's proposed changes to replacement capacity. PJM proposed to place substantial limits on Capacity Replacement to protect against alleged speculation in the capacity market. Capacity Replacement is the process through which companies with capacity committed in the annual capacity market auction replace their obligation through a purchase in one of the Incremental Auctions. In other words, Capacity Replacement is a means through which capacity will be delivered, to keep the lights on, even if there are problems with the delivery of the original source.

OPC and the consumer advocates argued that PJM's concerns about arbitrage and speculation were wildly exaggerated (particularly given demand response's critical role during the winter cold snaps as well as its role in keeping capacity prices low). Also, there

were many deficiencies in PJM’s filing including lack of analytical support for the claim that the proposed changes would improve reliability and the failure to show that any alleged “speculation” had negatively impacted the market. FERC ultimately found in OPC and consumer advocates favor and rejected PJM’s proposal.

Winter Weather Events Technical Conference (AD14-8):

On February 14, 2014, OPC joined with several other consumer advocates in a letter to FERC expressing concerns regarding the impact of the 2013/2014 cold snaps on consumers. Consumer Advocates argued that the unprecedented energy and ancillary service prices that occurred in January were not reflective of smoothly operating market fundamentals, but were, instead, reflective of significant and systemic inefficiencies. In fact, more than 40,000 MW of generation was unavailable during critical periods in January 2014 due to forced outages – the same generation for which consumers were paying billions of dollars in capacity payments each year so that the generation would be available during peak periods. Also, the letter highlighted that severe constraints on interstate natural gas pipelines contributed, at least in part, to natural gas supply shortages in some areas and historically high prices for natural gas in many areas. Consumer advocates sent a follow-up letter on March 25, 2014 advising FERC on important issues to be addressed in preparation for FERC’s Technical Conference on the winter weather events on April 1, 2014.

Exelon-PHI Merger Application (EC14-96)

In July 2014, OPC filed comments in this matter regarding Exelon and PHI’s application to FERC for approval of Exelon’s proposed acquisition of PHI. In its comments, OPC raised several concerns including the fact that the proposed complex corporate structure, resulting from the merger of Exelon and PHI, would pose serious challenges for state regulators and consumer advocates. OPC anticipated that the proposed merger would diminish the ability of the DC PSC to ascertain and verify the workings of the Exelon corporate structure and craft orders and regulations that send the appropriate and effective regulatory signals. OPC also raised concern about the influence that a company of the size of the proposed post-

merger company would be able to exert on the PJM stakeholder process. By combining so many regulated utilities and unregulated affiliates under one corporate umbrella, the PJM stakeholder process would likely disproportionately reflect the views of one corporation.

OPC – AN EFFECTIVE ADVOCATE FOR SUSTAINABLE ENERGY IN DC

The Office of the People’s Counsel is one of the city’s most vocal supporters of the District of Columbia’s sustainable energy initiatives. The District of Columbia is on a clear path toward a more sustainable energy future as demonstrated by the Sustainable DC Plan, the District’s Renewable Portfolio Standard (“RPS”) and advancements made by the DC Sustainable Energy Utility (“SEU”). As the statutory representative for all DC utility consumers, OPC aims to ensure that all consumers of all classes and in all wards benefit from the city’s sustainable energy programs. OPC is committed to scrutinizing and providing substantive, constructive input regarding the costs and benefits of the District’s clean energy initiatives. OPC carries out this commitment through its service on the Advisory Board of the SEU; robust consumer education initiatives and partnerships; provisions of comments and drafting recommendations for pending energy legislation before the DC Council; and submission of comments and other pleadings to PSC regarding the implementation of sustainable energy-related statutes. Further, on the national level, OPC is a founding member and now serves as Chair of the Distributed Energy Resources Committee of the National Association of State Utility Consumer Advocates.

Renewable Portfolio Standard Amendment Act of 2014

In July 2013, the DC Council introduced the Renewable Portfolio Standard Amendment Act of 2013 (“RPS Amendment Act”). Prior to the Council’s introduction of the legislation, OPC actively coordinated with environmental groups such as Chesapeake Climate Action Network and DC Environmental Network to discuss how the District’s RPS can be improved. The RPS Amendment Act would remove black liquor as a qualifying biomass under the RPS’s Tier 1 category of renewable sources.

Black liquor is an industrial by-product of the pulp and paper industry. Paper mill facilities located outside the District, in states such as Maryland, Ohio, Virginia, Michigan, Pennsylvania and Kentucky, burn black liquor to create electricity. These facilities then sell that energy, in the form of renewable energy credits (RECs), to electricity suppliers servicing the District. These RECs are then counted toward the electricity suppliers' obligation under the RPS. OPC supported the overall objective of the legislation given black liquor's negative impact on public health and the environment, as well as the rising cost of black liquor RECs in the PJM market. On October 16, 2013, OPC submitted testimony to the DC Council Committee on Government Operations regarding the RPS Amendment legislation. OPC emphasized that it was unfair for ratepayer funds that were originally intended to support clean energy resources to be used for combustion facilities that produce greenhouse gases and pollutants that threaten public health. OPC participated in the RPS Amendment Act working group convened by the DC Council to further refine the draft legislation. On December 17, 2014, the DC Council voted unanimously to pass the RPS Amendment Act which ultimately phases out the inclusion of black liquor in the RPS over the next few years. This represents a victory for District consumers as it will ensure that ratepayer resources are utilized to facilitate DC's reliance on renewable energy as originally intended by the statute.

SUSTAINABLE DC OMNIBUS ACT

In FY 14, OPC submitted testimony to the DC Council Committee on Transportation and the Environment on this omnibus legislation which contained a suite of bills seeking to codify policies set forth in the city's Sustainable DC Plan. OPC submitted testimony on the section of the bill which sought to amend the Clean and Affordable Energy Act of 2008 by eliminating the function of the SEU Advisory Board. OPC opposed this provision, reminding the DC Council that ratepayer money is the primary source of funds for the SEU and, as such, removal of the advisory board body would be significant disservice to consumer interests. The DC Council subsequently removed this section from later drafts of the legislation. OPC later participated in an energy benchmarking working group to deliberate on the section of the Sustainable

DC Omnibus Bill focused on enhancing data access for energy benchmarking in buildings in the District. Energy benchmarking is a tool for keeping track of building energy consumption by using common standards for comparison with similarly situated buildings and facilities. These comparisons have been proven to be drivers of energy efficiency upgrades. This energy benchmarking working group successfully worked together to come to consensus on how to refine this provision of the legislation. In July 2014, the Sustainable DC Omnibus Act was passed into the law by the DC Council.

SUSTAINABLE ENERGY UTILITY ADVISORY BOARD

The DC SEU is a private contractor procured by the District of Columbia government. Its primary purpose is to help District residents, businesses, and institutions save energy and money through energy-efficiency-and renewable-energy programs. The DESEU currently works to fulfill this purpose by providing both short-term quick-start, energy-efficiency products to the public and coordinating long-term market transformation initiatives. Since the DESEU was created by the Clean and Affordable Energy Act of 2008, OPC has been an active member of the DESEU Advisory Board.

The People's Counsel is the Agency's representative on the Board. OPC staff provided research and technical analysis support to the People's Counsel for monitoring the DESEU's activities. The Advisory Board is responsible for providing advice, comments, and recommendations to the DC Council and the District Department of the Environment on the performance and administration of the DESEU.

Energy Efficiency is Simple & OPC Shows Consumers How

OPC's hands-on Energy Efficiency Workshops ("EEWs") continue to share simple and practical energy efficiency measures and tips with District residential, senior, multi-family and religious groups and many others for energy savings. In 2014, OPC's EEWs guided several senior groups through the exciting process of "reusing, re-purposing and repositioning" old sweaters to convert them into decorative draft logs that they are able to use in their homes for energy savings. This creative concept allowed old sweaters that may have ordinarily ended in the trash to be re-purposed for overall environmental and energy savings benefits at zero cash outlay to the participants.

OPC's EEWs added a Residential Ambassador feature to its 2014 outreach. The purpose of the EEW Ambassador is to have residents share with their

families, friends, neighbors and others in their social circles few important energy efficiency measures that they can immediately apply to their homes for energy savings; thereby spreading the energy efficiency message for broader impact in DC. Also, OPC's EEW team shared many ways to conserve energy as part of a Girl Scouts of the Nation's Capital, Energy Efficiency and Climate Change Panel discussions.

OPC's EEWs continue to forge collaborations with old and new groups to bring District energy users a smorgasbord of energy efficiency and renewable energy education and information to empower them to make their best energy efficiency retrofits decisions to their respective homes, churches and multi-family building for maximum energy savings.

LED Lightbulbs



Programmable
Thermostat



Energy Star
Appliances



Caulk Windows



Home Energy
Audit



YEAR IN REVIEW

OPC in the Community

January 2014

ANC 4A01
Ward 3 Citizen's Advisory Meeting
ANC 6B
Community Health & Informational Fair
Tyler House Tenant Association
Senior Outreach
ANC 4A
DC Mayor's Office on African Affairs:
Food Service Workshop
Community Health & Informational Fair



Consumers got a chance to voice their concerns to the PSC during the Competitive Energy Suppliers Community Hearings.

February 2014

ANC 4A01
First Year in Life of a Small Housing Provider
OPC/GWUL Energy Assistance Fund
Community Health & Informational Fair
Informative Seminar for First-Time Spanish Speaking Home Buyers
Community Outreach
Community Services Fair
Senior Outreach ANC 3B04
Community Outreach
2014 Lunar New Year Celebration
ANC 1D
Community Health and Wellness Fair
Senior Outreach



OPC staff member Christopher Sellers handouts educational material to DC utility consumers at a community outreach event in the Columbia Heights neighborhood.

March 2014

Senior Outreach Event
Personal Care Attendant Community Forum
Ward 3's Citizen Advisory Group Meeting
ANC 1A
Community Health, Wellness and Informational Fair
Latin American Youth Center 2nd Annual Post-Secondary Education Fair
ANC 4C
OPC/GWUL Special Energy Assistance Fund Press Conference
Language ETC
Senior Outreach
Community Health, Wellness and Informational Fair

April 2014

Community Outreach
 DC AAPI Community Meeting
 Senior Outreach
 Community Outreach
 Community Informational Forum
 Ward 3’s Citizen Advisory Group Meeting
 ANC 1A
 Senior Outreach
 Ward 4/5 AARP
 Community Outreach
 Latino Public Safety Forum
 Senior Outreach
 Keen Senior Nutrition Program Community Health, Wellness and Informational Fair
 Community Health & Informational Fair
 Community Outreach
 Senior Outreach

May 2014

ANC 8E01
 ANC 8C03
 Mayor’s Third Annual Senior Symposium
 Food Distribution
 Northeast Boundary Civic Association
 Low Vision Support Group
 Ward 3’s Citizen Advisory Group Meeting
 Washington Teachers Retired
 Community Services Fair
 Community Health and Wellness Fair
 ANC 8B01
 DC Commission on Persons with Disabilities Committee Meeting
 Senior Outreach
 Community Health & Wellness Fair
 Senior Outreach Event

June 2014

Meeting with Legal Aid Society & AARP Legal Counsel
 “Many Languages One Voice” Meeting
 IONA Active Wellness Program
 Asian/Pacific Islander Domestic Violence Resource Project
 Mayor’s Annual Senior Picnic
 Ward 3’s Citizen Advisory Group Meeting
 Outreach Event
 2014 TANF Partnership Consortium Symposium
 Meeting with DC City Council Constituent’s Services Staff



OPC attorney Arick Sears, updates OPC staff on Formal Case No. 1102 during a staff Brown Bag session.



Trial Supervisor Travis Smith, Esq. speaks to Community Leaders on the proposed DC Power Line Undergrounding Plan.

Language Access Community Outreach
 Sixth Annual DC Housing Expo & Home
 Community Outreach
 Senior Outreach
 Community Leaders Briefing
 “Utility 101” Workshop
 Community Outreach
 Community Leaders Briefing

July 2014

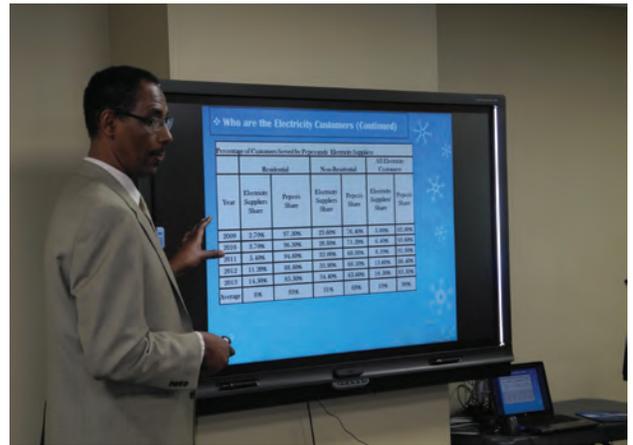
Family Ministry
 Community Hearing
 Martha’s Table
 Community Hearing
 Ward 3’s Citizen Advisory Group Meeting
 Community Hearing
 Nineteenth Street Baptist Church 175 Anniversary Celebration
 Community Hearing
 DCCIL Group Meeting with Spanish-Speakers
 Community Hearing
 Shrine of the Sacred Heart
 Community Hearing
 AARP/OPC CES Workshops
 Community Hearing

August 2014

CES Workshops
 “Utility 101” Workshop
 Ward 3’s Citizen Advisory Group Meeting
 Community Outreach
 Terrific, Inc.
 Developmental Disabilities Council Meeting
 Senior Outreach
 Community Outreach
 OPC Public Meeting with Amharic Speakers
 Community Outreach
 OPC/AARP CES Workshops

September 2014

Domestic Violence Outreach
 Community Outreach
 ANC 1B
 Terrific, Inc.
 Generations Community Festival



OPC Economist Dr. Yohannes Mariam educates OPC staff members during one of the agency’s many Brown Bag sessions.



OPC staff members Laurence Jones, Danielle Lopez, Esq., People’s Counsel Sandra Mattavous-Frye, Esq and Jean Gross-Bethel, prepare to speak at the Foster Grandparents Holiday Luncheon.

- ANC 4A
- “Working Effectively with Doctors”
- IONA Citizen’s Advisory Group
- Community Hearing
- OPC Public Meeting with Amharic Speakers
- Food Bank Distribution
- Greater Mt. Calvary Family Life Center Workshop
- Office of the Tenant Advocate 2014 Summit
- Community Health, Wellness and Informational Fair
- CES Workshop
- ANC 5C
- Community Outreach
- ANC 4B
- Solar Symposium
- DCOA & Glover Park Senior
- Community Outreach
- Penn Branch & AARP: Community Health, Wellness and Informational Fair
- ANC 5B
- Pepco Summit
- 3rd Annual DCRA Green Building Symposium & Expo
- Community Leaders Briefing



OPC Litigation Director Laurence Daniels, Esq., presents information during OPC Key Community Leaders Briefing.

October 2014

- Food Distribution
- Exelon/Pepco Merger Briefing
- Senior Outreach
- Community Leaders Briefing
- Senior Outreach
- Community Health, Wellness and Informational Fair
- Community Leaders Briefing
- CES Workshop
- Disability Awareness Exposition
- Senior Outreach
- Community Outreach
- Ward 3’s Citizen Advisory Group Meeting
- DC Retired Teachers Assoc. Community Health, Wellness and Informational Fair
- ANC 4B07
- ANC 3F
- Senior Outreach



People’s Counsel Sandra Mattavous-Frye, Esq., educates Commissioners from the DC Commission on Aging.

November 2014

- Senior Outreach
- Family Ministry
- Formal Case No. 1102 Community Hearing

Senior Outreach
Formal Case No. 1102 Community Hearing
Senior Outreach
Community Outreach
ANC 3B
Community Outreach
CES Workshop with AARP
Home Energy Workshop
Proposed Pepco Substation Ward 6 Meeting
ANC 4D
La Clinica del Pueblo
Developmental Disabilities Council Meeting
My School DC – EdFest 2014
Developmental Disabilities Council Meeting
Community Outreach



People’s Counsel Sandra Mattavous-Frye and Deputy People’s Counsel Karen Sistrunk speak with former ANC Commissioner Joyce Robinson-Paul after the Key Community Leader’s Briefing.

December 2014

ANC 4A
OPC/AARP Competitive Energy Supplier Workshop
Low Vision Support Group
2014 Mayor’s Senior Holiday Celebration
DC Center for Independent Living, Inc. Group Meeting with Spanish Speakers
Food Distribution Program
CES, Consumer Complaint Meeting
Competitive Energy Supplier Workshop
Formal Case No. 1119 Community Hearing
Community Outreach

*****OPC continued its annual Holiday tradition of partnering with the Metropolitan AME Church’s Angel Tree Project.*****



People's Counsel's Speaking Engagements

Triennial Undergrounding Ceremonial Bill Signing
OPC /Greater Washington Urban League Press Conference
Mayor Vincent C. Gray, the Office on Women's Policy and
the District of Columbia Commission for Women present
the First Annual "Washington Women of Excellence" Awards
Columbia Heights Community meeting
Expanding Low-Income Solar in DC- George Washington
University Roundtable
OPC Budget Hearing before the DC City Council
ACORE and Stoel Rives VIP Reception
Meeting with Senator Chris Murphy
Metro Washington Council AFL-CIO
OPC Undergrounding Community Briefings
WPFW Radio Interview
IONA House Meeting
Triennial Underground Infrastructure Improvement Proj-
ects Plan Community Hearings
NAACP General Meeting Presentation
Office of the Tenant Advocate Seventh Annual Summit
Pepco Energy Summit
AARP/OPC Competitive Energy Suppliers Workshop
Harbor Square Cooperative
Federation Annual Luncheon
American Federation of Government Employees Council 1 Meeting
WAMU Radio Interview
ANC 4A Meeting
WPFW Radio Interview
Competitive Energy Supplier Workshop



OPC “Brown Bags” Keep Staff Trained & Informed

Throughout the year, the Office of the People’s Counsel (OPC) provides its staff with informative and collaborative training opportunities known as “Brown Bag Sessions.” These training sessions, during which those who attend are encouraged to bring their lunch, keep staff informed and up to date on topics of interests to OPC, which serves collectively as the public advocate for ratepayers of natural gas, electric, and telecommunications services in the District of Columbia.

In 2014, OPC held a number of Brown Bag Sessions on a wide range of topics, including microgrids (modern, small-scale versions of the centralized electricity system) conducted by OPC’s Energy Efficiency and Sustainability Division (EES) as well as the impact of abnormally cold weather on consumers in the District. OPC’s Litigation Services Division hosted several Brown Bags to update staff on the Pepco/Exelon Merger (See Formal Case 1119), the DC Undergrounding Project (See Formal Case 1116), and Verizon’s transition from a copper to a fiber infrastructure (See Formal Case 1102). Additional sessions focused on providing staff with an overview of various office procedures, including Notice of Agency Fund Requirements filings (NOAFRs) and scheduling procedures for OPC’s newly implemented Master Calendar.

OPC staff found Brown Bag Sessions helpful to stay abreast on important issues that could potentially impact OPC, its constituencies, and District utility ratepayers. Staff are routinely encouraged to propose topics for discussion at these sessions which have become an excellent example of OPC’s commitment to effective collaboration and information sharing. Brown Bags also ensure that staff understand OPC’s mission to strive daily to serve the interests of the District’s utility ratepayers.



2014 Highlights

2,434

Average Number of
Utility Consumer Complaints
OPC Handles per year



\$20.7 Million

Savings for Pepco Customers



100%

Compliance with the
DC Language Access Act



\$100,000

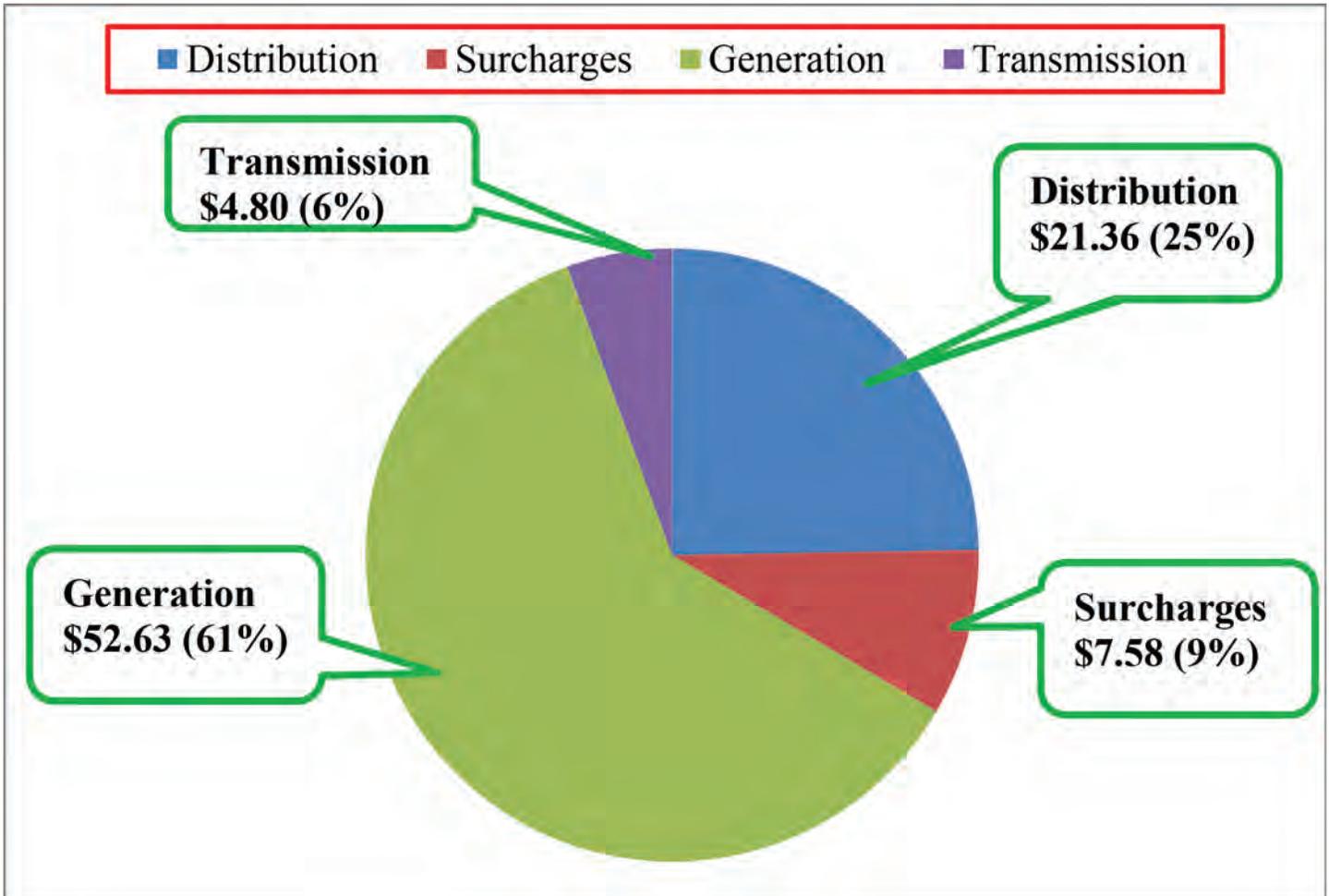
Recovered to Establish an
Energy Assistance Fund for
Low-Income DC Utility
Consumers



JUST THE FACTS

“What’s in Your Electricity Bill?”

SOS Monthly Bill for an Average Residential Customer
2014-2015



CATEGORIES	VALUES	% SHARE
Distribution	\$21.36	25%
Surcharge	\$7.58	9%
Generation	\$52.63	61%
Transmission	\$4.80	6%
TOTAL BILL	\$86.37	100%

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.



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