

TESTIMONY OF PEOPLE'S COUNSEL
SANDRA MATTAVOUS-FRYE
BEFORE
THE DC COUNCIL COMMITTEE ON
BUSINESS AND ECONOMIC DEVELOPMENT
ON
THE FISCAL YEAR 2024 AGENCY PERFORMANCE
OVERSIGHT OF THE OFFICE OF THE PEOPLE'S COUNSEL

February 26, 2025

Good morning, Chairman McDuffie, Council Member Felder, and the viewing public. I am Sandra Mattavous-Frye, People's Counsel for the District of Columbia. Joining me are Karen Sistrunk, Deputy People's Counsel, Eric Coard, Chief of Staff, and other key members of the OPC Team.

Thank you for the opportunity to share OPC's achievements and challenges in FY 2024. My testimony is divided into three parts: (1) The Road Traveled, (2) A Spotlight on significant emerging issues, and (3) Preparing DC utility customers for the road ahead.

I. THE ROAD TRAVELED

FY 24 was a busy and challenging year for OPC's litigation team. We actively participated in 63 cases before the Public Service Commission, the DC Court of Appeals, PJM, and federal agencies. We also filed joint comments with neighboring state utility advocates.

Today, I will summarize five significant cases pending before the PSC that will have a direct and long-term impact on DC consumers and residents.

A. The connecting threads in these cases are the immediate and direct harmful financial impact on consumers and the long-term erosion of public trust.

(1) Formal Case No. 1176 - (Pepco Rate Case.)

On April 13, 2023, Pepco requested the PSC to increase its retail rates by \$186.5 million over three years. Pepco labeled the rate case "Climate Ready Pathway Multi-Year Plan" (MRP").

It was among the largest rate increases ever requested by a DC utility. Shareholders will receive higher dividends, while District ratepayers will pay higher rates.

The plan is a seismic shift in utility rate regulation. It reverses over 100 years of established rate-making policy, limits public participation, infringes on due process, and does not facilitate transparency. It overturns the long-standing regulatory principle

that rates can only be approved if the company demonstrates that their assets are “used and useful” and prudent.

Historically, the PSC has reviewed the evidence in open court, where each witness is sworn in and cross-examined. Here, the PSC awarded Pepco a rate increase without conducting the required evidentiary hearing, which is necessary in a rate case when key facts are disputed. OPC filed an Application for Reconsideration with the PSC in December 2024, which the PSC denied. OPC will appeal the decision to the DC Court of Appeals. We have 60 days from the date the PSC denied our Application to file a Notice of Appeal with DCCA.

(2) Formal Case No. 1179 - “Project Pipes.”

Washington Gas Light’s Accelerated Pipe Replacement Plan was established ten years ago to eliminate aging pipes and dangerous gas leaks in WGL’s system. OPC was involved in the negotiations supporting fixing the most dangerous leaking pipes as a necessary safety measure.

The Plan has been implemented in three phases: Phase I was opened in 2014, and Phase II in 2020. OPC opposed Phase II because WGL was already over budget and behind schedule in Phase I. For the same reasons, OPC opposed WGL’s request to initiate Phase III in 2023. Instead, we urged the PSC to dismiss WGL’s application entirely. At OPC’s the PSC dismissed WGL’s Phase III plan and directed WGL to submit a narrowly targeted

pipe replacement plan and to align its plan with the District's climate goals.

In September 2024, WGL filed a revised application with a \$214 million price tag, now called "DC Safe." WGL continues to request authorization to accelerate the recovery of old and aging facilities on its system and to recover the costs of its accelerated pipe replacement program through a customer surcharge. OPC filed a motion to dismiss the case, which the PSC denied.

(3) Formal Case No. 1180 - "Washington Gas 2024 Rate Case."

In January 2024, Washington Gas requested an annual rate increase of \$45.6 million. If approved, this will raise rates by 11.9 percent and increase the residential customer charge by 25 percent from the current level. OPC filed testimony in this case on January 24, 2025, and expects to go to hearing this summer.

(4) Formal Case No. 1183 - "PJM Capacity Auction Task Force"

The PJM conducts a wholesale energy capacity auction twice a year to set the wholesale price for electricity for the upcoming six months. The PSC lacks authority to regulate the wholesale price of electricity, and since the auction is a wholesale transaction, the cost is directly passed on to DC consumers.

At the local level, the PSC granted OPC's petition to establish a task force to develop a plan of action to prepare consumers for the

increase. The task force is charged with developing education and outreach programs for the public. A task force proposal and report will be submitted to the PSC in June. The report, if approved, will establish what measures will be adopted to protect DC consumers.

(5) Formal Case No. 1050 - “OPC’s Petition to Investigate Pepco’s Solar Interconnection Process.”

In October, the Commission approved OPC’s petition to investigate Pepco’s interconnection process. OPC’s petition responded to a high volume of consumer complaints about the extended time Pepco took to install individual projects and not giving customers the correct kilowatt credit. The PSC agreed with OPC that Pepco had violated some of the PSC’s rules. This case will directly benefit consumers as Pepco was installing the wrong type of meters, charging neighbors vastly different prices; it will help the public by resolving inconsistencies in the interconnection process and providing oversight and accountability over Pepco’s practices.

II. SPOTLIGHTING SIGNIFICANT UTILITY ISSUES.

Prices are rising overall; our data indicates that utility rates are becoming unaffordable for many consumers in the District across various income levels.

1. Consumer complaints have dramatically increased.
2. Federal and local funding is being scaled back.

3. People are losing their jobs.

A. Consumer Complaints Spike

OPC received a surge of consumer complaints in FY 24 through December 31st. Specifically, OPC received 4,386 energy complaints and 1,264 water complaints, representing an increase of 15% over the prior year. For FY 24 OPC conducted 1,334 outreaches.

Assistance for utility consumers at or below the District's median income must remain in place. Without consumer assistance such as LIHEAP, energy efficiency rebates, and the help of non-profit organizations, consumers may be forced to choose between food, housing, and paying for utilities. Solving this challenge will require government, utility, and consumer cooperation.

III. PREPARING DC CONSUMERS FOR THE FUTURE

A. Enhancing OPC's Outreach and Education Programs

OPC continues with its traditional outreach and education programs, such as attending ANC and Civic Association meetings. We distribute the monthly OPC Connection Newsletter to over 3,300 subscribers. In addition, we distributed more than a dozen other correspondences, including press releases and consumer alerts over our social media platforms.

Our Consumer Services Division convenes quarterly Social Service Summits, inviting representatives from DC social services agencies to share information about their services to DC residents.

We are also enhancing our consumer education programs. We have established utility education platforms that teach about the effectiveness of energy efficiency measures, how to interpret utility bills, and explain how climate change will have local and global impacts.

On September 25, 2024, OPC held a clean energy summit. This event brought together OPC, DOEE, DCSEU, and the DC Green Bank to provide consumers with essential information about clean energy options, including funding assistance options.

In October 2024, OPC held a two-day climate change and environmental justice advocacy workshop for high school students to learn from OPC and DC representatives about the utility regulatory process and how to advocate for environmental and utility issues impacting their communities. Approximately 50 students attended the summit.

We are developing webinars on various utility topics for all age groups. I am particularly proud of our Language Access services, as we have consistently received high marks from the DC Office of Human Rights. With our educational materials published in

seven languages, I hope to reach a broader base of non-English speaking consumers. We advertise in the Black media, and local non-English newspapers.

I am pleased to announce that OPC has been certified to participate in the DC PS Adopt-A-School Program at Anacostia HS to work with students studying environmental issues.

Finally, I am honored to have received the **State Leadership in Clean Energy Award from the Clean Energy States Alliance (CESA)**. CESA is a leading national coalition of state energy agencies working to expand clean energy this year.

CONCLUSION

During this time of great uncertainty, OPC will remain committed to its core mission of advocating for, educating, and protecting DC consumers.