

**Quality of D.C. Utility Service:
City Council Wants to Hear from
Consumers!**

What: The Committee on Public Services & Consumer Affairs is holding PUBLIC HEARINGS to hear what's right, what's wrong with Utility Service in D.C.

Why: Share your experiences about Pepco, Washington Gas and Verizon at the Quality of Utility Service Hearings!

When: Thursday, February 7, 2008 @ 10 a.m.
Saturday, February 9, 2008 @ 11 a.m.

Where: John A. Wilson Building
1350 Pennsylvania Avenue, N.W.

Contact: Anyone wishing to testify at the hearing should contact Aukima Benjamin.



**Consumers, This Is Your Time to Tell
Your Story about Utility Service!**

OPCC Established by the Office of the People's Counsel for the District of Columbia pursuant to D.C. Code §§ 34-301 (2001) (2002) (2007).



2007 ANNUAL REPORT



The Office of the People's Counsel Presents...

Home Energy Efficiency Expo

Making D.C. Energy Efficient & Environmentally Conscious One Resident At A Time

Saturday, November 10, 2007
10 am to 2 pm

Washington Convention Center,
Rooms 101 and 102 A & B
801 McVernon Place, N.W.
Washington, DC 20001

MetroRail:
Yellow or Green Line to Mount Vernon Square
Metrobus:
66, 70, 71, G5, G2, P6

Free Giveaways!

Co-Sponsored By:

- Office of D.C. Councilmember Philip White
- Bank of America
- United Powering Organization
- U.S. Environmental Protection Agency
- Metropolitan Washington Council of Governments
- U.S. Green Building Council
- U.S. National Capital

D.C. Office of the People's Counsel • 1113 15th Street, N.W. • Suite 508 • Washington, DC 20005
For more information on the EXPO, please contact 1-800-727-3017.
To request building accommodations or interpreter services, please contact OPCC. One such request is not to be guaranteed.



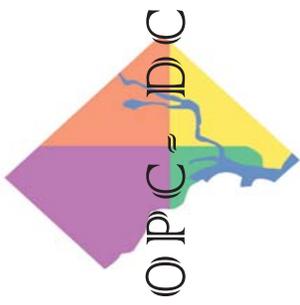
Office of the People's Counsel Retail Customers in the District of Columbia

Utility	District Customers	Total Customers for Company
<u>PEPCO</u>		
Residential	215,170	686,636
Non-residential	26,663	73,465
Total	241,833	760,101
<i>Source: DC PSC website</i>		
<u>Washington Gas</u>		
Residential	125,527	975,651
Non-residential	25,256	70,550
Total	150,783	1,046,201

*Source: DC PSC website
and Washington Gas website*

Verizon
Residential
Non-residential

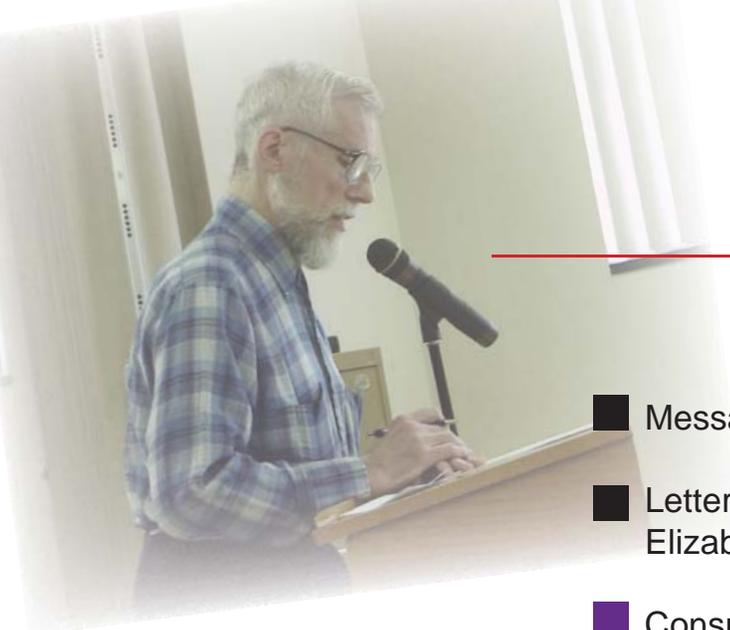
Verizon asserts information is proprietary.
Verizon asserts information is proprietary.





The Office of the People's Counsel is the public advocate for natural gas, electric and telecommunications ratepayers in the District of Columbia. By law, the Office represents D.C. utility ratepayers' interests before the 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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ADRIAN M. FENTY
MAYOR

January 18, 2008

Dear District Residents:

It is my pleasure to present the 2007 Annual Report of the Office of the People's Counsel.

The District of Columbia Office of the People's Counsel is a nationally recognized independent agency of the District government responsible for advocating for and educating consumers on utility issues affecting rates, quality of service, competitive choice and consumer safeguards.

In 2007 our city made great strides in developing a plan of action to combat global warming and the environmental impact should we fail to conserve. In our lifetime the District of Columbia must become a model of energy efficiency for our nation. To this end, I will continue to rely upon the Office of the People's Counsel to assist in balancing the process of shaping our energy future through capable advocacy, education and the protection of the interests of all electric, natural gas and telecommunications consumers in the District.

Knowing People's Counsel Elizabeth A. Noël and her staff continue the work they do to bring rate stability and reliable service to the District of Columbia confirms to me that we have one of the finest consumer advocacy offices in the country watching out for us all.

Sincerely,



Adrian M. Fenty, Mayor





I am pleased to present the 2007 Annual Report of the Office of the People's Counsel, "LEADERSHIP FOR OUR ENERGY RESOURCES, ENVIRONMENT, QUALITY OF SERVICE, AND EDUCATION FOR CONSUMERS."

This theme evinces OPC's commitment to ensuring D.C. is positioned to "do the right thing" in assuming responsibility for the "Inconvenient Truth" of the impact of its carbon footprint on Planet Earth. This footprint is caused not only by global warming, but the inefficient consumption of energy. The need for continued strong consumer advocacy and enlightened regulation remains.

The 2007 Report describes OPC's efforts, together with the Executive and Legislative branches, to weigh and assess how D.C. can not only have and implement appropriate laws and regulatory policies to best ensure the District "Goes Green," but most importantly, that its residential consumers, OPC-DC's clients, benefit and are not bankrupted in the struggle. I submit, when the Executive and the Legislative branches work in tandem with the advocate and regulators to further the interests of utility consumers, this is a win/win for D.C. utility consumers.

The 2007 Annual Report demonstrates the Office of the People's Counsel has professionally and zealously advocated on behalf of D.C. utility consumers whose interests we are legally mandated to represent and protect. The Report reaffirms OPC-DC's commitment to pursue excellence in serving consumers who live, consume energy, use telecommunication services, and pay utility bills in the real world. Also, the Report details the Office's consumer education efforts through effective and consistent community outreach, including the extensive use of our wonderful website as a tool for continuing education for utility consumers.

In 2007, OPC-DC's efforts were reflected in the **Four Es**:

Energy: *affordable rates; quality of service; reliability; safety; energy efficiency; smart meters; "decoupling"*

Environment: *renewables; green energy; assumption of responsibility for the costs of sustainability*

Education: *ensuring consumers know about utility issues affecting their lives and how they can control them; assuring consumer safeguards and protections*

Economic development: *The commercial sector accounts for approximately 70 percent of energy consumption. If D.C. is to achieve a sustainable future, this sector must be "encouraged" to become energy efficient in a way that recognizes the potential impact on the "bottom line." The challenge is finding the "right place between ratepayer protection and, given the risks, investor protection." The irony is that in this calculus the ratepayer is the investor. Indeed, this is a delicate balance, and OPC-DC understands it and the need for strong advocacy.*

It is no secret Mayor Adrian Fenty is a long-time consumer advocate with significant history with OPC-DC. It is his mission to make D.C. a model city in “Going Green” as reflected in his re-creation of the District Department of the Environment. This effort is echoed in the work also being done at the legislative level through the Council’s Committee on Public Services and Consumer Affairs through its Chair, Mary Cheh.

Given these two positive forces for change, OPC-DC has been encouraged to further explore the appropriate role of energy efficiency and the consumption of finite and expensive energy sources in the quest to protect the environment today and to create a sustainable community of tomorrow. OPC-DC’s examination includes a consideration of the use of renewables as part of a balanced energy portfolio, as well as the impact of the costs of renewables and the related new technologies, on the cost of energy to consumers. Implicit is the concern as to whether “green” is really “green?” Consumers are seeking assurance that the “green” energy they are choosing to purchase benefits the City they seek to protect.

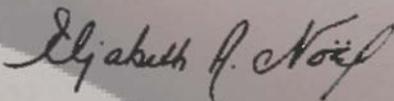
I submit to you the true challenges in 2008 and beyond rest in the answers to four questions.

- 1) What do “Energy Efficiency,” a “Sustainable Future,” and “Being Green” mean to the District of Columbia?
- 2) What is the District prepared to do about “It?”
- 3) How much is the District prepared to pay for “It?”
- 4) What are the costs to the District’s residents, consumers, businesses and economy of not doing “It?”

OPC-DC encourages consumers and stakeholders to make your voices heard. We listen to you in the community and on the internet: ccceo@opc-dc.gov.

The Office of the People’s Counsel is committed to working assiduously to ensure your concerns are advocated and your interests well-represented. Thank you for giving us the privilege of serving you.

Respectfully submitted,



Elizabeth A. Noël
People’s Counsel



PEOPLE'S COUNSEL IS REAPPOINTED TO SERVE A 6TH TERM

On March 6, 2007, the District of Columbia Council unanimously approved Resolution 17-46, the "People's Counsel Elizabeth A. Noël Confirmation Resolution of 2007," in which it affirmed her reappointment by Mayor Adrian Fenty to serve a sixth term as People's Counsel.

As People's Counsel, Attorney Noël is the statutory representative and legal advocate for D.C. utility consumers. OPC-DC functions as a public interest law firm in representing the interests of D.C. utility consumers before the Public Service Commission, the Federal Energy Regulatory Commission, the Federal Communications Commission, the District of Columbia Court of Appeals, federal courts, and legislative bodies.

Ms. Noël's vigorous representation of D.C. consumers' interests is nationally recognized.

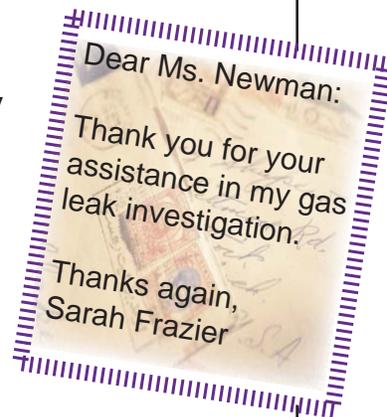
In the words of Attorney Noël, "It is one thing to say you represent consumers. It is quite another to see those consumers are there, standing behind you and beside you, and thereby, enhancing the legal advocacy of this Office. I am honored to serve District of Columbia utility consumers."



CONSUMER COMPLAINTS

Verizon, PEPCO and Washington Gas requested rate hikes as their quality of service continues to decline. Verizon had the most complaints, but PEPCO and WG complaints impacted consumers' quality of life. Increasing costs and diminishing system reliability and safety were growing concerns for utility consumers.

OPC-DC staff resolved 1,244 utility consumer complaints in 2007. The Office also received 2,388 consumer inquiries. Inquiries are walk-ins or consumer calls to the Office, which do not require OPC-DC staff intervention with a utility, but involve providing consumers with information about local utility programs, long distance services and other District agencies. Consumer complaints generally require negotiations between OPC-DC staff and utility company representatives to resolve disputes, including quality of service, disconnection and reconnection, payments and billing. Twenty-five percent (25%) of the complaints received were from Spanish speaking consumers, a five percent increase over 2006.



In previous years, the majority of consumer complaints received by the Office have typically been billing disputes and payment problems. However, over the last several years, there has been a noticeable increase in complaints about the quality of service provided by the District's utility companies. Consumers have been expressing frustration with ever increasing bills. Now, through their complaints, consumers are saying speaking with a company representative about their bills, scheduling repairs, or changing service features have become far too difficult.

Consumers are complaining more frequently about what they describe as rude, discourteous customer service representatives, difficulty in navigating utilities' telephone response systems, and poor quality equipment installation and repairs. Outsourcing utility company customer service staff has only added to their frustration. Consumers also expressed concern that delivery and quality of utility service are not equitable and appear to be determined by city quadrant and neighborhood. Many consumers are also frustrated by the slow rate of deployment of advanced telecommunications services throughout the city.

Reflecting a national trend, the District's utility consumers are facing increasing home energy and telecommunications costs. In particular, many seniors and low and moderate income residents pay a disproportionately high percentage of their household budgets for utility service. More and more middle-class consumers are concerned about their increasing utility costs. Deregulation and competition apparently have not provided the predicted cost savings or service options for residential consumers.



There are few, if any, viable alternatives for utility service providers. The recent Pepco and Washington Gas rate increase cases clearly indicate the companies' desire to shift more financial responsibility and liability to consumers. Yet, as the companies move to insulate themselves from routine costs of doing business, consumers are complaining more about the declining quality of utility services.

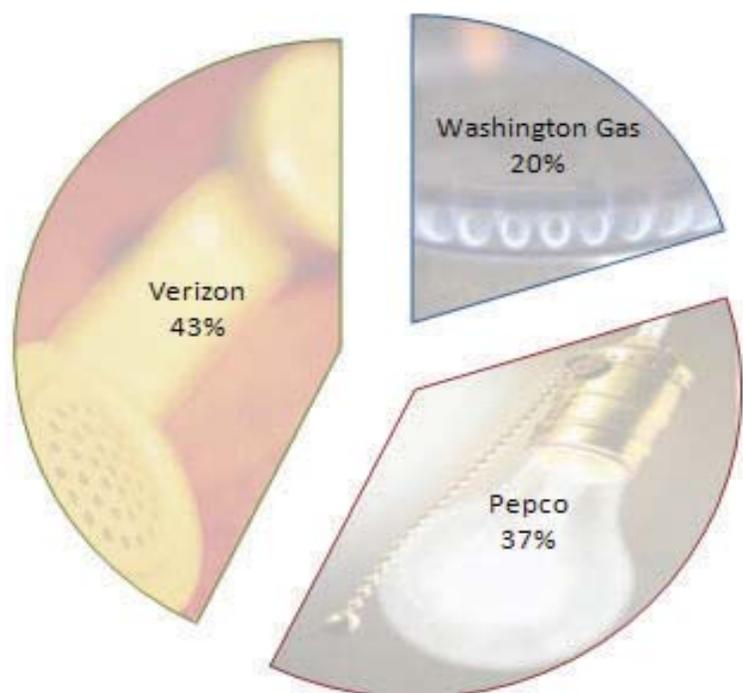
The Big Three

Over the last several years, Verizon DC has received the highest number of consumer complaints. In 2007, Verizon again had the most consumer complaints, accounting for 43 percent of the total complaints OPC-DC staff received and resolved. Quality of service, billing disputes, dissatisfaction with a variety of Verizon's bundled packages, including Digital Subscriber Line services, and the frequency and cost of repairs were the most frequent causes for complaints.

Consumer complaints about Pepco increased by 10 percent in 2007, accounting for 37 percent of the total complaints received. There was a significant increase in the percentage of consumers who complained about recurring power outages, particularly in several Northwest and far Southeast neighborhoods. Consumers also frequently complained about Pepco's management of its tree trimming program, the frequency of estimated meter readings leading to higher recalculated bills, higher bills, and continuing problems using Pepco's phone system to speak with a customer service representative.

Washington Gas accounted for 20 percent of the complaints OPC staff received in 2007. Billing disputes, payment issues and disconnection of service comprised the majority of the complaints. Consumers also complained about increasingly higher natural gas bills, increased budget payment plan amounts without sufficient explanation or notification, and poor customer service.

COMPLAINTS BY THE NUMBERS



Dear Ardella:

Thank you so much for your assistance in resolving my problem with Verizon. Due to your intervention, I finally received a refund of my money. I truly appreciate your efforts on my behalf and am grateful for an excellent job, well-done.

Art Wineburg

Dear Ms. Noel,

I am writing you on behalf of Ardella Newman. She was excellent in helping me with an unresolved problem with Verizon. Ms. Newman took care of the problem quickly. I found her responsible and extremely helpful. It is excellent when you feel you have an office that helps consumers and cuts through all the bureaucratic red tape.

Thank you again,
Margery Gordon

To Ardella Newman, Elizabeth Noël,
Herbert Jones:

Many thanks are extended to Ms. A. Newman with the D.C. Office of the People's Counsel. Verizon has MANY MANY barriers to good-faith communication.

Henrietta Davidson

Dear Mr. Jones,

I am writing to thank you for providing me with excellent customer service over the last three months as I battled Pepco over a mistaken identity and false claim. From my very first conversation you took me and my dilemma seriously and I really appreciated it. You empathized and you gave me hope that we could eventually make them understand and over the last three months you kept me abreast without ever calling you. You regularly contacted me with updates, the final one last week when you gave me the good news that they finally believed me. You are wonderful public servant and the District should be proud that you represent them to the public.

Sincerely,
Teresa Scannell

Betty,

Lawrence Jones saved the day for me. Verizon sent someone to install a 3rd line a week ago. The Verizon guy refused to integrate the 3rd line into the Avalon Apartment Network. He stated it was my responsibility. Furthermore, the Verizon guy disabled my second line (Fax). Naturally, I could not reach anyone on the phone at the phone company--to correct the situation. The only thing Verizon provided me with--was a bill.

I called your office--and Lawrence Jones got results.

THANK YOU.
Sharon Pratt



JOINT UTILITY DISCOUNT DAY STILL VITAL AS ENERGY PRICES SKYROCKET

On October 31, OPC-DC staff participated in Joint Utility Discount Day (JUDD) 2007, where more than 4,400 District residents applied for energy, water and telephone service assistance through the Low Income Energy Assistance Program and Utility Discount Program grants. The event, held at the Walter E. Washington Convention Center, was co-sponsored by OPC-DC, Pepco, Washington Gas, Verizon DC, the Washington Water and Sewer Authority, and the D.C. Department of the Environment's Energy Office.

Once again OPC-DC made JUDD 2007 a "value added event" by inviting a variety of healthcare and credit and financial counseling organizations to participate. Exhibitors included Mary's Center for Maternal and Child Care, Industrial Bank, Emy and Associates, the Howard University Prostate Cancer Center, the D.C. Department of Employment Services, the Department of Human Services, the Office on Aging, Housing Counseling Services, and D.C. Shares.

Deputy People's Counsel Sandra Mattavous-Frye, speaking during the press conference, cited OPC-DC's long involvement with JUDD and the need to continue to assist District residents faced with rising home energy costs. She invited JUDD participants to attend OPC-DC's November Home Energy Efficiency Expo for the latest information on home energy cost-saving products.



SYMPOSIUM ON ENERGY AND POVERTY

Led by D.C. People's Counsel, a contingent of OPC-DC staff attended the 3rd Annual Symposium on Energy and Poverty. Sponsored by the Maryland Office of Home Energy Programs, "Thinking Outside the Box" was organized around the theme of helping low income families manage energy costs.

OPC-DC attended to learn more about the model used in Maryland to coordinate the multi-service and multi-agency needs of consumers whose energy bills result in financial crisis.

UMBC President Freeman Hrabowski III opened the meeting by challenging all in attendance to first recognize they have virtually no experience being poor and even less knowledge of the intense courage required to rise out of poverty.

The People's Counsel commended the government agencies and social service providers for their efforts to address the core issues that feed the cycle of poverty. "Unless we can do more to address the broader needs of individuals, we will continue to see them back each year seeking aid. Unfortunately, due to ever escalating energy prices, the aid does not go far enough, and they build huge debts quickly."



Several speakers alerted the audience to new profiles of senior citizens in their 60s, 70s and 80s living in poverty. Donald F. Norris, UMBC professor of Public Policy, explained: "People who have always paid their bills but now live on fixed incomes that are not keeping up with inflation are being overwhelmed by energy costs. They are having to choose between freezing in their home or taking their medicines."

Pictured: People's Counsel shares a moment with UMBC President Freeman Hrabowski III

ADVOCATING FOR STRONGER CONSUMER PROTECTIONS

In response to numerous consumer complaints in 2004, OPC-DC requested the Commission review the Utility Consumer Bill of Rights (UCBOR) in light of the changing regulatory market.

The request was the result of OPC-DC, the major utilities, D.C. government, the D.C. Consumer Utility Board, the D.C. Federation of Civic Associations, and Advisory Neighborhood Commissioners meeting to make recommendations for amending the UCBOR. The request included a comprehensive 260-page report with recommendations. While it was not a unanimous agreement, in many instances, the stakeholders supported OPC-DC's proposed changes.

Subsequently, the PSC proposed its changes to the UCBOR. Their changes included:

- Requiring a cash deposit for new customers
- Changing the calculation so as to increase the cash deposit amount
- Eliminating a personal guarantee in place of a cash deposit
- Allowing the use of credit scores to qualify consumers for service

In January 2007 comments OPC-DC strongly opposed the Commission's changes. In July, the Commission proposed the UCBOR keep the current calculation for cash deposits and allow a personal guarantee instead of a cash deposit.

In September 2007 comments the Office noted the Commission proposed changes improperly:

- reduced the current energy supplier contract rescission period from ten to three days
- required consumers pay to move a utility meter if the consumer refused or failed to give access to the meter
- dismissed a consumer's complaint if the consumer failed to attend a formal hearing without good cause

OPC-DC requested the Commission:

- prohibit the disconnection of service if a consumer fails to pay for appliances or for services not regulated by the Commission
- require an actual meter reading after repeated estimated bills are received
- prohibit service disconnection of the elderly and the disabled when the forecasted temperature is 90° or above
- require service be restored when it would be unhealthy and unsafe for consumers to be without utility service

Since then, OPC-DC has worked tirelessly with the PSC and others to modify the UCBOR to ensure consumers continue to receive the protections to which they are entitled. A decision on the proposed changes to the UCBOR is pending.

OPC-DC RECEIVES D.C. FEDERATION OF CITIZENS ASSOCIATION AWARD

The D.C. Federation of Citizens Associations presented People's Counsel Elizabeth A. Noël and OPC-DC staff with the Federation's "Sustained Public Service Award" at its 97th annual awards dinner on May 16.

Established in 1910, the Federation is one of the oldest community advocacy groups in the District of Columbia, targeting community involvement in civic governance. The Federation takes pride in its ability to serve as a coordinating body for citizens' interests and emphasizes its commitment to "bringing the voice of District taxpayers and residents to policy discussions."



The Federation routinely responds to both neighborhood issues and issues affecting residents citywide. Its leadership and member organizations regularly testify on behalf of District residents before the Council, government agencies and Congress.

Ms. Noël said at the awards ceremony that "the D.C.

Federation has proven itself as a working organization, supporting legislators and our efforts as a government agency to litigate on behalf of D.C. ratepayers. George Clark, the current President, and Mr. Carroll Green, recent past President, have been exemplary advocates in their own right, making this recognition of OPC that much more special."



"The Office of the People's Counsel has worked with the Federation of Citizens Associations for many years. Through community hearings, investigations and rate cases, I believe that together, we have achieved the kind of results the broader community deserves. The leadership of the Federation has always understood the importance of making a place at the table for public input, and I am proud to have been a part of that history."

- Elizabeth A. Noël, People's Counsel

OPC-DC's ENERGY EXPOS GO GREEN!

The Office remains in the forefront, championing the call for District residents to consider alternative approaches to heating their homes for energy savings and overall environmental benefits. OPC-DC is especially conscious that given today's rising energy costs, residents must take every opportunity to obtain valuable information on saving energy, reducing energy costs and protecting the environment.

The Office continued its annual Energy Efficiency Expo tradition and held its 11th Expo, Spring 2007 Home Energy Efficiency Expo, on May 16, at the Frank D. Reeves Municipal Center. This Expo was a collaborative undertaking with the District Department of the Environment (DDOE) and the Mayor's Office on Latino Affairs. District residents had the opportunity to receive valuable energy efficiency information and ideas and learn about available District energy grants and much more from the numerous renewable energy exhibitors on hand.

"Greatly enjoyed the Expo as many others did. That Saturday nite, after 10PM -- and before Sat Nite Live - I literally read cover to cover your Annual Report. So very interesting and well put-together. Liked too seeing that everyone's name was included."

-Daniel Wedderburn

Spring Expo attendees learned about energy saving methods to use in their homes before the cooling season in anticipation of energy savings from reduced energy costs on their cooling bills. Exhibitors at Expo included Eco Green Living, Alliance to Save Energy, Casey Trees, DC Green, DDOE, and the U. S. Department of Energy.



OPC-DC's Fall 2007 Home Energy Efficiency Expo, held on November 10, at the Walter E. Washington Convention Center, attracted more than 500 District residents. Prior to Expo, People's Counsel Elizabeth A. Noël was joined by Councilmember Mary Cheh and Rhone Resch, President of the Solar Energy Industries Association, on "Viewpoint" (WRC-TV) to promote Expo and other energy initiatives in the District.

The theme for Expo, "Making D.C. Energy Efficient & Environmentally Conscious: One Resident at A Time," set in motion the wheels of change through "hands-on" energy efficiency demonstrations and information about green loan programs, grants, green roofing, straw bale insulation, green buildings and much more. Fall 2007 Expo was co-sponsored by D.C. Councilmember Cheh, Bank of America, DDOE, the Metropolitan Washington Council of Government, the YMCA National Capital, and the United Planning Organization.







OPC-DC EDUCATES CONSUMERS AT HISPA EXPO 2007

OPC-DC's Consumer Services Division (CSD) was an exhibitor at the "2007 Annual D.C. Consumer Hispa Expo" held at the Washington Convention Center August 25-26. The focus of the Expo was to provide organizations and businesses with the opportunity to educate and interact with the communities they serve, as well as to inform consumers about the wealth of information readily available to them in the marketplace.

Hispa Expo 2007 was a great opportunity for OPC-DC, non-profit organizations, federal agencies, consulates, universities, other institutions of higher learning, and the media to further educate and interact with families, seniors, and multilingual speakers residing in the Washington Metropolitan area. CSD staff disseminated key information to consumers about the utilities serving the District's consumers, including information on OPC's "Home Energy Efficiency Expo" and "Joint Utility Discount Day." The Office also advised consumers of its capability for language interpretation and translation services in many languages to better assist non-English speakers with utility inquiries or disputes.

OPC-DC COMPLIES WITH D.C. LANGUAGE ACCESS ACT

The Language Access Act of 2004 provides greater access to and participation in public services, programs, and activities for residents of the District of Columbia with limited or no English proficiency (LEP/NEP).

The Act has four requirements for District government programs, departments and services with major public contact.

- Assess the need for and offer oral language services.
- Provide written translation of vital documents into any non-English language spoken by an LEP/NEP population that constitutes 3% or 500 individuals, whichever is less, of the population served or encountered or likely to be served or encountered.
- Establish and implement a language access plan.
- Identify a language access coordinator.

The DC Council has identified five languages of the LEP/NEP population served by the District government: Spanish, Chinese, Vietnamese, Korean, and Amharic.

The Act applied to OPC-DC effective October 2006.

WHO WILL PAY FOR A GREENER D.C.?

Reliable Energy Trust Fund

The way and manner in which D.C. reduces its energy footprint on the environment is undergoing scrutiny by D.C. regulators and the D.C. City Council. The outcome of this review may affect the future of existing energy efficiency and renewable energy programs currently funded under the Reliable Energy Trust Fund (RETF).

In 2007, OPC-DC continued its scrutiny of the administration and implementation of the approved RETF programs which are paid for 100 percent by ratepayers. OPC-DC reviewed and commented on the program's administrative quarterly reports and the concerns the report posed, as well as commented on various requests made by the D.C. Department of Environment's Energy Office, the RETF administrator, to make adjustments to the RETF programs. OPC-DC's sole objective is to ensure every ratepayer dollar is well spent.

Most of the RETF programs were slated to end in May 2007, however, the Energy Office requested, and the Commission approved, extensions for most of the programs which will continue until either March or September 2008. Whether OPC-DC will support continuation of these programs on a permanent or other basis will depend on its review and analysis of the Energy Office's impact evaluation reports.

In November, D.C. Councilmember Mary Cheh introduced legislation, "The Clean and Affordable Energy Act of 2007," Bill 17-492, to create a sustainable energy utility (SEU) to launch energy efficiency and renewable energy programs in the District. The SEU will be responsible for reducing the city's energy use, for training District residents to perform green-collar jobs, and for helping low-income residents reduce their bills through energy efficiency. The legislation will also, among other things, increase the District's use of renewable energy from sources such as wind, solar, and biomass and create market incentives to encourage home and business owners to install solar panels on their property.

Bill 17-492 would repeal the Reliable Energy Trust Fund and require all funds remaining to be transferred to the Sustainable Energy Trust Fund and Energy Assistance Fund. Although the future of the RETF is uncertain, what is clear to OPC-DC is ratepayers will pay for D.C. government mandates to achieve a greener DC.



AS SOS RATES CONTINUE TO RISE, SO DO ENERGY PRICES!

As part of its legal mandate, OPC-DC has market monitoring responsibilities to ensure the markets at neither the wholesale nor retail level are not being adversely affected by anti-competitive conduct and/or anti-competitive conditions. To effectively advocate for the interests of District ratepayers, OPC-DC is involved in cases and issues at both the wholesale and retail levels.

The Retail Electric Competition and Consumer Protection Act of 1999 (Act) deregulated the electric industry in the District and allowed Pepco to divest its generation. The Act reduced generation rates and capped them for five years at which time the rates would become market-based.

Under the Act, District consumers have had the ability to shop for retail generation suppliers since 2001. A Standard Offer Service (SOS) was created to serve those customers who were in between suppliers, who chose not to choose or who were unable to be served by retail generation suppliers. Competition has not materialized, and 99 percent of residential consumers are being served by PEPCO as the SOS supplier.

Formal Case No. 1017 established the current SOS procurement process in which one-third of the load is procured annually with three-year rolling contracts. The SOS rate is the blended rates of these contracts and changes on June 1 of every year. The interaction between the wholesale markets and District SOS rates is clear. The SOS rates, market-based rates, and the wholesale policies that determine most of the components of the generation rate are set at the wholesale level by PJM and FERC. In addition to monitoring the quarterly reports filed by PEPCO on the number of alternate suppliers serving D.C. consumers, OPC-DC attends the SOS bidding auctions which determine the generation rate District SOS customers will be charged. The generation rate has consistently increased. Since the market is now deregulated, neither the PSC nor OPC-DC has any control over the price of generation.

OPC-DC ADVOCATED \$30 MILLION PEPCO RATE REDUCTION

OPC-DC advocated a \$30.8 million reduction after thoroughly reviewing PEPCO's request in 2006 for a \$50.5 million increase in its distribution rates. Because of distribution price caps, District consumers have seen 13 years of rate stability. OPC-DC's proposal was supported by its filed testimony and at the formal hearings held in June of this year.

OPC-DC challenged PEPCO's request on a number of grounds, including:

- the reasonableness of the proposed revenue “decoupling” mechanism (the so-called bill stabilization adjustment), arguing it was unnecessary and not in the public interest
- unjust and unreasonable expenditures in the rate base
- presentation of revenue requirements incorrectly reflecting amount of taxes paid to federal and District governments
- proposed jurisdictional cost allocations and rate design
- PEPCO's request to impose a surcharge to cover unsupported variances in pension and other post-employment benefits expenses

OPC-DC also presented evidence to prove PEPCO's Standard Offer Service and associated surcharges insulated the Company from business and regulatory risks, thus driving the need to reduce PEPCO's authorized return on common equity to reflect the reduced risk. Numerous community leaders and citizens testified against PEPCO's request at three Commission-scheduled community hearings.

A decision from the Commission had been expected in September 2007. While the outcome of this case is uncertain, the Office is pleased consumers at least did not see an increase during the winter of 2007.



CONSUMER POWER AT PJM AND FERC

With electric restructuring and the lack of retail competition for residential consumers, now more than ever, the wholesale market affects District of Columbia retail consumers. OPC-DC and the PSC have market monitoring responsibilities pursuant to D.C. law, which provides “the Commission and the Office of the People’s Counsel shall monitor the District of Columbia retail markets for electricity supply and services declared by the Commission to be potentially competitive services to ensure that the markets are not being adversely affected by anti-competitive conduct and anti-competitive conditions.”

To effectively advocate for the interests of District ratepayers, OPC-DC participates at the retail and wholesale levels. Since two-thirds of the electric bill is determined by policies made by the Federal Energy Regulatory Commission (FERC) and the Pennsylvania-New Jersey-Maryland Interconnection, LLC (PJM), the public utility regulated by FERC and responsible for administering the regional wholesale energy markets, OPC-DC continues to actively participate at FERC and advocated in more than 13 cases in 2007. A number of important decisions were made in 2007 that impacted District of Columbia ratepayers, and some will continue into 2008. These cases included the new capacity construct proposed by PJM, a transmission incentive for PEPCO, and changes to PJM’s market monitoring unit.



PJM's Capacity Construct

PJM filed a proposal with FERC in 2005, the Reliability Pricing Model (RPM), that was approved by FERC. The purpose of the RPM is to provide incentives to generators to build electric plants in areas where they are needed. OPC-DC opposed the proposal as unjustly enriching generators without any guarantee generation would be built. OPC-DC continued to oppose the proposal in 2007, including opposition to the FERC order approving the proposal. Notwithstanding the Office's objection, the RPM construct was implemented, and prices were higher than expected, especially for the District of Columbia. These extra charges will be reflected in Standard Offer Service (SOS) rates in 2008.

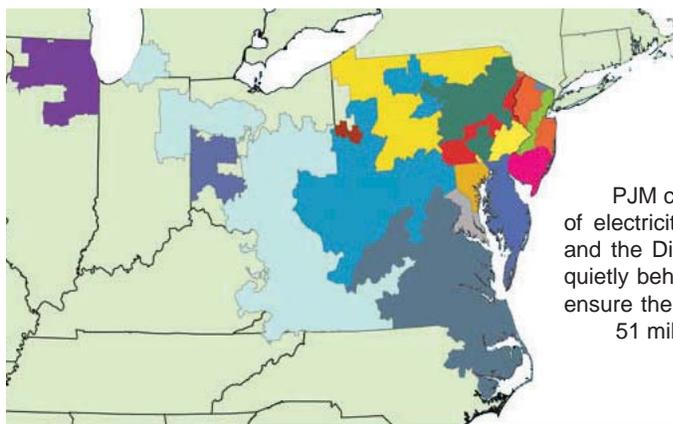
PJM's Market Monitoring Unit

In response to charges by the PJM Market Monitor that his independence was constrained by PJM management, OPC-DC, along with 14 others parties, filed a complaint at FERC requesting an investigation of the allegations. This issue is important to District consumers as PJM's Market Monitor is the first line of defense against manipulation of the wholesale markets. FERC denied the complaint, but directed the parties propose a market monitoring unit to address the concerns raised in the complaint.

The challenge for OPC-DC was creating a system comparable to PJM's current internal system. The PJM and others wanted to switch to an external market monitor to function on a contractual basis. Ultimately, OPC-DC agreed not to oppose a compromise settlement, which adopted an external structure, but preserved the effectiveness of the market monitor for the foreseeable future.

PEPCO's Transmission Rates

The Energy Policy Act of 2005 authorized FERC to give transmission incentives to utilities. In 2007, PEPCO filed at FERC a request for a transmission incentive for joining PJM. FERC granted PEPCO's request. PEPCO's return on equity for its transmission facilities is now 11.3 percent.



PJM coordinates the movement of electricity in all or parts of 13 states and the District of Columbia. They work quietly behind the scenes. Their job is to ensure there is enough electricity for the 51 million people in this region.



CONTINUING SUPPORT OF NET ENERGY METERING

In January 2007, OPC-DC, on behalf of a District consumer, asked the Commission to determine whether PEPCO's revised net energy metering (NEM) contract could now be used so the Company could contract with consumers wanting to interconnect with PEPCO's system. Later in January, the Commission approved the contract. Eligible customer-generators would be able to interconnect with the appropriate portions of PEPCO's grid.

Under the NEM regulations, net energy metering customers are to be billed for transmission and distribution charges for the excess electricity produced by their own generation (the electricity the customer would send back to PEPCO). In June, these charges, among other issues, were challenged by a District resident who filed a petition with the PSC. The consumer argued that while the rate charges might follow the letter of the law, they did not follow the spirit of the law. The complainant asked for an investigation of PEPCO's net metering policies and practices. The complaint was supported by the Solar Energy Industry Association.

OPC-DC reviewed the complaint and the applicable law and urged the Commission to use its authority to remove any barriers to net metering for consumers. Further, the Office asked the PSC to ensure adequate safeguards and protections for consumers, as well as for PEPCO. Specifically, OPC-DC recommended PEPCO be directed to remove transmission costs from the NEM contract and the regulations. Further, OPC-DC recommended the PSC adopt the practice of neighboring jurisdictions, which do not charge distribution costs for any excess electricity returned to the utility.

While the Commission dismissed the complaint (a request for reconsideration is pending), it did agree to revisit the propriety of applying transmission and distribution charges to self-generated electricity, as well as other issues in a future rulemaking. In November, the Commission issued proposed amendments to the net metering rules. In reviewing the proposed amendments the Office noted they would implement policies OPC-DC recommended in its August 2007 comments. If adopted, net metering customers would not pay the charges for transmission and distribution of the excess electricity they return to PEPCO.

In December, OPC-DC urged the Commission to adopt the proposed amendments. A decision is pending.



What Is Net Metering?

Imagine the simplest possible metering arrangement: a single, 1950s standard electromechanical meter. Now imagine a residential customer, Kami McSolar, added a rooftop photovoltaic (PV) system (also known as a solar-electric system) to her home on her side of this meter. Kami wakes up pretty early for her job; on most days, she's out of the house before the sun rises. In the dark morning hours, she makes her coffee and breakfast while watching the morning news on TV. Her electric meter spins forward as Kami is consuming electricity from the grid.

As the sun rises, Kami heads off to work. Making sure not to waste a drop of electricity, she shuts off all her appliances. Her meter spins in reverse as the solar panels churn out electricity—electricity Kami sends back to the overstressed grid. When she returns at night to cook dinner and relax in front of the TV, the meter spins forward again while she consumes electricity.

The result? Kami benefits because her bill will only show her net consumption of electricity from the grid. Should it be a hot sunny month (the sort of months when the grid needs the most help) or a month in which Kami's electricity use is low, she can carry any excess electricity her system generated to the next bill, just as she might roll over excess cell phone minutes.

The result of net metering is to allow for the production of electricity a strained grid did not have to produce. This is, in fact, exactly the same result Kami would get if she had installed a more efficient refrigerator. The only way her utility would know the difference between the use of more efficient technologies (like that refrigerator) or the use of on-site generation (such as a PV system) is if the utility installed a costly additional meter at Kami's home and undertook the burden and expense of reading both meters and billing her for the results.

In effect, net metering is the simplest possible billing arrangement.

** Excerpted and adapted from "Freeing the Grid", 2007 edition, by Network for New Energy Choices (www.newenergychoices.org)*

OPC-DC TESTS TO SEE WHETHER D.C. CONSUMERS WILL CHANGE THEIR ENERGY CONSUMPTION BEHAVIOR IN RESPONSE TO PRICING SIGNALS

In 2007, the Smart Meter Pilot Program Working Group, of which OPC is a member, had its tariff approved by the D.C. Public Service Commission for the pricing programs of the PowerCentsDC smart meter pilot program. The pilot will gauge whether consumers use less energy when faced with higher prices. PowerCentsDC is an advanced or smart meter pilot program in which approximately 1,400 randomly selected residential consumers from all eight wards will be able to participate by receiving real time electric pricing information via phone or e-mail. Armed with this information, consumers can make informed decisions about their energy consumption.

The PowerCentsDC pilot program started as OPC's idea in 2002, when the issue of PEPCO's proposed merger with Conectiv was before the Commission in Formal Case No. 1002. During settlement negotiations in that proceeding, OPC recommend PEPCO fund a smart meter program. The Commission approved the settlement, including OPC's proposal. Since that time, a working group and non-profit corporation was formed to implement the pilot program. The PowerCentsDC Board is composed of five members -- OPC, the Commission, PEPCO, the Consumer Utility Board, and the International Brotherhood of Electrical Workers.

The pilot is scheduled to begin in June 2008, and run two years. The program is designed to measure five primary factors: 1) customer reduction in electricity use during peak times; 2) customer changes in overall consumption; 3) customer satisfaction with different pricing options and technologies; 4) usefulness of the selected technologies; and 5) value of presenting additional pricing information to customers. Following the program's completion, policymakers will have the necessary information to begin assessing the cost-effectiveness of these residential pricing and technology options.

To learn more about PowerCentsDC, visit www.PowercentsDC.org.



OPC-DC RECOMMENDATIONS ON THE DISTRICT'S COMPLIANCE WITH THE FEDERAL ENERGY POLICY ACT OF 2005

OPC-DC filed comments at the Commission regarding the PSC's compliance with the Energy Policy Act of 2005 (EPAAct). EPAAct was signed into law on August 8, 2005, amending federal utility regulatory law to include five new standards applicable to the electric industry and to require regulatory authorities in each state consider adoption of these standards. These standards are net metering, fuel source diversity, fossil fuel generation efficiency, time-based metering and communications ("smart metering"), and interconnection. OPC-DC concluded the Commission was not in full compliance with the net metering (renewable) and interconnection standards requirements and was not in compliance with the fuel source diversity, fossil fuel generation efficiency or smart metering standards requirements.

In April 2007, the Commission decided no further consideration and/or action was required regarding net metering, interconnection or the fossil fuel generation standards. However, the Commission agreed with OPC-DC and PEPCO that the PSC must take further action to comply with EPAAct regarding smart metering. The Commission then initiated an investigation into the feasibility of making smart metering technology available to all customer classes, including residential and commercial. The Commission established a working group to begin the inquiry.

Regarding fuel diversity standards, the Commission concluded OPC-DC was correct that PEPCO's divestiture of its generation assets, standing alone, is not a basis for determining no further consideration of fuel diversity standards is necessary. Accordingly, the PSC asked for public comment on whether and to what extent the Commission should implement additional fuel diversity standards for PEPCO under EPAAct.

OPC-DC submitted comments on the fuel diversity issue and recommended it be considered in another proceeding before the Commission. The Office emphasized fuel diversity standards should be considered and implemented now to begin to minimize the risks associated with over-reliance on fossil fuels. In June, the Commission adopted OPC-DC's recommendation.



PROTECTING CONSUMERS BY CREATING LOW COST ENERGY SUPPLY OPTIONS

In June 2006, OPC-DC filed a complaint with the Commission requesting an investigation into the District's Standard Offer Service (SOS) procurement practices. The Office asked the Commission specifically to consider the use of long-term diversified portfolio management with the goal of procuring long-term stable prices at the least cost for District consumers.

In April 2007, the Commission asked interested parties to comment on three areas: general procurement, portfolio management, and portfolio structure. While OPC-DC's May comments concurred with many of the PSC-designated issues, the Office recommended consideration be given to what further could be done to change the SOS procurement process, as well as when and how fuel and supplier diversity could be incorporated into the procurement process.

In June, the Commission designated additional SOS issues; transferred fuel diversity issues to another proceeding; and directed the SOS working group to submit a report and recommendations on the Commission's designated SOS issues. Many of the PSC's issues had been recommended by OPC-DC.

After a series of meetings, while the SOS working group was unable to reach consensus on many of the issues, there was consensus on some general procurement issues. Specifically, (1) PEPCO should continue to be the SOS provider while the PSC investigates other alternatives, including selection of another party to administer the SOS franchise. (2) The current sealed bid system is beneficial to customers and should remain in place, but the Commission should review alternative practices used in other jurisdictions to determine the best procurement process for the District of Columbia. (3) The Commission should work with neighboring jurisdictions to establish qualifying standards for participating bidders to minimize the potential for overlapping schedules to ensure maximum participation by bidders in the SOS procurement bid process in each jurisdiction. (4) The Commission should not require the SOS franchisee to post collateral since bidders are required to do so.





OPC-DC filed its own comments in October and November, urging the Commission to terminate the working group phase and establish formal Commission proceedings to:

- focus on the mismatch between the composition of the residential electric market and the design of the procurement process
- consider, identify, and implement changes to the regulations on residential procurement
- evaluate the benefits of implementing a longer-term diversified portfolio management approach
- investigate the potential benefits of an SOS procurement process that reflects an actively managed portfolio of diverse resources, including long-term acquisitions beyond the existing three-year contract period to minimize costs and manage risk on behalf of consumers
- require consideration of the full range of available resource types and product durations
- find SOS procurement can and should accommodate goals such as fuel diversity (both of type and of source) and supplier diversity at all stages of planning and implementation
- plan and procure energy efficiency as a comprehensive, long-term program with SOS procurement providing the remainder of default service supply through a managed portfolio
- consider procuring demand response resources through multiple channels prior to each annual SOS auction, retail rate design and competitive procurement

Further Commission action is pending.



OPC-DC SUCCESSFULLY ADVOCATES FOR AN INVESTIGATION INTO RECURRING OUTAGES AND POWER SURGES IN D.C.'S FAIRLAWN COMMUNITY

OPC-DC celebrated a tremendous victory for residents of the District's Fairlawn community. Two separate unplanned power outages and power surges after service restoration caused thousands of dollars in damage to residents' electrical appliances and electronic devices. Residents voiced their concerns at a PSC public hearing on another matter on June 16. They spoke about being unable to get financial compensation from PEPCO.

On June 22, at residents' request, OPC-DC asked the Commission to investigate the matter. In July, the Commission granted OPC-DC's request for an investigation to examine the recurring outages and power surges in Wards 7 and 8. The PSC directed PEPCO to respond to questions about the causes of the outages and surges and to describe the Company's efforts to compensate these consumers. In August, PEPCO agreed to pay the Fairlawn residents for their losses.

Service disruptions like these and PEPCO's reluctance to accept responsibility for the resultant damages weaken consumer confidence, especially at a time when PEPCO is seeking a substantial increase in distribution rates. This victory means consumers with similar electric service problems will likely be compensated. It is OPC-DC's responsibility to ensure consumers receive safe and reliable electric service. Once again, OPC-DC says, "Power to the People!"

Since the Fairlawn community outages and subsequent power surges, OPC-DC has received several inquiries from consumers concerned about how to protect their appliances from power surge damage.

Check out our website, www.opc-dc.gov, to get helpful tips to protect your appliances from being fried!



HISTORY OF ELECTRIC RATE CASES IN THE DISTRICT OF COLUMBIA

1975-2008

(amounts shown in 000's)

Formal Case #	Amount Requested	Amount Granted	% of Requested	Savings	Date Granted
651	\$57,578	\$29,411	48.92%	\$28,167	1976
685	\$44,800	\$5,783	87.09%	\$39,017	1979
715	\$48,049	\$35,465	26.19%	\$12,584	1980
748	\$37,100	\$23,389	36.96%	\$13,711	1981
785	\$97,700	\$34,003	65.20%	\$63,697	1983
813	\$85,995	\$29,900	65.23%	\$56,095	1984
869	\$40,746	(\$14,553)	-35.72%	\$55,299	1989
889	\$38,500	\$9,461	75.43%	\$29,039	1991
905	\$56,414	\$19,740	65.01%	\$36,674	1991
912	\$54,090	\$30,380	43.83%	\$23,710	1992
929	\$72,573	\$23,234	67.99%	\$49,339	1994
939	\$66,964	\$27,887	58.36%	\$39,077	1994
1053	\$50,550	pending decision			



CONSUMER COMPLAINTS MAKE A DIFFERENCE: OPC-DC VINDICATES CONSUMERS BEING OVERCHARGED FOR INSTALLING NATURAL GAS LINES

After learning in a consumer complaint that Washington Gas did not always use the Commission's approved methodology to calculate the cost of installing natural gas lines, the Office conducted extensive discovery into WG's practices.

In February 2007, in Formal Case No. 1041, the Office requested the Commission fine WG for failing more than 1,800 times to comply with the PSC's rules governing cost calculations. In September, the Commission, relying on the evidence provided by OPC-DC, levied a \$25,000 fine against WG for willfully failing to comply with the Commission's rules.

The fine against WG is a resounding victory for consumers as utility companies now understand there is a price to pay for not complying with the Commission's rules.

OPC-DC BATTLES FOR CONSUMERS AND WINS AGAINST WASHINGTON GAS

OPC-DC Recommends \$10 Million Rate Reduction

On December 21, 2006, Washington Gas filed a request with the PSC to approve an increase for the rates and charges for natural gas service in the District of Columbia. WG asked for an increase of approximately \$20 million, approval of a Performance Based Ratemaking plan (PBR), approval of a decoupling mechanism (the Revenue Normalization Adjustment or RNA), approval to collect uncollectibles through a Gas Administrative Charge (GAC), and recovery of expenses associated with its Master Services Agreement (MSA) for business process outsourcing.

After thorough review and analysis and numerous inquiries for documents, OPC-DC concluded WG's request should not be granted. The Office advocated for a \$10 million rate decrease; for denial of the proposed PBR, RNA, and GAC; and for recovery of the costs associated with outsourcing.

OPC-DC Thwarts WG's Attempts to Hide the Details of Its Outsourcing Contract with Accenture: \$350,000 Fine Against WG Results

In June, in the midst of the proceeding, Washington Gas issued a press release announcing it had signed a 10-year MSA with Accenture, a Bermuda-based corporation, to provide WG with business process outsourcing (BPO). Accenture will provide BPO for certain functions in Consumer Services, IT Services, Human Resources, Finance and Service, and technology enhancements. WG indicated some functions will remain on-site, and others will be transitioned to Reston, VA; San Antonio, TX; Wichita, KS; Omaha, NE; Tempe, AZ; Manila, Philippines; Bangalore, India; Prague, Czech Republic; Bratislava, Slovak Republic; and various locations in Canada.

WG's transition to Accenture began six to eight weeks later. Under the terms of the contract, 300 positions, which translated into approximately 250 current jobs, were slated to be eliminated. In testimony WG asserted the call center hours would remain the same, along with both local and toll-free telephone numbers. Customer self-service options by phone or website services would be maintained. Credit and collections practices, including payment plans, payment extensions and courtesy reminder calls, would remain the same. All current payment options would continue. Correspondence would still be received at both the Springfield, Virginia and Washington, D.C. offices.

WG estimated it would save \$170 million over ten years with the contract. Of the \$170 million, \$51 million would be from lower capital expenditures and \$119 million from reduced operating expenses.

During its investigation, OPC-DC asked to review the Accenture contractual documents to analyze the impact of outsourcing on financial and quality of service issues. The Company refused to produce a complete and uncensored copy for OPC-DC, OPEIU Local 2, or the PSC. OPC-DC then asked the Commission to compel the production of the documents.

The Company provided the Commission with incomplete and censored copies of the contractual documents. After reviewing them, on July 23, the first day of the evidentiary hearings, the PSC ordered WG to produce copies of the documents to the parties by 5:00 p.m. that day. WG informed the Commission at the hearing it would not do so, and the PSC suspended the proceeding.

WG filed for reconsideration of the order compelling production. OPC-DC objected and continued to request the documents. On September 28, the PSC denied WG's request for reconsideration and again ordered WG to provide copies of the documents to the parties by close of business October 1. The PSC continued the suspension of the proceeding to allow the parties a reasonable time to review the MSA documents.

In a separate order, the PSC fined WG \$350,000 for its failure to provide the Commission with complete, unedited copies of the Accenture contractual documents when initially ordered to do so. On October 1, WG filed for reconsideration of the sanction, but indicated it had placed the \$350,000 in a "reserve account" pending a Commission decision on the Company's request for reconsideration. The PSC ruled against WG's request, calling WG's actions deliberate and a failed litigation strategy. WG then filed a second request for reconsideration, which is still pending and continued to withhold payment of the \$350,000 fine.





OPC-DC's Advocacy Causes WG's Near Abandonment of Its Rate Increase Request

After the MSA was finally produced, the PSC rescheduled evidentiary hearings for December 2007, and directed the parties to conduct settlement negotiations. The parties, including OPC-DC, held settlement discussions during December. WG agreed to withdraw many, but not all the issues OPC-DC found objectionable.

The settling parties agreed to a \$1.4 million increase over and above WG's current rates. In addition, under the terms of the agreement, WG cannot seek an increase in the rates approved on December 28, for three years. WG also agreed to withdraw its application seeking approval for a Performance Based Ratemaking plan and not to seek approval again before the rate moratorium ends. The Company also withdrew its application for a Revenue Normalization Adjustment until the Commission issues its ruling on decoupling in the PEPCO rate proceeding.

Finally, WG agreed to provide OPC-DC and the Commission with a number of reports to assist the agencies in monitoring the impact and effect on consumers of WG's outsourcing. While OPC-DC supported these concessions, residual issues important to OPC-DC were not resolved. As a consequence, OPC-DC was not a signatory to the settlement agreement, but because it provides tangible immediate benefits to consumers, the Office did not oppose it. On December 28, the PSC approved the agreement.

OPC-DC CONTINUES TO ADVOCATE FOR A WELL BALANCED NATURAL GAS SUPPLY PORTFOLIO, AND DOES NOT ENDORSE HEDGING PER SE

In November 2007, the PSC began reviewing WG's pilot hedging program to determine whether it is in the public interest to continue on a permanent basis. Hedging is a strategy used by a public utility to mitigate the volatility of gas prices to its firm sale customers.

This pilot program dates back to October 2001, when the Commission authorized Washington Gas to establish a pilot natural gas hedging program to give the Commission information to determine whether a full-scale hedging program should be approved. Since that time, the Commission has extended WG's natural gas pilot program several times.

Since the inception of the program, OPC-DC has maintained its position that hedging per se is not necessarily in the public interest. Rather, the Office believes hedging as a gas acquisition strategy has a role to play in a balanced, diversified portfolio of gas supply and transportation resources to enable Washington Gas to provide safe, adequate and reliable energy at reasonable rates to District consumers. The Office has repeatedly said over-reliance on hedging could produce unwanted consequences and could expose the Company's energy supply, its costs, and ultimately, rates, to unnecessary and potentially improvident risks.

GAS PROCUREMENT: OPC-DC URGES THE COMMISSION TO REQUIRE WASHINGTON GAS BE VIGILANT IN ITS PROCUREMENT OF GAS SUPPLY TO ENSURE RATES FOR D.C. CONSUMERS ARE AFFORDABLE

During 2007, OPC-DC was a member of the Washington Gas Procurement Working Group created by the Commission in 1991 as a means of providing an effective review process of Washington Gas' gas procurement practices. The Commission believed this method of oversight to be most effective in monitoring acquisition strategies and practices. OPC-DC, along with Washington Gas and Commission staff, meet quarterly to discuss WG's procurement policies and practices.

WG is also required to file a Gas Procurement Report (GPR) on a biennial basis, which it did in November 2006. In February 2007, OPC-DC's comments, which addressed the 2006 GPR, stressed its continued belief that the GPR fails to adequately address several important aspects of WG's gas procurement activity. The Office believes the GPR should be improved so OPC-DC and the PSC can more easily determine the net benefits for D.C. natural gas ratepayers and whether the costs District ratepayers pay for reliable gas service are reasonable.

OPC-DC WAGES BATTLE ONCE AGAIN IN THE D.C. COURT OF APPEALS TO GET CONSUMERS THEIR FAIR SHARE OF WASHINGTON GAS' MARITIME PLAZA REVENUES

For the second time in three years, in May, the Office appealed the Commission's decision in Formal Case No. 989 (Washington Gas' 2001 rate increase request) to the D.C. Court of Appeals because the PSC's decision did not comply with the court's earlier directives. As a result, D.C. consumers would not receive the full benefits to which they are entitled.

In the 2001 hearing before the Commission, OPC-DC presented evidence showing ratepayers had paid 100 percent of the cleanup costs for Washington Gas' East Station site, a former gas manufacturing plant. As a result, ratepayers should receive more than 50 percent of the revenues from development at the former East Station site, now called Maritime Plaza. Despite OPC-DC's evidence, the Commission ruled WG's shareholders should receive 50 percent of the revenues from Maritime Plaza.

OPC-DC appealed the Commission's decision to the D.C. Court of Appeals. In March 2004, the court returned the matter to the Commission for further consideration. The court held the Commission's decision was flawed because it did not fully and clearly explain its reasons for the 50-50 allocation. The court also found the Commission lacked any evidence, other than WG's investment in the land (which was not quantified), justifying the split.

The Commission re-opened the case in August 2004, allowing OPC-DC and WG to provide testimony supporting their positions. Following a hearing in October 2006, the Commission upheld its earlier decision that the Maritime Plaza revenues should be allocated on a 50-50 basis between ratepayers and shareholders. Once again OPC-DC disagreed and filed a request for reconsideration, which the Commission denied in March 2007.

In May, OPC-DC petitioned the Court of Appeals to review the PSC's decision. The Office is asking the court to find once again the Commission's decision that the 50-50 revenue allocation is appropriate was based on a flawed analysis of WG's investment in the land. Oral arguments will be held in 2008.





WHO WILL PAY FOR A GREENER D.C.?

Natural Gas Trust Fund

The Natural Gas Trust Fund (NGTF) is similar to the Reliable Energy Trust Fund (RETF) in that natural gas customers pay a non-bypassable surcharge to fund energy efficiency programs and to provide assistance to low-income natural gas customers in the District. In 2005, the D.C. City Council passed the “Utility Emergency Act of 2005,” which established the NGTF. Similar to its position on the RETF, OPC-DC supports the objective of the NGTF public purpose programs. This support, however, must always be balanced with the bottom line of accountability for costs incurred to administer the programs.

In October of 2007, the Commission finally approved the first three programs to be funded by the NGTF for a two-year period. They are the RES Expansion and Marketing Program; the Heating System Repair, Replacement, Tune-up program; and the Energy Awareness Campaign. These programs are slated to operate until October 2009. The future of these programs is uncertain because “The Clean and Affordable Energy Act of 2007,” Bill 17-492, the proposed legislation that would establish a sustainable energy utility and repeal the RETF, would also repeal the NGTF and transfer any remaining funds to the Sustainable Energy Trust Fund and Energy Assistance Fund.

Regardless of the entity chosen by the D.C. Council to administer and implement energy efficiency programs for natural gas customers, OPC-DC will continue to advocate that D.C. ratepayers should not be required to bear more than their fair share of the costs of making D.C. greener.

OPC-DC FIGHTS TO PROTECT CONSUMERS FROM A DEREGULATED TELECOMMUNICATIONS MONOPOLY

OPC-DC Fights Verizon DC's Deregulation Efforts and Protects Basic Local Service

In 2007, OPC challenged Verizon DC's deregulation proposals because they threatened the continuation of PSC authority over local basic rates when there simply is no landline competition in the District of Columbia.

In its new "Price Cap Plan 2007" plan, along with two separate applications to reclassify bundled residential and business services as competitive, Verizon DC seeks to have the District's telecommunications market judged as competitive. If Verizon DC is successful, consumers would be deprived of affordable rates for basic local service. OPC-DC is vigorously challenging this assertion.

In 1996, the PSC approved Verizon DC's Price Cap Plan, putting the Company under price cap regulation. Advocates of this alternative form of regulation argued it would aid in the development of a competitive local exchange market in the District of Columbia. They claimed consumers would have several service providers from which to choose to fit their telecommunications needs.

No real competition came, and the few alternative providers that entered the D.C. telecommunications market were acquired by Verizon Communications (Verizon DC's parent company) and other major telecommunications companies. Over the years, OPC-DC has focused its efforts on ensuring, regardless of the changes in the form of regulation, D.C. consumers continue to receive safe, adequate services at affordable rates.

Notwithstanding the fact that the District's telecommunications market is not actively competitive, Verizon DC continues its quest for more regulatory flexibility to compete for business in the District.

The Office strongly opposes the approval of Price Cap Plan 2007 and the bundled services reclassifications. If approved, Verizon DC could raise rates for bundled services with as little as one-day notice and without public notice and comment. Consumers who subscribe to bundled services (including Verizon Regional, Local and Freedom package plans) would be subject to price increases by \$1.00 annually (even if costs decrease) without OPC-DC, community organizations or even members of the public being able to oppose the action. Only consumers who subscribe to "basic only" services would be safe from the \$1.00 annual price increases. However, as bundled packages are now popular among consumers, OPC-DC believes it is unlikely there are many "basic only" subscribers in comparison to the number of consumers who subscribe to bundled plans.



OPC-DC maintains Price Cap Plan 2007 is not in the public interest as it would give Verizon DC unchallenged discretion to raise rates. The PSC scheduled hearings for early March 2008.

OPC-DC Challenges Verizon DC's Attempt to Use a Deregulated VoIP as a Platform for Local Basic Service

In July, Ward 3 Councilmember Mary Cheh, Chair of the Committee on Public Services and Consumer Affairs (Committee), introduced Bill 17-332, the "Telecommunications Competition Amendment Act of 2007." The Act's purpose is to prohibit the Commission from regulating Voice over Internet Protocol ("VoIP") and internet protocol-enabled services. VoIP services are delivered over the Internet rather than the traditional public switched telephone network. The Commission does not presently have jurisdiction over VoIP. This legislation, if passed, would not impact the Commission's ability to continue regulation of basic telephone service.

OPC-DC does not oppose VoIP or any other broadband or Internet-based service. OPC-DC, however, is concerned that with the possible deregulation of basic services by the PSC under Verizon DC's Price Cap Plan 2007 proposal and the passage of Bill 17-332, which would allow for continued deregulation of VoIP, Verizon DC might only offer basic service through a broadband or Internet-based application.

In November comments filed on Bill 17-332, OPC-DC's primary concern was preempting the Commission from regulating VoIP services could compromise D.C. consumers' right to quality telecommunications service, including the deployment of new telecommunications services. The Office noted the PSC does not currently have jurisdiction over VoIP services and is making no attempt to regulate these services. Thus, the bill was premature at best and could prove unnecessary. The Office recommended the Committee wait until the Federal Communications Commission issues its decision on the states' role in regulating VoIP services.

The Committee has not yet moved forward with the legislation.



OPC-DC SLAMS VERIZON DC FOR FAILURE TO TIMELY RESTORE TELECOMMUNICATIONS SERVICES AND PETITIONS THE PSC FOR AN INVESTIGATION

Quality of service took on even more importance in 2007. With Verizon DC's push to be deregulated, OPC-DC has seen a growing increase, with a spike in 2007, in the number of consumer complaints received about the decline in the Company's quality of service and customer care.

The delivery of adequate service quality is important to consumers, so the Office wants a balanced public investigation that relies not only on evidence provided by Verizon DC, but also, and more important, by the Company's customers. Prior to OPC-DC's filing, the Commission had directed the Company to explain why the time in which customers are notified of service restoration was so long.

Based on similar action taken before the Maryland Public Service Commission, in September, OPC-DC petitioned the PSC (1) to establish a proceeding in which interested parties could provide evidence and comments on the adequacy of Verizon DC's delivery of telecommunications services; (2) to determine the causes of Verizon DC's inability to meet Commission-mandated levels of service quality; and (3) to determine what corrective actions would ensure Verizon DC provides high quality telephone service to its customers in the District.

Although the Commission did not grant OPC-DC's request, the PSC did direct the Office to respond to Verizon DC's explanation of the clearing time failures. In the Office's response to the Commission, OPC-DC noted Verizon DC has consistently failed to meet Commission-approved standards from 2002 to 2007; PSC enforcement of quality of service metrics and standards is now of critical importance; and the Commission should hold quality of service hearings to develop a full and complete public record on the unacceptable quality of service provided by Verizon DC.

While further Commission action is pending, Verizon DC has taken some steps, resulting in a slight improvement in meeting their year-end standards. The Company has also proposed additional changes, which OPC-DC opposes, to the Commission's efforts to revise outage reporting requirements so they would be similar to the FCC's rules.



OPC-DC SMOOTHS THE WAY FOR GETTING AND KEEPING LIFELINE SERVICE: ECONOMY II AND UNIVERSAL TELEPHONE SERVICE

In 2007, the Office continued to advocate for telecommunications consumers by ensuring the continued viability of universal telephone service in the District, particularly the provision of Economy II service. The District's Economy II program is one of the most affordable low income telephone services in the country, allowing consumers who meet the eligibility guidelines to receive basic telephone for either \$1 or \$3.

The Office has made recommendations to improve the efficiency and effectiveness of the Economy II certification and recertification process. Consumers who want to receive Economy II service must submit proper documentation to the District's Department of the Environment's Energy Office to prove their eligibility for the service. Similarly, the recertification process requires those already receiving the service to reapply annually.

Since 2001, OPC has been advocating for universal service rules that deliver tangible benefits to District consumers through affordable access to basic telephone service, the Telecommunications Relay Service for the deaf and hard of hearing, service quality standards, and the ability to redefine universal service to include new services to be identified as universal as telecommunications service technology evolves.



OPC-DC RAISES THE VOICE OF D.C. CONSUMERS AT THE FEDERAL COMMUNICATIONS COMMISSION

OPC-DC represents District consumers and has acted on behalf of the National Association of State Utility Consumer Advocates (an association, of which the Office is a founding member, of consumer advocates in 40 states and the District of Columbia) on the Federal Communications Commission's Consumer Advisory Committee (CAC). The CAC meets every three months to propose and develop initiatives affecting the nation's telephone consumers.

CAC's major undertaking in 2007, was educating consumers about the mandatory transition from free television to digital television (DTV) in February 2009. Consumers who do not subscribe to cable TV services or who do not have a digital TV will need to purchase a converter box. The U.S. government (through authorized retailers) is providing coupons to low income consumers to reduce the cost of the converter box. (To read our article about the DTV revolution, visit our website at www.opc-dc.gov.)

The CAC will resume its meetings in March 2008. One of the important consumer issues on the agenda involves greater access and consideration of consumer concerns before the FCC. In addition, while improvements have been made to the FCC's consumer complaint process, many consumers still feel their complaints are not timely resolved.

Of particular concern to OPC-DC is the competitiveness of the local telecommunications market. As alternative providers leave the local marketplace and are acquired by major providers (such as Verizon and SWB), significant competition seems unlikely. If true, the question is whether local exchange carriers should continue to be granted regulatory flexibility. In addition, the issue of industry self-policing is of major concern. OPC-DC believes federal and state regulatory agencies must increase (rather than decrease) their regulatory authority over the rates and quality of service provided by local exchange carriers, including Verizon DC.





OPC-DC CHALLENGES UTILITY SECRECY ABOUT THEIR REVENUES

The public's right to know about OPC-DC's (and the PSC's) funding is of major importance to the Office. In 2007, OPC-DC challenged the utilities' efforts to keep their D.C. earnings secret.

D.C. law provides the operating budgets for OPC-DC and the PSC are to be repaid annually by the utility companies (and the alternative suppliers and providers) through a reimbursement fee. This fee is funded through utility rates, meaning ratepayers alone fund the Office. A statutory formula is used to determine what percentage of OPC-DC's (and the PSC's) budgets the companies must pay.

In August 2007, OPC-DC challenged the three public utility companies' decision not to make public their respective revenues earned in the District. OPC-DC believes transparency and accountability to the public are necessary elements of public utility regulation. While the Office has access to the companies' jurisdictional revenues (earnings), OPC-DC believes the information should also be on the public record and made available to consumers.

In October, the Commission denied OPC-DC's motion, thereby denying the public the right to know what PEPCO, Washington Gas, and Verizon DC earn in the District. Essentially, the Commission agreed with Verizon DC that the disclosure of their revenues could pose a competitive threat. Just as with Verizon's Price Cap 2007 proposal, OPC-DC is challenging the utility companies' position that the D.C. utility market is competitive.

In December, OPC-DC petitioned the District of Columbia Court of Appeals for review of the Commission's decision. Oral arguments are scheduled for May 2008.

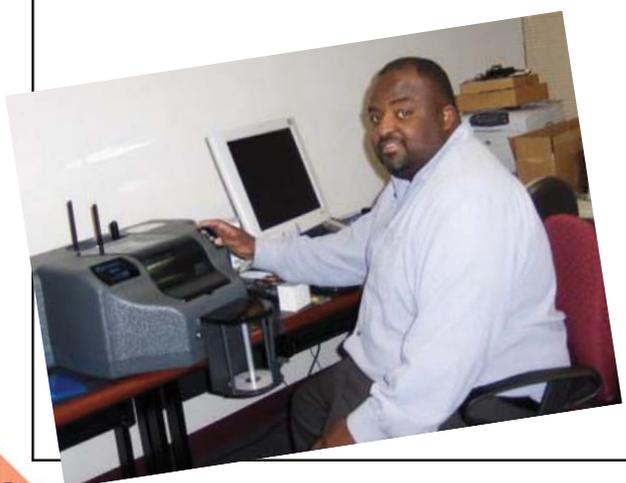


OPC-DC REVAMPING ITS WEBSITE

The Office's computer network and information systems services provide technological tools which support a host of options in producing litigation and educational outreach materials. The Management Information Systems (MIS) Division of the Office is responsible for providing technological tools for effective service delivery and enhancing community education and outreach capabilities. MIS services give OPC-DC the IT resources it needs to analyze and present data, to exchange information, to conduct research, to link with national groups, and to provide computer network support to its staff and the staff of the Office of the Chief Financial Officer assigned to OPC-DC. MIS maintains all computer system network operations and all connections to remote telecommunications sites, including the Internet and the Wide Area Network (WAN) of the District government.

Each year, the Office evaluates and reviews its technological systems to plan and effectively implement new enhancements. In 2007, the MIS Division added peripheral and desktop enhancements for the production of community education materials, transitioned staff to Microsoft Office 2007 applications, and upgraded Web conferencing and group training equipment.

In 2007, MIS began rolling out a newly designed website. The website, restructured entirely by MIS Division staff, provides a host of new features and user-friendly improvements. Browsers can instantly view pop-up news flashes and hot topics. The new configuration allows browsers to quickly and easily navigate news about community education and outreach activities and current and general information about gas, telephone, electric issues. Consumers can go to "The People's Corner" to explore topics of energy efficiency, the digital age, FiOS deployment in the District, compact fluorescent bulbs, and much more.





Ultimately the website will include menu-driven categories, search features, archiving, video presentations, and a photo gallery. Other important categories on the site include Spanish, Market Monitoring, Electric Restructuring, OPC-DC Involvement at the federal level, Customer Choice, and Consumer Rights. Consumers can continue to email OPC-DC staff, file consumer complaints or simply make comments on-line. Office publications, brochures and fact sheets are also available on the site. While the look of the site is new, the location remains the same, www.opc-dc.gov.

The Office's computer software configuration includes a host of database, spreadsheet, and desktop publishing applications. In 2007, MIS also provided upgrades to e-mail, anti-virus software, the Web browser, network security, document scanning and e-filing, data storage, and data exchange. In-house staff training, specific to new software and hardware, made the transition smooth and uneventful.

The customized Consumer Information Database (CID) is another valuable technological tool. With MIS support, the Consumer Services Division uses the CID to record and analyze consumer complaints filed with the Office. With the CID, there is a basis for trends analysis and expansion of OPC-DC's focus on areas of concern. Since the Office must keep pace with the needs of consumers, MIS implements CID adjustments when areas of focus change.

By using in-house technology to produce professional publications in various formats, ratepayer dollars are saved. Information technology resources continue to be a vital and integral part of the Office's work in protecting, educating and advocating for consumers.

OPC-DC Leadership and Direction

The Directorate includes the People's Counsel, her Staff Assistant, Jean Gross-Bethel, and the management team of Sandra Mattavous-Frye, Esq., Deputy People's Counsel; Derryl Stewart King, Director of Operations; Herbert Jones, Manager, and Associate People's Counsel Karen Sistrunk, Consumer Services Division; and Darlene Wms-Wake, Manager, Management Information Systems Division. The Directorate determines policy consistent with the Agency mission and provides legislative analysis and assistance on utility matters to the Executive and the Council of the District of Columbia.

Elizabeth A. Noel, Esq.
People's Counsel

Jean Gross Bethel
Staff Assistant to the People's Counsel

OPC-DC Advocates for and Represents Consumers

The Litigation Services Division, headed by Sandra Mattavous-Frye, Esq., consists of the Energy, Telecommunications and Technical Sections. There is also a Market Monitoring Section created pursuant to the District's electric retail restructuring law to monitor the market for market abuses. The Division manages and presents 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, preparing aspects of each case, coordinating outside counsel, and marshaling various expert technical witnesses.

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

Laurence Daniels, Esq.
Assistant People's Counsel

Lopa Parikh, Esq.
Assistant People's Counsel

Jennifer Weberski, Esq.
Assistant People's Counsel

Bahaa Seireg
Economist

Barbara Burton, Esq.
Assistant People's Counsel

Brian Edmonds, Esq.
Assistant People's Counsel

Brenda Pennington, Esq.
Assistant People's Counsel

Naunihal Singh Gumer
Accountant, Rate Case Manager

Tamika Chase
Office Assistant



Karla Chryar
Litigation Assistant



OPC-DC Consumer Education and Outreach

The Consumer Services Division, headed by Herbert Jones and attorney Karen Sistrunk, provides education and outreach to District consumers, responds to requests for information and for speaking engagements. Consumer Services staff provide assistance and representation to individual consumers with utility complaints and complaints about public pay telephones. The Division also provides assistance and resources to the Consumer Utility Board and community civic and consumer organizations.



A Litigation Division staff attorney supervises and advises the consumer complaint staff to determine whether legal action or new policies should be developed. This function helps OPC-DC make and argue strong cases for matters raised through individual complaints demonstrating the need for a policy shift or legal change.

Herbert Jones
Manager

Karen Sistrunk, Esq.
Associate People's Counsel

Kami Corbett
Consumer Education Specialist

Melanie Deggins
Consumer Education & Outreach Specialist

Silvia Garrick
Consumer Education & Outreach Specialist

Phillip Harmon
Public Policy Analyst

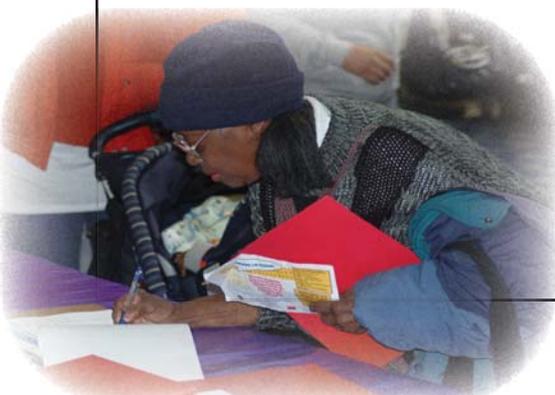
Linda Jefferson
Consumer Education & Outreach Specialist

Laurence Jones
Public Policy Analyst

Pamela Nelson
Consumer Education & Outreach Specialist

Ardella Newman
Consumer Complaints Specialist

Cheryl Morse
Office Assistant



OPC-DC Technology

The Management Information Systems Division, headed by Darlene Wms-Wake, 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, the Consumer Information Database research and other information databases, presentation and desktop publishing, and equipment and technology upgrades. OPC-DC's website, www.opc-dc.gov, is also a product of the Division.



Darlene Wms-Wake
Network Administrator

Akara "Yoshi" Chandee
Webmaster

Anthony Lee
Computer Specialist

OPC-DC's Ability to Function Effectively

The Operations Division, headed by Derryl Stewart King, is responsible for fiscal management, editorial functions, assessments, space acquisition and management, materials and non-IT equipment, procurement, human resources, staff development, benefits administration, and legal matters related to OPC-DC's daily operations.

Derryl Stewart King
Director

Frank Scott, Jr.
Administrative Officer

Erica Bright
Administrative Assistant

Tara Love
Receptionist



SOURCE OF FUNDS

Funds for the Office are provided through two sources. The appropriated budget provides for the administrative and general operating expenses (rent, salaries, equipment) of the Office and is authorized by the D.C. government in the governmental budget review process. Assessment funds are used to pay the costs of litigation and investigations. The costs are directly assessed to the affected utility.

Operating Budget

Appropriated funds are also used to support such additional activities as: 1) representing the interests of District consumer 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 alternate energy and telecommunications providers according to an established formula as outlined in the Public Utility Reimbursement Fee Act, D.C. Code Ann. § 34-912(b)(1).

Assessment Budget

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. D.C. Code Section 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.

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.

DID YOU KNOW?

Less than half a penny of each dollar you pay a for utility service goes to OPC!



Assessment Calculations

To determine the maximum amount the Office can assess in a rate case, using PEPCO as an example, assume the Office determines it needs five consultants for a total of \$300,000. PEPCO's current D.C. revenues (rate base) are \$978,291,000.* Multiplying the rate base by one-quarter of one percent, $\$978,291,000 \times .0025 = \$2,445,728$.

The request of \$300,000 does not exceed the statutory millage limit of \$2,445,728 and is therefore permissible.

The amounts assessed against the millage limits for rate cases are not cumulative unless there are several requests in the same proceeding. If one rate case required several assessments, i.e., the case required additional unexpected services necessitating additional funds, then the total amount requested in all assessments for that proceeding could not exceed the statutory millage limit.

For example, if there were a rate case in which an assessment requested \$250,000 and two subsequent assessments requested \$10,000 and \$30,000, the total request for the three assessments of \$290,000, does not exceed the millage limit and would be permissible. If, however, three rate cases were filed by the same utility in one year, using the PEPCO example, the Office could assess up to the maximum amount of \$2,445,728 for each case.

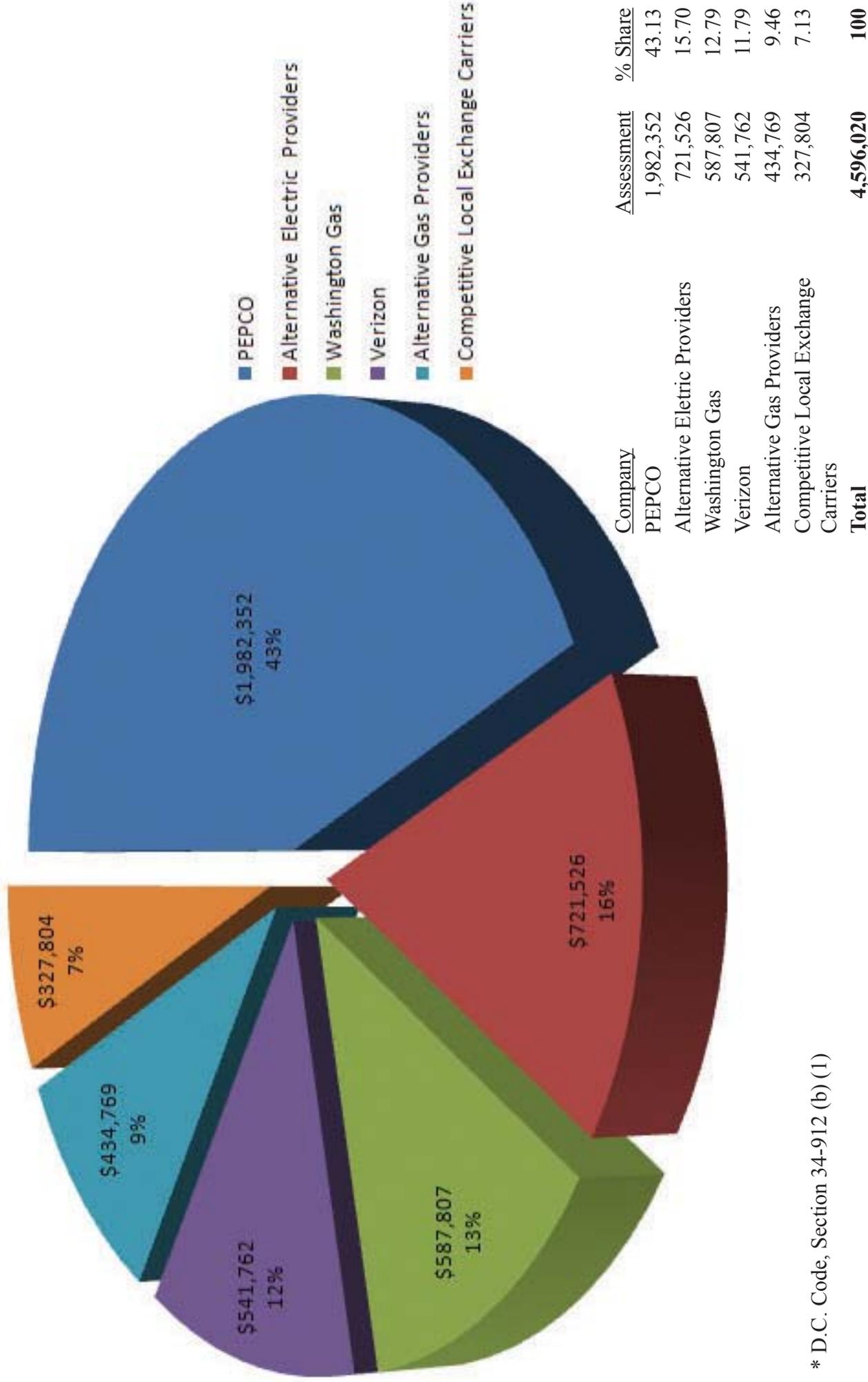
In all other cases or investigations (those not involving the setting of rates), the requested amount cannot exceed one-twentieth of one percent of the utility's D.C. revenues. Again, using PEPCO as the example, the Office determines it needs \$47,000 for retained technical consultants in an investigation opened by the Commission. Multiplying the rate base by one-twentieth of one percent, $\$978,291,000 \times .0005 = \$489,146$.

The request of \$49,500 does not exceed the statutory millage limit of \$489,146.

Unlike rate cases, the amounts assessed against the millage limit for investigations are cumulative. If 12 investigations were filed by the same utility in one year, using the PEPCO example, the Office could assess for a maximum of \$489,146 cumulatively. In other words, the costs of litigating all 12 cases could not exceed \$489,146.

* Formal Case No. 1053 (Order No. 14712 (Jan. 30, 2008)).

Assessments of Utilities, Alternative Energy & Telco Providers for OPC-DC's FY 2007 Operating Budget*



* D.C. Code, Section 34-912 (b) (1)

January 2007

Outreach Kingman Park Civic Association
Meeting with Councilmember Wells – Ward 6
Outreach Ingraham Park Civic Association
Outreach Housing Counseling Services
Outreach Spanish Catholic Center
Outreach Martha's Table
Outreach Ayuda
Crestwood Citizens Association Meeting
Consumer Utility Board (CUB) Meeting
Outreach Centro Nia
Outreach Latin American Youth Center
COGG Meeting with George Nichols
YMCA Board Meeting

February 2007

Outreach ANC 4A
Outreach Latino Economic Development Corp.
Outreach National Association of Retired Federal Employees (NARFE)
The Committee on Public Service and Consumer Affairs Meeting – Councilmember Cheh
Outreach Advisory Neighborhood Commissions 1A
Outreach Mayor's Office on Latino Affairs Open House
CUB Meeting
Outreach Change, Inc.
YMCA Board Meeting

March 2007

Outreach National Association of Retired Federal Employees (NARFE)
Outreach Pleasant Plains Civic Association
3rd Annual Symposium on Energy and Poverty
CARECEN
Outreach Latin American Youth Center
Outreach Commission on Aging at Model Cities, Inc.
Elizabeth Noel oath of Office – sixth term as DC People's Counsel
Outreach Senior Center for the Asian & Pacific Islanders
CUB Meeting
Outreach Martha's Table
YMCA Board Meeting
Outreach National Association of Retired Federal Employees (NARFE)
Outreach Advocates for Justice and Education, Inc.
Outreach Neighbor's Consejo
Outreach MarFarland Middle School

April 2007

District Department of the Environment's Energy Office (DDEO) met with OPC
Outreach ANC 4A Meeting
Outreach Latino Economic Development Corp.
Outreach Senior Center for the Asian & Pacific Islanders
Outreach Family Place
CUB Meeting

April 2007 (cont...)

Outreach Powell Elementary School
 OPC Budget Meeting
 Outreach Andromeda
 YMCA Board Meeting
 Outreach Sierra Club/ANC 7B Meeting
 "The Greening of New York City" Conference – New York City
 Meeting with Councilmember Thomas
 Outreach Bethesda Baptist Church
 Outreach Andromeda
 Outreach ANC 8D05 Community Meeting
 Outreach McFarland Middle School
 NAPEE - "Energy Efficiency Mid-Atlantic Implementations"- Philadelphia, PA

May 2007

Outreach Martha's Table
 Outreach Neighbor's Consejo
 Outreach Mary's Center for Mother and Child Health
 Outreach ANC 1B
 Metropolitan Washington Council of Governments Meeting w/George Nichols
 Outreach CentroNia
 Outreach Ibero American Chamber of Commerce
 Spring Expo – Reeves Center
 EAN Award – DC Federation of Citizens Association at Fort McNair Officer's Club
 CUB Meeting
 Public Oversight Hearings "Gov't Funded Energy Efficiency" – Councilmember Cheh
 Outreach "Seniors Day" at DC Armory
 Outreach Carlos Rasario Public Charter School
 YMCA Board Meeting
 Outreach Neighbors' Consejo
 Outreach CARECEN
 Outreach CentroNia
 Meeting with Council on Constituent Services – Dee Williams
 Outreach The Family Place
 Outreach Latin American Youth Center
 Outreach Martha's Table
 OPC Community Briefings (Pepco/WGas)

June 2007

OPC Community Briefing (PEPCO/WGas)
 National Fuel Fund Network (NFFN) Convention, Nashville, TN
 Northeast Boundary Civic Association
 PSC - PEPCO Community Meeting
 PSC - PEPCO Community Hearings
 City Council's Public Services and Consumer Affairs re: Bill 17-131 "Keeping DC Warm Amendment"
 Children's Health Center Summer Health Fair
 Outreach National Latino Council
 Dupont Park Civic Association Meeting
 CUB Meeting

June 2007 (cont...)

Energy Efficiency Workshop
Outreach Bread of the City
Council Hearing "Keeping DC Warm"
PEPCO Rate Case Hearings (June 26-29th)
Outreach ANC 8D03 Meeting
Outreach "East of the River Energy Eco Expo" THEARC
YMCA Board Meeting
Environmental Network Meeting

July 2007

Council Hearings "Electric Deregulation Restructuring"
PSC Community Hearing on Formal Cas 1053
WGas Community Leader Briefing
Outreach Kingman Park
Edgewood Consortium at Brown Jr. High School
WGas Community Leader Briefing
WGas Rate Case Hearings (July 23-26th)
Outreach CentroNia
Outreach Shrine of the Sacred Heart
Outreach Ethiopian Community Service & Development Council
Efile Training Seminar
Outreach Bread of the City
Outreach Neighbors' Consejo
YMCA Board Meeting

August 2007

Outreach Community Parent Resource Center/AJE
Outreach CARECEN
Outreach Martha's Table
Outreach Manor Park Civic
Sierra Club
Outreach Hispa-Expo
Meeting with Ruth Connolly
Meeting with Councilmember Cheh's Office (Patrick Leibach)
YMCA Board Meeting

September 2007

Outreach Elderfest at Freedom Plaza
Meeting with the Mayor and Public Service Commission
Meeting with DC Department of the Environment – Sharon Cooke
CUB Meeting
Pepco Briefing
Outreach Shrine of the Sacred Heart
Outreach Neighbors' Consejo
Outreach The Family Place
YMCA Board Meeting

October 2007

Outreach Greater Washington Urban League Parent Expo
PepsiCo Smart Spot
Outreach Change, Inc.
Outreach Latino Economic Development Corporation (LEDC)
Outreach Hispanic Heritage Month
Outreach Jubilee Housing
Outreach Columbia Heights Community Festival Event
Outreach CentroNia
Outreach Community Parent Resource Center
Outreach Office on Aging
Outreach Jubilee Housing
Outreach Mayor's Office on Latino Affairs
Outreach GWUL, Inc. Parent Expo
Outreach AARP – Woodbridge-Brookland Chapter
Lanuagae Line Services Training
CUB Meeting
Outreach Brentwood/Edgewood Collaborative Meeting
CWA Meeting
DC Federation of Civic Associations Annual Awards Celebration
JUDD – Washington Convention Center
YMCA Board Meeting
Environmental Network Meeting

November 2007

Public Hearing "Telecommunications Competition Act of 2007" w/ Councilmember Cheh
Outreach Asian Services Center
Outreach Michigan Park Civic Association
"Undergrounding of Power Lines" w/ Paul Long
Palisades Citizens Association
Outreach La Clinica del Pueblo
Home Energy Efficiency Expo – Washington Convention Center
NASUCA Annual Meeting
Outreach Family Place
Outreach Ethiopian Community Service and Development Council
Neighbors Consejo
YMCA Board Meeting

December 2007

Outreach DDOE Energy Services Roundtable
PSC Community Hearings/WGas
PSC Community Hearings/WGas
PSC Community Hearings/WGas
Outreach 3165 Mount Pleasant Street NW
Environmental Network Meeting
Outreach Office on Aging Senior Holiday Celebration

2007 OPC-DC STAFF PROFESSIONAL DEVELOPMENT AND EDUCATION

2007 Joint Low Income Energy Conference
Business Grammar and Proofing
Changing the Institutions
Consumer Energy Symposium
Disability Employment Awareness within the D.C. Government
East Coast Smart Metering Conference
Economic Fundamentals of Energy & the Environment
Electricity & Natural Gas Market and Regulation
Electricity Law: Breaking Topics
Financial Empowerment Workshop
Financial Planning Seminar
Greening of New York City
Gridweek 2007
Introduction to Energy Efficiency
Language Line Services
MACRUC Winter Committee Meetings
Mapping DC Area
NARUC Winter and Summer Committee Meetings
NASUCA Annual Meeting
NASUCA Mid-Year Conference
National Action Plan Mid-Atlantic
Organization of PJM States Annual Meeting
PJM Demand Response Symposium
Program Evaluation
Telephonic Seminar on Electric Services and Regulation
Voce Solutions for Government, NRECA (National Rural Electric Coop Assn.)

OPC-DC SHARING WITH HOMELESS CHILDREN AND LOW-INCOME FAMILIES



Central Union Mission

OPC-DC took part in the Central Union Mission's 2007 Operation Back Pack. The Office provided backpacks filled with needed school supplies for four students. These students were among the 1,000 children Central Union Mission helped get ready for school.

As in the past, OPC-DC, through the Central Union Mission's Adopt-A-Family Program, provided holiday cheer to five children. This program tries to make the holidays special for homeless and low-income families living in the District. This year, 500 families, which included nearly 2,000 children, were reached.

There are so many children throughout the city who may not have the joy of the holidays. The Adopt-A-Family Program allows them to have fun and receive gifts without wondering if their holidays will be like those of their friends and schoolmates. OPC-DC receives much joy in sharing what we far too often may take for granted. Adding these children to our shopping lists reminds us of how fortunate we are and that giving is the true meaning of the holidays.



Above: Attorney Brian Edmonds presents OPC-DC's gifts to Central Union Mission's Kennedy Molder.



At left: Children smile as they receive their gifts.



Bright Beginnings

Bright Beginnings

During 2007, OPC-DC began questioning, “Where children living in shelters go during the day? Where do they learn? Where do they play? Where do they go to feel safe?”

The answers led us to Dr. Betty Jo Gaines, a recent “young retiree” who started the childcare program of D.C. Parks and Recreation Department, who is now the Executive Director of “Bright Beginnings,” an organization about the business of finding answers to these questions and more.

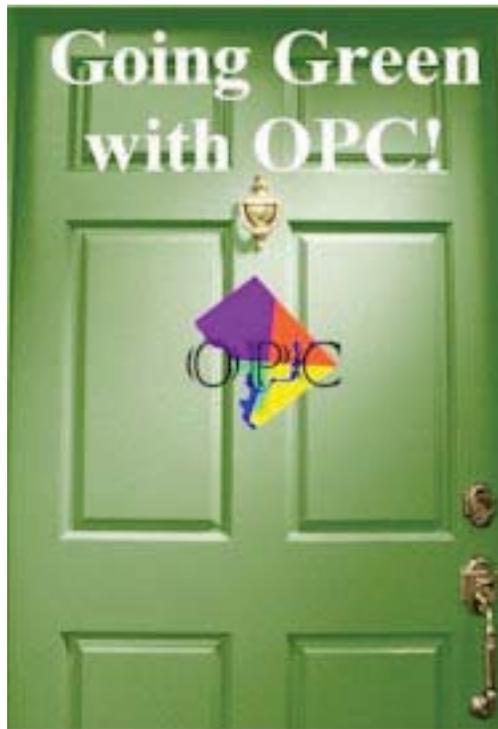
OPC-DC learned Bright Beginnings “understands the special needs of young children and families living in homeless environments. Through safe, nurturing, developmentally appropriate care, the organization supports children in reaching important childhood milestones and parents in ending their homelessness.” Indeed, Dr. Gaines had just been named a 2007 Washingtonian of the Year by the Washingtonian magazine.

To make the 2007 Holiday Season “merry” for the “least and littlest” in our community and to recognize how one former District employee actually “gives back to the community after retirement,” we asked our newest staff member, Linda Jefferson, to meet with Dr. Gaines to see how OPC-DC might help. What was needed were computers, CD players for the class rooms, clothing, socks and undergarments for their 92 young children. In 2007, OPC-DC tried to “find or make a way” to meet a few of those needs. OPC-DC will keep Bright Beginnings on our holiday gift list for 2008.

Congrats to Dr. Gaines! Thank you for your dedication to the children who benefit from your dedication and grace.



*Betty Jo Gaines
Executive Director,
Bright Beginnings, Inc.*



Four Es and What They Mean to Creating a Sustainable Future

- Energy: affordable rates; quality of service; reliability; safety; energy efficiency; smart meters; decoupling
- Environment: renewables; green energy; assumption of responsibility for costs of sustainability
- Education: ensuring consumers know about utility issues affecting their lives and how they can control them; assuring consumer safeguards and protections
- Economic development: encouraging commercial sector (accounts for 70% of energy consumption) energy efficiency emphasizing impact on "bottom line;" finding balance between ratepayer protection and given risks, investor protection in calculus in which ratepayer is actually investor; delicate balance, so need for strong advocacy

NOTES:

NOTES:

Challenges in 2008, and beyond

- What do “energy efficiency,” a “sustainable future,” and “being green” mean to the District of Columbia?
- What is the District prepared to do about “It?”
- How much is the District prepared to pay for “It?”
- What are the costs to the District’s residents, consumers, businesses and economy of not doing “It?”



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