

ROLL CALL REPORT

Greetings From the People's Counsel

As People's Counsel for the District of Columbia, I extend greetings to NASUCA members and guests at the 2005 Annual Conference, November 14-17. I also want to congratulate you on what I am certain will be a successful informative and educational experience. As I look at the agenda, it is clear that NASUCA is again exhibiting leadership on the issues of importance that advocates and regulators must embrace.

I am sending a contingent of my best and brightest staff to share their knowledge and skills as panelists. My team, led by Attorney Brian Edmonds includes OPC accountant Naunihal Gumer and Attorney Joy Ragsdale. I am proud of their work at the Office of the People's Counsel and believe they will be a valuable asset in NASUCA's process of "enlightenment."

In closing I implore you as advocates for the people to keep a laser focus on the issues most important to consumers during the coming winter heating season, maintaining safe, adequate and reliable energy supply at rates that are just and reasonable!

OPC-DC Convenes Landmark "Consumers/Stakeholders Energy Summit" to Discuss Measures to Help All Consumers Cope With Winter 2005 & Beyond

In order to address concerns raised by reports that District of Columbia home heating costs this winter heating season will rise by up to 32%, OPC-DC invited a variety of enlightened minds from various segments of the country to the OPC-DC Consumers and Stakeholders Energy Summit 2005: *Answering the Wake Up Call to Assist D.C. Energy Consumers in 2005 and Beyond*, held

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OPC Attorney Brian Edmonds talks to a stakeholder at our Energy Summit.

OPC Staff is Participating in these 2005 NASUCA Panels:



- **LIHEAP & Weatherization Legislative Update**
Soaring Energy Prices: What Can Consumer Advocates Do Now to Help Low Income Customers Survive the Winter--November 15, 2005

DC-OPC Attorney Brian Edmonds will talk about measures DC-OPC has undertaken in the District of Columbia to help all residential consumers survive the 2005-2006 winter heating season.

- **Municipal and Community Broadband Networks: The Possibilities and Challenges--November 16, 2005**



OPC-DC Attorney Joy Ragsdale will moderate a panel for NASUCA's Telecommunications Committee that will discuss whether municipal and community broadband networks can co-exist with private industry broadband networks; whether municipal broadband networks can close the "digital divide" without a high cost to consumers; the best business model for local government and community broadband networks; and the pros and cons of local government establishing wide-area broadband networks.

- **Financial Implications of EPACT of 2005--November 14, 2005**



OPC-DC Accountant and Rate Case Manager Naunihal Gumer will moderate a panel for NASUCA's Tax and Accounting Committee that will discuss the financial implications of the Energy Policy Act of 2005 on utilities and consumers.

The Office of the People's Counsel mandate is to advocate the provision of quality utility service and equitable treatment of rates that are just, reasonable, and nondiscriminatory to District ratepayers; to assist individual consumers in disputes with utility companies about billing or services; and to provide technical assistance and consumer education to the Consumer Utility Board and other community advocacy groups. OPC also actively participates in proceedings before the Public Service Commission regarding the installation and removal of public pay telephones in DC.



An Educated & Informed Consumer Remains The Best Utility Customer

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OPC-DC Convenes Landmark “Consumers/Stakeholders Energy Summit” to Discuss Measures to Help All Consumers Cope With Winter 2005 & Beyond

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on November 8, 2005. The Summit included 32 participants from various organizations, utility companies, and governmental agencies that met to examine, consider and commit to implementing any additional appropriate and reasonable measures to better meet D.C. energy consumers’ needs in light of the anticipated high energy bills for this winter heating season and beyond.

The Summit was an astounding success because it provided an opportunity for participants from various organizations, utility companies, and governmental agencies to crystallize the issues facing consumers, commit to immediate action on some items, and a forum that should enable participants to continue to work on developing solutions to assist District of Columbia energy consumers.

“The Office is well aware of some emerging issues that will likely increase D.C. consumers’ energy costs this season, stated People’s Counsel Noël. This realization led many to question whether “WE” are really doing all “WE” can for D.C. consumers? Are “WE” doing everything “WE” can efficiently and effectively? Is there more “WE” can or should do? The answers to these questions are probably as numerous and varied as there are stakeholders in this arena. The hurricanes merely confirmed the Summit would be timely and appropriate to consider the implications for soaring energy costs to all consumers across the City.”

In advance of the Summit, OPC urged each organization to be prepared to discuss the issues they would address and the commitment toward resolution they were prepared to make. OPC-DC also suggested the Summit participants should be knowledgeable and have substantive information about internal meetings or discussions within their organization and be authorized to commit their organization to executing all reasonable and appropriate recommendations made at the Summit.

Comments from the Summit will become part of the written transcript of what is discussed at the Summit so there is an accurate record of any and all “*action points*,” agreements, recommendations and ideas for legislative or regulatory initiatives.

OPC-DC Staff Go “Above and Beyond” On A Team Building Day

On October 28, 2005, the OPC-DC Staff enjoyed a gorgeous day in Belair, Maryland through a series of games, initiatives at Harford Glen aimed to push OPC-DC Staff above and beyond their perceived limitations and to develop trust, cooperation and team work. Everyone enjoyed an opportunity to be with co-workers in another setting designed to draw on the individual personalities and qualities of everyone. There was plenty of laughter and excitement as staff members went above and beyond themselves. At the end of the day, each staff member shared a thought about their experience. The most striking thought was that each staff member should remember what occurred that day.

OPC-DC Joins Consumer Education Advisory Board In Educating Consumers on Electric Choice

OPC-DC is a member and active participant of the Customer Education Advisory Board (“CEAB”), the advisory entity established by the Commission to oversee implementation of the District of Columbia’s consumer education campaign. The name of the two-year campaign is “DC Is Electric”. The campaign’s objectives are to provide clear, concise and unbiased information to District of Columbia’s consumers regarding the changes taking place in the retail electricity market. The goal is to help consumers make informed choices about their energy supplier. The campaign was officially launched in January 2005. The CEAB works closely with Dittus Communications, a District-based public affairs firm that implements and manages the day-to-day operations of the campaign. As the campaign enters its second year, OPC-DC will continue to work in conjunction with the other members of the CEAB who are: the D.C. Public Service Commission, the Consumer Utility Board, the D.C. Energy Office, the National Active and Retired Federal Employees Association and Potomac Electric Power Company.

Smart Meter Test Program

On May 2, 2002, the D.C. Public Service Commission approved the Potomac Electric Power Company ("Pepco") and Conectiv merger. OPC-DC worked hard to ensure that tangible benefits for residential consumers resulted from the settlement agreement. One of the benefits OPC-DC secured in the settlement was that Pepco agreed to donate \$2 million, which will not be recovered through rates, for the development and implementation of a small customer smart meter pilot program. The Smart Meter Pilot Program Inc. ("SMPPPI"), a non-profit corporation composed of OPC-DC, DC Public Service Commission, Pepco, the

DC Consumer Utility Board and International Brotherhood of Electrical Workers Local 1900 was formed. SMPPPI is currently in the process of selecting a program design consultant and hopes to have the test project underway by the summer. The primary goal of the test project is to provide DC residential customers with smart metering and associated equipment that will be used to convey energy consumption and price information to customers to enable them to better control their monthly energy consumption and their monthly electricity bills.

Renewable Energy Portfolio Standards

Pursuant to the District of Columbia's Retail Electric Competition and Consumer Protection Act of 1999, the DC PSC is required to establish programs to assist low-income energy customers in the District of Columbia, promote energy efficiency, and encourage the use of electricity from renewable energy sources. To that end, the DC City Council enacted the Renewable Energy Portfolio Standards Act of 2004 ("REPSA") which establishes a renewable energy portfolio standard through which a minimum percentage of all electric providers' supply sources must be derived from renewable energy. The RESPA also requires the DC PSC to adopt regulations governing the application and transfer of renewable energy credits. Based on the RESPA, electricity suppliers may begin receiving and accumulating renewable energy credits by January 2006.

In September 2005, the DC PSC formed a Working Group and directed it to address issues (based on a bifurcated process) and present draft rules to the Commission based upon the RESPA. Phase I issues must be completed by December 2005, while Phase II issues may be concluded after January 2006. OPC-DC is an active participant in the Working Group as the sole representative of consumer interests. In determining whether the Working Group recommendations are in the best interest of DC consumers, OPC-DC recommended the adoption of the following guidelines: 1) liberal construction of certification rules to maximize the number of eligible renewable energy suppliers; 2) creation of a large geographic area from which to choose eligible renewable energy suppliers; and 3) existence of secondary market for the resale of renewable energy.

OPC-DC Petitions Commission to Adopt Measures to Reduce the Financial Burden on DC Winter Heating Consumers



Focusing on the need to develop reasonable and tangible programs to mitigate and ameliorate the financial burden *all* D.C. residential consumers may face this winter heating season, OPC-DC petitioned the DC Public Service Commission to initiate Formal Case No. 1043 to develop solutions to ease the financial hardship for all consumers. OPC-DC requested that Formal Case No. 1043 be initiated to create a vehicle that will allow the Commission and all other stakeholders to develop appropriate solutions to minimize the impact of high heating bills on District of Columbia consumers by: (1) soliciting comments from stakeholders, (2) discussing potential solutions that could be adopted now so District of Columbia ratepayers and consumers can manage their winter heating bills, and most importantly (3) implementing these programs during the upcoming winter heating season.

While the Office recognizes and respects that there is a need for programs to assist low income consumers, the Office has focused its attention on ensuring that consumers of all income levels can receive protection from what appears to be a winter heating season that will have an adverse financial impact on a wide

spectrum of District consumers.

OPC-DC recognizes the need to ensure Washington Gas is financially secure balanced against the need to ensure that consumers receive safe, adequate, and reliable service this winter heating season at affordable cost. However, OPC-DC is seeking is tangible alternatives to meet an immediate need for District consumers.

In addition to petitioning the Commission to initiate Formal Case No. 1043, OPC invited a variety of enlightened minds from various segments of the country to the OPC-DC Consumers and Stakeholders Energy Summit 2005: *Answering the Wake Up Call to Assist D.C. Energy Consumers in 2005 and Beyond*. The Summit was held on November 8, 2005 at the Almas Temple in Washington, DC. The Summit enabled stakeholders to examine, consider and commit to implementing any additional appropriate and reasonable measures to better meet D.C. energy consumers' needs in light of the anticipated high-energy bills. OPC anticipates filing with the Commission a Report summarizing the OPC-DC Energy Summit results.

OPC-DC Educates Consumers On How To Shop, Compare and Choose Telecommunication Services



In today's telecommunications market, a plethora of vaguely described phone bill surcharges, fees, and numerous bundled packages have made choosing a phone service plan or service provider confusing. Not surprisingly, OPC-DC's complaint data indicates that consumers remain dissatisfied about the phone bill format and are very confused over federal and state charges. Over 98% percent of inquiries or complaints OPC-DC receives concern some aspect of a utility or competitive company's bill.

Nationally, consumer advocates are collaborating and hosting phone bill clinics to help consumers choose services that are affordable and tailored to their needs. OPC-DC has developed a comprehensive program and education materials to empower consumers to shop, compare and choose the "best deal" in phone service plans and providers.

OPC-DC invited industry experts to conduct "train-the-trainer" sessions for the entire staff. Over a six month period, OPC-DC met with wireline, wireless, and VOIP service providers to learn about products and service plans available in the District of Columbia. In addition, OPC-DC hosted a focus group to learn whether its consumer education publications were effective and easier to understand.

The OPC Phone Bill Education Clinic is intended to advise and give District of Columbia consumers essential, user-friendly information that will help consumers to:

- 1) understand their personal, residential communication needs;
- 2) shop, compare, and choose service plans and calling features; and
- 3) obtain maximum benefits and savings from their telecommunications services: local, long-distance, and cellular.

JUDD 2005 Is A Success!

At a time when rising energy costs create concern for all consumers, Joint Utility Discount Day 2005 ("JUDD") successfully provided a safety net for nearly 5,500 District consumers. One of the District's most important community events, JUDD was held September 15, 2005 at the Washington Convention Center. Co-sponsored by Verizon, Pepco, Washington Gas, the D.C. Water and Sewer Authority, the D.C. Energy Office, the D.C. Office of the People's Counsel and the D.C. Public Service Commission, JUDD provided qualified District consumers an opportunity to apply for public utility service discounts, energy assistance, and energy conservation products and services.

OPC-DC staff, along with volunteers from the utility companies and District government agencies assisted District consumers to complete their applications and provided information about the programs. Speaking at the JUDD Press Conference, DC People's Counsel Elizabeth A. Noël stated that with rising wholesale energy costs and forecasts for a colder than normal winter, JUDD provides a vital utility services "lifeline" for many District residents.

JUDD 2005 featured OPC-DC's "value added" consumer assistance program,

comprised of a variety of organizations and government agencies offering a range of services for JUDD participants. This year's theme focused on employment opportunities and training, life skills and health care screening. Among the 16 exhibitors were D.C. Department of Employment Services, D.C. Department of Human Services, AARP, Washington Scholarship Fund, Mayor's Office of Latino Affairs, Housing Counseling Services, Howard University Woman's Health Institute and the Greater Washington Urban League. The health care screening component, its second year as part of the JUDD experience, offered blood pressure tests, body fat index readings and blood sugar and HIV screening. A new addition to the consumer assistance program was the Adult Literacy Bus, a computer based state of the art mobile learning center. Named the Trans-Form-Er, the bus is part of the University of the District of Columbia State Education Agency's Adult Education program. Invited to be part of the JUDD "value added experience" by Verizon, the customized Winnebago has twelve networked computers, a color printer and scanners. The vehicle has recently been outfitted with a two-way satellite for Internet access and e-mail transmission.



OPC Urges Utility To Secure Funds for Homeland Security to Help Underwrite PEPCO'S Proposed Construction Of Transmission Lines To Mitigate The Closure of Potomac River Generating Facility

On October 12, 2005, PEPCO filed an Emergency Application for a Certificate of Public Convenience and Necessity to Construct Two 69 kV Overhead Transmission Lines and Notice of Proposed Construction of Two 230 kV Underground Transmission Lines, in order to address reliability concerns created by the recent voluntary shut down of the five generating units at the Mirant Potomac River Generating Station ("PRG"). PRG was sold by PEPCO in 1999. PEPCO is requesting the Public Service Commission of the District of Columbia approve its request by December 31, 2005 in order to allow it to commence construction.

DC-OPC filed comments in which asserted its appreciation of PEPCO's efforts to ensure safe, adequate, and reliable service to the District and its consumers. OPC, noting certain legal deficiencies with PEPCO's filed request, cautioned that PEPCO should not undertake its actions in a manner that is inconsistent with applicable statutes and regulations or that abrogates reasonable and meaningful public participation.

DC-OPC also requested that a full inquiry be made into the steps taken by PEPCO to ensure that the U.S. Department of Homeland Security contribute to at least part of the cost of these transmission additions. The potential impact of a loss of power in the District on essential federal facilities necessary to protect the "national interests" has been emphasized in virtually every document publicly filed seeking a restart of PRG. Clearly, it is both unfair and unreasonable to impose all such costs on DC residential consumers.

Consumer Complaints Results In An Investigation Into Washington Gas Light's Compliance With Its Tariffs

In 2004, OPC-DC represented a group of consumers that complained installation charges for new gas service lines. During the course of the consumer complaint litigation, Washington Gas admitted that it was using a methodology not approved by the DC Public Service Commission. The Commission, concerned by Washington Gas' actions, determined that Washington Gas should be investigated for any noncompliance with Commission-approved tariffs. Through discovery, the Office learned that the Company is not complying with other tariff provisions that have negatively impacted consumers for a number of years. OPC-DC will file comments in December 2005.

OPC-DC Fights To Keep Mirant Generating Plant Operating

OPC-DC continues the fight against Mirant, the company that purchased generation plants from PEPCO which are needed to meet the reliability needs of PJM and the District of Columbia. One of the plants Mirant purchased, the coal-fired Potomac River Generating Station (“PRG”) located in Alexandria, Virginia, has created environmental concerns in a study conducted by the Virginia Department of Environmental Quality (VDEQ) on August 19, 2005. PRG produces 482 megawatts of electricity for the District of Columbia and surrounding communities. A computer modeling of five air pollutants from the plant showed that for three types of emissions, the Potomac River Plant’s emissions have the potential to contribute to localized, modeled exceedances of National Ambient Air Quality Standards.

To address concerns raised by the computer modeling, Mirant moved quickly to voluntarily shut down PRG at midnight on August 24, 2005 based on the VDEQ’s concerns.

As OPC was preparing to file a petition requesting the Public Service Commission of the District of Columbia (“D.C. PSC”) investigate the effect of the shut down on the District of Columbia, the D.C. PSC filed an Emergency Petition and Complaint at FERC on August 24, 2005 requesting FERC and Secretary of Energy to take steps to prevent PRG from shutting down (FERC Docket No. EL05-145).

OPC-DC immediately moved to

intervene in the FERC proceeding. FERC has plenary and exclusive jurisdiction over this matter since the PEPCO’s sale of PRG to Mirant essentially divested the D.C. PSC of any “control” over matters affecting the operations of PRG. OPC-DC’s intervention ensures that FERC considers the impact of the PRG shut down on the provision of safe and reliable electricity to District consumers. FERC’s role is to decide on the issues given the varying interests.

PJM Interconnection, L.L.C. (“PJM”), the FERC established independent system operator, is the transmission provider, reliability coordinator, and control area operator for the transmission system covering an area that includes the District of Columbia. PJM and PEPCO have identified PRG as a critical component for the reliability of the electric grid in the District of Columbia. Therefore, PJM has a substantial interest in keeping PRG operating to maintain system reliability and has intervened in the FERC proceeding to support the D.C. PSC request along with PEPCO, District Mayor Anthony Williams, and other District of Columbia government agencies.

On September 20, 2005, Mirant restarted one of the five units at PRG. On October 28, 2005, OPC-DC learned that Mirant was shutting PRG down again. FERC has taken no formal action in the proceeding before it.



OPC 2005 Consumer Advocacy Award

DC People’s Counsel Elizabeth A. Noël proudly recognized the contribution of two persons with the “OPC 2005 Consumer Advocacy Award” Saturday October 29, 2005 at the D.C. Federation of Civic Associations luncheon. OPC awarded Georgetown resident and ANC member Len Levine and PEPCO Special Projects Manager Walter “Skip” Newcomb for their tireless work under very difficult circumstances to inform, prepare and update the residents and businesses of Georgetown Project throughout the nearly four year project.

Presenting Mr. Levine and Mr. Newcomb before the Federation, DC People’s Counsel Noël remarked that “This is the seventeenth year I have come to this event, but never before have I seen such cooperation between a public group represented by Mr.

Levine as the Georgetown Project liaison and a private company like PEPCO. Those of you who know me know that I would not lightly give kudos to PEPCO, but this speaks to just how significant a contribution Skip Newcomb has made to District of Columbia consumers. Together these men went above and beyond to keep the community informed and help bring the massive project to a successful completion ahead of schedule.”



Pictured left to right: Walter Skip Newcomb of PEPCO, People’s Counsel Elizabeth Noel and Len Levine, community advocate.