



D. C. Federation of Civic Associations, Inc.
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December 23, 2020

Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission
of the District of Columbia
1325 G Street, N.W., Suite 800
Washington, D.C. 20005

Re: Formal Case No. 1156, In the Matter of the Application of the Potomac Electric Power Company for Authority to Implement a Multiyear Rate Plan for Electric Distribution Service in the District of Columbia

Dear Ms. Westbrook-Sedgwick:

Enclosed you will find the “Community Brief of District of Columbia Consumers of Services Provided by Potomac Electric Power Company, Inc.”

If there are any questions regarding this matter, please contact me at 202.727.3071.

Sincerely,

DocuSigned by:
Graylin Presbury
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Graylin Presbury
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Enclosure

cc: Parties of record

BEFORE THE
PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA

In the Matter of:

**The Application of the Potomac
Electric Power Company for
Authority to Implement a Multiyear
Rate Plan for Electric Distribution
Service in the District of Columbia**

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Formal Case No. 1156

**THE COMMUNITY BRIEF
OF
DISTRICT OF COLUMBIA CONSUMERS
OF SERVICES PROVIDED BY POTOMAC ELECTRIC POWER
COMPANY, INC.**

December 23, 2020

COMMUNITY BRIEF OF DISTRICT OF COLUMBIA CONSUMERS OF ELECTRIC SERVICES PROVIDED BY THE POTOMAC ELECTRIC POWER COMPANY

I. INTRODUCTION

Consumers of electric service provided by the Potomac Electric Power Company (“Company” or “Pepco”) in the District of Columbia hereby submit this Community Brief in the above-referenced matter. District consumers strongly oppose Pepco’s Multiyear Rate Plan (“MRP”).

II. PROCEDURAL BACKGROUND

On May 30, 2019, Pepco filed an application for authority to change from traditional ratemaking to an MRP with three successive annual rate increases for years 2020, 2021, and 2022 totaling \$162 million.¹

On March 11, 2020, Mayor Bowser declared a public emergency and public health emergency due to the COVID-19 global pandemic. On April 13, 2020, OPC filed a Joint Emergency Motion to Suspend the case during the pendency of the COVID-19 pandemic.² On May 20, 2020, the Commission issued Order No. 20349³ denying the Joint Emergency Motion and directing the parties to address in their surrebuttal testimony how and to what extent the COVID-19 pandemic affects the evaluation of Pepco’s MRP proposal.

On July 27, 2020, OPC, the Apartment Office and Building Association of Metropolitan Washington (“AOBA”) and the District Government (“DCG”) filed testimony⁴ recommending

¹ *Formal Case No. 1156, In the Matter of the Application of the Potomac Electric Power Company Authority to Implement a Multiyear Rate Plan for Electric Distribution Service in the District of Columbia.* (“Formal Case No. 1156”), Pepco’s Application to Implement a Multiyear Rate Plan, filed May 30, 2019 (“Pepco Application”).

² D.C. Act 23-247 COVID-19 Emergency Response Amendment Act of 2020.

³ *Formal Case No. 1156*, Order No. 20349.

⁴ *Formal Case No. 1156, In the Matter of the Application of Potomac Electric Power Company for Authority to Implement a Multiyear Rate Plan for Electric Distribution Service in the District of Columbia, Supplemental*

that the Commission reject the MRP Enhanced proposal on the basis that it is not in the public interest and would exacerbate energy insecurity during a severe economic disruption.

On August 11, OPC filed a joint motion requesting that the PSC reject Pepco's July 31, 2020 Motion to File Supplemental Testimony, and joint motion to dismiss Pepco's MRP Enhanced Proposal and direct Pepco to withdraw its entire application.⁵

On September 29, 2020, the Commission held a virtual public community hearing that lasted well over five hours in which 70 community members, representing all eight wards and all sectors of society, shared their views on Pepco's application.

III. COMMUNITY PROFILE

This Commission has consistently encouraged public testimony in its decision-making process in major cases impacting the public. The public hearing process allows consumers to supplement the evidentiary record by expressing in their own words how they are impacted by issues of importance before this Commission. In this proceeding, the community members who provided in-person and written testimony are comprised of a diverse group of stakeholders who live and work throughout the District and includes both new and long-term residents, coalition representatives, small business owners, contractors employed by Pepco, and Advisory Neighborhood Commissioners whose testimony represent thousands of consumers in their respective Wards.

Testimony of Bruce R. Oliver, July 27, 2020. Formal Case No. 1156, Supplemental Testimony of DCG Witness Courtney Lane – Exhibit DCG (4A), July 27, 2020.

⁵ *Formal Case No. 1156, The Office of the People's Counsel for the District of Columbia, the Apartment & Office Building Association of Metropolitan Washington, the General Services Administration, the District of Columbia Water and Sewer Authority, Baltimore Washington Construction and Public Employees Laborers' District Council, the Maryland DC Virginia Solar Energy Industries Association, and the Small Business Utility Advocates Joint Protest of Pepco's July 31, 2020 Motion to File Supplemental Testimony and Joint Motion to Dismiss MRP Enhanced Proposal, to Direct Withdrawal of Pepco's Rate Case Application, and for Additional Relief.*

Under District law, the testimony of the Advisory Neighborhood Commission (“ANC”) must be given great weight. In pertinent part, D.C. Code § 1-309.10 provides:

(3)(A) The issues and concerns raised in the recommendations of the [ANC] shall be given great weight during the deliberations by the government entity. Great weight require acknowledgement of the [ANC] as the source of the recommendations and explicit reference to each of the [ANC’s] issues and concerns.

(3)(B) in all cases the government entity is required to articulate its decision in writing. The written rationale of the decision shall articulate with particularity and precision the reasons why the [ANC] does or does not offer persuasive advice under the circumstances. In doing so the government entity must articulate specific findings and conclusions with respect to each issue and concern raised by the [ANC]. Further, the government entity is required to support its position on the record.⁶

The ANC representatives and community members are those who, without compensation, volunteered their time to share their beliefs on how the proposed MRP would adversely impact their lives. Their testimony raised concerns regarding the negative financial impact of the proposed MRP, the lack of consideration for the District’s environmental imperatives, the need for increased oversight and transparency, and social inequities that remain unaddressed in the Company’s approach. Residential consumers also overwhelmingly testified against approving the MRP and strongly believe the Commission must give serious consideration to the many outstanding issues when weighing the long-term impact of the proposed MRP.

IV. SUMMARY OF COMMUNITY MEMBERS’ CONCERNS

Pepco’s request for a \$135 million rate increase represents its continual desire to impose on District consumers the highest rates this Commission will allow without respect to whether the request is just and reasonable. By a large margin, the majority of community members who

⁶ D.C. Code § 1-309.10 (d)(3)(A) and (d)(3)(B).

testified viewed the Company's request as either incomplete or intentionally confusing, and a tone-deaf response to a nationwide pandemic. As the record in this case reflects, public interest and participation in this matter is substantial. Of the 288 witnesses who provided in-person or written testimony, 243 were opposed to the proposed MRP, while 45 testified in favor.⁷ The community members opposing the MRP expressed concerns in the following areas: 1) the financial strain caused by Pepco's proposed MRP during the COVID-19 pandemic; 2) how Pepco's proposed MRP reduces regulatory oversight and transparency; 3) the failure of Pepco's proposed MRP to address the District of Columbia's climate concerns; 4) the disproportionate racial impact caused by Pepco's proposed MRP; 5) Pepco's workforce planning deficiencies; 6) community support for Pepco's proposed MRP; and 7) solutions offered by community members.

V. DISCUSSION

1. THE COMMISSION SHOULD CONSIDER THE FINANCIAL IMPACT OF THE PROPOSED MRP ON DISTRICT RATEPAYERS

A. The MRP exacerbates the financial strain created by the COVID-19 pandemic.

Through their testimonies, the majority of community members implored this Commission to reject the MRP because it is being presented at the worst possible time for the thousands of consumers already devastated by the COVID-19 pandemic.⁸

Tyler Fitch testified on behalf of We Power DC, a coalition of District organizations and ratepayers, and discussed this potential additional economic strain, stating:

⁷ This count is as of December 21. OPC anticipates that more comments will likely be posted by the close of the record.

⁸ According to study conducted by the American Council for an Energy Efficient Economy, 14% of District households (29,617) were experiencing energy insecurity even prior to the COVID-19 pandemic, and 25% of low-income households have an energy burden above 14% in the Washington, DC metropolitan area, which is more than seven times higher than the median energy burden. See, Ariel Dreobl, Lauren Ross, and Roxana Ayala, *How High*

But now Pepco is seeking new profits during the biggest economic and public health crisis in a century. In D.C., 65,000 workers, over 11 percent of our workforce are still out of work. The Pepco's own filings to the Commission shows that over 50,000 households and businesses, a sixth of Pepco's customers in the District, have been unable to pay for their electricity since the pandemic began.⁹

Mr. Fitch's testimony is confirmed by a DC Policy Center study which found that the COVID-19-induced recession has "erased nearly seven years of private sector job growth in the District, erasing nearly 57,100 jobs."¹⁰ As the study indicates, these losses have been borne mostly by middle- and lower-income workers, many who are now at the brink of financial ruin. Pepco's proposed rate hike would go into effect about the same time that most COVID-19 consumer protections are expected to end, and thus run counter to the District Government's objectives of relieving the working poor of unnecessary financial burden at a time when they are simply unable to pay.

B. Pepco's "rate freeze" is disingenuous.

During the Exelon/PHI merger proceedings before this Commission, many community members raised concerns that electricity rates would increase if the merger were approved. Yet, Exelon and PHI assured the public that rates would remain stable.¹¹ It is now apparent that the

Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burden across the United States SEPTEMBER 2020.

⁹ Sept. 29, 2020, Cmty. Hr'g Tr. 13:8-16.

¹⁰ 2020 State of Business Report: Pivoting from Pandemic to Recovery, (2020), <https://www.dcpolicycenter.org/publications/2020-state-of-business-pivoting-from-pandemic-to-recovery/> (last visited Nov 23, 2020).

¹¹ Dec. 17, 2014, Cmty. Hr'g Tr. at 231:7-232:1, 232:10-232:12.

community members' fears about rate increases are being realized. For instance, ANC 3F Commissioner Andrea Molod testified that based on her research,

As I understand it, Exelon is now the largest nuclear utility in the country. They've got, what, 23 plants. I believe about a third of those plants are fairly old now. And that should mean that within the foreseeable future, they're going to face rather large nuclear decommissioning costs.

From my perspective, which maybe is jaundiced, I think that they have to pay for those nuclear decommissioning costs somehow or their profitability is going to fall. Regardless of whether it also falls because of competition with natural gas, competition with renewable energy, they're going to face some problems with that nuclear fleet. And they're going to have to make up that cost somehow or they're going to be bad for their shareholders.

... They have to keep the company profitable. That means they're going to have to increase rates for D.C.¹²

Despite the Company's assertions that its proposed MRP will help stabilize rates, Community members remain unconvinced the present MRP proposal will meet this objective. The record before the Commission demonstrates that if either MRP is approved, rates will go up exponentially between 2020 and 2022. Moreover, it appears that what the Company is describing as a rate freeze is actually the use of funds Pepco already owes its customers.

This sleight of hand did not go unnoticed by Graylin Presbury, President of the D.C. Federation of Civic Associations ("DCFCA") and Ward 8 Citizens Association. Mr. Presbury testified that the DCFCA "strongly objects" to Pepco's proposal as the new plan will "actually raise our rates and give us back the first year of the increase for credits it already owes us for federal taxes collected that the company no longer has to pay due to the Trump's administration federal tax cut."¹³

¹² Dec. 17, 2014, Cmty. Hr'g Tr. at 231:7-232:1, 232:10-232:12.

¹³ Sept. 29, 2020, Cmty. Hr'g Tr. 10:1-7.

C. Pepco's loyalties remain with its shareholders, not District residents.

Community members understand that Pepco is a monopoly corporation and while it provides a public service, that is not its primary interest. Ward 5 resident Dr. Lawrence Thurston¹⁴ testified that since Pepco is first obligated to its shareholders, any change in regulation the Company proposes will serve that financial interest. Dr. Thurston believes since Pepco is a monopoly utility, providing an essential service, there is a well-founded need to closely examine each request for a rate increase. He states:

Since 1975 when OPC was “reestablished,” PEPCO has filed 18 rate requests in the District of Columbia, just under one every two and one-half years. In these 18 rate cases, Pepco requested a total of \$993,725,000 and the Commission has granted \$362,743,000, 36.5% of their requested total. Through the advocacy of OPC, ratepayers saved \$630,982,000 over this forty-three (43) period.¹⁵

In fact, many community members testified to the perceived patent unfairness of increasing shareholder profits and executive compensation for a company that is already profitable. Ward 2 resident Christopher Bangs urged the Commission to consider that Pepco made “something like \$110 million of profit in the first quarter of 2020 alone.”¹⁶ To the average ratepayer, this profit margin is staggering. Mr. Bangs also stated that “[Pepco] executives are saying that they can expect even more profit if they get those price hikes. So, Pepco does not need this money to run an

¹⁴ Dr. Thurston was formerly a Senior Economist at the Office of the People’s Counsel.

¹⁵ *Formal Case No. 1156*, Lawrence Thurston’s Comments regarding FC 1156, at 2.

¹⁶ Tr. 33:18-20.

electricity system that works for D.C. families, they are just looking for the rate increase to line their pockets.”¹⁷

Ward 3 resident Maggie Simpson also encouraged the Commission to leave the rates at their current levels. With respect to executive compensation, Ms. Simmons testified that,

Pepco's doing so well in fact that the CEO of its parent company, Exelon, made almost \$15 million last year in salary and stock options. And the president and CEO of Pepco Holdings brings over five million -- brings in, sorry, over \$5 million annually in total compensation. Clearly to pay such compensation, Pepco and its affiliates are making massive profits...¹⁸

Tyler Fitch also reported that “in fact, in an Exelon shareholder event earlier today, that's September 29th, they're already planning on profiting from future investments in D.C. There's nothing just or reasonable about that. And without a doubt, it's not in the public interest.”¹⁹

D. Pepco's assistance programs should not be tied to its MRP.

Some of the community members who testified on Pepco's behalf highlighted the Company's customer assistance plans as reason to support the MRP. Rosie Allen-Herring, representing the United Way, testified that her organization supports the MRP as well as Pepco's announcement that “[it] would create a program that would provide additional funding to supplement existing energy assistance that many of its customers so desperately need at this time.”²⁰

However, most community members did not find the proposed new funding to be anything extraordinary. These ratepayers recognize that if the MRP were approved, they would have to live

¹⁷ Tr. 33:22; 33:1-3.

¹⁸ Tr. 28:10-18.

¹⁹ Tr. 14:3-9.

²⁰ Tr. 89:9-15.

with higher rates for many years to come while the additional customer assistance would only last for one year. Ward 3 resident Maggie Simpson also took issue with the fact that even though the District is in the grips of a public health emergency, Pepco would only offer the additional programs if the MRP was approved, stating “[b]undling its MRPs, which are designed to generate even more profit, with proposals to assist consumers during this public health and economic emergency seems disingenuous at best.”²¹ In fact, it appears to be a blatant attempt to hold customer relief hostage. Hostage to getting an agreement to higher rates and a bad rate-setting process in the future.”

Ward 4 ANC Commissioner Jonah Goodman believes that asking consumers to contribute to assistance programs “is embarrassing.”²² Commissioner Goodman testified that his ANC contains the highest proportion of senior citizens as well as the District’s highest rates of COVID-19, and residents are facing energy insecurity in a Ward that is struggling to keep up with the demand for donated groceries. He states, “Pepco’s customer assistance programs are nice on paper, but unless we are guaranteed safety for every person who needs it, it’s not enough to offer help to some.”²³

2. PEPCO’S PROPOSED MRP IS POORLY DESIGNED AND REDUCES REGULATORY OVERSIGHT AND TRANSPARENCY

A. Pepco provided an overly complex and error-ridden application.

Many residents expressed concern about the accuracy of Pepco’s initial error ridden MRP application and the Commission’s response to objections filed by OPC and the intervenors. Ward 5 resident Andrea Crooms is an energy professional, attorney, and engineer who has received

²¹ Tr. 28:18-22; 29:1-3.

²² Tr. 187:14.

²³ Tr. 187:2-11.

training by the Institute of Public Utilities. Ms. Crooms testified that after spending over 66 hours reviewing the Company's application, she finds it overly complicated and compounded by numerical errors.²⁴ Other Community members are also reluctant to trust the Company's calculations when large, successive rate increases loom over the immediate future. Ward 7 resident Barbara Morgan also pointed out that

Pepco informed the Commission that it had used the wrong information to calculate charges for commercial customers. This is a major error that potentially could also harm residential customers. If it had not been for Office of the People's Counsel's recent efforts to educate ratepayers about this swift and cruel motion, many of us would be in the dark about the brutal impact this motion will have on our lives.²⁵

Several community members reviewed the record in this matter and support the intervenors August 11, 2020 motion that Pepco's application be withdrawn. Lynette Scott testified on behalf of the Missionary Baptist Ministers Conference of Washington, D.C. and vicinity. She believes Pepco's application should be withdrawn because it failed to include in its June 1, 2020 proposal "the details required under D.C. law that triggers when a utility is requesting a multiyear rate plan", and that it fails to "ensure the quality, availability and reliability of electric services" and that the increase is not in the best interest of the public.²⁶ Understandably, community members are concerned that with this precedent, Pepco will likely continue to obfuscate the process as its application provides no assurances regarding quality control against future errors.

B. Many questions remain about Pepco's forecasting demand.

Proponents of the MRP testified that the plan will help Pepco better detail how it will build, budget, and forecast for a smarter grid. Ibrahim Mumid testified in favor of Pepco's MRP and

²⁴ Tr. 23:15-18.

²⁵ Tr. 132:18-22; 133:1-4.

²⁶ Tr. 66:5-16.

stated he finds that “...today, with COVID-19, this crisis is keeping so many quarantined at home and dependent on safe and reliable power, strategic forecasting is required more than ever before”²⁷ However, many community members encouraged the Commission to not take these blanket assertions at face value, nor rush its consideration of the proposed MRP as there are unanswered questions about the accuracy of the Company’s demand forecasting. ANC 3B Commissioner Ann Mladinov testified that the proposed MRP represents the biggest utility rate increase in District history and upsets multiple policies and adversely affects residents. She states:

And the forecast question, which others have mentioned, is really critical. Pepco has based this multiyear rate plan on forecasts that were made before the COVID-19 virus had even been heard of. And now it has changed almost everything in the way that we live and [how] the economy works. And all of these forecasts should be revisited and redone. Nothing based on these pre-COVID forecasts can be counted on. And it doesn’t make any sense to accept multiyear rate plans [...] based on those kinds of values.²⁸

C. Pepco’s MRP weakens Commission oversight.

Louis Davis, AARP State Director, testified on behalf of AARP and its 83,000 members in the District. Among AARP’s concerns with Pepco’s MRP is the diminished opportunity for oversight. Mr. Davis states:

The process requires giving the PSC a thorough opportunity to review the filing using actual costs. Giving Pepco authorization to raise rates for multiple years in a row is poor public policy, whether it be a federal income tax cut or the pandemic, the future is too unpredictable. Three years of preapproved rate increases without that full accountability before each increase is unacceptable.²⁹

Ward 6 resident Marli Kasdan, who testified on behalf of 350 D.C., a local climate justice organization, also found Pepco’s MRP disturbing as it “would weaken our regulatory oversight”

²⁷ Tr. 204:16-19.

²⁸ Tr. 51:19-22; 52:1-7.

²⁹ Tr. 72: 8-14.

because in “addition to raising energy prices this year, Pepco is requesting pre-approval to raise energy prices again in 2021 and 2022.”³⁰ Community members therefore understandably demand that Pepco not be allowed to raise rates without the detailed scrutiny available in the traditional ratemaking process.

3. PEPKO’S MRP DOES NOT ADEQUATELY ADDRESS THE DISTRICT’S ENVIRONMENTAL GOALS

A. Pepco’s proposed MRP ignores the District’s climate imperatives.

As the District’s sole electric distribution company, Pepco has an enormous impact on the District’s carbon footprint and should occupy a leadership role in mapping the District’s sustainable energy future. Community members testified that they were outraged upon discovering Pepco’s MRP largely ignores the District’s climate imperatives.

On behalf of the Metro DC Democratic Socialists of America, Katherine Neilson strongly opposes the MRP application as it presents an unrealistic long-term plan regarding climate change. Ms. Neilson testified that there are no capital improvements in the MRP application that would bring it in compliance with the District’s energy goals.³¹

Community members were also concerned about the MRP’s long-term impact on the District’s younger generations. Ward 3 resident Wren Patton testified on behalf of the Sunrise Movement, a nonprofit organization that advocates political action on climate change. The Sunrise Movement represents younger District residents who demand that the Commission act boldly by rejecting the MRP’s business as usual approach and inaction on climate change.

³⁰ Tr. 94:15-19.

³¹ Tr. 22:21-22; 22:1-2.

Ms. Patton testified that in her generation's view, electric industry companies like Pepco tied to the fossil fuel industry have created barriers to solving the climate crisis and actively resisted the clean air transition. According to Ms. Patton, "[t]his price hike would go to increasing profits, not towards renewable energy. Pepco admits that their price hike would not fund clean energy. And they have provided zero evidence that the price hike would advance climate goals."³²

The incorporation of renewables is directly tied to the fight for a livable future and as Ms. Patton states, "... this has to stop. Younger generations are demanding that it stop because we'll be around in 2050, when the decisions you make in this decade will have an impact."³³

B. Pepco's MRP does not incorporate renewables into its energy mix.

Like Ms. Patton, Ward 4 resident John Moore believes Pepco is not doing enough to incorporate renewables into its energy mix, although it is capable of "...setting up structures that improve the usage of solar power, there's mesh networks, there's all sorts of things. There are no proposals to address these environmental concerns in this ... rate increase."³⁴

Other community members also found Pepco's exclusion of renewables from its energy mix unsurprising. Sebastian Rosemont is a Ward 3 resident, who works in the field of environmental sustainability. By his estimation, Pepco is actively working against the District's sustainability goals and showing no signs of improvement, as the Company's "recent construction plans fail to advance or even consider clean energy solutions in the District, such as distributed solar and battery storage."³⁵ To Mr. Rosemont, Pepco's determination to put short term profits

³² Tr. 17:22; 18:1-5.

³³ Tr. 17:17-21.

³⁴ Tr. 129:4-12.

³⁵ Tr. 139:6-14.

ahead of the environment is reprehensible, and must not be rewarded with three straight years of increased profit margins.³⁶

Denise Robbins is a Ward 1 resident and communications director at the Chesapeake Climate Action Network, an organization that represents 7,000 members in the District. Ms. Robbins reminded this Commission that one of the reasons it initially rejected the Exelon/PHI merger was because of concerns about Exelon's conflict of interest with the District's clean energy goals, and while the eventual agreement was stronger, concerns remained regarding the companies' true commitment to the District's climate future.³⁷ Ms. Robbins implored this Commission to remember its mandate to consider the District's public climate commitment in all its actions and require Pepco to incorporate solar in more ways that will clean up the air and make communities healthier and stronger.³⁸

4. PEPCO'S PROPOSED MRP HAS A DISPROPORTIONATE RACIAL IMPACT

It has been long understood that minorities and ethnic groups are disproportionately impacted by utility rate increases, and the COVID-19 pandemic is expected to exacerbate energy poverty among these groups as they typically take longer to recover from economic disruptions. D.C. Council candidate Ed Lazere³⁹ testified regarding the lack of funding in the District's Low-Income Home Energy Assistance Program and how thousands are left without bill payment

³⁶ Tr. 139:15-20.

³⁷ Tr. 115:8-14.

³⁸ Tr. 115:21-22; 116:1-3.

³⁹ Mr. Lazere recently served as Executive Director of the DC Fiscal Policy Institute, a District nonprofit that "promotes opportunity and widespread prosperity for all residents of the District of Columbia through thoughtful policy solutions" See DC Fiscal Policy Institute Mission & Values, at www.dcfpi.org/about/mission-values/.

assistance, some spiraling into homelessness after utilities are shut off.⁴⁰ Regarding the proposed rate increase, he stated that “[t]he added \$120 a year alone in 2020 would create hardship for families who already struggle – who already struggle to pay their bills, most of them black and brown. Even before the pandemic many low-income families struggled with energy bills because lost wages and high housing costs left them with no room for other necessities.”⁴¹

Representatives of the faith community speak on behalf of thousands of their constituents. Pepco’s level of support for minority communities was highlighted by Ward 6 resident and Pastor H. Lionel Edmonds of Mount Lebanon Baptist Church. Pastor Edmonds testified on behalf of the Washington Interfaith Network, an organization that represents 40 institutions and 100,000 District members. He stated,

Corporate leaders like Pepco must do more to achieve equity in our capitol city. We're asking Pepco to act on Win's agenda for the public interest to help implement care for D.C., the corporate accountability and racial equity campaign for good jobs, fair compensation for contractors, improve local hiring, investing in black local businesses, addressing 77 acres of land at Benning Service Terrace, at the service center, and addressing affordable green energy and wealth and credit returns to our hurting communities.⁴²

Community members also testified about what they see as Pepco’s lack of investment in minority firms. Ward 6 resident and Missionary Baptist Ministers Conference of D.C. member Frankey Grayton is a local planning contractor who is disheartened by the “small amount of money” that Pepco has spent out of their annual budget with minority contractors.⁴³

⁴⁰ Tr. 47:12-14.

⁴¹ Tr. 47:20-22; 48:1-5.

⁴² Tr. 216:8-19.

⁴³ Tr. 69:1-5.

John Moore, Ward 4 resident and parishioner of St. John's Church at Lafayette Square, has experience with affordable housing and helping small businesses get started. Mr. Moore put Pepco's spending with minority contractors into perspective:

In the ... case of Pepco's lack of minority contractors, Pepco needs to make special efforts to identify and provide support to black minority contractors. Last year Pepco spent only 11 million on such contractors. This slow rate is unacceptable. Pepco should include a concrete plan to improve in this area in its resubmitted proposal. And I do appreciate that there are contractors that have worked with Pepco, but there are many others and many of them could be strengthened.⁴⁴

5. PEPSCO SHOULD BE REQUIRED TO ADDRESS ITS WORKFORCE PLANNING DEFICIENCIES

Community members argued that among the reasons the MRP should not be approved is the fact that Pepco has not made good use of the talent pool and mismanaged its contract labor force. Frankie Grayton testified that he believes Pepco is missing an opportunity by not working more with environmental groups and individual ratepayers. He believes that by "setting up structures that improve the usage of solar power and ... other types of renewable energy," Pepco could make better use of the District's Infrastructure Academy and build up the local labor force.⁴⁵

This sentiment was echoed by labor contractors with firsthand experience working for Pepco. These essential workers testified about earning less than a livable wage while performing hazardous work. DC resident Sheritta Noris testified that as a Pepco contractor she earned \$14 per hour without health insurance,⁴⁶ and believes these low wages contribute to high turnover, meaning "there were a lot of new workers who didn't know what they were doing".⁴⁷ She also

⁴⁴ Tr. 128:6-16.

⁴⁵ Tr. 129:1-10.

⁴⁶ Tr. 230:7-11.

⁴⁷ Tr. 232:3.

testified that she was reprimanded and eventually pushed out of her position for speaking up for herself. She now works for a union contractor that provides better wages and insurance.

Former Pepco laborer Eric Azoyine also testified about earning substandard pay as a Pepco subcontractor. Mr. Azoyine stated:

It's important for you to know how Pepco treats its contracted-out workers. As a laborer, I frequently work in D.C. performing work for Pepco contractors. Inside the trench box to service new residential communities. My starting rate three years ago was at \$14 per hour. If I received a raise, it was the minimum, just meeting the minimum wage standard in the city.⁴⁸

6. COMMUNITY SUPPORT FOR PEPCO'S PROPOSAL

By far, most community members who testified objected to Pepco's MRP, but there were individuals, business owners and association representatives who supported the Company's proposal. For example, DC resident and owner and CEO of JPM Group, Levonnia Jeanette Mobley, testified that while "[c]ertainly at a glance, a rate-making decision might not be timely during a pandemic,"⁴⁹ she believes that "we should take a moment and examine what Pepco has done to support customers during the pandemic,"⁵⁰ Ms. Mobley noted her belief that Pepco was among the first utilities in the nation to suspend service disconnections and waive new late payment fees, and reconnect customers already disconnected.⁵¹ Ms. Mobley also stated that Pepco has been a good corporate citizen in the District, and highlighted the Company's participation in the D.C. Infrastructure Academy. Ms. Mobley believes that the Commission will closely monitor Pepco's rate changes and ensure transparency in its plans for modernizing the grid in the future.⁵²

⁴⁸ Tr. 234:18-22; 235:1-2.

⁴⁹ Tr. 85:16-8.

⁵⁰ Tr. 85:18-20.

⁵¹ Tr. 85:22; 86:1-4.

⁵² Tr. 87:16-19.

Pedro Alfonso testified on behalf of the Metro D.C. Hispanic Contractors Association and stated that the MRP proposal would provide “a cadre of consumer protections that will contain costs,” including the extension of assistance programs, and increased caps on the residential aid discount.⁵³ Mr. Alfonso also believe that as designed, the MRP will permit the Company to move forward with planning infrastructure projects.

Like others who testified on Pepco’s behalf, SRB Communications founder and CEO, Sheila Brooks, found that “the utility has acknowledged that many more citizens and business[es] and faith-based institutions and others are economically threatened ...” but believes that Pepco’s proposals to expand its relief offerings and deferred payment programs would “help restart the economy and great discounts to non-profits and houses of worship.”⁵⁴ Daniel Flores testified on behalf of the Greater Washington Board of Trade, and like Ms. Brooks, recognizes that “the COVID-19 pandemic has challenged businesses and communities and depleted budgets across the Washington region and the U.S.,”⁵⁵ and believes that “difficult choices and decisions have to be made.”⁵⁶ Thus, although District residents and institutions are facing unprecedented financial uncertainty, these community members believe that Pepco’s MRP proposals provide enough benefits to outweigh any perceived drawbacks.

7. SOLUTIONS OFFERED

In addition to highlighting deficiencies in Pepco’s MRP application, the community members’ testimony included recommendations that would provide District ratepayers with financial relief and planning guidance for a sustainable energy future.

⁵³ Tr. 43:4-7.

⁵⁴ Tr. 45:9-13.

⁵⁵ Tr. 198:1-4.

⁵⁶ Tr. 198:9.

Many community members believe that Pepco's MRP proposal fails to satisfy any of the necessary factors necessary for approval and suggest rejecting it altogether. For example, Father Cornelius Ejlogu of St. Luke's Catholic Church finds the Company's proposal to be "morally wrong."⁵⁷ Like others, he testified that to request a rate increase during these economic times is inhumane, and asks the Commission to "very vehemently reject" the request."⁵⁸

In addition to a call for increasing this Commission's regulatory oversight of Pepco, community members also proposed a variety of consumer relief measures including: a permanent moratorium on rates and disconnections,⁵⁹ the cancelation of all utility debt,⁶⁰ and instituting a percentage of income program.⁶¹

Others recommended municipalizing the investor-owned utility. David Schwartzman testified on behalf of the D.C. Statehood Green Party and recommended that:

... rather than Exelon owning an electric utility, both PSC and a local elected government should seriously consider public ownership of our utilities. Municipalizing Pepco, thereby putting our supplier under full public ownership make fully transparent, accountable, monitoring removing the profit-hungry owners who do not serve the public interest.⁶²

As seen by the variety of the suggestions above, the community members who testified in opposition to the MRP represent a broad spectrum of ratepayers with different interests and approaches to consumer protection. Even so, what becomes clear is they each believe that Pepco's

⁵⁷ Tr. 256:10.

⁵⁸ Tr. 256:6-8.

⁵⁹ Tr. 31:2-4.

⁶⁰ Tr. 95:9-12.

⁶¹ Tr. 41:18-22; 42:1.

⁶² Tr. 105:14-22


MRP would unfairly and unnecessarily burden consumers with higher rates at a time when they can least afford it.

VI. CONCLUSION

We, the undersigned, request this Commission carefully consider the evidence in this case and deny Pepco's MRP Application as not in the public interest, and only approve an increase in rates that is reasonable and that any increase be phased in over time. As part of this deliberative process, we ask that this Commission afford great weight to the testimony of the ANC Commissioners' testimony and community leaders, in addition to the voices of the residential and business consumers who presented testimony opposing Pepco's MRP Application.

We, the undersigned, file this Community Brief before the Public Service Commission in Formal Case No. 1156, In the Matter of the Potomac Electric Power Company Authority to Implement a Multiyear Rate Plan for Electric Distribution Service in the District of Columbia.

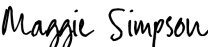
Respectfully Submitted,

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Ward 5 Resident




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3B01 Glover Park, Cathedral Heights
Secretary

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Barbara Morgan
Ward 7 Resident

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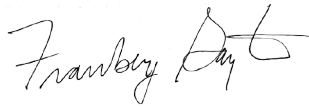
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Jonah Goodman
Advisory Neighborhood Commission
SMD 4C10

We, the undersigned, file this Community Brief before the Public Service Commission in Formal Case No. 1156, In the Matter of the Potomac Electric Power Company Authority to Implement a Multiyear Rate Plan for Electric Distribution Service in the District of Columbia.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Frankey Grayton". The signature is fluid and cursive, with a horizontal line extending from the end of the name.

Frankey Grayton
Pastor of Southern Friendship
Missionary Baptist Church

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Respectfully Submitted,

DocuSigned by:

Graylin Presbury

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Graylin Presbury

DC Federation of Civic Associations

CERTIFICATE OF SERVICE

Formal Case No. 1156, In the Matter of the Application of the Potomac Electric Power Company for Authority to Implement a Multiyear Rate Plan for Electric Distribution Services in the District of Columbia

I certify that on December 23, 2020, a copy of the *Community Brief of District of Columbia Consumers of the Electric Services Provided by the Potomac Electric Power Company on behalf of the D.C. Federation of Civic Associations, Inc.* was served on the following parties of record by hand delivery, first class mail, postage prepaid or electronic mail:

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