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**MARYLAND OFFICE OF PEOPLE'S COUNSEL  
C91H00**

**Fiscal Year 2015 Budget Hearings**

**Response to the Department of Legislative Services  
Budget Analysis**

**House Committee on Appropriations (APP)  
Sub-Committee on Transportation and Environment**

**February 11, 2015**

## **General Response of the Office of People's Counsel (OPC)**

The Department of Legislative Services concurs with the Governor's allowance. OPC appreciates the careful review by Tonya Zimmerman, DLS budget analyst, and agrees with the DLS recommendation.

### **OPC Response Regarding Expected Rate Of Customer Inquiries and Requests for Assistance in Future Years**

DLS has requested that OPC comment on our expectations regarding the number of calls received by OPC and the number handled in-house in future years given our personnel resources. While the DLS budget analysis notes a decrease in the number of customer calls to OPC for assistance in FY 2014 in comparison to FY 2012 and FY 2013, there also was an increase in the percentage of inquiries handled in-house. The DLS analysis also notes an increase over that time in successful resolution of requests for assistance. In general, OPC notes that the agency does not control the number of calls or inquiries to our agency. Changes in call numbers from year to year can occur for a variety of reasons, including weather, high bill spikes, and reliability related concerns.

There was a spike in the number of calls in FY 2012, which was significantly higher than the range of calls in fiscal years 2010, 2011, 2013 and 2014. We would expect the total number of calls to stay in the current 2014 range or slightly higher, and handle in-house a similar number of calls given our personnel resources. OPC has had two dedicated positions for direct consumer assistance. Besides engaging in direct consumer assistance, these employees also participate in meetings, conferences and other activities related to customer issues.

In general, the vast majority of inquiries to our agency involve non-payment/service termination situations. If there is a threatened termination, and no special circumstances, OPC refers the customer to the utility and/or the Public Service Commission. A referral to the PSC may be necessary to preserve service while a review of the customer complaint is pending. OPC does not have the legal authority to order a utility to halt a service termination, although we can informally request

it of the utility. OPC attempts to identify those customer complaints involving household members who are in a vulnerable situation due to age (elderly or very young), serious medical conditions or disabilities, or reliant on medical equipment requiring electricity, or substandard condition of the home, and works with agencies and the utility to achieve a satisfactory result. However, it is important to keep in mind that OPC is neither a decision-making agency like the Public Service Commission, nor a grant agency. A positive result for the non-payment/service termination complaints cannot always be achieved in high bill situations.

## **Office of People's Counsel**

### **About Us**

OPC is the official advocate for Maryland residential utility consumers. Maryland Public Utilities Article, § 2-201 et seq.

The Maryland Office of People's Counsel (OPC), created in 1924, is the oldest utility consumer advocacy office of its kind in the United States. The People's Counsel is appointed by the Attorney General, with the advice and consent of the Senate, and acts independently of the **Maryland Public Service Commission (PSC)** and the **Office of Attorney General**. OPC is a State of Maryland agency, yet works independently to represent Maryland's residential consumers of electric, natural gas, telecommunications, private water and certain transportation matters before the PSC, federal regulatory agencies and the courts. Every day OPC's staff members address issues affecting the cost, quality of service and adequate supply of these utility services. OPC's advocacy touches the lives of every resident of Maryland.

OPC functions primarily as a law office, employing a staff of 19, and retains expert consultants to provide technical assistance and expert testimony. These consultants are highly qualified accounting, engineering and economic experts who provide technical assistance, prepare reports and appear as expert witnesses before the PSC and federal agencies. These experts are absolutely critical to OPC's ability to represent consumers.

Because it is a state agency, funding for OPC is included in the state budget proposed by the Governor and approved by the General Assembly. However, the State's General Fund is fully reimbursed for OPC's expenses from revenue collected in the Public Utility Regulation Fund. Md. PUC Article, § 2-110.1. These revenues are collected from all regulated utility companies and licensed energy suppliers.

### **What We Do**

OPC represents the interests of Maryland residential utility consumers of electricity, natural gas, telecommunications, private water services and certain transportation matters in state and federal regulatory and legislative proceedings. OPC also provides information and referrals to consumers and agencies, and direct assistance in limited situations.

## **Where We Do It**

OPC represents the interests of Maryland residential utility consumers before administrative agencies, the courts and legislative bodies:

- Maryland Public Service Commission
- Federal Agencies:
  - Federal Energy Regulatory Commission
  - Federal Communications Commission
  - Federal Trade Commission
- Maryland and Federal Courts (appeals of regulatory decisions)
- Maryland General Assembly
- United States Congress:
  - U.S. Senate
  - U.S. House of Representatives
- Advisory Boards

## **How We Do It**

### **Legal Advocacy**

Regulatory Cases (PSC, FERC, FCC, Courts)

Rulemakings (PSC, FERC, FCC)

Public Conferences (PSC)

Legislation

### **Consumer Assistance**

Inquiries and Referrals

Assistance (service and billing disputes; terminations to vulnerable customers)

### **Information and Resources**

Agency inquiries and alerts

Resource Guides

Speakers

Website

## **Associations and Boards**

### **NASUCA**

OPC is a member of the **National Association of Utility Consumer Advocates (NASUCA)**. NASUCA is an association of government and non-profit agencies that represent the interests of consumers of energy and telecommunications services in over 40 states. NASUCA has an Executive Director who handles daily operations and is responsible to the Officers and Executive Committee of NASUCA. NASUCA establishes positions on a variety of issues through approval of Resolutions. These Resolutions provide the policy support for testimony and comments filed by NASUCA in federal regulatory and legislative proceedings. As a member of NASUCA, OPC is able to enhance its presence and influence on behalf of Maryland residential consumers.

The People's Counsel was President of NASUCA from 2011-2013 and a member of the Executive Committee for six years. OPC has representatives on the Electric, Gas, Telecommunications, Water, Distributed Energy Resources and Consumer Protection Committees of NASUCA, and is active in the development of policy positions and actions taken by NASUCA on behalf of its members.

### **Consumer Advocates of PJM States, Inc. (CAPS)**

OPC was a lead agency in a three year effort to secure funding to enhance consumer participation in PJM stakeholder matters, which culminated in FERC approval of use of a portion of a civil penalty to fund this effort. The Consumer Advocates of PJM, Inc., a Maryland non-profit organization, was established in 2012, with the People's Counsel as both a founding member and Board member, and consumer agency membership from all states within the PJM footprint. FERC approved our joint request to use a portion of a civil penalty to initially fund this effort, and an Executive Director was hired in 2013. MD OPC currently is represented on the Board by William Fields, Senior Assistant People's Counsel.

## **Boards and Committees**

The People's Counsel (or her designated representative) is a member of several boards and committees that address issues that impact residential utility consumers:

- MEA Strategic Energy Investment Fund (SEIF) Advisory Board
- DHR OHEP Advisory Board
- DHCD Weatherization Advisory Board
- Maryland Clean Energy Center Advisory Committee

## **OPC – Regulatory Activities**

OPC's primary responsibility is to represent the interests of Maryland residential users of utility service. OPC's attorneys advocate in regulatory and court proceedings for rates, services and practices to benefit residential customers. Most of our work takes place in proceedings before the **Maryland Public Service Commission (MD PSC)**, the state agency that regulates utility companies. These proceedings include cases, rulemakings, public conferences and work groups set up by the MD PSC. OPC addresses issues in the following types of proceedings:

- Mergers and Acquisitions
- Utility distribution rates and services (gas, electricity, water)
- Gas infrastructure surcharges
- Utility procurement of electricity and gas supply
- Reliability of utility distribution systems and service quality
- Retail energy suppliers – licensing and consumer protection
- Low-income and vulnerable Customers – Energy Assistance and Other Protections
- Energy efficiency, conservation and demand reduction
- Grid modernization and smart meter deployment
- Local (landline) telephone regulation and service quality
- Ridesharing services (Uber; Lyft)

OPC also intervenes in cases before the **Federal Energy Regulatory Commission (FERC)**, the federal agency that oversees wholesale electricity markets, interstate electricity transmission and interstate gas transportation. As a result of federal policies and the deregulation of the retail electric industry in Maryland in 1999, the importance of FERC policies and decisions for Maryland consumers has increased dramatically. OPC has been an advocate for Maryland consumers in numerous FERC cases involving wholesale market issues and interstate transmission line costs to be allocated to Maryland consumers. Most recently, OPC has joined other consumer

groups in proceedings involving capacity performance, bid caps and demand response rules in the PJM area, abandonment costs related to a withdrawn transmission line project and complaints regarding the authorized returns on equity (profit) for Maryland utility transmission projects regulated by FERC.

At the same time, OPC is an active consumer representative in the **PJM** stakeholder groups concerning the operation of the regional transmission organization. We generally participate in FERC cases and PJM matters as part of a coalition of consumer offices and other agencies for more efficient use of resources.

**The Federal Communications Commission (FCC)** regulates interstate communications by radio, TV, wire, satellite and cable. The agency also administers the Lifeline LinkUp program for telephone assistance and the Universal Service Fund (USF) and jointly administers the Do Not Call Registry for consumers who want to avoid telemarketing calls. As an active member of **NASUCA**, OPC is able to lend its voice on behalf of Maryland telephone consumers through NASUCA Resolutions and the submission of comments by NASUCA in numerous FCC dockets. In the past few years, NASUCA has submitted extensive comments on consumer issues related to the technological transition to a telecommunications network based on Internet protocol (IP), including back-up power, copper retirement, discontinuance of service and quality of service, as well as net neutrality, lifeline services, cramming, and inmate calling charges.

OPC also appears in **appellate courts** when regulatory orders are challenged by OPC or other parties. The MD PSC's orders are appealed to the courts of the State of Maryland, while the federal agency orders are heard on appeal by federal appellate courts.

#### **OPC – Consumer Assistance and Outreach**

While most of OPC's activities take place in regulatory proceedings before the PSC and FERC, the agency does provide consumer assistance and outreach assistance. Most of the requests for consumer assistance concern terminations (or threatened terminations) of utility service and need for bill payment assistance. OPC works with a network of government, community action, non-profit and faith organizations in all areas of the State, and has developed a reputation as the "go to" place to refer the most difficult cases involving vulnerable customers and bill payment problems. Since OPC has a very limited consumer assistance staff, the agency specifically focuses on comprehensive assistance for vulnerable households (due to age, medical problems, disability and other factors) facing service loss. OPC also handles complaints or inquiries related to service reliability and outage issues, billing disputes and energy supplier complaints.

OPC provides speakers upon request to agency, neighborhood and community organizations, and has developed fact sheets and guides on regulated utility issues and contracts with energy suppliers. The OPC website provides information to consumers, agencies and other interested parties about “hot topics,” cases and issues, public hearings, and links to fact sheets and information guides on matters that affect residential customers of energy, telephone and private water services.

OPC also provides information and direct assistance to consumers and works closely with the statewide network of government and non-profit agencies that provide assistance to households to provide information and training on utility consumer issues. In FY 2012 OPC held a statewide Low-Income Household and Energy Bill Affordability Summit for assistance providers throughout the State, and collaborated with Commission Staff on submission of an Affordable Energy Program proposal to the Commission in 2012. The information and agency input from that Summit, coupled with technical assistance from OPC’s expert on low-income consumers, was invaluable in preparing that energy affordability roadmap which was presented to the Commission for consideration.