



OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR

717 14TH STREET N.W., SUITE 900

WASHINGTON, D.C. 20005

TEL. 202-727-3600 • FAX: 202-724-8814

Deborah K. Nichols
District of Columbia Auditor
025:09:HA:KM:gk

**Audit of the Office of the People's Counsel
Agency Fund for Fiscal Year 2003**

September 23, 2009

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EXECUTIVE SUMMARY

PURPOSE

In accordance with Section 455 of the District of Columbia Home Rule Act, as amended, Pub.L. No. 93-198,¹ and pursuant to D.C. Code, Section 34-912(a)(6),² the District of Columbia Auditor conducted an audit of the fiscal year (FY) 2003 financial activities of the Office of the People's Counsel (OPC) Agency Fund.

CONCLUSION

The Auditor found that during fiscal year 2003, \$1,712,903 in public utility assessments and \$1,219.50 in refunds from vendors were deposited into the OPC's Agency Fund and recorded in the District's System of Accounting and Reporting (SOAR). The Auditor found that the OPC's fiscal year 2003 Trust Fund Reconciliation Report, which was submitted to the Mayor and Council of the District of Columbia, agreed with our finding that \$1,714,122.50 in receipts were deposited into the Agency Fund in fiscal year 2003.

During fiscal year 2003, the OPC disbursed from the Agency Fund \$1,187,381.44 against the OPC Agency Fund. Additionally, during FY 2003, the OPC processed six refund vouchers totaling \$402,050.80 against the OPC's Agency Fund. The Auditor found that \$1,187,381.44 in fiscal year 2003 expenditures processed against OPC's Agency Fund appeared to be reasonable and necessary expenses as required by D.C. Code, Section 34-912. The Auditor successfully reconciled all expense vouchers and refunds to the District's accounting system (SOAR). Further, each expense voucher was properly signed and approved for payment by an authorized OPC official.

¹See section 455 (b) of the District of Columbia Home Rule Act, approved December 24, 1973 (Pub. L. No. 93-198; 87 Stat. 803); D.C. Code § 1-204.55 (b) (2001) which states: "The District of Columbia shall each year conduct a thorough audit of the accounts and operations of the government of the District in accordance with such principles and procedures and under such rules and regulations as he [she] may prescribe. See also D.C. Code § 1-204.55 (c) which states: "The District of Columbia Auditor shall have access to all books, accounts, records, findings, and all other papers, things, or property belonging to or in use by any department, agency, or other instrumentality of the District government and necessary to facilitate the audit."

²See D.C. Code, Section 34-912(a)(6) which states that, "The District of Columbia auditor shall review the amounts deposited and disbursed by the Commission and the Office under this section and shall issue a report to the Mayor and the Council on each agency fund on a biennial basis."

The Auditor found however that OPC failed to close balance sheet sub-accounts for closed formal cases and refund remaining balances to appropriate public utility companies in a timely manner.

FINDING

OPC Failed to Close Balance Sheet Sub-Accounts for Closed Formal Cases and Refund \$143,554.50 In Remaining Balances to Appropriate Public Utility Companies In a Timely Manner.

RECOMMENDATION

The OPC Director ensure that the OPC Chief Financial Officer closes balance sheet accounts for closed formal cases and issues refunds in a timely manner.

PURPOSE

In accordance with Section 455 of the District of Columbia Home Rule Act, as amended, Pub.L. No. 93-198,¹ and pursuant to D.C. Code, Section 34-912(a)(6),² the District of Columbia Auditor conducted an audit of the fiscal year (FY) 2003 financial activities of the Office of the People's Counsel (OPC) Agency Fund.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of the audit were to:

1. verify deposits to and disbursements from the OPC's Agency Fund for FY 2003;
2. examine expenses charged against the OPC's Agency Fund to determine whether expense vouchers were supported by adequate documentation and whether the expenses were reasonable and necessary, as required by D.C. Code, Section 34-912;
3. determine whether expense vouchers were properly reviewed and approved by appropriate OPC officials before payment; and
4. determine the amount of refunds to public utilities that were processed against the OPC's Agency Fund.

¹See section 455 (b) of the District of Columbia Home Rule Act, approved December 24, 1973 (Pub. L. No. 93-198; 87 Stat. 803); D.C. Code § 1-204.55 (b) (2001) which states: "The District of Columbia shall each year conduct a thorough audit of the accounts and operations of the government of the District in accordance with such principles and procedures and under such rules and regulations as he [she] may prescribe. *See also* D.C. Code § 1-204.55 (c) which states: "The District of Columbia Auditor shall have access to all books, accounts, records, findings, and all other papers, things, or property belonging to or in use by any department, agency, or other instrumentality of the District government and necessary to facilitate the audit."

²See D.C. Code, Section 34-912(a)(6) which states that, "The District of Columbia auditor shall review the amounts deposited and disbursed by the Commission and the Office under this section and shall issue a report to the Mayor and the Council on each agency fund on a biennial basis."

The scope and period of the audit covered an examination of OPC Agency Fund receipts, expenditures, and refunds for FY 2003.

In conducting the audit, the Auditor reviewed relevant D.C. Code provisions, public utility revenue deposits to and disbursements from OPC's Agency Fund, and reconciled the deposits to the District's System of Accounting and Reporting (SOAR) and Executive Information System (EIS). SOAR and EIS reflect all financial activity processed against OPC's Agency Fund during FY 2003. The Auditor also reconciled deposits made to OPC's Agency Fund to confirmation statements provided by Potomac Electric Power Company (PEPCO), Washington Gas, and Verizon. Finally, the Auditor interviewed OPC's chief financial officer and senior accounting and disbursing analyst, in addition to officials from PEPCO, Washington Gas, and Verizon concerning their deposits to OPC's Agency Fund.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

BACKGROUND

Pursuant to D.C. Law 5-153, the "Utility Regulatory Assessment Clarification Act of 1984," the Office of the People's Counsel was established as an independent agency of the District government. D.C. Code, Section 34-804(a), states, in part, that the Office of the People's Counsel ". . . shall be a party, as of right, in any investigation, valuation, revaluation, or proceeding of any nature by the Public Service Commission (PSC) of or concerning any public utility operating in the District of Columbia."

Also, pursuant to D.C. Code, Section 34-804(d), states that the People's Counsel:

- (1) Shall represent and appeal for the people of the District of Columbia at hearings of the [PSC] and in judicial proceedings in the District of Columbia courts when these proceedings and hearings involve the interests of users of the products of or services furnished by public utilities under the jurisdiction of the [PSC];

- (2) May represent and appeal for the people of the District of Columbia at proceedings before related federal regulatory agencies and commissions and federal courts when those proceedings involve the interests of users of the products of or services furnished by public utilities under the jurisdiction of the [PSC];
- (3) May represent and appear for petitioners appearing before the [PSC] for the purpose of complaining in matters of rates or services;
- (4) May investigate independently, or within the context of formal proceedings before the [PSC], the services given by, the rates charged by, and the valuation of the properties of the public utilities under the jurisdiction of the [PSC]; and
- (5) May develop means to otherwise assure that the interests of the users of the products of or services furnished by public utilities under the jurisdiction of the [PSC] are adequately represented in the course of proceedings before the [PSC], federal or District of Columbia courts, or federal regulatory agencies and commissions involving those interests, including public information dissemination, consultative services, and technical assistance.

Each public utility is authorized to charge rates that will permit a fair rate of return (or profit) on capital in exchange for the right to conduct business in the District of Columbia. Utilities must apply to the PSC for a change in rates or regulatory treatment. The PSC sets public utility rates and otherwise regulates utilities through a formal legal process in which the affected public utility, the OPC, and other interested parties have an opportunity to present their case. As noted earlier, OPC is the only statutory party of right in public utility cases filed with the PSC.

FINDINGS

DEPOSITS TO AND EXPENDITURES AND REFUNDS FROM THE OFFICE OF THE PEOPLE'S COUNSEL AGENCY FUND FOR FISCAL YEAR 2003

As previously noted, D.C. Code, Section 34-912, permits the OPC to assess utilities for regulatory and litigation expenses associated with retaining technical and legal consultants to perform work required by proceedings before the PSC. The OPC develops an estimate of expenses necessary to carry out its work in each proceeding before the PSC. The OPC develops a formal written Notice of Agency Fund Requirements (NAFR) to the Commission, including the consultant contracts, for the funds necessary to carry out its work in each proceeding before the PSC. The Commission must then approve or reject OPC's request. If approved, the PSC then orders the affected utility to make the deposit to the OPC Agency Fund. Table I summarizes OPC's Agency Fund activity for FY 2003.

TABLE I
Office of the People's Counsel Agency Fund:
Statement of Receipts, Expenditures, and Refunds For
FY Ending September 30, 2003

Beginning Balance (10/01/02)	\$1,266,384.01
Receipts	1,714,122.50 ³
Expenditures	(1,187,381.44)
Refunds to Utilities	<u>(402,050.80)</u>
Ending Balance (09/30/03)	<u>\$ 1,391,074.27</u>

Source: Office of the D.C. Auditor/EIS/SOAR

As of October 1, 2002, the beginning balance in OPC's Agency Fund was \$1,266,384.01 . Receipts of 1,714,122.50 less expenditures of \$1,187,381.44, and \$402,050.80 in refunds to utility companies for formal cases that were closed resulted in an ending Agency Fund balance of \$1,391,074.27, as of September 30, 2003. The \$1,391,074.27 ending balance is a reserve balance to be used for authorized expenses pertaining to ongoing case activity.

³OPC's total FY 2007 receipts were \$1,714,122.50, which consisted of \$1,712,903 in utility assessments and \$1,219.50 in refunds from vendors.

FY 2003 OPC Agency Fund Assessment, Deposits, and Refunds

During FY 2003, the OPC filed with the PSC 18 Notices of Agency Fund Requirements (NAFR) orders requesting the PSC to issue Notices of Agency Fund Requirements to PEPCO, Verizon, and Washington Gas. PEPCO, Verizon, and Washington Gas responded by submitting 18 checks totaling \$1,712,903. The Auditor confirmed that the OPC received utility assessments totaling \$988,607.50 from PEPCO, \$85,783 from Verizon, and \$638,512.5 from Washington Gas, and that a total of \$1,712,903 was deposited into OPC's Agency Fund.

Individual assessments were reconciled to District Treasury deposit tickets, SOAR financial reports, and utility confirmation statements. The Auditor found that the OPC's FY 2003 Trust Fund Reconciliation Report, which was submitted to the Mayor and Council of the District of Columbia, agreed with our finding that \$1,712,903 in utility assessments and \$1,219.50 in refunds from a vendor were reconciled by OPC and deposited into the Agency Fund in FY 2003.

Table II presents FY 2003 deposits made to the OPC Agency Fund. (See Appendix I for a brief description of each formal case.)

TABLE II
Public Utility Assessments Deposited Into
The Office of the People's Counsel Agency Fund
During Fiscal Year 2003

Public Utility	Formal Case (FC) Number	Amount	Date PSC Received Check	Date of Deposit
<u>PEPCO</u>	945	\$ 60,000	5/16/03	5/16/03
	1009	\$ 13,763	11/1/02	1/9/03
	1009	\$ 110,100	12/16/02	1/09/03
	945	\$ 245,500	2/28/03	3/6/03
	1019	\$ 35,000	4/1/03	4/17/03
	1017	\$ 408,085	4/11/03	4/17/03
	813	\$ 5,000	8/19/03	9/5/03
	ET002	\$ 85,000	10/22/02	11/1/02
	945	\$ 26,160	10/28/02	11/01/02
PEPCO TOTAL		\$ 988,608		
<u>VERIZON</u>	815	\$ 15,000	4/1/03	4/17/03
	1011	\$ 22,000	2/21/03	3/6/03
	1011	\$ 48,783	10/25/03	11/1/03
VERIZON Total		\$ 85,783		
<u>WASHINGTON GAS</u>	1009	\$ 13,763	11/1/02	11/6/02
	874	\$ 50,000	3/4/03	3/6/03
	1016	\$ 84,250	4/9/03	4/17/03
	1016	\$ 35,000	6/20/03	6/27/03
	1016	\$ 430,500	5/15/03	5/16/03
	874	\$ 25,000	8/18/03	9/5/03
WASHINGTON GAS TOTAL		\$638,513		

REFUNDS FROM VENDORS					
Miller, Balis & O'neal	945	\$	27.00	5/23/03	6/6/03
Miller, Balis & O'neal	945	\$	1,192.50	5/23/03	6/6/03
TOTAL REFUNDS FROM VENDORS		\$	1,219.50		
GRAND TOTAL DEPOSITS		\$	<u>1,714,122.50</u>		

Source: Office of the People's Counsel, SOAR/EIS and the Office of the D.C. Auditor

FY 2003 Expenditures Processed Against the OPC's Agency Fund Appeared to be Reasonable and Necessary, As Required by D.C. Code, Section 34-912

During FY 2003, the OPC processed 168 expense vouchers and journal entries totaling \$1,187,381.44 against the OPC Agency Fund. The Auditor successfully reconciled the \$1,187,381.44 in expenditures to individual expense vouchers and the District's accounting system.

Approximately 97.8%, or \$1,160,849.66, of the total confirmed expenses paid by OPC during FY 2003 were for services provided by attorneys, economists, engineer consultants, and certified public accountants. Two percent (2.2%), or \$26,487.78, of the confirmed expenses were for administrative costs which included copying, telecommunications, delivery, and transportation services. OPC's Agency Fund expenditures appeared to be reasonable and necessary expenses for ongoing case activity as required by D.C. Code, Section 34-912. Further, each expense voucher was properly signed and approved for payment by an authorized OPC official.

FY 2003 Refunds of Unexpended Assessments Processed Against OPC's Agency Fund

During FY 2003, the OPC processed six refund vouchers totaling \$402,050.80 against the OPC's Agency Fund. The Auditor reconciled the \$402,050.80 in refunds of unexpended assessments to individual vouchers and the District's accounting system. These refunds included: \$356,878.11 to PEPCO and \$ 45,172.69 to Washington Gas. Table III presents FY 2003 refunds of unexpended assessments to public utilities.

TABLE III
Office of the People's Counsel Agency Fund:
Fiscal Year 2003 Refunds to Public Utilities

VENDOR	REFUND AMOUNT
PEPCO	\$ 356,878.11
WASHINGTON GAS	\$ 45,172.69
TOTAL REFUNDS	<u>\$ 402,050.80</u>

Source: Office of the People's Counsel, SOAR/EIS, and the Office of the D.C. Auditor

OPC Failed to Close Balance Sheet Sub-Accounts for Closed Formal Cases and Refund \$143,554.50 In Remaining Balances to Appropriate Public Utility Companies In a Timely Manner

D.C. Code, Section 34-912(a)(2) states, in part, that "... the balance of any sums for a specific proceeding remaining after the final disposition of the proceeding or any litigation arising therefrom shall be returned promptly to the utility which made the deposit."

The Auditor found that PSC issued an order dated June 2, 1999, stating that : (1) formal cases 873, 912, 934 and 939 are closed; and (2) all funds remaining in balance sheet accounts associated with the contracts closed by this order *shall be returned to the appropriated public utility company forthwith*. In the order, the PSC noted that they issued a public notice that proposed the closure of the formal cases on June 19, 1998 and provided 21 days to comment, however, no comments were filed.

The Auditor found, however, that OPC failed to close the balance sheet sub-accounts for closed formal cases 934 and 939 and to refund the corresponding remaining amounts to the public utility in a timely manner. The OPC processed two vouchers on 5/22/03 to refund formal cases 934 and 939 which were closed during FY 1999; (1) VX300081 (formal case 934) in the amount of \$28,881.39 to Washington Gas; and VX 300082 (formal case 939) in the amount of \$114,673.11 to PEPCO.

RECOMMENDATION

The OPC Director ensure that the OPC Chief Financial Officer closes balance sheet accounts for closed formal cases and issues refunds in a timely manner.

Auditor's FY 2002 Finding Resolved

During the FY 2002 OPC Audit, the Auditor found that the OPC filed with the PSC a FY 2001 Notice of Agency Fund Requirements order requesting PSC to direct Verizon to provide \$40,000 for deposit into OPC's Agency Fund. Verizon responded by submitting a check for \$40,000, which was received on September 28, 2001 and deposited into OPC's Agency Fund on October 4, 2001. However, OPC did not record this deposit in its FY 2001 Trust Fund Reconciliation Report nor its FY 2002 Trust Fund Reconciliation Report.

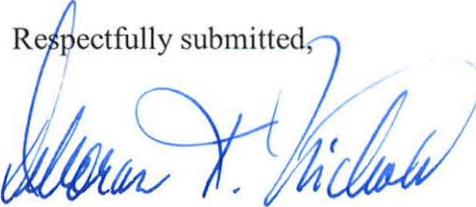
The Auditor recommended that the chief financial officer for OPC correct OPC's FY 2002 Trust Fund Reconciliation Report to reflect actual utility revenue deposits of \$557,417 and resubmit the corrected report to the Mayor and Council of the District of Columbia. The Auditor found that the OPC CFO amended the FY 2002 Trust Fund Reconciliation Report to reflect actual utility revenue deposits of \$557,417 and resubmitted the amended page with the FY 2003 report.

CONCLUSION

The Auditor found that during fiscal year 2003, \$1,712,903 in public utility assessments and \$1,219.50 in refunds from vendors were deposited into the OPC's Agency Fund and recorded in the District's System of Accounting and Reporting (SOAR). The Auditor found that the OPC's fiscal year 2003 Trust Fund Reconciliation Report, which was submitted to the Mayor and Council of the District of Columbia, agreed with our finding that \$1,714,122.50 in receipts were deposited into the Agency Fund in fiscal year 2003.

During fiscal year 2003, the OPC disbursed from the Agency Fund \$1,187,381.44 against the OPC Agency Fund. Additionally, during FY 2003, the OPC processed six refund vouchers totaling \$402,050.80 against the OPC's Agency Fund. The Auditor found that \$1,187,381.44 in fiscal year 2003 expenditures processed against OPC's Agency Fund appeared to be reasonable and necessary expenses as required by D.C. Code, Section 34-912. The Auditor successfully reconciled all expense vouchers and refunds to the District's accounting system (SOAR). Further, each expense voucher was properly signed and approved for payment by an authorized OPC official.

The Auditor found however that OPC failed to close balance sheet sub-accounts for closed formal cases and refund remaining balances to appropriate public utility companies in a timely manner.

Respectfully submitted,


Deborah K. Nichols

District of Columbia Auditor

APPENDIX

**Description of Formal Cases In Which
Utilities Made Deposits to the
Office of the People's Counsel's Agency Fund
During Fiscal Year 2003**

<u>FORMAL CASE NUMBER</u>	<u>DESCRIPTION OF CASE</u>
<u>PEPCO</u>	
813	In the Matter of the Application of PEPCO for an Increase in It's Retail Rates for the Sale of Electric Energy.
945	In the Matter of the Investigation into Electric Services Market Competition and Regulatory Policies.
1009	In the Matter of Investigation Into Affiliated Activities, Promotional Practices and Codes of Conduct of Regulated Gas and Electric Companies.
1017	In the Matter of the Development and Designation of Standard Offer Service in the District of Columbia.
1019	In the Matter of the request to PEPCO for Authority to Use New Solid State Meters.
ET002	In the Matter of the Investigation into PEPCO's Public Space Occupancy Surcharge.
<u>VERIZON WASHINGTON DC, INC.</u>	
815	In the Matter of Investigations into the Conditions for Cable Television Use of Utility Poles in the District of Columbia.
1011	In the Matter of Verizon Washington, D.C. Inc's Compliance with the Conditions Established in Section 271 of the Federal Telecommunications Act of 1996.
<u>WASHINGTON GAS</u>	
874	In the Matter of the Gas Acquisition Strategies for the District of Columbia Natural Gas, Division of Washington Gas Light Company.
1009	In the Matter of Investigation Into Affiliated Activities, Promotional Practices and Codes of Conduct of Regulations Gas and Electric Companies.
1016	In the Matter of the Application of Washington Gas Light Company for Authority to Increase Existing Rates and Changes for Gas Services.

Source: Report of the Office of the People's Counsel FY 2004 Agency Fund Deposits, Disbursements & Contracts.

AGENCY COMMENTS

AGENCY COMMENTS

On August 24, 2009, the Office of the District of Columbia Auditor submitted this report in draft for review and comment to the People's Counsel, Office of the People's Counsel. Written comments were received from the People's Counsel on September 14, 2009. Where appropriate, changes were made to the final report based upon the comments received. All written comments are appended, in their entirety, to the final report.



Office of the People's Counsel District of Columbia

1133 15th Street, NW • Suite 500 • Washington, DC 20005-2710
202.727.3071 • FAX 202.727.1014 • TTY/TDD 202.727.2876



September 14, 2009

Elizabeth A. Noël
People's Counsel

Deborah K. Nichols
District of Columbia Auditor
717 14th Street, N.W. Suite 900
Washington, D.C. 20005



RE: Draft Audit of OPC's Agency Fund for FY 2003

Dear Ms. Nichols:

The Office of the People's Counsel received your draft report, "Audit of the People's Counsel Agency Fund for Fiscal Year 2003." We appreciate the opportunity to comment on the draft.

As always, the report was thorough. There were, however, some inaccuracies, which OPC wishes to address on the record.

The major inaccuracy appears on pages 8-9 of the draft report, in the final paragraph,

“[t]he Auditor found, however, that OPC failed to close the balance sheet sub-accounts for closed formal cases 934 and 939 and to refund the corresponding remaining amounts to the public utility in a timely manner. The OPC processed two vouchers on 5/22/09 to refund formal cases 934 and 939” (emphasis added)

In fact, these refunds were made in July 2003. In the Office's statutorily mandated report on FY 2002 Agency Fund Deposits, Disbursements, Contracts and Reimbursements,¹ Appendix B notes the Office had authorized reimbursements in Formal Case Nos. 934 and 939. A copy of the report is enclosed for your reference.

The Office would like the final report to reflect this correction.

In the Office's Agency Fund report for FY 2003, Appendix B again notes the Office had authorized reimbursements. A copy of this report is also enclosed, as well as copies of the July 9, 2003 letters transmitting the refunds to the utilities. Judging from the date of the letters, it would appear the vouchers were processed on May 22, 2003, not 2009.

The audit report found the balance sheet sub-accounts had not been closed and the recommendation on page 9 was that the Office do so on a timelier basis. The Office does not dispute the wisdom of the recommendation. However, much of the time between FY 1999 and

FY 2003 was a period of several transitions for the Public Service Commission. The Office frequently did not get Commission orders, particularly in inactive cases. The Office did make the refunds as soon as practicable. As to the timing of the OPC-AFO, the Office can only request refunds; the timeliness of closing is within the control of the OPC-AFO, not the People's Counsel.

The Office would like the final report's recommendation to read "The OPC Chief Financial Officer should issue refunds as quickly as possible following the OPC Director's directive and the balance sheet accounts should be closed in a timely manner."

Finally, there were some misstatements about OPC's assessment process.

On page 4, the first paragraph, the Office would change the second and third sentences to read as follows:

The OPC develops a formal written request (Notice of Agency Fund Requirements) to the Commission, including the consultant contracts, for the funds necessary to carry out its work in each proceeding before the PSC. The Commission then must approve or reject OPC's request. If approved, the PSC then orders the affected utility to make the deposit.

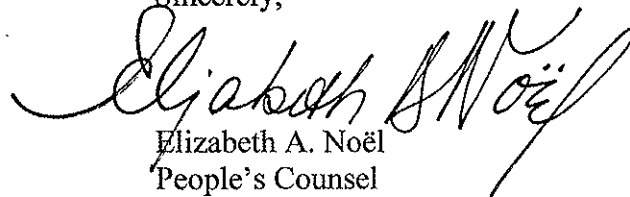
The sentence beginning "Upon receipt . . ." should be deleted, and the final sentence in the paragraph retained.

On page 5, the first paragraph, the Office would make the following change to the first sentence

During FY 2003, the OPC filed with the PSC 18 Notices of Agency Fund Requirements (NOAFRs) requesting the PSC to issue orders directing Pepco, Verizon and Washington Gas to make deposits to the Office's Agency Fund.

Again, OPC appreciates the Auditor permitting the Agency to comment on the draft report.

Sincerely,



Elizabeth A. Noël
People's Counsel

Enclosures



Office of the People's Counsel District of Columbia



1133 15th Street, NW • Suite 500 • Washington, DC 20005-2710
202.727.3071 • FAX 202.727.1014 • TTY/TDD 202.727.2876

July 9, 2003

Elizabeth A. Noël
People's Counsel

Bernice McIntyre, Esq.
Washington Gas
Office of the General Counsel
1100 H Street, N.W.
12th Floor
Washington, D.C. 20080

RE: Formal Case refunds

Dear Ms. McIntyre:

At the request of the Office of the People's Counsel, OPC's Chief Financial Officer, Irvin L. Logan, reviewed the Office's Miscellaneous Trust Fund Account, the separate account maintained for the assessments of the utilities to represent District utility ratepayers in proceedings before the Public Service Commission. The review has determined refunds are due Washington Gas in Formal Case Nos. 834 and 934 totaling \$45,172.69. These refunds are made pursuant to D.C. Code, 2001 Ed. § 34-912(2) following the cases' by the final disposition by the Commission. Enclosed is a copy of a memorandum from OPC's Chief Financial Officer, Irvin L. Logan, advising the Office of the refund amounts.

The following cases and listed balances comprise these refunds:

Formal Case No. 934	\$28,881.39
Formal Case No. 834	\$16,291.30
TOTAL	\$45,172.69

If you have any questions, please contact Irvin Logan, OPC-CFO, at 626.5133.

Sincerely,

Elizabeth A. Noël
People's Counsel

Enclosures

cc: James DeGraffenreidt, Esq., Washington Gas;
Roberta Willis Simms, Esq., Washington Gas
Beverly Burke, Esq., Washington Gas
Agnes Alexander Yates, Esq., Public Service Commission
Anthony Rachel, Esq., Public Service Commission
Sanford Speight, Public Service Commission
Council Member Phil Mendelson
Irvin L. Logan, OPC-CFO
Derryl Stewart King, OPC

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER



MEMORANDUM

To: Elizabeth A. Noel
People's Counsel

From: Irvin L. Logan *ILG*
Chief Financial Officer

Date: June 18, 2003

Subject: Refund Checks from Formal Case Closings

Enclosed are refund checks from formal cases closed per your request in Office of the People's Counsel's Agency Fund. Listed below are the appropriate formal case numbers, amount of refund, utility, contact name, title, and address for your convenience:

1. Washington Gas	FC #	Amount
Ms. Bernie McIntyre, Sr. Counsel	934	\$28,881.39
Office of the General Counsel	834	<u>16,291.30</u>
Washington Gas Light Company		Total \$45,172.69
District of Columbia Division		
1100 H Street, N. W., 12 th Floor		
Washington, D. C. 20080		
2. PEPCO		
Mr. Paul Harrington.		
Associate General Counsel	834	104,657.84
Potomac Electric Power Company	951	137,546.80
701 9 th Street, N.W.	939	114,673.11
Suite 1100 - 10 th Floor	852	<u>36</u>
Washington, D. C. 20068		Total \$356,878.11

I would very much appreciate a copy of each transmittal letter for the CFO files.

Enclosures (4 Checks)

VOUCHER	FIN AG	INVOICE	INVOICE DATE	REF DOC	AMOUNT
VX030096	0	REFUND 834-805			\$16,291.30

ISSUED BY: DJO OFFICE OF PEOPLE'S COUNSEL (202)727-3071

CHECK DATA
 ID: 121 005829365 DATE: 06/12/2003 AMOUNT \$16,291.30
 GOVERNMENT OF THE DISTRICT OF COLUMBIA

0056603 REMOVE DOCUMENT ALONG THIS PERFORATION
 THE FACE OF THIS DOCUMENT HAS A MULTI-COLORED BACKGROUND AND MULTIPLE SECURITY FEATURES
 GOVERNMENT OF THE DISTRICT OF COLUMBIA 5829365 66-798 531



50 DJO 121 005829365 06/12/2003
 *SIXTEEN*THOUSAND*TWO*HUNDRED*NINETY-ONE*****
 *DOLLARS*AND*30*CENTS*****
 73 1530162882 000

DOLLARS	CTS.
*****16,291.	30

VOID 180 DAYS FROM DATE

PAY TO THE ORDER OF WASHINGTON GAS LIGHT COMPANY
 1100 H STREET NW
 6TH FLOOR SRS
 WASHINGTON DC 20080

Bank of America
 Washington, DC

R*STARS DAILY

⑈ 58 29365 ⑆ ⑆ 053107989 ⑆ 000480112547 ⑆

VOUCHER	FIN AG	INVOICE	INVOICE DATE	REF DOC	AMOUNT
VX300081	DJO	REFUND			\$28,881.39

F.O.# 934

ISSUED BY: DJO OFFICE OF PEOPLE'S COUNSEL (202)727-3071

CHECK DATA
 ID: 121 005825924 DATE: 06/04/2003 AMOUNT \$28,881.39
 GOVERNMENT OF THE DISTRICT OF COLUMBIA

0024488 REMOVE DOCUMENT ALONG THIS PERFORATION
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 GOVERNMENT OF THE DISTRICT OF COLUMBIA 5825924 66-798 531



50 DJO 121 005825924 06/04/2003
 *TWENTY-EIGHT*THOUSAND*EIGHT*HUNDRED*****
 *EIGHTY-ONE*DOLLARS*AND*39*CENTS*****
 73 1530162882 001

DOLLARS	CTS.
*****28,881.	39

VOID 180 DAYS FROM DATE

PAY TO THE ORDER OF WASHINGTON GAS LIGHT COMPANY
 1240 12TH STREET, SE
 WASHINGTON DC 20003
 USA

Bank of America
 Washington, DC

R*STARS DAILY



Office of the People's Counsel District of Columbia



1133 15th Street, NW • Suite 500 • Washington, DC 20005-2710
202.727.3071 • FAX 202.727.1014 • TTY/TDD 202.727.2876

July 9, 2003

Elizabeth A. Noël
People's Counsel

Paul Harrington, Esq.
Associate General Counsel
Potomac Electric Power Company
701 Ninth Street, N.W.
Suite 1100
Washington, D.C. 20068

RE: Formal Case refunds

Dear Mr. Harrington:

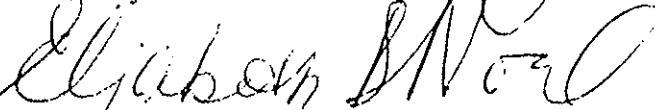
At the request of the Office of the People's Counsel, OPC's Chief Financial Officer, Irvin L. Logan, reviewed the Office's Miscellaneous Trust Fund Account, the separate account maintained for the assessments of the utilities to represent District utility ratepayers in proceedings before the Public Service Commission. The review has determined refunds are due Pepco in Formal Case Nos. 834, 852, 939, and 951 totaling \$356,878.11. These refunds are made pursuant to D.C. Code, 2001 Ed. § 34-912(2) following the cases' by the final disposition by the Commission. Enclosed is a copy of a memorandum from OPC's Chief Financial Officer, Irvin L. Logan, advising the Office of the refund amounts.

The following cases and listed balances comprise these refunds:

Formal Case No. 934	\$104,657.84
Formal Case No. 951	\$137,546.80
Formal Case No. 939	\$114,673.11
Formal Case No. 852	\$.36
TOTAL	\$356,878.11

If you have any questions, please contact Irvin Logan, OPC-CFO, at 626.5133.

Sincerely,



Elizabeth A. Noël
People's Counsel

Enclosures

cc: Dennis Wraase, Pepco

cc: Kirk Emge, Pepco
Ted Trabue, Pepco
Agnes Alexander Yates, Esq., Public Service Commission
Anthony Rachal, III, Esq., Public Service Commission
Sanford Speight, Public Service Commission
Council Member Phil Mendelson
Irvin L. Logan, OPC-CFO
Derryl Stewart King, OPC

D:\FORMAL CASES\Refunds_FY03.wpd

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER



MEMORANDUM

To: Elizabeth A. Noel
People's Counsel

From: Irvin L. Logan *ILG*
Chief Financial Officer

Date: June 18, 2003

Subject: Refund Checks from Formal Case Closings

Enclosed are refund checks from formal cases closed per your request in Office of the People's Counsel's Agency Fund. Listed below are the appropriate formal case numbers, amount of refund, utility, contact name, title, and address for your convenience:

1. Washington Gas	FC #	Amount
Ms. Bernie McIntyre, Sr. Counsel	934	\$28,881.39
Office of the General Counsel	834	16,291.30
Washington Gas Light Company		Total \$45,172.69
District of Columbia Division		
1100 H Street, N. W., 12 th Floor		
Washington, D. C. 20080		
2. PEPCO		
Mr. Paul Harrington.		
Associate General Counsel	834	104,657.84
Potomac Electric Power Company	951	137,546.80
701 9 th Street, N.W.	939	114,673.11
Suite 1100 - 10 th Floor	852	36
Washington, D. C. 20068		Total \$356,878.11

I would very much appreciate a copy of each transmittal letter for the CFO files.

Enclosures (4 Checks)

VOUCHER	FIN AG	INVOICE	INVOICE DATE	REF DOC	AMOUNT
VX300082	DJO	REFUND	F.O. # 939		\$114,673.11
VX300083	DJO	REFUND			\$137,546.80

ISSUED BY: DJO OFFICE OF PEOPLE'S COUNSEL (202)727-3071

CHECK DATA
 ID: 121 005825925 DATE: 06/04/2003 AMOUNT \$252,219.91
 GOVERNMENT OF THE DISTRICT OF COLUMBIA

0084489

REMOVE DOCUMENT ALONG THIS PERFORATION

THE FACE OF THIS DOCUMENT HAS A MULTI-COLORED BACKGROUND AND MULTIPLE SECURITY FEATURES

GOVERNMENT OF THE DISTRICT OF COLUMBIA 5825925

66-798
631



50 DJO 121 005825925 06/04/2003
 *TWO*HUNDRED*FIFTY-TWO*THOUSAND*TWO*HUNDRED**
 *NINETEEN*DOLLARS*AND*91*CENTS*****
 73 1530127880 000

DOLLARS	CTS.
****252,219	91

VOID 180 DAYS FROM DATE

PAY TO THE ORDER OF POTOMAC ELECTRIC POWER COMPANY
 701 NINTH ST NW
 WASHINGTON DC 20068
 USA

R*STARS DAILY

Bank of America
 Washington, DC

⑈ 58 259 25 ⑈ ⑆ 053 107989 ⑆ 000480 1 1 254 7 ⑈

VOUCHER	FIN AG	INVOICE	INVOICE DATE	REF DOC	AMOUNT
VX030094	DJO	REFUND-852			\$.36
VX030095	DJO	REFUND 834			\$104,657.84

ISSUED BY: DJO OFFICE OF PEOPLE'S COUNSEL (202)727-3071

CHECK DATA
 ID: 121 005829364 DATE: 06/12/2003 AMOUNT \$104,658.20
 GOVERNMENT OF THE DISTRICT OF COLUMBIA

0056602

REMOVE DOCUMENT ALONG THIS PERFORATION

THE FACE OF THIS DOCUMENT HAS A MULTI-COLORED BACKGROUND AND MULTIPLE SECURITY FEATURES

GOVERNMENT OF THE DISTRICT OF COLUMBIA 5829364

66-798
631



50 DJO 121 005829364 06/12/2003
 *ONE*HUNDRED*FOUR*THOUSAND*SIX*HUNDRED*****
 *FIFTY-EIGHT*DOLLARS*AND*20*CENTS*****
 73 1530127880 000

DOLLARS	CTS.
****104,658	20

VOID 180 DAYS FROM DATE

PAY TO THE ORDER OF POTOMAC ELECTRIC POWER COMPANY
 701 NINTH ST NW
 WASHINGTON DC 20068
 USA

R*STARS DAILY

Bank of America
 Washington, DC

**REPORT
OF THE
OFFICE OF THE PEOPLE'S COUNSEL
OF THE
DISTRICT OF COLUMBIA
FOR FISCAL YEAR 2002**

ON

**AGENCY FUND DEPOSITS, DISBURSEMENTS, CONTRACTS &
REIMBURSEMENTS**

IN COMPLIANCE WITH

D.C. CODE, 2001 Ed. SECTION 34-912(a)(7)

March 17, 2003

**ELIZABETH A. NOËL
PEOPLE'S COUNSEL**

APPENDIX B

SUMMARY OF FINANCIAL ACTIVITY
FY2002

COMPANY	Opening Balance	Deposits	Disbursements	Refunds	Closing Balance
MULTI-COMPANY	\$ 35,539.56	\$ -	\$ -	\$ -	\$ 35,539.56
VERIZON D.C.	\$ 240,988.51	\$ -	\$ 70,481.89	\$ -	\$ 170,506.62
PEPCO	\$ 930,481.39	\$ 499,417.00	\$ 503,711.16	\$ -	\$ 926,187.23
WASHINGTON GAS	\$ 457,978.92	\$ 18,000.00	\$ 381,826.23	\$ -	\$ 94,152.69
TOTAL	\$ 1,664,988.38	\$ 517,417.00	\$ 956,019.28	\$ -	\$ 1,226,386.10

MULTI-COMPANY					
FORMAL CASE	Opening Balance	Deposits	Disbursements	Refunds	Closing Balance
712	\$ 35,539.56	\$ -	\$ -	\$ -	\$ 35,539.56
TOTAL	\$ 35,539.56	\$ -	\$ -	\$ -	\$ 35,539.56

VERIZON - D.C.					
FORMAL CASE	Opening Balance	Deposits	Disbursements	Refunds	Closing Balance
814	\$ 112,963.83	\$ -	\$ -	\$ -	\$ 112,963.83
850	\$ 49,315.17	\$ -	\$ -	\$ -	\$ 49,315.17
926	\$ 7,742.01	\$ -	\$ -	\$ -	\$ 7,742.01
962	\$ 70,722.50	\$ -	\$ 70,481.89	\$ -	\$ 240.61
TT93-11	\$ 245.00	\$ -	\$ -	\$ -	\$ 245.00
TT00-04	\$ 40,000.00	\$ -	\$ -	\$ -	\$ 40,000.00
TOTAL	\$ 240,988.51	\$ -	\$ 70,481.89	\$ -	\$ 170,506.62

APPENDIX B

SUMMARY OF FINANCIAL ACTIVITY
FY2002

PEPCO						
FORMAL CASE	Opening Balance	Deposits	Disbursements	Refunds	Closing Balance	
766	\$ 5,330.31	\$ 21,850.00	\$ 4,708.70	\$ -	\$	22,471.61
813	\$ 2,500.34	\$ -	\$ -	\$ -	\$	2,500.34
834*	\$ 120,949.14	\$ -	\$ -	\$ -	\$	120,949.14
852*	\$ 0.36	\$ -	\$ -	\$ -	\$	0.36
917	\$ 63,572.97	\$ -	\$ -	\$ -	\$	63,572.97
919*	\$ (1.00)	\$ -	\$ -	\$ -	\$	(1.00)
930	\$ 4,416.58	\$ -	\$ -	\$ -	\$	4,416.58
936	\$ 26,809.03	\$ -	\$ -	\$ -	\$	26,809.03
939*	\$ 114,673.11	\$ -	\$ -	\$ -	\$	114,673.11
945	\$ 262,274.80	\$ 285,117.00	\$ 240,197.83	\$ -	\$	307,193.97
951	\$ 137,546.80	\$ -	\$ -	\$ -	\$	137,546.80
991*	\$ 130,205.64	\$ 59,900.00	\$ 112,842.36	\$ -	\$	77,263.28
1002	\$ 50,053.25	\$ 132,550.00	\$ 145,962.27	\$ -	\$	36,640.98
ET99-1	\$ 11,725.00	\$ -	\$ -	\$ -	\$	11,725.00
ET00-2	\$ 425.06	\$ -	\$ -	\$ -	\$	425.06
TOTAL	\$ 930,481.39	\$ 499,417.00	\$ 503,711.16	\$ -	\$	926,187.23

WASHINGTON GAS						
FORMAL CASE	Opening Balance	Deposits	Disbursements	Refunds	Closing Balance	
874	\$ 11,543.86	\$ 18,000.00	\$ 19,109.71	\$ -	\$	10,434.15
GTs 95-3 & 4 & 96-1-3	\$ 5,391.88	\$ -	\$ -	\$ -	\$	5,391.88
934*	\$ 28,881.39	\$ -	\$ -	\$ -	\$	28,881.39
989	\$ 399,397.14	\$ -	\$ 360,581.24	\$ -	\$	38,815.90
GTs 97-1,2, & 3	\$ 12,764.65	\$ -	\$ 2,135.28	\$ -	\$	10,629.37
TOTAL	\$ 457,978.92	\$ 18,000.00	\$ 381,826.23	\$ -	\$	94,152.69

* Case closed by order of the Public Service Commission, People's Counsel has authorized reimbursement

D.C. CODE, 2001 Ed. § 34-912 (a) (7)

FINAL REPORT

OF THE

OFFICE OF THE PEOPLE'S COUNSEL

OF THE

DISTRICT OF COLUMBIA

FOR FISCAL YEAR 2003

ON

**AGENCY FUND DEPOSITS, DISBURSEMENTS &
CONTRACTS***

MARCH 2004**

* Appendices A, B, C, D, E prepared by OCFO Irvin Logan.

**The Draft Report was submitted to the Council's Subcommittee On Public Interest on March 4, 2004 at the Office of the People's Counsel FY 2003 Oversight Hearing.

APPENDIX B
SUMMARY OF FINANCIAL ACTIVITY
FY2003

COMPANY	Opening Balance	Deposits	Disbursements	Refunds	Closing Balance
VERIZON D.C.	\$ 210,506.62	\$ 85,783.00	\$ 70,543.49	\$ -	\$ 225,746.13
WASHINGTON GAS	\$ 94,152.69	\$ 624,750.00	\$ 441,521.95	\$ 28,881.39	\$ 248,499.35
PEPCO	\$ 926,185.14	\$ 865,964.50	\$ 653,574.50	\$ 373,168.41	\$ 765,406.73
MULTI-COMPANY	\$ 35,539.56	\$ 137,625.00	\$ 21,742.50	\$ -	\$ 151,422.06
TOTAL	\$ 1,266,384.01	\$ 1,714,122.50	\$ 1,187,382.44	\$ 402,049.80	\$ 1,391,074.27

VERIZON - D.C.					
FORMAL CASE	Opening Balance	Deposits	Disbursements	Refunds	Closing Balance
814	\$ 112,963.83	\$ -	\$ -	\$ -	\$ 112,963.83
815	\$ -	\$ 15,000.00	\$ -	\$ -	\$ 15,000.00
850	\$ 49,315.17	\$ -	\$ -	\$ -	\$ 49,315.17
926	\$ 7,742.01	\$ -	\$ -	\$ -	\$ 7,742.01
962	\$ 240.61	\$ -	\$ -	\$ -	\$ 240.61
1011	\$ -	\$ 70,783.00	\$ 70,543.49	\$ -	\$ 239.51
TT93-11	\$ 245.00	\$ -	\$ -	\$ -	\$ 245.00
TT00-04	\$ 40,000.00	\$ -	\$ -	\$ -	\$ 40,000.00
TOTAL	\$ 210,506.62	\$ 85,783.00	\$ 70,543.49	\$ -	\$ 225,746.13

WASHINGTON GAS					
FORMAL CASE	Opening Balance	Deposits	Disbursements	Refunds	Closing Balance
874	\$ 10,434.15	\$ 75,000.00	\$ 50,659.52	\$ -	\$ 34,774.63
GTs 95-3 & 4 & 96-1-3	\$ 5,391.88	\$ -	\$ 643.80	\$ -	\$ 4,748.08
934*	\$ 28,881.39	\$ -	\$ -	\$ 28,881.39	\$ -
989	\$ 38,815.90	\$ -	\$ 10,836.05	\$ -	\$ 27,979.85
1016	\$ -	\$ 549,750.00	\$ 379,382.58	\$ -	\$ 170,367.42
GTs 97-1,2, & 3	\$ 10,629.37	\$ -	\$ -	\$ -	\$ 10,629.37
TOTAL	\$ 94,152.69	\$ 624,750.00	\$ 441,521.95	\$ 28,881.39	\$ 248,499.35

*Cases closed by the Public Service Commission in FY 2002; People's Counsel authorized reimbursement in FY 2003

APPENDIX B
SUMMARY OF FINANCIAL ACTIVITY
FY2003

PEPCO						
FORMAL CASE	Opening Balance	Deposits	Disbursements	Refunds	Closing Balance	
766	\$ 22,471.61	\$ -	\$ 12,067.90	\$ -	\$ 10,403.71	
813	\$ 2,500.34	\$ 5,000.00	\$ -	\$ -	\$ 7,500.34	
834*	\$ 120,949.14	\$ -	\$ -	\$ 120,949.14	\$ -	
852*	\$ 0.36	\$ -	\$ -	\$ 0.36	\$ -	
917	\$ 63,572.97	\$ -	\$ -	\$ -	\$ 63,572.97	
919*	\$ (1.00)	\$ 1.00	\$ -	\$ -	\$ -	
930	\$ 4,416.58	\$ -	\$ -	\$ -	\$ 4,416.58	
936	\$ 26,809.03	\$ -	\$ -	\$ -	\$ 26,809.03	
939*	\$ 114,673.11	\$ -	\$ -	\$ 114,673.11	\$ -	
945	\$ 307,193.97	\$ 332,879.50	\$ 352,779.21	\$ -	\$ 287,294.26	
951*	\$ 137,546.80	\$ -	\$ -	\$ 137,546.80	\$ -	
991*	\$ 77,261.28	\$ -	\$ 2,640.06	\$ -	\$ 74,621.22	
1002	\$ 36,640.89	\$ -	\$ 4,577.65	\$ -	\$ 32,063.24	
1017	\$ -	\$ 408,085.00	\$ 176,734.62	\$ -	\$ 231,350.38	
1019	\$ -	\$ 35,000.00	\$ 19,628.30	\$ -	\$ 15,371.70	
ET99-1	\$ 11,725.00	\$ -	\$ -	\$ -	\$ 11,725.00	
ET00-2	\$ 425.06	\$ 85,000.00	\$ 85,146.76	\$ -	\$ 278.30	
TOTAL	\$ 926,185.14	\$ 865,965.50	\$ 653,574.50	\$ 373,169.41	\$ 765,406.73	

MULTI-COMPANY						
FORMAL CASE	Opening Balance	Deposits	Disbursements	Refunds	Closing Balance	
712	\$ 35,539.56	\$ -	\$ -	\$ -	\$ 35,539.56	
1009	\$ -	\$ 137,625.00	\$ 21,742.50	\$ -	\$ 115,882.50	
TOTAL	\$ 35,539.56	\$ 137,625.00	\$ 21,742.50	\$ -	\$ 151,422.06	

*Cases closed by the Public Service Commission in FY 2002; People's Counsel authorized reimbursement in FY 2003