

State of Delaware  
Division of the Public Advocate

Annual Report for Calendar Year 2013



STATE OF DELAWARE  
DEPARTMENT OF STATE  
**DIVISION OF THE PUBLIC ADVOCATE**  
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January 10, 2014

Dear Governor Markell, Members of the General Assembly, and Delaware Utility Consumers:

As you know, the Division of the Public Advocate (DPA) was created by the Delaware Legislature to represent the interests of utility consumers in matters considered by the Public Service Commission. Recent changes to the enabling statute of the DPA include the requirement that the DPA submit an Annual Report of its activities to the Governor and the General Assembly, and to also post that report to its website. Pursuant to that requirement, we attach the DPA's first Annual Report, covering activities during calendar year 2013.

The 2013 Annual Report attempts to provide interested parties with a high level overview of the activities in which we have been involved during the year. It does not, however, delve into the day-to-day activities necessary to resolve a particular case in a way that both protects consumers from unjustified rate increases while still ensuring safe and reliable utility services delivered to their homes and businesses. We believe our office has performed those duties admirably despite the challenges we face as an organization and by the complex issues with which we must contend.

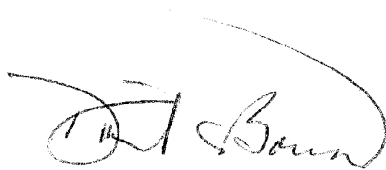
Looking ahead to 2014, we anticipate that our small staff - comprised of myself, Deputy Public Advocate Ruth Ann Price, Deputy Attorney General Regina Iorii, Public Utility Analyst Andrea Maucher, and Exempt Secretary Kishon Williams - will continue to be focused on the DPA's mission to advocate for residential and small commercial utility consumers. In addition, as a result of my discussions with the Executive Director of the Public Service Commission (PSC), the responsibility for complaint handling will be moved from the PSC to the DPA effective July 1, 2014. Our budget request for fiscal year 2015 will reflect the movement of the Public Utility Complaint Investigator to our Division. I will also seek funding to hire one additional Public Utility Analyst in the following fiscal year. As you will see in this report, our office is participating on matters not only at the state level, but at the federal level. Although matters at the federal level do not get the attention from the local media as the rate applications filed by our regulated utilities, they nonetheless have a substantial effect on the rates that Delaware

consumers pay. It is absolutely critical that we have the in-house knowledge and expertise to face issues as they arise, as well as continue our goal of increasing our public outreach efforts.

The complexity of issues in the electric industry alone, including the integration of renewable resources, deployment of distributed generation, energy efficiency and demand response programs, will require in-house expertise in order to fully understand the impacts of these transformations on the consumers we represent. We are deeply concerned with the increasing cost of essential utility services for the residential and small commercial customers we represent. As rates continue to escalate, the affordability of these services becomes increasingly difficult for more and more families and businesses. It is not only the very poor with whom we are concerned, but also those on the cusp – families who are one paycheck or one illness away from real financial hardship. We are also concerned on a more general level with the overall level of rates, because our rates must be more competitive in order to foster economic development.

Thank you for the opportunity to submit this 2013 Annual Report. I am always available to respond to any questions or concerns raised by the report.

Regards,

A handwritten signature in black ink, appearing to read "D. L. Bonar". The signature is stylized with a large, sweeping flourish that extends from the top of the first letter and curves over the rest of the name.

David L. Bonar  
Public Advocate



**State of Delaware  
Division of the Public Advocate**

**2013 Annual Report**

**Executive Summary**

The Division of the Public Advocate (“DPA” or “Division”) has experienced a number of changes during calendar year 2013. In early 2012, the Joint Sunset Committee (“JSC”) of the General Assembly notified the DPA that it would be under review. The DPA responded to the JSC questionnaire in September 2012. The JSC held a public hearing in February 2013, during which the DPA responded to questions about its responses to the questionnaire and to receive feedback from the JSC. The JSC released a list of ten recommendations regarding the DPA in early April 2013; many of its recommendations required legislation for implementation. The DPA began working on other recommendations soon after the public hearing, including meeting with the Government Information Center on ways to improve the DPA’s on-line presence and a re-examination of its outreach efforts.

Public Advocate Michael Sheehy resigned his position unexpectedly in March 2013. Without legislation allowing for an “acting” Public Advocate in the case of a vacancy in the office, the Attorney General assigned Deputy Solicitor James Adams to intervene in active cases pending before the PSC. Mr. Adams continued in that role through July 1, 2013, when David Bonar began as the newly confirmed Public Advocate. In addition to almost ten years as the Government Liaison and Ombudsman for the PSC, Mr. Bonar has a long history of community service: he is presently a member of the Delaware State Board of Pharmacy, Dover City Council, has been a Life Member of the Dover Fire Department since the early 1970's, has been an advisor to the Delaware Volunteer Firefighter's Association, and was a police officer for the City of Dover, serving as one of its first motorcycle patrol officers. Mr. Bonar previously served as a member of the Kent County Regional Planning Commission, is a past representative on the Downtown Dover Partnership Board of Directors, and served as Vice President of the Dover July 4th Committee. He also spent many years as a journalist in radio, television and newspapers.

In July 2013, the General Assembly passed legislation which modified the charge of the Public Advocate and the office. Previously, the DPA represented all utility consumers before the PSC, including industrial customers, although there had traditionally been a greater focus on residential consumers. The new legislation specifically codified the Public Advocate’s more limited focus by directing the Public Advocate to “principally advocate on behalf of residential and small commercial consumers,” and made clear that the Public Advocate “shall not be required to advocate for any class of commercial or industrial consumers that the Public Advocate determines in his or her sole discretion on a case by case basis has the ability to advocate on its own behalf before the Public Service Commission.” Other changes to the DPA’s enabling statute include a provision for the Governor to appoint an Acting Public Advocate, establishment of a four-year term for the Public Advocate, and direction to the Public Advocate to, upon request, provide guidance on matters relating to energy policy and utility consumers the Governor, the Secretary of the Department, or the General Assembly. Finally, the revision to the DPA statute includes a requirement for the Public Advocate to submit an Annual Report of the Division's activities to the Governor and the General Assembly. This is the DPA’s annual report for 2013.

**I. DPA Activities in Proceedings before the Public Service Commission (“PSC”)**

The DPA receives and reviews all filings made at the PSC. The majority of the filings are administrative in nature that do not require formal action by the PSC, such as tariff filings by competitive telecommunications providers, applications to become a certified eligible energy resource, and transfers of control. For those applications involving a change in service rates or tariff changes that may affect residential and small commercial customers, the Public Advocate may exercise his statutory authority to intervene in the proceeding. Intervention ensures that the Public Advocate and his Staff are involved in all aspects of the proceeding and can adequately represent consumer interests before the PSC.

The table below shows cases filed during the 2013 calendar year in which the DPA intervened and has either actively participated or is monitoring the proceeding in the event a consumer-related issue should arise. The table also includes cases filed prior to January 1, 2013 that have continued into 2013 and in which there is ongoing activity or where the PSC has not yet made a final determination.

| <b>Docket No.</b> | <b>Utility</b> | <b>Date Filed</b> | <b>Case Description</b>  | <b>Activities as of Dec. 31, 2013</b>   |
|-------------------|----------------|-------------------|--|---|
| 13-466            | Tidewater      | 11/25/13          | - Proposed increase of \$3,903,338 in operating revenue<br>- Residential customer (5/8-in. service line) using 15,000 gallons/quarter will see an increase of approximately \$30/per quarter | - PSC to open docket in January 2014; DPA will intervene once opened<br>- DPA is finalizing consultant agreements with an anticipated start date in February 2014 |
| 13-CPCN-12        | Tidewater      | 11/15/13          | - CPCN to provide water services to Dover Air Force Base   | - DPA believes granting of CPCN should be delayed until contract issue raised in CPCN application is addressed in the rate case (Docket No. 13-466)               |
| 13-384            | Delmarva       | 10/2/13           | - Forward Looking Rate Plan<br>- Proposed increase of \$56 million over four years   | - DPA preparing RFP for consulting services (to release in January 2014)<br>- Anticipate workshops on FLRP in early   |

|         |                                     |         |  | February 2014   |
|---------|-------------------------------------|---------|--|---|
| 13-364  | Slaughter Beach                     | 9/18/13 | - Proposed rate increase of \$126 per year, or \$10.50 per month (water is not metered; customers are charged a flat monthly rate) | - DPA supports the recommendations of the PSC Staff<br>- Evidentiary Hearing scheduled for January 21, 2013   |
| 13-351F | Chesapeake                          | 9/3/13  | - Annual adjustment in Gas Sales Rate ("GSR")<br>- Proposed increase of 0.8% in residential GSR rate                               | - DPA and PSC Staff are sharing consultant to minimize costs to ratepayers<br>- Discovery is ongoing<br>- PSC decision anticipated late summer 2014   |
| 13-349F | Delmarva                            | 8/28/13 | - Annual adjustment in Gas Cost Rate ("GCR")<br>- Proposed decrease of 9.9% in residential GCR rate                                | - DPA and PSC Staff are sharing consultant to minimize costs to ratepayers<br>- Discovery is ongoing<br>- PSC decision anticipated late summer 2014   |
| 13-348  | Delmarva (Gas)                      | 8/28/13 | - Increase in Environmental Surcharge Rate ("ESR")   | - DPA, Staff and Delmarva reached a proposed settlement agreement<br>- Final PSC Order No. 8496 (12/17/13)<br>- During a heating month, typical residential customer will see an increase of \$0.05/month |
| 13-250  | Delmarva                            | 6/20/13 | - Investigation into the level of transparency in customer bills   | - DPA intervened<br>- Two workshops have been held to discuss issues<br>- Parties are awaiting additional information to be provided by Delmarva  |
| 13-232T | Artesian Wastewater Management Inc. | 6/10/13 | - Non-rate related tariff changes to permit consolidated billing   | - DPA and Staff met with Company to discuss tariff changes<br>- Final PSC Order No. 8469 (10/8/13) approves consolidated billing with payment posting sequence for wastewater customers                   |
| 13-225T | Artesian Water Company              | 6/10/13 | - Proposed tariff changes regarding theft of water service   | - Final PSC Order No. 8465 (10/22/13)<br>- Tariff change imposes substantial reconnection fee in the case of theft of service and approves consolidated billing with posting sequence for water customers |
| 13-152  | Delmarva                            | 4/16/13 | - PSC initiated investigation into proposed level of reliability spending over next 5 years  | - DPA and PSC Staff are sharing consultant<br>- Consultant report expected first quarter of 2014  |
| 13-115  | Delmarva                            | 4/22/13 | - Proposed increase in electric distribution   | - DPA engaged expert consultants to investigate   |

|         |                                     |         |  |  |
|---------|-------------------------------------|---------|--|--|
|         |                                     |         | revenues of \$42.044 million   | revenue requirements, cost of equity, cost of service and rate design, and reliability investment<br>- DPA filed position \$7.31 million<br>- No settlement reached; evidentiary hearings held November 2013<br>- PSC to hear case April 2014  |
| 13-99   | Delmarva                            | 3/11/13 | - Request to approve a contract to purchase SRECs from Washington Gas and Electric Services for total of over \$4.91 million over twenty years   | - DPA engaged consultant at no cost to the agency or ratepayers<br>- DPA sole party to oppose contract<br>- DPL forced renegotiated contract that saved ratepayers \$2,727,920 over contract's 20-year duration  |
| 383-13  | Chesapeake                          | 1/8/13  | - PSC opened investigation after its engineer witnessed improper fusing of joint by Chesapeake contractor  | - DPA is monitoring ongoing investigation  |
| 13-27WW | Artesian Wastewater Management Inc. | 1/18/13 | - Proposed monthly rate increase for all customers of \$23 (monthly rate would increase from \$75 to \$98); supplemental filing reduced the request to \$13 per month.<br>- Proposed additional tariff changes | - DPA engaged consultant with both ratemaking and wastewater engineering expertise to review application<br>- DPA filed position recommending increase of \$2.27 per month<br>- DPA, Staff and AWMI reached settlement agreement that was opposed by Stonewater Creek HOA<br>- Final PSC Order No. 8442 (Oct. 8, 2013) approved settlement<br>- Monthly residential customer rates will increase \$5/month for one year, then by an additional \$5/month going forward<br>- Proposed tariff changes in this case were moved into PSC Docket No. 13-252T<br>- DPA participation in this case saved AWMI customers \$41,100 in rate increases and delayed effective date of a portion of the increase for one year |
| 12-546  | Delmarva Power                      | 8/31/12 | - Proposed increase in natural gas distribution rates of \$12.17 million and propose tariff  | - DPA engaged expert consultants to investigate revenue requirements, cost of equity, cost of  |

|                   |                                       |          |   |  |
|-------------------|---------------------------------------|----------|---|--|
|                   |                                       |          | changes including main extension policy   | <p>service and rate design</p> <ul style="list-style-type: none"> <li>- DPA filed position of \$705,000</li> <li>- DPA, Staff and Delmarva proposed settlement agreement granting Delmarva a \$6.8 million increase in operating revenue</li> <li>PSC Order No. 8465 (Oct. 22, 2013) approved settlement agreement</li> <li>- DPA participated in workshops on changes to main extension policy and reached agreement with parties on proposed changes to make natural gas available to more Delawareans-</li> <li>DPA intervention saved ratepayers more than \$5.3 million in additional rate increases compared to Delmarva's original request</li> </ul> |
| 12-544            | Delmarva Power                        | 12/19/12 | - Delmarva's 2012 Integrated Resource Plan ("IRP") filing required by statute   | <ul style="list-style-type: none"> <li>- DPA participated in multiple workshops to examine issues relating to the IRP</li> <li>- DPA filed comments suggesting that the PSC recommend to the General Assembly that the IRP filing requirement either be eliminated entirely or to lengthen the period between filings to every five years.</li> <li>- PSC to consider IRP filing and comments received on the filing during first quarter of 2014</li> </ul>   |
| 12-526            | Delmarva Power                        | 11/20/12 | - Delmarva's proposed changes to the SREC Procurement Pilot Program recommended by the Renewable Energy Task Force  | <ul style="list-style-type: none"> <li>- DPA supported elimination of administratively set prices in program revision</li> <li>- Final PSC Order No. 8281 (Jan. 22, 2013): PSC approved revised procurement process that eliminated administratively set prices</li> </ul>   |
| 12-497 & 12-498WW | Tidewater Environmental Services Inc. | 11/7/12  | <ul style="list-style-type: none"> <li>- Joint application of TESI and YMG to approve TESI's purchase of the wastewater system assets serving the Plantations community and TESI proposed rate increase of \$89,720 in total revenue for the Plantations community, contingent upon PSC approval of the sale</li> <li>- The PSC consolidated the two cases for administrative efficiency</li> </ul> | <ul style="list-style-type: none"> <li>- DPA engaged consultant with both ratemaking and wastewater engineering expertise to review application</li> <li>- DPA, Staff, TESI, and YMG reached an agreement whereby the wastewater system would be transferred to TESI with no immediate rate increase for Plantations customer. After one year and completion of DNREC-required work on the system, TESI</li> </ul>   |



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|         |                      |         |   | <p>would be permitted to increase its rates to generate an addition \$79,390.</p> <ul style="list-style-type: none"> <li>- PSC Order Nos. 8383 and 8384 approved the sale and the settlement agreement</li> <li>- In addition to the customer benefits of transferring the failing wastewater system to an experienced operator and the planned improvements, environmental penalties (that would have been charged to customers) in excess of \$200,000 were waived</li> </ul>  |
| 12-450F | Chesapeake Utilities | 9/21/12 | <ul style="list-style-type: none"> <li>- Chesapeake's annual adjustment of its Gas Sales Service Rate ("GSR"), the commodity price of natural gas passed through to customers</li> <li>- If approved as filed, typical customer would experience approximately a 2% decrease during a winter month</li> </ul> | <ul style="list-style-type: none"> <li>- DPA engaged consultant with expertise in natural gas procurement and knowledge of Chesapeake's procurement policies</li> <li>- DPA, Staff, and Chesapeake entered into settlement agreement to approve as final the rates initially proposed</li> <li>- PSC Order No. 8430 (Aug. 13, 2013) approved the proposed settlement agreement</li> </ul>  |
| 12-419F | Delmarva Power       | 8/31/12 | <ul style="list-style-type: none"> <li>- Delmarva's annual adjustment of its Gas Cost Recovery Rate ("GCR"), the commodity price of natural gas passed through to customers</li> <li>- If approved as filed, a typical customer would see an approximately a 22% decrease in their GCR rate</li> </ul>        | <ul style="list-style-type: none"> <li>- DPA engaged consultant with expertise in natural gas procurement and knowledge of Chesapeake's procurement policies</li> <li>- DPA, Staff, and Delmarva entered into settlement agreement to approve as final the rates initially proposed</li> <li>- PSC Order No. 8397 (Jun. 13, 2013) approved the proposed settlement agreement</li> </ul>  |
| 12-292  | Chesapeake Utilities | 8/25/12 | <ul style="list-style-type: none"> <li>- Chesapeake seeks PSC approval of tariff changes which the Company believes will help to increase the availability of natural gas in unserved and under-served areas, specifically in areas of southeastern Sussex County</li> </ul>                                  | <ul style="list-style-type: none"> <li>- DPA engaged consultant to assist in review of the application and, in particular, the impact of the proposed changes on existing customers – DPA participated in several workshops and circulated comments and concerns with the parties</li> <li>- DPA, Staff, Chesapeake and other participants entered into a proposed settlement agreement that modified many of Chesapeake's original proposals</li> <li>- PSC Order No. 8479 (Nov. 5, 2013) approved the proposed settlement agreement</li> </ul> |

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| Reg. 53 | Delmarva | 6/20/12 | - Proposed changes to PSC regulations that would allow Delmarva to change the manner in which terminations for non-payment are handled | - DPA participated in workshop regarding proposed changes: AMI technology allows for remote connection and disconnection<br>- DPA and interested parties filed comments on proposed regulations<br>- PSC Staff is considering comments and may recommend further changes to regulation                    |
| Reg. 49 | Delmarva | 7/17/12 | - Proposed changes to PSC regulations related to the issue of certification of retail electric suppliers                               | - DPA participated in workshops to discuss need for changes: increased oversight of electric suppliers by PSC, changes to SOS procurement<br>- DPA and interested parties filed comments on proposed regulations<br>- PSC Staff is considering comments and may recommended further changes to regulation |

## II. Federal Energy Regulatory Commission (“FERC”)

The Federal Energy Regulatory Commission (FERC) has jurisdiction over interstate natural gas pipelines, interstate electric transmission lines, and wholesale electricity markets (like that administered by PJM Interconnection LLC). The DPA may (and often does) join with other consumer advocate or public interest groups in submitting comments, protests or complaints to the FERC on a broad range of issues impacting the consumers served by those facilities and markets. The following table is a listing of proceedings before FERC during 2013 and 2014 to date in which the DPA participated either individually or as part of a group. Delaware is often able to join in these filings at no additional expense to the DPA; however, in limited circumstances, consumer advocates have pooled financial resources to fund expert testimony of a discrete issue.

| FERC Docket No. | Issue   | Actions taken by DPA  |
|-----------------|---|---|
| ER14-503        | On November 29, 2013, PJM Interconnection, L.L.C. (“PJM”) made a filing with FERC proposing revisions to the Reliability Assurance Agreement among Load Serving Entities in the PJM Region (“RAA”) and the PJM Open Access Transmission Tariff (“Tariff”) to impose limits on the amount of capacity from external resources that PJM will accept in its Reliability Pricing Model (“RPM”) capacity construct | Joined with other state consumer advocates in a limited protest of PJM’s proposed revisions. Specifically, the protest encourages the FERC to reject changes that would create barriers to efficient capacity trade both between Regional Transmission Organizations (“RTOs”), and within RTOs in different timeframes. (Comments and Limited Protest filed 12/20/13) |
| ER14-504        | PJM is proposing to make changes to certain methodologies used in determining winning bids for capacity in PJM’s capacity construct, the Reliability Pricing Model (“RPM”). In particular, PJM proposes changes   | Joined with other state consumer advocates and several Public Interest Organizations in a protest of PJM’s proposed changes. In particular, the joint   |

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|           | that will impact the clearing of certain Demand Resource (“DR”) bids in the Base Residual Auction (“BRA”).   | protesters believe that PJM’s proposed revisions are unduly discriminatory, are not just and reasonable, and will unreasonably limit the amount of DR that can clear in the PJM capacity auctions. (Comments and Protest filed 12/20/13)   |
| ER13-607  | On December 21, 2012, Potomac Electric Power Company (“Pepco”) and Delmarva Power & Light Company (“Delmarva”) filed a request to revise certain formula rate tariff sheets to recover cost incurred for the MAPP Project (a regional transmission project that was approved, but then subsequently cancelled by PJM)  | A number of state consumer advocates and state utility commissions protested the application. The Public Advocate and the Deputy Attorney General attended settlement conferences and participated in settlement negotiations. The parties reached a settlement reducing by \$20 million the amount of abandoned cost that Pepco and Delmarva will be permitted to recover in their transmission rates. The settlement has been filed with the FERC and is awaiting approval.  |
| EL13-48   | Complaint Challenging Base Return on Equity and Formula Transmission Rate Implementation Protocols   | The DPA ,along with other consumer advocate offices and utility commissions, and the Delaware Municipal Electric Cooperative, jointly filed a formal complaint with FERC seeking a reduction of the return on equity awarded to Baltimore Gas and Electric Company (“BGE”) and the Pepco Holdings, Inc. (“PHI”) affiliates: Potomac Electric Power Company (“Pepco”), Delmarva Power & Light Company (“Delmarva” or “DP&L”), and Atlantic City Electric Company (“ACE”) (collectively, the “PHI Companies”). The complaint is pending before FERC. |
| ER13-2052 | Revisions to the Market Monitoring Service Agreement (MMSA) between PJM and Monitoring Analytics LLC   | Joined with other load interests in asking FERC to require clarification of ambiguous language in the MMSA.  |
| ER13-535  | In December 2012, PJM Interconnection filed revisions to the minimum offer price rule (“MOPR”) under its Reliability Pricing Model (“RPM”) which were “designed to substitute a more defined and transparent process, with clear guidance to the marketplace, as to what constitutes a competitive bid in PJM’s capacity market than exists with PJM’s current unit-specific confidential review.” | DPA joined with the consumer advocates of MD, WV, DC, and NJ in filing a protest of PJM’s proposed revisions. In May 2013, FERC issued an order conditionally accepting in part and rejecting in part the proposed changes. The joint consumer advocates have requested a rehearing. An order granting rehearing was granted in August 2013, and   |

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|                        |   | several technical conferences have also been held.  |
| ER12-2708<br>ER09-1256 | Case involves the recovery of costs related to the abandonment of the Potomac-Appalachian Transmission Highline (“PATH”) transmission line project which had been approved by the PJM Board in 2007 and subsequently cancelled in 2012, as well as an increase to the authorized return on equity | DPA joined with other PJM consumer advocates and state utility commissions in filing a protest to the application and in opposing a rehearing request filed by the owners of the PATH project. The DPA has participated in settlement conferences and in settlement negotiations. The case is pending.  |
| IN12-7                 | Disgorgement of penalty assessed against Constellation Energy for market manipulation   | FERC distributed a \$6 million disgorgement penalty assessed against Constellation to the PJM states affected by Constellation’s manipulation of the energy market. FERC approved DPA as the entity eligible to receive Delaware’s portion of the penalty. The PJM state consumer advocates jointly agreed to use 20% of the funds they received to create the Consumer Advocates of PJM, Inc., an organization similar to the Organization of PJM States, Inc. (“OPSI”) for state utility regulatory agencies, to advocate for the consumer advocates at PJM. The DPA presented the balance of the disbursement (more than \$86,000) to the Delaware Energy Assistance Program in February 2013. |

### III. Community Outreach

Community outreach is, and will continue to be, a primary focus of Public Advocate David Bonar. Since starting in the role on July 1, 2013, Mr. Bonar and his Staff have attended or presented at a number of community events and meetings:

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|--|---|--|
| Little Italy Neighborhood Association<br>Woodlawn Branch Library, 2020 W. 9th Street,<br>Wilmington DE | Easter Seals Resource and Information Fair<br>Easter Seals, 61 Corporate Circle,<br>New Castle DE       | 1st Annual Senior Summit<br>Longshoreman's Hall, 200 S. Claymont Street,<br>Wilmington DE                      |
| Apple Scapple Festival<br>Bridgeville DE   | South Graylyn Crest Civic Association<br>Brandywine Hundred Library, 1300 Foulk Road,<br>Wilmington DE  | Delaware Consumer Expo and Marketplace<br>Justison Landing Park at the Wilmington Riverfront,<br>Wilmington DE |
| Downtown Wilmington Farmers Market (3 dates)<br>Rodney Square<br>Wilmington DE                         | Civic League for New Castle County<br>Cranston Heights Fire Co, 3306 Kirkwood Highway,<br>Wilmington DE | Greater Hockessin Area Development Association<br>1225 Old Lancaster Pike,<br>Hockessin DE                     |
| Southbridge Civic Association  | Richardson Park Elementary School   | Stubbs Elementary School   |

|   |                                    |  |
|---|------------------------------------|--|
| Neighborhood House, 1218 B Street,<br>Wilmington DE | 16 Idella Avenue,<br>Wilmington DE | 1100 North Pine Street,<br>Wilmington DE |
|---|------------------------------------|--|

In addition to community events, the Public Advocate and/or his designee(s) makes every effort to attend public comment sessions held by the PSC, providing consumers the opportunity to meet with DPA staff and ask general questions related to matters pending before the PSC. At the request of the PSC Executive Director, Deputy Public Advocate Ruth Ann Price was the moderator at three public comment sessions regarding Delmarva Power’s proposed plant investments over the next several years. Finally, complaints against utility providers are currently handled by the PSC; however, the DPA also receives and responds to numerous consumer questions, complaints and concerns received by telephone, e-mail and written correspondence.

The DPA contracted to have one of its brochures translated into Spanish and distributed to several Latin American Community centers in New Castle County.

**IV. Website**

In early August 2013, the DPA, an early adopter of the State of Delaware’s updated Common Look and Feel (CLF 3.0) template that will eventually be used by all state entities, launched an updated website. The DPA revised much of its website to make it simpler to read and easier to understand. The DPA also created an “Open Cases” page to make documents filed with the PSC more easily accessible. Clicking on a Docket Number takes the site visitor to a new page with a layout that makes finding applications, testimonies, orders and other related information quick and easy to find. Moreover, the PSC’s rollout of DelaFile will greatly improve the public’s ability to obtain documents filed with the PSC (rollout is anticipated late spring of 2014).

One of the more important features of the updated DPA website is a “Current Events” box on the home page where the DPA posts important upcoming events, including DPA Public Outreach Events, PSC Public Comment Sessions, PSC meetings, and important filings made at the PSC. The DPA also posts consumer-related information, including conservation tips, programs that promote energy efficiency, and consumer alerts. One such consumer alert cautions customers against providing their account information to electric suppliers claiming to be representatives of Delmarva Power. Because of a large number of complaints against one particular supplier, the PSC has opened an investigation into that supplier’s marketing practices.

**V. Statutorily Appointed Committees and Councils**

Recognizing the unique role of the DPA and the value of having consumer interests represented, the General Assembly has statutorily appointed the Public Advocate or his/her designee to a number of important working groups, councils, and/or committees, including:

- a. *Energy Efficiency Resource Standards Work Group* (26 Del. C. §1502(c)(1)). This work group was established in the Energy Efficiency Resource Standards Act passed in 2010, which establishes targeted reductions in energy use as a result of energy efficiency measures. A report of the work group’s findings was presented to the Secretary of the Department of Natural Resources and Environmental Control in June 2011. While the formal work group has not met since the report was issued, members were invited to provide input and guidance to the Energy Office’s Energy Efficiency Potential Study which aims to first examine the level of economic energy efficiency that may be available, and next to assess the economically *achievable* potential. The first phase of the project was completed in May 2013, with the research and analysis for the second phase on-going.

- b. *Energy Utility Restructuring Customer Education Work Group* (26 Del. C. §1014(c)). This group was created by the Electric Utility Restructuring statute to provide “customer education materials to citizens of Delaware in connection with retail competition.” The work group has not met for several years since depleting its authorized funding.
- c. *Governor’s Energy Advisory Council* (29 Del. C. §8055(d)). –The Council’s most recent energy plan was presented to the Governor in March 2009. Because the statute requires an update of the plan every five years, the DPA anticipates work on the next plan will start in early 2014.
- d. *Renewable Energy Taskforce (“RETF”)* (26 Del. C. §360). The DPA has been an active participant on the RETF since its creation. The RETF developed the framework for the 2012 pilot program for Delmarva Power’s procurement of Solar Renewable Energy Credits (“SRECs”), and more recently suggested modifications to that program. Delmarva Power is expected to make a filing with the PSC in early 2014 seeking approval of its SREC procurement plan, which incorporates the RETF’s recommendations.
- e. *Sustainable Energy Utility (“SEU”) Oversight Board* (29 Del. C. §8059(e)). Mr. Bonar has attended all SEU Board meetings since becoming Public Advocate, and has also met on several occasions with the SEU’s Executive Director to discuss opportunities for consumers and small business to access energy efficiency programs offered by the SEU. The Public Advocate has indicated his desire to work closely with the SEU to reach as many low and mid income families as possible with energy saving opportunities.
- f. *Water Supply Coordinating Council (“WSCC”)* (26 Del. C. §1305). The DPA has maintained a presence at the majority of the 2013 WSCC meetings to interact and share information with regulated water companies outside the context of a PSC rate case.

## **VI. PJM Interconnection, LLC**

PJM Interconnection, LLC operates the transmission grid serving all or portions of thirteen states (including Delaware) and the District of Columbia. It functions under the FERC’s regulatory oversight. In addition to the planning and operating the bulk electric transmission system to ensure reliability, PJM also administers the competitive wholesale markets for electricity. The rules for the competitive wholesale electricity markets and regional transmission planning are complex and modified as needed to meet changing conditions. The DPA is a member of PJM, representing electricity consumers in Delaware as part of the End-Use Customer sector, and is the only state agency authorized to vote on proposed changes at PJM. DPA Staff also participate in many of the stakeholder group meetings where complex market issues are discussed and decided prior to being sent to the Members Committee for voting. These stakeholder groups include a Markets and Reliability Committee, a Market Implementation Committee, a Cost Development Subcommittee, a Demand Response Subcommittee, a Capacity Senior Task Force, a Gas Electric Senior Task Force, an Intermittent Resources Task Force, a Regional Planning Task Force, and a System Restoration Strategy Task Force. The DPA will participate in other subcommittees and task forces created by PJM members as necessary.