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PEOPLE'S COUNSEL SECURES SETTLEMENTS WITH PEPSCO AND DELMARVA POWER TO ADDRESS DEFECTIVE CONSUMER NOTICES

(February 15, 2018) --- People's Counsel Paula M. Carmody announced today that the Office of People's Counsel ("OPC") has reached a settlement with Potomac Electric Power Company ("Pepco") and Delmarva Power and Light Company ("Delmarva Power") (the "Companies"). OPC had filed a Petition with the Public Service Commission ("Commission") requesting an investigation of missing and defective notices sent to the Companies' residential customers. The mandatory notices are intended to provide important consumer protection information to residential utility consumers.

Pepco's Refund of Reconnection Fees. During the period May 2015 through October 2016, Pepco terminated electric service to over 39,000 residential customers who paid reconnection fees to restore service. These customers had received termination notices missing essential information about energy assistance and dispute procedures that could have helped to avoid the service terminations. Under the agreement, Pepco has certified that it has refunded all reconnection fees, a total of \$1,580,390, to these customers. Pepco will provide additional relief to any residential customer whose service was terminated during that time and not reconnected. Specifically, Pepco agreed to waive deposit requirements and uncollected late fees and to offer an alternate payment plan to these customers if they apply for reconnection by December 31, 2019.

Energy Assistance Funds. Both Pepco and Delmarva Power have agreed to provide funds to local assistance organizations as part of the settlement. Pepco has agreed to pay \$235,000 to the Washington Area Fuel Fund for the benefit of payment-troubled customers in Prince

George's and Montgomery Counties. Delmarva Power has agreed to pay a total of \$30,000 to the Salvation Army, Maryland West Virginia Good Neighbor Energy Fund, Harford County Community Action Agency, Inc. Good Neighbor Energy Fund, and the Cecil Heating Assistance Program for the benefit of payment-troubled customers on the Eastern Shore and Harford County.

Compliance Plans. Pepco and Delmarva Power have agreed to institute robust compliance plans, including annual reviews of each company's respective written customer communications, to ensure compliance with Maryland rules and regulations. The Companies have agreed to submit detailed reports to OPC if any missing or incomplete written customer communications are discovered.

Master-Meter Notices. The Settlement Agreement resolves disputes between OPC and the Companies about the content required for termination notices to residents and occupants of master-metered condominiums. Specifically, OPC and the Companies have agreed to jointly petition the Commission requesting a clarification to the Commission's regulations that govern the consumer protection notice requirements for master-metered buildings.

"Pepco's and Delmarva Power's missing and incomplete notices denied Maryland residential customers the minimum consumer protection and notice requirements mandated by the Maryland Public Service Commission's regulations," said People's Counsel Paula Carmody. "Pepco's incomplete termination notices, for instance, omitted the very basic types of information needed by customers to address bill payment disputes, seek assistance with past-due bills, and avoid service terminations. This failure denied necessary information to households to help them address past-due bills, submit disputes to the Commission, and avoid significant threats to the health and safety of customers and household occupants. However, the Companies have been proactive and responsive to OPC's concerns throughout this settlement process. I believe that the Settlement Agreement will benefit the residential customers that we represent, and ensure future compliance with these important consumer notice protections."

OPC and the Companies submitted the Settlement Agreement to the Commission's Chief Public Utility Law Judge today for consideration. The Settlement must receive final approval from the Commission.

Copies of OPC's filings in this matter and a complete copy of the Settlement Agreement may be viewed at www.psc.state.md.us in Case No. 9444.

The Maryland Office of the People's Counsel is an independent state agency which represents residential consumers of regulated utility services including electric, gas, telecommunications, and water services, before the Maryland Public Service Commission, other state and federal agencies and the Courts.