

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET, N.W., SUITE 200, WEST TOWER
WASHINGTON, DC 20005**

ORDER

July 6, 2007

**FORMAL CASE NO. 945, IN THE MATTER OF THE INVESTIGATION INTO
ELECTRIC SERVICE MARKET COMPETITION AND REGULATORY PRACTICES,**
Order No. 14359

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia ("Commission") directs the District Department of the Environment's Energy Office to answer the questions contained in this Order regarding its, "Revised Budgets for Reliable Energy Trust Fund Programs D-5 and D-6" ("Revised Budget").¹

II. BACKGROUND

2. The District of Columbia Retail Competition and Consumer Protection Act of 1999 ("Act") requires the Commission to establish programs that will: 1) foster universal service by providing assistance to low-income customers; 2) promote energy efficiency; and 3) encourage the use of renewable energy sources.² By Order, the Commission designated DDOE to act as administrator of the Reliable Energy Trust Fund ("RETF"), which funds all three groups of programs.³ By Order No. 13475, the Commission approved thirteen RETF programs on a two-year pilot basis.⁴ Programs D-5 Energy Efficient Appliances, D-6 Weatherization/Rehabilitation, C-5 Home Energy Rating System ("HERS"), and C-13 Small Business Energy Efficiency are four of the thirteen approved pilot programs.

3. On May 11, 2007, DDOE filed its "Motion for Four-Month Extensions of Ten Reliable Energy Trust Fund Programs."⁵ In this Motion, DDOE asked the Commission to extend

¹ *Formal Case 945, In the Matter of the Investigation into Electric Service Market Competition and Regulatory Practices ("F.C. 945")*, District Department of the Environment's Energy Office's Revised Budgets for Reliable Energy Trust Fund Programs D-5 and D-6, ("DDOE Revised D-5 and D-6 Budgets"), filed June 12, 2007.

² D.C. Code § 34-1514 (c)(1)(A), (c)(2)(A), (c)(3) (2006).

³ *F.C. 945*, Order No. 12778, rel. July 9, 2003.

⁴ *F.C. 945*, Order No. 13475, rel. March 7, 2005.

⁵ *F.C. 945*, District Department of the Environment's Energy Office's Motion for Four-Month Extensions of Ten Reliable Energy Trust Fund Programs, ("DDOE Motion for Four-Month Extension"), filed May 11, 2007.

ten RETF programs, including the D-5, D-6, C-5, and C-13 programs.⁶ At that time, DDOE proposed the following budgets for these programs:

Program	DDOE Proposed Budget
D-5	\$473,333
D-6	\$333,333
C-5	\$226,500
C-13	\$366,667. ⁷

DDOE asserted that the D-5 and the D-6 programs had “little or no funds left,” whereas the C-5 and the C-13 programs had unspent funds that were available to cover the cost of their respective budgets.⁸

4. By Order No. 14321, the Commission granted DDOE’s motion for a four-month extension for the 10 RETF programs.⁹ The Commission directed DDOE to file revised budgets for D-5 and D-6 and to review, and possibly revise, the C-5 and C-13 budgets.¹⁰

5. On June 12, 2007, DDOE filed revised budgets for the D-5, D-6, C-5, and C-13 programs.¹¹

a. D-5 Program:

DDOE proposes to lower the budget of the D-5 program to \$399,420 “to fund the installation of 438 refrigerators and 288 air conditioners.”¹²

DDOE supports this figure with historical data, stating that in the past an average of 636 refrigerators and 257 air conditioners were installed during a four-month period. DDOE explains that the funding would come from the “program’s unspent balance of \$193,976, supplemented by \$206,024 from the C-5 Program. DDOE claims that the C-5 program has an unspent

⁶ *F.C. 945*, DDOE Motion for Four-Month Extension at 1 (The ten RETF programs included: B-5 Distributed Generation and Net Metering; C-3 Non-Profit Energy Efficiency Initiative, C-5 Home Energy Rating System (“HERS”), C-10 Institutional Energy Efficiency Program (“IEEP”), C-12 Energy Star Rebates, C-13 Small Business Energy Efficiency, D-1 Low Income Home Energy Assistance Program (“LIHEAP”) Extension, D-3 RAD Arrearages, D-5 Energy Efficient Appliances, and D-6 Weatherization /Rehabilitation).

⁷ *F.C. 945*, DDOE Motion for Four-Month Extension at 21-22.

⁸ *Id.*

⁹ *F.C. 945*, Order No. 14321, rel. May 31, 2007; see also Order No. 14341, rel. June 20, 2007 (directing DDOE and Pepco to implement the D-3 program as per Commission instruction within that order).

¹⁰ *F.C. 945*, Order No. 14321, rel. May 31, 2007 at 4.

¹¹ *F.C. 945*, DDOE Revised D-5 and D-6 Budgets, filed June 12, 2007.

¹² *Id.* at 1.

balance of \$703,780. DDOE also states that it requests \$39,942 for the administrative costs of the D-5 program.

b. D-6 Program:

DDOE proposes to lower the budget of the D-6 program to \$274,400 to weatherize 98 units from June 1, 2007 until September 30, 2007. DDOE again uses historic figures to justify this budget figure stating that an average of 106 units were weatherized during a previous four month period. DDOE states that weatherization costs an average of \$2,800 per unit so it requests \$274,400 from the Commission with an additional \$27,440 in administrative costs. DDOE proposes to take \$274,400 from the C-13 unspent fund balance of \$274,918.

III. DECISION

6. After reviewing DDOE's Revised Budget, the Commission notes that there are some numerical inconsistencies and concerns with DDOE's figures. For example, DDOE proposes \$399,420 for the budget of the D-5 program. To arrive at this figure, DDOE proposes using \$193,976 (from the unspent D-5 budget) plus \$206,024 (from the unspent C-5 budget). However, the sum of those two figures is \$400,000 not \$399,420, *i.e.* proposed budget. Furthermore, DDOE proposes to use \$39,942 as the administrative budget for the D-5 program. If DDOE were to add the proposed program budget of \$399,420 and \$39,942, then DDOE would need to take more from the C-5 budget to cover the total figure of \$439,362. DDOE must clarify its intent. To resolve these inconsistencies, the Commission directs DDOE to answer the following questions within 5 days of the date of this Order:

a. For the D-5 Program Budget:

1. Is DDOE asking the Commission for a total budget of \$439,362 (\$399,420 + 39,942)? If not, what is the total, showing the individual components?

2. If DDOE is asking the Commission for a total budget of \$439,362, then is DDOE proposing to use \$193,976 from the D-5 program's unspent funds and \$245,386¹³ of the C-5 program's unspent funds?

b. For the C-5 Program Budget:

1. If DDOE proposes to take \$245,386 from the C-5 unspent funds, that would leave the C-5 program with \$458,394 until September 30, 2007. Does DDOE therefore propose to change the C-5 budget to \$458,394 or does DDOE propose to keep the C-5 budget at \$226,500 as stated in its May 11, 2007 filing?

¹³ \$439362-193976 = 245,386.

c. For the D-6 Program:

1. What is the total proposed budget for the D-6 program? Is DDOE asking the Commission for a total budget of \$301,840 (\$274,400+27,440) or \$274,400 or some other figure? Separate the program and administrative costs in the answer.

2. How many units will DDOE weatherize?

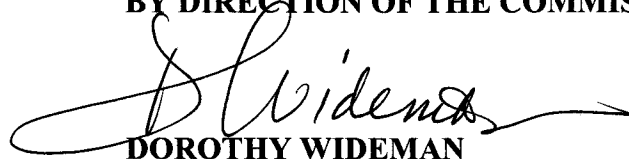
THEREFORE, IT IS ORDERED THAT:

7. The District Department of the Environment's Energy Office is directed to answer the questions in paragraph 6 within five days of the date of this Order.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:

CHIEF CLERK



**DOROTHY WIDEMAN
COMMISSION SECRETARY**