



COMMONWEALTH OF PENNSYLVANIA

May 2, 2018

**E-FILED**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

**Re: Pennsylvania Public Utility Commission v. Duquesne Light Company 1308(d)  
Proceeding / Docket No. R-2018-3000124**

Dear Secretary Chiavetta:

I am delivering for filing today my Prehearing Memorandum, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-captioned proceeding.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "S. Webb".

Sharon E. Webb  
Assistant Small Business Advocate  
Attorney ID No. 73995

*Enclosures*

cc: The Honorable Katrina L. Dunderdale  
Brian Kalcic  
Parties of Record

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Pennsylvania Public Utility Commission</b>	:	
	:	
<b>v.</b>	:	<b>Docket No. R-2018-3000124</b>
	:	
<b>Duquesne Light Company</b>	:	
<b>1308(d) Proceeding</b>	:	

---

**OFFICE OF SMALL BUSINESS ADVOCATE  
PREHEARING MEMORANDUM**

---

**I. INTRODUCTION**

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business consumers of utility services before the Pennsylvania Public Utility Commission (“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in this matter is Assistant Small Business Advocate Sharon E. Webb. Please address all correspondence as follows:

Sharon E. Webb  
Assistant Small Business Advocate  
Office of Small Business Advocate  
300 North Second Street, Suite 202  
Harrisburg, Pennsylvania 17101  
(717) 783-2525  
(717) 783-2831 (fax)  
[swebb@pa.gov](mailto:swebb@pa.gov)

## **II. FILING BACKGROUND**

On March 28, 2018, Duquesne Light Company (“Duquesne” or the “Company”) filed Supplement No. 174 to Tariff Electric-PA PUC Tariff No. 24, a general base rate filing, which requested an increase in Duquesne’s total distribution rates of \$81.6 million per year, with a return on equity of 8.06%

On May 1, 2018, the OSBA filed a Complaint and a Public Statement against the proposed increase. On September 26, 2013, the Commission entered an Order at this docket which suspended the proposed increase for investigation. As such the filing was suspended by operation of law through May 1, 2014.

## **III. IDENTIFICATION OF WITNESSES AND TENTATIVE ISSUES**

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Mr. Brian Kalcic  
Excel Consulting  
Suite 720  
225 South Meramec Avenue  
St. Louis, MO 63105  
(314) 725-2511  
[excel.consulting@sbcglobal.net](mailto:excel.consulting@sbcglobal.net)

After an initial review of the materials submitted by Duquesne, the OSBA has identified the following issues:

1. Whether DLC’s jurisdictional cost-of-service methodology is appropriate;
2. Whether the Company’s class cost-of-service methodology is appropriate, including whether the study properly allocates all CAP-related costs to the residential class;
3. Whether the Company’s proposed class revenue allocation is cost based;

4. Whether DLC's proposed general service small (GS) and general service medium (GM) rate designs are cost based;
5. Whether DLC's proposal to include its Woods Run Microgrid Project costs in rate base is reasonable and appropriate; and
6. Whether the Company's proposal to recover its *EV ChargeUp Pilot* program costs in base rates is appropriate.

The OSBA will participate in the case to assure that the interests of small business customers of Duquesne are adequately represented and protected.

As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of the Company and other parties through discovery, the cross-examination of witnesses appearing for those parties, and through briefing. The OSBA will particularly focus on any issue where the impact on the interests of Duquesne's small business consumers would be unjustifiably different than, or disproportionate to, the impact on another class of customers, or otherwise lacking in reasonableness or basic fairness. The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

#### **IV. SERVICE OF DOCUMENTS**

The OSBA requests that all parties serve a hard copy of any document filed in this case upon the OSBA and the OSBA witness identified above. In addition to hard copies of pleadings, briefs, and exceptions, the OSBA requests hard copies of responses to discovery propounded by the OSBA or any other party. Service by electronic mail *only* is not acceptable.

#### **V. SETTLEMENT**

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

**VI. HEARING AND BRIEFING SCHEDULE**

The OSBA has been in discussions with the Company and other parties to create a mutually acceptable procedural schedule.

Respectfully submitted,



---

**Sharon E. Webb**  
**Attorney ID No. 73995**  
**Assistant Small Business Advocate**

For:

**John R. Evans**  
**Small Business Advocate**

**Office of Small Business Advocate**  
**300 North Second Street, Suite 202**  
**Harrisburg, PA 17101**  
**(717) 783-2525**  
**(717) 783-2831 (fax)**

**Dated: May 2, 2018**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Pennsylvania Public Utility Commission</b>	:	
	:	
<b>v.</b>	:	<b>Docket No. R-2018-3000124</b>
	:	
<b>Duquesne Light Company</b>	:	
<b>1308(d) Proceeding</b>	:	

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email and/or First-Class mail (*unless other noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Katrina L. Dunderdale  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
Piatt Place, Suite 220  
301 5<sup>th</sup> Avenue  
Pittsburgh, PA 15222  
[kdunderdal@pa.gov](mailto:kdunderdal@pa.gov)

Phillip D. Demanchick, Esquire  
David T. Evrard, Esquire  
Aron J. Beatty, Esquire  
Office of Consumer Advocate  
555 Walnut Street, 5th Floor  
Harrisburg, PA 17101  
[PDemanchick@paoca.org](mailto:PDemanchick@paoca.org)  
[DEvrard@paoca.org](mailto:DEvrard@paoca.org)  
[ABeatty@paoca.org](mailto:ABeatty@paoca.org)  
(Counsel for OCA)  
(Email and Hand Delivery)

Gina L. Miller, Esquire  
John M. Coogan  
Bureau of Investigation & Enforcement  
400 North Street  
Commonwealth Keystone Building  
Harrisburg, PA 17120  
[ginmiller@pa.gov](mailto:ginmiller@pa.gov)  
[jcoogan@pa.gov](mailto:jcoogan@pa.gov)  
(Counsel for BIE)  
(Email and Hand Delivery)

Michael W. Gang, Esquire  
Anthony D. Kanagy, Esquire  
Post & Schell, P.C.  
17 North Second Street, 12<sup>th</sup> Floor  
Harrisburg, PA 17101  
[mgang@postschell.com](mailto:mgang@postschell.com)  
[akanagy@postschell.com](mailto:akanagy@postschell.com)  
(Counsel for Duquesne)

David T. Fisfis, Esquire  
Tishekia E. Williams, Esquire  
Michael Zimmerman, Esquire  
Emily M. Farah, Esquire  
Duquesne Light Company  
411 Seventh Avenue, 16<sup>th</sup> Floor  
Pittsburgh, PA 15219  
[dfisfis@duqlight.com](mailto:dfisfis@duqlight.com)  
[twilliams@duqlight.com](mailto:twilliams@duqlight.com)  
[mzimmerman@duqlight.com](mailto:mzimmerman@duqlight.com)  
[efarah@duqlight.com](mailto:efarah@duqlight.com)  
(Counsel for Duquesne)

Scott J. Rubin, Esquire  
333 Oak Lane  
Bloomsburg, PA 17815  
[scott.j.rubin@gmail.com](mailto:scott.j.rubin@gmail.com)  
(Counsel for IBEW)

David P. Zambito, Esquire  
Jonathan P. Nase, Esquire  
Cozen O'Connor  
17 North Second Street, Suite 1410  
Harrisburg, PA 17101  
[dzambito@cozen.com](mailto:dzambito@cozen.com)  
[jnase@cozen.com](mailto:jnase@cozen.com)  
*(Counsel for Peoples)*

William H. Roberts II  
PNG Companies LLC  
375 North Shore Drive  
Pittsburgh, PA 15212  
[william.h.robertsii@peoples-gas.com](mailto:william.h.robertsii@peoples-gas.com)  
*(Counsel for Peoples)*

Joseph L. Vullo, Esquire  
Burke Vullo Reilly Roberts  
1460 Wyoming Avenue  
Forty Fort, PA 18704  
[jlvullo@aol.com](mailto:jlvullo@aol.com)  
*(Counsel for Community Action Assoc. of PA)*

Patrick M. Cicero, Esquire  
Kadeem G. Morris, Esquire  
Elizabeth R. Marx, Esquire  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101  
[pulp@palegalaid.net](mailto:pulp@palegalaid.net)  
*(Counsel for CAUSE-PA)*

DATE: May 2, 2018



---

Sharon E. Webb  
Assistant Small Business Advocate  
Attorney I.D. No. 73995