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File #: 167128

May 2, 2018

VIA ELECTRONIC FILING

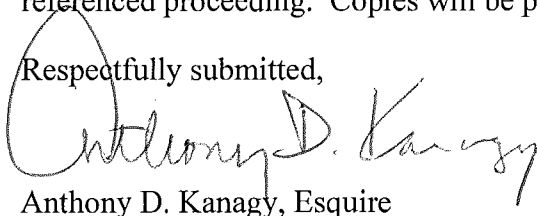
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Pennsylvania Public Utility Commission, et al. v. Duquesne Light Company
Docket Nos. R-2018-3000124, etc.**

Dear Secretary Chiavetta:

Enclosed please find the Prehearing Memorandum of Duquesne Light Company in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Anthony D. Kanagy, Esquire

ADK/skr
Enclosure

cc: Certificate of Service
Honorable Katrina L. Dunderdale

CERTIFICATE OF SERVICE
(Docket No. R-2018-3000124)

I hereby certify that true and correct copies of the foregoing have been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA E-MAIL AND FIRST CLASS MAIL

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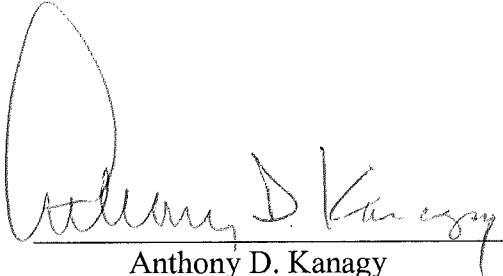
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Counsel for Duquesne Light Company

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BY FIRST CLASS MAIL:

James Fedell
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Aliquippa, PA 15001

Date: May 2, 2018



Anthony D. Kanagy

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	Docket No.	R-2018-3000124
Office of Consumer Advocate	:		C-2018-3001029
Jason Dolby	:		C-2018-3001074
Peoples Natural Gas Co. LLC	:		C-2018-3001152
James Fedell	:		C-2018-3001473
Office of Small Business Advocate	:		C-2018-3001566
	:		
v.	:		
	:		
Duquesne Light Company	:		
1308(d) Proceeding	:		

**PREHEARING MEMORANDUM OF
DUQUESNE LIGHT COMPANY**

Pursuant to the Prehearing Conference Order of Administrative Law Judge Katrina L. Dunderdale, Section 333 of the Public Utility Code, 66 Pa. C.S. § 333, and in anticipation of the Prehearing Conference scheduled for Thursday, May 3, 2018, Duquesne Light Company provides the following information:

I. INTRODUCTION AND BACKGROUND

On March 28, 2018, Duquesne Light Company (“DLC” or “Company”) filed Tariff Supplement No. 174 to Tariff Electric - Pa. P.U.C. No. 24 at Docket No. R-2018-3000124. The Company is engaged in the business of furnishing electric utility service to approximately 596,000 customers in the greater Pittsburgh region, specifically in Allegheny and Beaver Counties. Through Supplement No. 174, DLC proposes to increase rates to produce additional annual operating revenues of \$133.8 million per year, or an overall increase of approximately 17% in annual distribution revenues. If the Company’s entire request is approved, the total bill for an average residential customer using 600 kilowatt-hours would increase from \$98.15 to

\$106.80 per month, or 8.82%. The total bill for an average commercial customer using 10,000 kilowatt-hours would increase from \$984.94 to \$1,013.71 per month, or 2.92%. The total bill for an average industrial customer using 200,000 kilowatt-hours would increase from \$18,730.50 to \$19,165.27 per month, or 2.32%. These proposed increases and percentages represent total Duquesne Light rates, which include rates for distribution, surcharges, transmission and generation. These calculations are based on current rates in effect as of March 28, 2018.

On March 30, 2018, the Bureau of Investigation and Enforcement (“I&E”) filed a Notice of Appearance. On April 6, 2018, The Office of Consumer Advocate (“OCA”) filed a Formal Complaint and Public Statement. On April 9, 2018, Petitions to Intervene were filed by the International Brotherhood of Electrical Workers Local 29 (“IBEW”) and Community Action Association of Pennsylvania (“CAAP”). On April 10, 2018, a Petition to Intervene and Answer was filed by the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”). On April 11, 2018, the Formal Complaint filed by Jason Dolby was served. On April 13, 2018, the Company was served with Formal Complaint filed by Peoples Natural Gas Company, LLC (“Peoples Gas”). On April 27, 2018, the Company was served with a Formal Complaint by James Fedell. On May 1, 2018, a Notice of Appearance and Formal Complaint was filed by the Office of Small Business Advocate (“OBSA”). The proceeding was assigned to Administrative Law Judge (ALJ) Katrina L. Dunderdale, and a prehearing conference is scheduled for Thursday, May 3, 2018.

II. ISSUES AND WITNESSES

DLC intends to present direct, rebuttal, and surrebuttal testimonies of the witnesses identified herein, as may be necessary. Each witness will present testimony in written form and will also attach various exhibits, documents, and explanatory information, which will assist in

the presentation of the DLC's case. Below are the presently identified issues, proposed area of testimony for each DLC witness, and each witness' corresponding statement number:

C. James Davis	Statement No. 1	Provides an overview of DLC and explains the reasons for the proposed rate increase.
Matthew S. Ankrum	Statement No. 2	Provides an overview of the Company's accounting process. Explains the Company's actual financial results for the Historic Test Year and reviews the budgeted financial results for the Future Test Year and the Fully Projected Future Test Year.
Todd A. Mobley	Statement No. 3	Provides an overview of the sales forecast. Describes the outcome of the sales forecast model for the Historic Test Year, the Future Test Year, and the Fully Projected Future Test Year. Gives supporting details on the impacts of key drivers to the overall sales forecast including the effects of Energy Efficiency and Conservation.
Benjamin Morris	Statement No. 4	Describes the Company's capital additions planned to be placed in service through the end of the Fully Projected Future Test Year. Provide a description of the Company's electric delivery system, a description of the planning process to ensure the system continues to meet the needs of its customers. This would include items such as reliability metrics, line losses, and other capital projects, such as a microgrid.
James Karcher	Statement No. 5	Provides details supporting the electrical model the Company proposes to install.

Joseph G. Dematteo	Statement No. 6	Describes the proposed EV pilot that the Company is seeking recovery for, as well as describes the expanded LED Street Light offering.
Katherine Scholl	Statement No. 7	Describes the Company's customer satisfaction and service efforts. Including changes in how the Company proposes to recover credit card fees from customers.
Mark Miko	Statement No. 8	Discusses the Company's Information Technology projects and programs.
Robert L. O'Brien	Statement No. 9	Discusses the components of Duquesne Light's overall revenue requirement, and supports certain pro forma ratemaking adjustments for the fully projected future test year ended December 31, 2019 ("FPFTY"), the future test year ended December 31, 2018 ("FTY") and the historic test year ended December 31, 2017 ("HTY"), and portions of the claimed measures of value, including Duquesne Light's cash working capital allowance.
John J. Spanos	Statement No. 10	Provides the service life study and depreciation study which supports the Company's depreciation accruals for rate making purposes utilizing Commission approved procedures.
Matthew L. Simpson	Statement No. 11	Provides an explanation of DLC's tax expense and related tax information.
Paul R. Moul	Statement No. 12	Provides evidence, analysis and recommendation concerning the appropriate rate of return that the Commission should recognize in the

determination of the revenues that the Company should realize as a matter of the proceeding.

James Milligan	Statement No. 13	Provides explanation of the Company's current and future capital structure, cost of long-term debt, current credit ratings and the importance of maintaining the credit worthiness of the Company.
Howard S. Gorman	Statement No. 14	Describes the Jurisdictional Separation Studies and the unbundled, Allocated Cost of Service Study used in this proceeding
David B. Ogden	Statement No. 15	Addresses the allocation of the proposed revenue increase among the rate classes and the relative rate class returns. Describes the rate design principles and how they are used to determine the proposed rates. Describes the proposed changes to the Company's retail tariff.

DLC specifically reserves the right to call additional witnesses, as necessary. As soon as DLC has determined whether an additional witness or witnesses will be necessary for any portion of its case, the Presiding Officer and all parties of record will be notified promptly.

III. EVIDENCE

DLC will rely on the direct, rebuttal, and surrebuttal testimony of its expert witnesses as well as the testimony of the other parties to the proceeding. DLC will present relevant exhibits to support its own testimony, including but not limited to, materials obtained from the Company through discovery and cross-examination. DLC reserves the right to supplement testimony and exhibits as needed or requested.

IV. PROCEDURAL RULES / DISCOVERY

In order to effectively investigate and adequately develop a record in this matter, DLC requests a modification of the Commission's procedural rules regarding discovery on a going-forward basis, as set forth below:

1. Answers to written interrogatories shall be served in-hand within ten (10) calendar days of service.
2. Objections to interrogatories shall be communicated orally within three (3) calendar days of service of the interrogatories; unresolved objections shall be served to the ALJ in writing within five (5) days of service of the interrogatories.
3. Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of the written objections.
4. Answers to motions to dismiss objections and/or answering of interrogatories shall be filed within three (3) calendar days of service of such motions.
5. Ruling over such motions shall be issued, if possible, within seven (7) calendar days of the filing of the motion.
6. Requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.
7. Answers to on-the-record data requests shall be served in-hand within seven (7) calendar days of the requests.
8. DLC proposes that any discovery served after 12 noon on a Friday or the day before a holiday will be deemed to have been served on the following business day for purposes of tracking due dates.
9. DLC proposes that all discovery due dates be "in-hand" and that electronic or fax service on the due date will satisfy the "in-hand" requirement, where such service is immediately followed by a hard copy sent by first-class mail.

V. PUBLIC INPUT HEARINGS

The DLC requests that one public input hearing be held in the Company's service territory. DLC suggests that the Public Input Hearing be held in the Pittsburgh area the week of May 28-June 1, 2018.

VI. PROPOSED SCHEDULE

DLC has worked with the parties to attempt to develop a litigation schedule for the ALJ's consideration. DLC's proposed litigation schedule has been agreed to by many of the parties in this proceeding. It is DLC's understanding that Peoples Gas does not agree with this schedule.

PROPOSED SCHEDULE

Other Parties' Direct Testimony	June 25, 2018
Rebuttal Testimony	July 23, 2018
Surrebuttal Testimony	August 6, 2018
Rejoinder Outlines	August 10, 2018 at noon
Hearings (including oral rejoinder)	August 15-17, 2018
Main Brief	September 6, 2018
Reply Brief	September 14, 2018

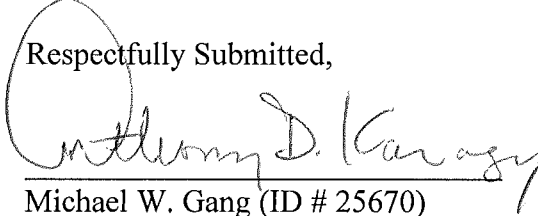
VII. SETTLEMENT

DLC is willing to engage in settlement discussions with the Parties.

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Date: May 2, 2018

Respectfully Submitted,



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