

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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June 10, 2020

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

Re: Petition of Duquesne Light Company for
Approval of Default Service Plan for the
Period of June 1, 2021 through May 31, 2025
Docket No. P-2020-3019522

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ David T. Evrard
David T. Evrard
Assistant Consumer Advocate
PA Attorney I.D. # 33870
E-Mail: DEvrard@paoca.org

Enclosures:

cc: The Honorable Mark A. Hoyer (**email only**)
Certificate of Service

*289892

CERTIFICATE OF SERVICE

Re: Petition of Duquesne Light Company for :
Approval of Default Service Plan for the : Docket No. P-2020-3019522
Period of June 1, 2021 through May 31, 2025 :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Prehearing Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 10th day of June 2020.

SERVICE BY E-MAIL ONLY

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/s/ David T. Evrard

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Dated: June 10, 2020
*289575

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company	:	
For Approval of Default Service Plan	:	P-2020-3019522
For the Period June 1, 2017	:	
Through May 31, 2021	:	

PREHEARING MEMORANDUM
OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. Section 333, and in response to the April 30, 2020, Prehearing Conference Order issued in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

I. PROCEDURAL HISTORY

On April 20, 2020, Duquesne Light Company (Duquesne or the Company) filed a Petition with the Pennsylvania Public Utility Commission (Commission) for approval of its eighth default service plan (DSP) for the period June 1, 2021 through May 31, 2025, as well as approval of the Company’s (i) Electric Vehicle Time-of-Use (EV TOU) Pilot Program, (ii) proposed Solar Power Purchase Agreement (Solar PPA) (iii) modification of its Standard Offer Referral Program, (iv) implementation of its shopping program for customers on its Customer Assistance Program (CAP), (v) proposal to recover from customers the net metering compensation it pays to customer-generators, and other approvals required for the implementation of the DSP.

The Petition was assigned to the Office of Administrative Law Judge and was further assigned to Administrative Law Judge Mark A. Hoyer for investigation and the scheduling of hearings. On April 30, 2020, ALJ Hoyer issued a Prehearing Conference Order indicating that an

Initial Prehearing Conference was scheduled for June 12, 2020. This Order also detailed the parties' obligations with respect to the Prehearing Conference.

On May 22, 2020, the OCA filed an Answer in response to the Company's Petition and its Notice of Intervention and Public Statement. The OCA submits this Prehearing Memorandum in accordance with the Prehearing Conference Order in this matter.

II. ISSUES AND SUB-ISSUES

Based upon a preliminary analysis of the Company's Petition, the OCA has compiled a list of issues that it anticipates will be included in its investigation of the DSP. It is anticipated that other issues will arise and may be pursued as discovery proceeds.

The OCA has identified several issues that may require further review as follows:

- Procurement Methodology: The OCA will examine the Company's proposed procurement method of acquiring all residential supply through a combination of 12-month and 24-month, laddered supply of fixed price full-requirements contracts to ensure that the procurement methodology adopted in this proceeding is consistent with the Public Utility Code and is designed to provide the least cost reliable supply, taking into account price stability for customers over time.
- Rate Design and Cost Recovery: The OCA will carefully review the reasonableness of Duquesne's proposals related to rate design and cost recovery to ensure that they produce stable, just and reasonable rates for residential default service customers.
- EV TOU Pilot Program: The OCA will review the structure of the program and the method for determining the TOU rates applicable to residential customers who participate. The OCA's review will include the appropriateness of sourcing supply for the pilot from the full requirements contracts used for standard default service and to ensure the program and the rates charged are just and reasonable.
- Solar PPA: The OCA will examine this proposal to assess whether it will provide benefits to the Company's customers and whether there may be alternative means for the procurement of AECs that may provide greater benefit to default service customers.
- Standard Offer Referral Program: The Company proposes to begin utilizing a third-party vendor to market and enroll SOP customers. The OCA will review this

proposed change and examine the costs and benefits of doing so and whether the change is in the best interests of customers.

- CAP Shopping: Duquesne is proposing to incorporate the customer protection guidelines set forth by the Commission in its *Proposed Policy Statement Order* at Docket No. M-2018-3006578. Duquesne will allow CAP customers to contract with an EGS provided the EGS agrees to provide service subject to the Commission's guidelines. In addition, the EGS must agree to use "rate ready" consolidated EDC billing and agree to file an annual affidavit affirming its intention to comply with all aspects of the Company's CAP Shopping Program. Duquesne expects to incur \$160,000 to implement CAP customer shopping. Duquesne states that it will implement the program only if it has received affidavits from at least five EGSs. The OCA will review the various aspects of the Company's proposal to ensure that it satisfies the Commission's consumer protection guidelines. The OCA will also evaluate the reasonableness of the Company's five EGS threshold for implementation of the program.

III. WITNESSES

The OCA intends to present the direct, rebuttal, and surrebuttal testimony, as may be necessary, of its witnesses. As in previous default service proceedings, the OCA intends to utilize one witness to examine procurement and rate design issues and another to review retail market enhancement and consumer protection issues. At present, the OCA is finalizing arrangements with its procurement and rate design witness. Its witness for consumer issues will be:

Retail Market Enhancement and Consumer Protection Issues:

Barbara Alexander
Consumer Affairs Consultant
83 Wedgewood Drive
Winthrop, ME 04364
E-mail: barbalexand@gmail.com

In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony, and answers to interrogatories be served directly upon the OCA's witnesses, as well as serving a copy upon counsel for the OCA.

The OCA will notify ALJ Hoyer and the parties of record of the OCA's procurement and rate design witness when arrangements have been finalized.

IV. SERVICE ON OCA

The OCA will be represented in this case by Senior Assistant Consumer Advocate Aron J. Beatty and Assistant Consumer Advocate David T. Evrard. Two copies of all documents should be served on the OCA as follows:

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As a courtesy, the OCA requests that all electronic correspondence be additionally copied to Aron J. Beatty (abeatty@paoca.org) and Lauren R. Myers (lmyers@paoca.org).

V. DISCOVERY

The OCA understands that Duquesne will be requesting discovery modifications as part of its Prehearing Memorandum. Because the time period for discovery and preparation of testimony in default service cases is limited, the OCA will support the shortened discovery response times proposed by the Company.

VI. PROPOSED SCHEDULE

The OCA continues to work with the parties to develop a mutually agreeable litigation schedule for this proceeding.

VII. PUBLIC INPUT HEARINGS

At present, the OCA has not received any requests for a public input hearing. The OCA will promptly notify ALJ Hoyer and request a public input hearing should circumstances warrant.

IX. SETTLEMENT

The OCA is willing to participate in settlement discussions.

Respectfully Submitted,

/s/ David T. Evrard

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Dated: June 10, 2020

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