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May 25, 2021

Via Electronic Filing
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Docket No. R-2021-3024750, Duquesne Light Company Supplement No. 25 to Tariff Electric – Pa. P.U.C. 25

Dear Secretary Chiavetta:

Please find enclosed a **Prehearing Memorandum of the Natural Resources Defense Council (NRDC)** for filing in the above-referenced proceeding. Parties are being served as indicated in the attached certificate of service.

Please contact me if you have any questions concerning this matter.

Thank you very much.

Sincerely,

Andrew J. Karas Andrew J. Karas, Esq. Counsel for NRDC

cc: Hon. Joel H. Cheskis (jcheskis@pa.gov)
Hon. John M. Coogan (jcoogan@pa.gov)
Per certificate of service

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Duquesne Light Company Supplement No. :

25 to Tariff Electric – Pa. P.U.C. 25 : Docket No. R-2021-3024750

:

PREHEARING MEMORANDUM OF THE NATURAL RESOURCES DEFENSE COUNCIL

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DATE: May 25, 2021

Pursuant to 52 Pa. Code § 5.221 - § 5.223 and the April 30, 2020 Prehearing Conference Order ("Order") of Deputy Chief Administrative Law Judge Cheskis and Administrative Law Judge Coogan, the Natural Resources Defense Council ("NRDC") submits this Prehearing Conference Memorandum.

I. Procedural Background

On April 16, 2021, Duquesne Light Company submitted a rate filing, Supplement No. 25 to Tariff Electric – Pa. P.U.C. No. 25, which proposes, *inter alia*, a general increase in electric distribution rates of \$115 million.

NRDC filed a Petition to Intervene on May 14, 2021. On May 17, 2021, the Company filed a letter indicating its lack of opposition to NRDC's filing.

On May 20, 2021, the Commission issued a notice scheduling a pre-hearing conference for Thursday, May 27, 2021 before Administrative Law Judges Cheskis and Coogan. A Prehearing Order issued that same day requested the parties to file prehearing memoranda on or before Tuesday, May 25, 2021. NRDC files the instant Prehearing Memorandum pursuant to this Company's Order.

II. Issues to be Addressed

NRDC is continuing to review the Company's rate increase filings, but presently anticipates addressing the following topics:

(1) The Company's proposed Transportation Electrification (TE) initiatives:

NRDC anticipates addressing the adequacy and scope of the Company's initiatives

considering the amount of EV infrastructure needed in the Company's service area, the

design of the Company's plans for deployment of make-ready charging infrastructure,

and other TE-related topics.

(2) <u>COVID-19</u> and <u>arrearage-management:</u> NRDC anticipates addressing the adequacy of the Company's proposals for customer protection programs and debt forgiveness, as well as the reasonableness of the Company's request to recover claimed "extraordinary, nonrecurring incremental COVID-19 related expenses" resulting from the Commission's full and partial moratoriums on service terminations.¹

(3) <u>Duquesne Light's Proposed Interconnection Tariff</u>: NRDC anticipates addressing the adequacy and scope of the Company's proposal for Interconnection,

Safety and Reliability Requirements, the reasonableness of the Company's requirements for a written application prior to acceptance of interconnected operation, and other interconnection-related topics.

NRDC also reserves the right to address other issues of concern related to the above issues as well as other aspects of the Company's rate increase filings, including but not limited to the justness and reasonableness of the amount of the proposed general rate increase, the Company's proposal for a pilot deployment of a subscription rate structure, and proposed modifications to rate structures for customer-generators.

III. Witnesses

NRDC has presently identified the following witnesses to testify in this matter:

Kathleen Harris Clean Vehicles and Fuels Advocate Natural Resources Defense Council 40 W. 20th Street, #11 New York, NY 10011 kharris@nrdc.org

¹ See Public Utility Service Termination Moratorium M-2020-3019244, Order of March 18, 2020.

Amanda Levin Policy Analyst

Natural Resources Defense Council

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Ms. Harris's testimony will concern electric vehicle issues and the Company's

proposed Transportation Electrification (TE) initiatives. Ms. Levin's testimony will

concern the Company's proposals for customer protection programs and debt forgiveness

and the Company's request to recover expenses resulting from the Commission's

moratoriums. NRDC reserves the right to call such additional witnesses as may be

warranted upon proper notice to the Presiding Officer and the parties.

IV. Discovery

At the present stage, NRDC has not had discussion with other parties regarding

any anticipated or necessary modifications to the Commission's discovery regulations.

While NRDC does not currently anticipate the need to depart from the Commission's

ordinary discovery protocols, NRDC is open to having discussions with other parties if

doing so would better allow for the efficient and orderly disposition of this case.

V. Settlement

NRDC is committed to working with the Company and the other parties to this

matter in the interest of reaching a full or partial settlement of the litigated issues.

VI. Service on NRDC

Service on NRDC may be made as follows:

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Both NRDC and its outside counsel, Fair Shake Environmental Legal Services have e-filing accounts, and both NRDC and FSELS accept electronic service from the Commission. NRDC will also accept exclusively electronic service from the Company and the other parties.

VII. Litigation Schedule

NRDC is working with the Company and the other parties in this matter to reach a mutually agreeable litigation schedule. NRDC supports the Company's updated proposed schedule to which the majority of the other parties have agreed. As of the filing of the Prehearing Conference Memorandum, the majority of the parties have indicated that the following proposed procedural schedule is acceptable:

Non-Company Parties' Direct Testimony	June 30, 2021
Rebuttal Testimony	July 26, 2021
Surrebuttal Testimony	August 10, 2021 at Noon
Rejoinder Outlines	August 13, 2021
Hearings	August 16-18, 2021
Close of Record	August 18, 2021
Main Briefs	September 3, 2021
Reply Briefs	September 13, 2021

VIII. Public Input Hearing

NRDC strongly supports holding one or more public input hearings in this proceeding to help inform the Commission's decision. The Commission's regulations and favor holding at least one public input hearings in cases requesting general rate increases where substantial concerns of public interest are raised.² Prior commission practice favors scheduling public input hearings in all general rate increase cases.³ Public input hearings pragmatically advance rate increase proceedings in a myriad of ways, allowing Administrative Law Judges to hear concerns directly from impacted customers, and helping to drive the parties' settlement discussions.⁴

The Company's instant rate increase request comes on the heels of COVID-19's height, at a time that has seen the most economically marginalized persons disproportionately impacted both by the infection itself as well as economic fallout of the pandemic.⁵ Given these stakes, NRDC strongly encourages holding a minimum of one public interest hearing so the affected public has a forum for addressing the impact of the Company's proposals.

IX. Representation at Prehearing Conference

NRDC will be represented at the telephonic Prehearing Conference by Andrew Karas, Esq. of Fair Shake Environmental Legal Services.

² 52 Pa. Code § 69.321(b).

³ James H. Cawley and Norman J. Kennard, *A Guide to Utility Ratemaking*, 45 (Feb. 2018) ("The Commission regularly sets 'Public Input' hearings during a rate case").

⁴ *Id.* at 56 ("Rate cases often settle following public input hearings").

⁵ Center on Budget and Policy Priorities, *Tracking the COVID-19 Recession's Effects on Food, Housing and Employment Hardships,* https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and (Updated May 20, 2021).

X. Conclusion

NRDC appreciates the opportunity to submit this Prehearing Conference

Memorandum and looks forward to further discussion to resolve the issues discussed herein.

Respectfully submitted this 25 of May, 2021

/s/ Andrew J. Karas
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CERTIFICATE OF SERVICE

Duquesne Light Company Supplement

No. 25 to Tariff Electric – Pa. P.U.C. 25 Docket No. R-2021-3024750

I hereby certify that this day I served a copy of NRDC's Prehearing Memorandum upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code § 1.54.

Via Electronic Mail only:

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