



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

May 25, 2021

Via Electronic Filing

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
Docket No. R-2021-3024750
I&E Prehearing Memorandum

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Bureau of Investigation and Enforcement's (I&E) **Prehearing Memorandum** for the above-captioned proceeding.

Copies are being served on parties of record per the attached Certificate of Service. *Due to the temporary closing of the PUC's offices, I&E is only providing electronic service.* Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Scott B. Granger'.

Scott B. Granger
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 63641
(717) 425-7593
sgranger@pa.gov

SBG/ac
Enclosures

cc: Honorable Joel H. Cheskis, Deputy Chief Administrative Law Judge (*via email only*)
Honorable John M. Coogan, Administrative Law Judge (*via email only*)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No.: R-2021-3024750
	:	
Duquesne Light Company –	:	
General Rate Increase	:	

**PREHEARING MEMORANDUM
OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

**TO: DEPUTY CHIEF ADMINISTRATIVE LAW JUDGE JOEL H. CHESKIS
AND ADMINISTRATIVE LAW JUDGE JOHN M. COOGAN:**

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) respectfully submits the following Prehearing Memorandum in the above-captioned consolidated proceedings.

The Bureau of Investigation and Enforcement Prosecutor in these proceedings will be Scott B. Granger. Contact information is as follows:

By mail:	Scott B. Granger Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street Harrisburg, PA 17120
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By e-mail:	sgranger@pa.gov
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I. INTRODUCTION

On April 16, 2021, the Duquesne Light Company (“Duquesne Light” or “DLC”) filed with the Pennsylvania Public Utility Commission (“Commission”) Supplement No. 25 to Duquesne Light’s Tariff – Electric Pa. P.U.C. No. 25 (“Supplement No. 25”). Supplement 25 was issued to be effective June 15, 2021, and proposed changes to Duquesne Light’s base retail distribution rates designed to produce an overall annual increase in distribution revenue of approximately \$115.0 million, of which approximately \$29.2 million of revenues are currently recovered through surcharges, based upon data for a fully projected future test year ending December 31, 2022.

I&E filed its Notice of Appearance regarding this proceeding on April 23, 2021.

The Office of Small Business Advocate (“OSBA”) filed a Formal Complaint and Notice of Appearance on April 23, 2021.

The Coalition for Affordable and Energy Efficiency in Pennsylvania (“CAUSE-PA”) filed a petition to intervene on April 26, 2021.

The Office of Consumer Advocate (“OCA”) filed a Formal Complaint and Notice of Appearance on April 27, 2021.

The Pennsylvania Weatherization Providers Task Force (“Task Force”) filed a petition to intervene on May 5, 2021.

The Natural Resource Defense Council (“NRDC”) filed a petition to intervene on May 14, 2021.

On May 20, 2021, the Commission entered an Order suspending the implementation of proposed Duquesne Light Supplement No. 25 by operation of law

until January 15, 2022, and opening an investigation to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in Duquesne Light Company's proposed Supplement No. 25. The Commission also stated the investigation shall include consideration of the lawfulness, justness, and reasonableness of the Duquesne Light Company's existing rates, rules, and regulations.

The case was assigned to the Office of Administrative Law Judge for the prompt scheduling of such hearings as may be necessary culminating in the issuance of a Recommended Decision.

Due to the COVID-19 pandemic restrictions, a telephonic Prehearing Conference is scheduled for Thursday, May 27, 2021 beginning at 10:00 am before Deputy Chief Administrative Law Judge Joel H. Cheskis and Administrative Law Judge John M. Coogan presiding in Harrisburg.

II. ISSUES

The following list represents I&E's preliminary determination of the potential issues in these proceedings. The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues, as it deems appropriate if any such relevant issues arise. The issues are as follows:

- Purchase Power Expense
- Transmission Expense
- Distribution Expense
- Customer Accounting Expense
- Sales Expense
- Administrative and General Expense
- Rate Case Expense
- Federal Taxes
- State Taxes

- Taxes Other than Income
- Cash Working Capital
- New Business Stimulus Rider
- Crisis Recovery Program
- EV ChargeUp Pilot
- Public, Workplace, and Multi-Unit Dwelling Make-Ready Pilot
- Fleet and Transit Charging Pilot
- Home Charging Pilot
- Overall Rate of Return
- Cost of Debt
- Cost of Equity
- Rate Base – Additions and Deductions
- Plant Additions
- Accumulated Depreciation
- Annual/Accumulated Depreciation Expense
- Materials and Supplies
- Customer Deposits
- FPFTY Reporting Requirements
- Cost of Service
- Revenue Allocation
- Present Rate Revenue
- Proposed Rate Revenue
- Customer Cost Analysis
- Customer Charge / Rate Design
- Riders / Pilots / Other
- Scale Back of Rates
- Customer Charges
- Electric Safety
- Risk reduction

III. WITNESSES

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

Christopher Keller, Fixed Utility Financial Analyst
 Ethan Cline, Fixed Utility Valuation Engineer
 Eryan Sakaya, Fixed Utility Valuation Engineer
 Jim Campbell, Electric Safety Engineer
 Joseph Kubas, Fixed Utility Valuation Engineer Supervisor
 Christine Wilson, Fixed Utility Financial Supervisor

The I&E witnesses may be contacted through the information listed above for Prosecutor Granger. The witness list is provided without the benefit of complete discovery or analysis of the positions of potential other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above.

IV. EVIDENCE

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the Company's filing, supplemental testimony, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports.

V. DISCOVERY

Discovery in these proceedings will be conducted according to 52 Pa. Code §§5.321 et. seq. No modifications to the rules of discovery have been proposed by I&E. I&E will give due consideration to any discovery modifications proposed by any other party. Also, pursuant to 52 Pa. Code §§5.322 and 5.331(b), discovery has begun and is ongoing.

VI. SCHEDULE

I&E is working with the parties to develop a schedule in this proceeding. As of this date, the parties have not yet agreed on a schedule. I&E tentatively proposes the following:

Filing w/ Company Direct	April 16, 2021
Other Parties Direct	June 30, 2021
Rebuttal Testimony	July 26, 2021
Surrebuttal Testimony	August 10, 2021 by NOON
Oral Rejoinder Outlines	August 13, 2021
Hearings ¹	August 16-18, 2021
Main Brief	September 3, 2021
Reply Brief	September 13, 2021

VII. PUBLIC INPUT HEARINGS

I&E does not oppose public input hearings, but is not aware of any requests at this time with respect to public input hearings. Should public input hearings be deemed necessary, I&E recommends the Commission consider the use of “smart hearings” to encourage increased participation by the ratepayers.

VIII. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony and briefs during the closure of Commission offices, and consistent with Paragraph 8 of the Commission’s March 20, 2020 Emergency Order,² I&E will both only serve and accept electronic delivery of documents. Upon re-opening of Commission offices, and only on a forward-moving basis from that point forward, I&E requests

¹ Upon the rescinding of Governor Tom Wolf’s Proclamation of Disaster Emergency, and the re-opening of the Keystone Commonwealth Building, I&E requests that Hearings be held in Harrisburg, PA.

² Docket No. M-2020-3019262, *Re: Suspension of Regulatory and Statutory Deadlines, Modification to Filing and Service Requirements.*

parties provide a follow-up hard copy by regular first-class mail in addition to electronic delivery.

IX. SETTLEMENT

I&E will maintain an open dialogue and is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully Submitted,



Scott B. Granger
Prosecutor
PA Attorney ID No. 63641

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Dated: May 25, 2021

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