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May 25, 2021

**Via Electronic Filing**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Keystone Bldg. 2nd Floor W  
400 N. Street  
Harrisburg, PA 17120

**RE: PA Public Utility Commission v. Duquesne Light Company  
Docket No. R-2021-3024750**

Dear Secretary Chiavetta,

Enclosed please find a copy of Duquesne Light Company's Prehearing Memorandum, submitted pursuant to the Prehearing Order dated May 20, 2021 in the above-captioned matter. Please contact me with any questions, comments, or concerns.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Emily M. Farah", is written over a white rectangular background.

Emily M. Farah  
Counsel, Regulatory

Enclosure

cc: Certificate of Service (w/ encl.)

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the Prehearing Memorandum upon the following parties to this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant):

**VIA ELECTRONIC MAIL ONLY**

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Advocate  
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DUQUESNE LIGHT COMPANY



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Duquesne Light Company

DATE: May 25, 2021

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation & Enforcement,	:	
Office of Consumer Advocate,	:	
Office of Small Business Advocate ,	:	
Coalition for Affordable Utility Services and	:	
Energy Efficiency in Pennsylvania,	:	R-2021-3024750
Natural Resources Defense Council,	:	
Pennsylvania Weatherization Task Force,	:	
United States Steel Corporation,	:	
	:	

v.

Duquesne Light Company,  
1308(d) Proceeding.

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**PREHEARING MEMORANDUM  
OF DUQUESNE LIGHT COMPANY**

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Pursuant to the Prehearing Order of Deputy Chief Administrative Law Judge Joel Cheskis and Administrative Law Judge John M. Coogan dated May 20, 2021 and Section 333 of the Public Utility Code, 66 Pa. C.S. § 333, Duquesne Light Company (“Duquesne Light” or the “Company”) hereby submits its Prehearing Conference Memorandum.

**I. INTRODUCTION AND BACKGROUND**

On April 16, 2021, Duquesne Light filed Supplement No. 25 to Tariff Electric – PA PUC No. 25 pursuant to 66 Pa. C.S. § 1308(d). Duquesne Light is requesting that the Pennsylvania Public Utility Commission (“Commission”) approve an overall annual increase in distribution revenue of approximately \$115.0 million. Included in the requested increase is approximately \$29.2 million in revenue currently collected through one existing Commission approved surcharge, resulting in a net increase in distribution revenue of approximately \$85.8 million. If granted by the

Commission as filed, this request would produce a system average increase in distribution rates of approximately 15.6 percent and an increase in total rates (distribution, transmission, and generation charges) of approximately 7.72 percent for a typical residential customer using 600 kilowatt-hours per month and taking default power service from the Company. The percentage increase in rates differs for each individual rate class.

On April 23, 2021, the Commission's Bureau of Investigation and Enforcement ("I&E") filed a Notice of Appearance in the aforementioned base rate proceeding.

On April 23, 2021, the Office of Small Business Advocate ("OSBA") filed a Complaint and Public Statement in the above-captioned matter. On April 30, 2021, Duquesne Light filed a letter indicating that the Company was not filing an Answer to OSBA's Complaint pursuant to 52 Pa. Code § 5.61(d).

On April 26, 2021, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA") filed a Petition to Intervene and Answer in the above-referenced proceeding. On April 30, 2021 Duquesne Light made a letter filing indicating that the Company does not object to CAUSE-PA's Petition to Intervene.

On April 27, 2021, the Office of Consumer Advocate ("OCA") filed a Complaint and Public Statement in the above-captioned matter. On April 30, 2021, Duquesne Light filed a letter indicating that the Company was not filing an Answer to OCA's Complaint pursuant to 52 Pa. Code § 5.61(d).

On May 4, 2021, the Pennsylvania Weatherization Providers Task Force, Inc. ("Providers Task Force") filed a Petition to Intervene in the above-captioned matter. On May 21, 2021, Duquesne Light made a letter filing indicating that the Company does not object to the Providers Task Force's Petition to Intervene.

On May 14, 2021, the Natural Resources Defense Council (“NRDC”) filed a Petition to Intervene and Answer in the above-referenced proceeding. On May 17, 2021, Duquesne Light made a letter filing indicating that the Company does not object to NRDC’s Petition to Intervene.

On May 20, 2021, the Commission entered an Order suspending Supplement No. 25 to Tariff Electric Pa. P.U.C. No. 25 until January 15, 2022, unless otherwise directed by Order of the Commission, pursuant to 66 Pa. C.S. §1308(d). The matter was referred to the Office of the Administrative Law Judge (“ALJ”). The proceeding was assigned to Deputy Chief ALJ Judge Joel Cheskis and ALJ John M. Coogan Chief (collectively, “Presiding Officers”), and a Prehearing Conference was scheduled for May 27, 2021.

On May 24, 2021, United States Steel Corporation (“US Steel”) filed a Petition to Intervene in the above-captioned matter. On May 25, 2021, Duquesne Light made a letter filing indicating that the Company does not object to US Steel’s Petition to Intervene.

## **II. ISSUES AND WITNESSES**

Duquesne Light intends to present direct, rebuttal, and surrebuttal testimonies of the witnesses identified herein, as may be necessary. Each witness will present the testimony in written form and will also attach various exhibits, documents, and explanatory information, which will assist in the testimony presentation of the Company’s case. Each witness may also present oral rejoinder testimony, to the extent provided for in the procedural schedule in this proceeding, as may be necessary. Below are the presently identified issues, proposed area of testimony for each Duquesne Light witness, and each witness’ corresponding statement number and business address. The witnesses’ telephone numbers are listed in the enclosed **Attachment A**, and Duquesne Light requests **Attachment A** be marked **confidential**.

<b>Witness</b>	<b>Statement No.</b>	<b>Subjects Addressed</b>	<b>Business Address</b>
C. James Davis	1	Provides an overview of DLC and explains the reasons for the proposed rate increase.	411 7 <sup>th</sup> Avenue Mail Drop 15-7 Pittsburgh, PA 15219
Jaime A. Bachota	2	Provides an overview of the Company's accounting process, explains Duquesne Light's actual financial results for the future test year ("FTY") and the fully projected future test year ("FPFTY").	411 7 <sup>th</sup> Avenue Mail Drop 7-6 Pittsburgh, PA 15219
Todd A. Mobley	3	Provides an overview of the sales forecast, describes the outcome of the sales forecast model for the historic test year ("HTY"), the FTY and the FPFTY. Gives supporting details on the impacts of key drivers to the overall sales forecast.	411 7 <sup>th</sup> Avenue Mail Drop 7-1 Pittsburgh, PA 15219
Benjamin B. Morris	4	Describes the Company's capital additions planned to be placed in service through the end of the FPFTY, a description of the planning process to ensure the system continues to meet the needs of its customers, including reliability metrics.	2825 New Beaver Avenue Mail Drop N6-CD Pittsburgh, PA 15233
Krycia Kubiak	5	Describes the Company's proposed COVID-19 assistance programs for small and medium business customers. Explains the financial impact of the COVID-19 pandemic on businesses and industries within Duquesne Light's service territory.	411 7 <sup>th</sup> Avenue Mail Drop 15-7 Pittsburgh, PA 15219
Yvonne Phillips	6	Describes the Company's Master Metering proposal, and explains the appropriate changes to the retail tariff to allow residential master metering for multifamily premises in Duquesne Light's service territory.	411 7 <sup>th</sup> Avenue Mail Drop 7-8 Pittsburgh, PA 15219
Katherine M. Scholl	7	Describes existing and proposed customer assistance programs	411 7 <sup>th</sup> Avenue Mail Drop 15-1

		available to help residential customers recover from the economic impacts of the COVID-19 pandemic.	Pittsburgh, PA 15219
Sarah J. Olexsak	8	Describes the proposed Electric Vehicle (“EV”) programs, including the Fleet Pilot and Home Charging Pilot, that the Company is seeking recovery for.	411 7 <sup>th</sup> Avenue Mail Drop 15-1 Pittsburgh, PA 15219
Jennifer Neiswonger	9	Describes the Company’s customer satisfaction and service efforts, including customer education for the proposed residential subscription rate.	411 7 <sup>th</sup> Avenue Mail Drop 15-1 Pittsburgh, PA 15219
Robert L. O’Brien	10	Discusses the components of Duquesne Light’s overall revenue requirement, and supports certain pro forma ratemaking adjustments for the FPFTY ending December 31, 2022 and the HTY ending December 31, 2020 and portions of the claimed measures of value, including Duquesne Light’s cash working capital allowance.	1753 Via Mazatlan Rio Rico, AZ 85648
John J. Spanos	11	Provides the service life study which supports the Company’s depreciation accruals for rate making purposes utilizing Commission approved procedures.	207 Senate Avenue Camp Hill, PA 17011
Matthew L. Simpson	12	Provides an explanation of Duquesne Light’s tax expense and related tax information.	411 7 <sup>th</sup> Avenue Mail Drop 7-3 Pittsburgh, PA 15219
Paul R. Moul	13	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.	251 Hopkins Road Haddonfield, NJ 08033-3062
James Milligan	14	Provides explanation of the Company’s current and future capital structure, cost of long-term debt, current credit ratings	411 7 <sup>th</sup> Avenue Mail Drop 7-3 Pittsburgh, PA 15219



		and the importance of maintaining the credit worthiness of the Company.	
Howard S. Gorman	15	Describes the Jurisdictional Separation Studies and the unbundled, Allocated Cost of Service Study used in this proceeding.	45 Hill Park Avenue Great Neck, NY 11021
David B. Ogden	16	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 changes to the Company's retail tariff.	411 7 <sup>th</sup> Avenue Mail Drop 15-5 Pittsburgh, PA 15219
Margot Everett	17	Presents new rate options for standby service, community development, residential subscription pilot, and the EV pilots. Explains the justification for those rate designs, and the proposed values for these rates.	101 California Street Suite 4100 San Francisco, CA 94111

The Company reserves the right to address any and all relevant issues that arise throughout the course of this proceeding. Duquesne Light further reserves the right to call additional witnesses, as necessary. If Duquesne Light determines an additional witness or witnesses is required for any portion of its case, the Presiding Officers and all parties of record will be notified promptly.

### **III. EVIDENCE**

Duquesne Light will rely on the direct, rebuttal, surrebuttal, and rejoinder testimony of its witnesses. Duquesne Light will also rely on the testimony of the other parties to the proceeding. Duquesne Light will present relevant exhibits to support its own testimony, including but not

limited to, materials obtained from other parties, if any, through discovery and cross-examination.

#### **IV. PROCEDURAL RULES / DISCOVERY**

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

- a) Answers to written interrogatories shall be served "in-hand" within ten (10) calendar days of service.
- b) Objections to interrogatories shall be communicated orally within three (3) calendar days of service of the interrogatories; unresolved objections shall be served in writing within five (5) days of service of the interrogatories.
- c) Motions to dismiss objections and/or motions directing the answering of interrogatories shall be filed within three (3) calendar days of service of the written objections.
- d) Answers to motions to dismiss objections and/or answering of interrogatories shall be filed within three (3) calendar days of service of such motions.
- e) Ruling over such motions shall be issued, if possible, within seven (7) calendar days of the filing of the motion.
- f) Request for admissions will be deemed admitted and unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.
- g) Answers to on-the-record data requests shall be served "in-hand" within seven (7) calendar days of the requests.

- h) Duquesne Light proposes that any discovery served after 12:00 p.m. (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.
- i) Duquesne Light proposes that all discovery due dates be “in-hand” and that electronic service on the due date will satisfy the “in-hand” requirement.
- j) Parties’ electronic workpapers and exhibits will be provided in live format (e.g., Excel spreadsheets) within two (2) days of the due date of corresponding testimony.

**V. PUBLIC INPUT HEARINGS**

Duquesne Light requests that two public input hearings be hosted by the Company remotely, via WebEx, in light of the Governor’s recent extension of the COVID-19 emergency declaration. Duquesne Light suggests that the Public Input Hearings be held on or between June 14-22, 2021.

**VI. PROPOSED LITIGATION SCHEDULE**

Duquesne Light has worked with the parties to attempt to develop a litigation schedule for the Presiding Officers’ consideration. The Company’s proposed litigation schedule, below, has been circulated to the parties listed in the Certificate of Service. By the time of filing, I&E, OCA, CAUSE-PA, Providers Task Force, and US Steel have indicated agreement with this schedule, and no parties have indicated objection. Duquesne Light is willing to work with the parties to reach a mutually agreeable litigation schedule.

Other Parties’ Direct Testimony	June 30, 2021
Rebuttal Testimony	July 26, 2021
Surrebuttal Testimony	August 10, 2021 by 12:00 p.m. (noon)
Rejoinder Outlines	August 13, 2021

Hearings (including oral rejoinder)	August 16-18, 2021
Main Brief	September 3, 2021
Reply Brief	September 13, 2021

## VII. SERVICE ON DUQUESNE LIGHT

Duquesne Light will be represented in this case by the counsel named below. Counsel consents to electronic service of documents. Copies of all documents should be served on Duquesne Light as follows:

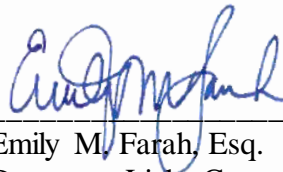
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## VIII. SETTLEMENT

Duquesne Light is willing to engage in settlement discussions with the parties.

Respectfully Submitted,




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Emily M. Farah, Esq.  
Duquesne Light Company  
411 7<sup>th</sup> Avenue, Mail Drop 15-7  
Pittsburgh, PA 15219

Date: May 25, 2021

ATTACHMENT A

CONFIDENTIAL