

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of Conservation, Energy	:	
Efficiency Activities, and Demand Side	:	Docket No. M-00061984
Response by Energy Utilities and Ratemaking	:	
Mechanisms to Promote Such Efforts	:	

COMMENTS OF DUQUESNE LIGHT COMPANY
*To The Draft Report on Conservation, Energy Efficiency,
Demand Side Response and Advanced Metering Infrastructure*

I. Introduction

By Investigation Order entered October 11, 2006, the PA Public Utility Commission (“PUC” or “Commission”) initiated an investigation into the above captioned docket and reconvened the Demand Side Response Working Group (“DSR WG”) to address the specific issues raised in the Order. Duquesne Light (“Duquesne” or “the Company”) has been an active participant in the DSR WG and has offered comments to the Draft Report Outline on March 9, 2007 and supports the “EDC White Paper on Revenue Decoupling” submitted by the Energy Association of Pennsylvania (“EAPA”) members. Duquesne has also provided data (“EDC Update of Program and Metering Charts”, January 5, 2007 and “Consumer Education Activities” January 9, 2007) as requested by the Commission in support of the DSR efforts.

II. Comments

Duquesne Light offers the following comments as directed, “...we are asking that the comments refrain from debating the issues but rather be limited to whether the Report fairly characterizes the discussions of the Working Group. That said, if you do not agree with points

that are presented as consensus resolutions, please note your disagreement.” April 13, 2007 email from Karen O. Moury. Duquesne Light offers these comments to clarify some potential areas to the Draft Report that might need to be further addressed in order to reflect the consensus or lack thereof. An area not specifically addressed within these comments does not infer support or opposition to the issues presented.

III. Specific Comments within the Report

Duquesne Light agrees with the general positions offered in the Draft Report as being indicative of the positions offered by the various stakeholders. However, Duquesne respectfully suggests a further review of the draft report to ensure consistency and that parties positions are adequately reflected. Findings should be clearly delineated, and where there is discussion without consensus, it should be noted appropriately.

A. The DSR Report should reflect the intentions of the stakeholder comments

Duquesne has some reservation whether the report adequately reflects the intention of this Company’s and other parties’ comments to the Draft Outline on March 9, 2007. Specifically, on Page 14 of the Report, Duquesne is noted as “...stating the Commission should not mandate system-wide AMI deployment for all rate classes. However, AMI deployments could be considered for large customers above well-defined thresholds. Generally, AMI deployment should be driven by individual customer needs and business practices.”

This statement is somewhat taken out of context. Duquesne’s comments at page 2, section F of the outline, actually reads, “Customers can benefit without AMI utility programs through energy efficiency measures and behavioral changes promoted through education and

awareness efforts.” The Company further discusses this issue through edits to the suggested language on page 6 of the outline at section E, AMI deployment:

To develop an enhanced ability to change behavior and measure effectiveness of DSR, additional metering will be required in some service territories and for some customer classes. Many large commercial and industrial customers already have time-of-use meters, even in territories where system wide deployments have not occurred.

1. AMI must not be mandated system wide for all customers in any service area, and should be a voluntary program.
2. The Working Group must define AMI, its objectives, and the type of information and functionality needed for the program and related evaluations.
3. EDCs must not be at risk for changes in policy that are affected by technology.
4. AMI options could be deployed for certain customer and rate classes. For example, all EDC customers X kW and above could have AMI.
5. AMI could be installed on participating customers below the threshold defined if the AMI meter is required for a specific program and EDC cost recovery mechanisms are in place.
6. Customer needs and business practices should drive AMI deployment.
7. Alternative pricing structures (e.g. TOU, seasonal, hourly pricing, etc) should accompany any effective AMI options.”

Duquesne does recognize that this information is being offered as a summary, as opposed to verbatim. Yet, caution must be exercised in condensing this information so as not to misconstrue any essential information provided by the stakeholders.

Additionally, at Page 15, second paragraph of the Report, Duquesne Light is cited in reference to comments offered by the OSBA. Duquesne would like to revise the information to adequately reflect the Company’s position: “Duquesne has found that commercial and industrial customers prefer certainty in electric costs, primarily for budgeting purposes. Customer preference is to avoid uncertainty when planning their business' operating budget.”

B. Consensus or Lack-thereof needs to be clearly identified in the Report

Duquesne suggests staff summarize the Report findings as consensus and non-consensus at the beginning of Section IV-VIII, and then explain the basis of each. Additionally, some statements in the draft report give the impression of an overall consensus, yet, are followed by a discussion of supporting and/or opposing positions. Page 16, Section E, *Consumer Education is*

an Important Component of any Strategy Adopted by the Commission notes general consensus, which Duquesne agrees. Nevertheless, Section 1 and 2 under that title discuss the various position papers submitted by the parties on education strategies, which as read, implies a consensus on the specific programs listed. Duquesne does not recollect any consensus on specific consumer education approaches, aside from a solicitation requesting information on a 1-2 page summary of education activities which was posted to the website.

Duquesne specifically noted in comments to the Draft Outline that items that are now included as *IX. Other Policy Recommendations* were outside the scope of the Report and should be discussed in other forums. Yet, those comments were not included in the draft Report summary of positions.

C. Headings or other Significant Findings should Match the Supporting info that follows

Page 19, Section B, *The Commission Should Identify Quantifiable Goals As Part Of This Objective* reads as if consensus has been established. In spite of that, the supporting information notes "...a wide range of comments..." and "...a significant difference of opinion over how to quantify...", and lists specific examples of comments. Again, Duquesne is referenced with a quote that appears to support specific short and long term objectives, while the Company's actual comments to the Outline at Page 2, section E notes "Establishing a criteria and means to measure program effectiveness remains one of the most controversial issues and needs to be fully addressed and clearly defined." Duquesne further offers a variety of potential targets and parameters at Page 5, section D as suggestions, which includes among other issues, adjustments for weather, unexpected changes in load, supply price differentials, and Default Service Provider obligations.

D. Reference Items should be specifically noted, so Endorsement is not implied

The Commission staff (or Report) should make clear that the reports, presentations, materials and figures in this section are cited for reference only, and that none of this information is endorsed by the Commission. Further, it should also state that none of the figures have been evaluated in detail by the Commission or Working Group participants to substantiate the validity, accuracy or reasonableness. Duquesne recommends the following language be added to the first paragraph of Section III:

To be clear, this information gathered and summarized in the section is provided for reference only. This report does not derive recommendations or draw conclusions from this information, nor does it endorse any of the facts and findings in these presentations and materials. This information is provided to reflect the quantity of issues that are involved in this subject matter as well as sources for which the Working Group can move forward with in the next step of implementing DSR.

IV. Conclusion

Duquesne Light appreciates this opportunity to continue participating in the DSR Working Group, and thanks the Commission staff for their efforts in coordinating this Investigation and drafting this Report.

Dated this 30th day of April, 2007.

Respectfully Submitted,
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