

CITIZEN POWER

Public Policy Research Education and Advocacy

May 16, 2016

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Petition of Duquesne Light Company for Approval of Its Long-Term Infrastructure Improvement Plan, Docket P-2016-2540046

Dear Secretary Chiavetta:

Enclosed please find Citizen Power's Comments, in the above referenced proceeding.

Sincerely,



Theodore Robinson
Counsel for Citizen Power

Enclosures

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company for :
Approval of Its Long-Term Infrastructure : Docket No. P-2016-2540046
Improvement Plan :

COMMENTS OF CITIZEN POWER, INC.

I. INTRODUCTION

On February 14, 2012, former Governor Corbett signed into law Act 11 of 2012 (“Act 11”), which amends Chapters 3, 13, and 33 of the Pennsylvania Public Utility Code. Under Act 11, electric distribution companies (“EDCs”) are permitted to petition for a distribution system improvement charge (“DSIC”). In order to be eligible to recover costs using a DSIC, an EDC must submit a long-term infrastructure improvement plan. 66 Pa. C.S. § 1352. On April 15, 2016, Duquesne Light Company (“Duquesne Light” or the “Company”) filed a Petition seeking approval of its Long-Term Infrastructure Improvement Plan (“LTIIIP”). Duquesne Light’s LTIIIP covers a period between the beginning of 2017 and the end of 2022 and includes a set of six LTIIIP programs as well as nine initiatives. LTIIIP at 8.

A LTIIIP must include the following elements: (1) identification of types and age of eligible property owned and operated by the utility for which it is seeking DSIC recovery; (2) an initial schedule for planned repair and replacement of eligible property; (3) a general description of location of eligible property; (4) a reasonable estimate of quantity of eligible property to be improved or repaired; (5) projected annual expenditures and means to finance the expenditures;

(6) a description of the manner in which infrastructure replacement will be accelerated and how repair, improvement or replacement will ensure and maintain adequate, efficient, safe, reliable and reasonable service to customers; (7) a workforce management and training program designed to ensure that the utility will have access to a qualified workforce to perform work in a cost-effective, safe and reliable manner; and (8) a description of a utility's outreach and coordination activities with other utilities, Department of Transportation and local governments regarding the planned maintenance/construction projects and roadways that may be impacted by the LTIP. 52 Pa. Code § 121.3(a). In addition, the LTIP may only address the property eligible for DSIC recovery. 52 Pa. Code § 121.3(b).

Citizen Power, Inc. ("Citizen Power") respectfully submits these Comments in response to Duquesne Light's April 15, 2016 Petition for Approval of Its Long-Term Infrastructure Improvement Plan.

II. COMMENTS

Duquesne Light has claimed that the LTIP supports the modernization of the DLC electric distribution system and will enhance DLC's efforts to sustain a high level of reliability and safety. LTIP at 1. In developing the LTIP, Duquesne Light states that the three primary goals that they had focused on were cost-effectiveness, flexibility, and execution. LTIP at 1. The LTIP includes six programs: the 4kV program, the overhead program, the underground program, the substations program, the highway relocation program, and the microgrid program. LTIP at 8-9. Duquesne Light avers that the LTIP complies with both the statutory requirements of Act 11, 66 Pa. C.S. § 1352(a), and the Commission's regulations at 52 Pa. Code §§ 121.1 *et*

seq and requests that the Commission find that their LTIP is adequate and sufficient to ensure and maintain adequate, efficient, safe, reliable, and reasonable service. LTIP at 19.


Citizen Power has concerns regarding whether Duquesne Light's LTIP meets the acceleration requirement under 52 Pa. Code § 121.3(a)(6). Duquesne Light's LTIP provides for an average of \$108.5 million in expenditures between 2017-2022, a total of approximately \$651.1 million. LTIP at 30. Of this \$651.1 million, Duquesne Light states that \$439.1 million represents baseline expenditures while \$212 million represents accelerated expenditures. LTIP at 30. A baseline of \$439.1 million equals a yearly average baseline between 2017 and 2022 of approximately \$73.2 million. However, the baseline between 2011 and 2015 had been \$83.6 million per year. LTIP at 31. It is unclear what accounts for the reduced baseline, but the impact of a reduced baseline is that over \$60 million dollars of expenditures are shifted into the accelerated column. The amount of accelerated expenditures would have been slightly under \$150 million for the period of the LTIP had the 2011-2015 baseline been used.

In addition, the baseline amounts are not broken down into each of the six programs. Although Duquesne Light provides estimates for the amount of accelerated expenditures for each initiative, they do not provide figures for the actual baseline expenditures for each initiative between 2011 and 2015, nor do they provide estimated baseline expenditures for each initiative between 2017 and 2022. LTIP at 21-28. Without this information it is difficult to independently determine whether the projected expenditures represent true accelerated expenditures for each initiative and whether the projected accelerated expenditures represent a meaningful acceleration over historical norms. With a majority of the accelerated expenditures being attributed to one of the six projects, it is important to determine if the planned expenditures of the other projects and initiatives meet the acceleration requirement under 52 Pa. Code § 121.3(a)(6).

III. CONCLUSION

Citizen Power believes that Duquesne Light should supplement the information provided in their filing to address the issues identified above.

Respectfully Submitted,

By: 
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Dated: May 16, 2016

**BEFORE THE
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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document of Citizen Power, Inc. upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons as listed below:

Dated this 16th day of May, 2016.

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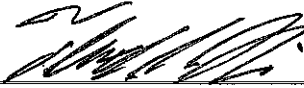
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