



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

June 8, 2016

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

Re: Duquesne Light Company's Petition for Approval of a Default Service Plan
for the Period June 1, 2017, through May 31, 2021
Docket No. P-2016-2543140

Dear Secretary Chiavetta:

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

Copies are being served on parties as identified in the attached certificate of
service. If you have any questions, please contact me at (717) 787-8754.

Sincerely,

Gina L. Lauffer

Prosecutor

Bureau of Investigation and Enforcement

PA Attorney I.D. #313863

GLL/sea
Enclosure

cc: Certificate of Service
ALJ Conrad A. Johnson

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Duquesne Light Company's Petition :
for Approval of a Default Service Plan : **Docket No. P-2016- P-2016-2543140**
for the Period June 1, 2017, through :
May 31, 2021 :

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

TO ADMINISTRATIVE LAW JUDGE CONRAD A. JOHNSON:

In accordance with the First Prehearing Conference Order issued on May 23, 2016, the Bureau of Investigation and Enforcement ("I&E") hereby submits this Prehearing Memorandum. The I&E prosecutor assigned to this proceeding is Gina L. Lauffer. Ms. Lauffer may be contacted as follows:

By Mail: Gina L. Lauffer
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

By e-mail: ginlauffer@pa.gov

Telephone: (717) 787-8754
FAX: (717) 772-2677

I. BACKGROUND

On May 2, 2016, the Duquesne Light Company (“Duquesne Light” or “Company”) filed with the Pennsylvania Public Utility Commission (“PUC” or “Commission”) a Petition for Approval of a Default Service Program for the Period of June 1, 2017 through May 31, 2021 (“DSP VIII”). Through the DSP VIII, Duquesne Light proposes, inter alia, implementation of a default service procurement plan and rates, extension of the term of its default service plan from two to four years, continuation of its existing Standard Offer Program, and the extension of retail shopping options for Customer Assistance Program (“CAP”) customers.

Duquesne Light’s DSP VIII was assigned to the Office of Administrative Law Judge (“OALJ”) for the development of an evidentiary record, including a Recommended Decision. The OALJ assigned the proceeding to Administrative Law Judge (“ALJ”) Conrad A. Johnson for investigation and scheduling of hearings to consider, inter alia, whether the DSP IV will provide default service that is adequate, reliable, and will result in the least cost to customers over time.¹ A Prehearing Conference has been scheduled for June 10 2016. On June 6, 2016, the Bureau of Investigation and Enforcement filed its Notice of Appearance, and Notices of Intervention, Answers, and Public Statements were filed by Office of Consumer Advocate and the Office of Small Business Advocate. Intervention petitions were submitted by the following entities: the Coalition for Affordable

¹ 66 Pa. C.S. §2807(e).

Utility Services and Energy Efficiency in Pennsylvania, NextEra Energy Power Marketing, LLC, Noble Americas Energy Solutions LLC, Retail Energy Supply Association, and Exelon Generation Company, LLC. It is I&E's understanding that rulings on the intervention petitions are pending. I&E does not oppose any of the petitions to intervene.

II. ISSUES

Based upon a preliminary review of the filing, I&E has identified the following areas of inquiry, representing potential issues at this time. However, I&E reserves the right to address such other issues when those issues arise:

1. The Company's proposed method for procuring electricity to serve default service customers, including the nature of the contingency plan;
2. Evaluation of the Company's Default Service Rates;
3. Evaluation of the items included in the Default Service Rates;
4. Evaluation of the Company's Time-of-Use program and rates;
5. Evaluation of the Company's Standard Offer Program; and
6. The Company's Customer Assistance Plan shopping proposal

Most of the issues raised by I&E will be supported by the Direct Testimony of an I&E witness. If there are issues of Commission policy or legal interpretation that are not properly the subject of testimony or factual issues that are clear on the record and need not be supported by testimony, I&E reserves the right to dispense with testimony when, in its opinion, an issue can be adequately addressed in Brief.

III. WITNESSES

It is currently expected that I&E may call any or all of the following witnesses without being limited thereto:

Jeremy B. Hubert	Fixed Utility Valuation Engineer
Lisa A. Gumby	Fixed Utility Valuation Engineer

The I&E witnesses may be contacted through the contact information listed above for Ms. Lauffer. I&E reserves the right to call additional witnesses and/or delete witnesses listed above.² All active parties will be notified of any additions or deletions to the I&E witness list.

IV. SCHEDULE

I&E is working with Duquesne Light and the other parties to develop a mutually acceptable litigation schedule for this proceeding.

V. SETTLEMENT

I&E intends to participate in any settlement discussions and is willing to reach a resolution of any or all issues. However, a discussion of issues that may be settled is not possible until further Discovery has been conducted and the positions of the other parties are known.

² The above listing is provided without analysis of the positions of all parties to this proceeding and without the benefit of completed discovery.

VI. DISCOVERY

I&E does not propose any modification of the Discovery Rules in this proceeding.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'G. Lauffer', written in a cursive style.

Gina L. Lauffer

Prosecutor

PA Attorney I.D. #313863

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Post Office Box 3265
Harrisburg, Pennsylvania 17105-3265

Dated: June 8, 2016

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Duquesne Light Company's Petition for :
Approval of a Default Service Plan for : Docket No. P-2016-2543140
the Period June 1, 2017, through May 31, :
2021 :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated June 8, 2016, either personally, by first class mail, electronic mail, express mail and/or by fax upon the persons listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party):

Michael W Gang Esquire
Anthony D Kanagy Esquire
17 North Second Street 12th Floor
Harrisburg, Pa 17101-1601

Elizabeth R. Marx, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101

Tishekia Williams Esquire
Duquesne Light Company
411 Seventh Avenue 16th Floor
Pittsburgh, Pa 15219

David P. Zambito, Esquire
Cozen O'Connor
17 North Second Street, Suite 1410
Harrisburg, PA 17101

David T. Evrard, Esquire
Kristine E. Marsilio, Esquire
Aron J. Beatty, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Heather M. Langeland, Esquire
Citizens for Pennsylvania's Future
200 First Avenue Suite 200
Pittsburgh, PA 15222

Sharon E. Webb, Esquire
Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101

Pamela C. Polacek, Esquire
Teresa K. Schmittberger, Esquire
McNees Wallace & Nurick LLC
100 Pine Street
PO Box 1166
Harrisburg, PA 17108-1166

Charles E. Thomas, III, Esquire
Thomas, Niesen & Thomas, LLC
212 Locust Street, Suite 600
PO Box 9500
Harrisburg, PA 17108-9500

Thomas J. Sniscak, Esquire*
Todd S. Stewart, Esquire
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101

Colleen P. Kartychak, Esquire
Consolidated Edison Solutions
698 Gamble Road
Oakdale, PA 15061

Divesh Gupta, Esquire
Exelon Business Services Corp.
100 Constellation Way, Suite 500C
Baltimore, MD 21202

Brian R. Greene, Esquire
Greene Hurlocker, PLC
1807 Libbie Avenue, Suite 102
Richmond, VA 23226



Gina L. Lauffer
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney I.D. #313863