

DUQUESNE LIGHT STATEMENT NO. 7

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition Of Duquesne Light :
Company For Approval Of Default : Docket No. P-_____
Service Plan For The Period June :
1, 2013 Through May 31, 2015**

**DIRECT TESTIMONY OF
JOSEPH H. VALLARIAN**

Dated: April 27, 2012

1 **Q. Please state your full name and business address.**

2 **A.** My name is Joseph H. Vallarian. My business address is 411 Seventh
3 Avenue, Pittsburgh, Pennsylvania 15219.

4

5 **Q. What is your position at Duquesne Light Company (“Duquesne Light” or
6 “Company”)?**

7 **A.** I am the Manager of Media and Community Relations for the Company.

8

9 **Q. Please describe your professional and educational background.**

10 **A.** I have a Bachelor of Arts Degree in Journalism and Public Relations from
11 Mississippi University for Women and am certified in Crisis Communications by
12 the Institute of Crisis Management.

13

14 **Q. What has been your business experience?**

15 **A.** I began my career as a Communications Specialist with Duquesne Light in 2006,
16 was promoted to Media and Public Relations Supervisor in 2009, and was
17 recently named the Manager of Media and Community Relations in 2011. Since
18 2006, I have been the chief spokesperson for the Company as well.

19

20 **Q. Please describe your current responsibilities as the Manager of Media and
21 Community Relations.**

22 **A.** I am responsible for the oversight and direction of the Company’s Media, Public
23 Relations and Community Relations. In this role, I serve as the primary

1 spokesperson for the company and oversee all internal and external
2 communications activities, including web sites, publications, advertisements,
3 press releases and all media relations. I am also responsible for the Company's
4 charitable giving in the two county service territory.

5
6 **Q. Please briefly describe the subject matter of your testimony in this**
7 **proceeding.**

8 **A.** The purpose of my testimony is to provide an overview of Duquesne Light's
9 Consumer Education activities as they relate to the Company's current Default
10 Service filing, and its ongoing efforts to educate its customers about electric
11 generation shopping. I note that Duquesne Light witness Sandoe is addressing
12 other actions that the Company is taking or is proposing to take to promote
13 customer choice in the Company's service territory.

14
15 **Q. Are you sponsoring any exhibits to the filing?**

16 **A.** No.

17
18 **SUMMARY OF DUQUESNE LIGHT'S CONSUMER EDUCATION ACTIVITIES**

19 **Q. Please provide some background on Duquesne Light.**

20 **A.** For more than 130 years, Duquesne Light has been providing the people of the
21 Pittsburgh region with reliable electricity. From the industrial age to the
22 technology era, Duquesne Light has been an integral part of the fabric that makes
23 up the city – as a public service provider, key employer, and long-time

1 community partner. Today the Company continues its role as a committed
2 community partner and as a leader in the transmission and distribution of electric
3 energy, providing a secure supply of reliable power and superior customer service
4 to more than 588,000 homes and businesses throughout the region of Allegheny
5 and Beaver counties. Duquesne Light maintains its headquarters in the heart of
6 the community in which it serves, and is part of the important backbone of
7 support for many social and human services programs in the region.

8
9 **Q. Please provide a history of the Company's Consumer Education Activities.**

10 **A.** Since Duquesne Light was one of the first electric distribution companies
11 ("EDCs") in the state to come out from under rate caps and eliminate its
12 Competitive Transition Charges in 2002, the Company was in a unique position
13 compared with other PA utilities. Duquesne Light was one of the first EDCs in
14 the state to launch a Consumer Education campaign during the Electric Choice
15 initiative of the late 1990s. Duquesne Light's current Consumer Education Plan,
16 implemented in 2008 and runs through 2012, continues to focus on shopping and
17 energy conservation. And because of these efforts, 91% of our residential
18 customers in the Duquesne Light territory know they have the right to choose
19 their electric supplier, as shown in a recent customer survey. Many have
20 exercised that right and shopping levels have progressively increased over the
21 years – especially in the past year – as many new EGS marketers have entered the
22 Duquesne Light service territory. Currently, there are approximately 215,000

1 Duquesne Light customers receiving their generation from over 25 active EGSs in
2 our service territory.

3

4 **Q. Please provide examples of some of the Company's current Consumer**
5 **Education activities.**

6 **A.** When the original Consumer Education order was issued by the Commission,
7 Duquesne Light's Consumer Education plan was vastly different from the other
8 EDCs in Pennsylvania because our rate caps had long since expired. Therefore,
9 the Commission advised the Company to focus on three key areas: educating
10 customers on their ability to shop for an EGS, educating customers on energy
11 conservation, and finally, educating its low income customers on the programs
12 available to assist with the payment of their utility bills.

13 One of the Company's most successful Consumer Education activities is
14 its "Watt Do You Know" school program, which has visited approximately 500
15 schools since 2008. "Watt Do You Know" is an interactive game show program
16 for grades 4-6 that teaches kids about energy conservation and how to be good
17 energy stewards.

18 The Company also utilizes a speaker's team to regularly visit customers in
19 senior citizen high-rises, AARP meetings, church groups, and similar
20 organizations to present a simple, but informative, energy conservation
21 presentation which is tailored specifically to their lifestyles. Since 2008, the
22 speaker's team has conducted approximately 200 of these presentations.

1 Finally, the Company, via its *ServiceLine* customer newsletter (which is
2 mailed to all residential customers), regularly highlights the Commission's PA
3 Powerswitch website, as well as features articles on how to shop, how to be more
4 energy efficient, and what programs are available for the payment troubled
5 customers.

6 Since the inception of the Company's Consumer Education plan in 2008,
7 Duquesne Light averages \$600,000-\$900,000 a year in Consumer Education
8 spending.

9

10 **Q. What Consumer Education activities does the Company plan to do going**
11 **forward?**

12 **A.** Duquesne Light is an active participant in the Commission's ongoing Retail
13 Market Investigation of which Consumer Education is a key component.
14 Currently, the Company has mailed a Commission-designed postcard that
15 encouraged customers to visit the Commission's PA Powerswitch website and
16 shop with an EGS.

17 The Company has also agreed to send two other mailings to customers
18 later in 2012. One will be a letter from our CEO that encourages customers to
19 shop for their generation supply. The second mailing will be a tri-fold brochure
20 that further explains shopping for electricity.

21 Alongside these three new activities, the Company will be continuing with
22 the same Consumer Education activities, some of which were described above.

1 In 2012, Duquesne is planning to spend approximately \$1.5 million on its
2 Consumer Education activities, which is an increase due to the three new
3 Commission-ordered mailings.

4

5

CONCLUSION

6 **Q. Finally, Mr. Vallarian, do you have any concluding comments?**

7 **A. The Company continues to support consumer education on both conservation and**
8 shopping as providing valuable information to our customers. Education on
9 shopping should be tailored to the level of shopping and customer knowledge
10 concerning shopping in each EDC's territory. In Duquesne Light's territory,
11 where there has been a long history of consumer education, our customers have
12 had nearly a decade of experience with shopping with shopping levels continuing
13 to increase.

14

15 **Q. Does this conclude your direct testimony at this time?**

16 **A. Yes.**