

DUQUESNE LIGHT STATEMENT NO. 5

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**DIRECT TESTIMONY OF
MICHELE R. SANDOE**

Dated: April 27, 2012

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

2 A. Michele R. Sandoe, 411 Seventh Avenue MD 8-6, Pittsburgh PA 15219.

3

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

6 A. I am the Vice President of Customer Care.

7

8 **Q. How long have you worked at Duquesne Light?**

9 A. I began my employment with Duquesne Light on December 30, 1996.

10

11 **Q. What are your current responsibilities?**

12 A. My overall responsibilities are to develop and establish policies, plans, programs,
13 strategies and tactics for providing customer service to the Company’s 585,000
14 customers. As Vice President of Customer Care, I am responsible for the relationships
15 with residential, commercial & industrial customers as well as the direction of revenue
16 management or the “meter to cash” process. Customer programs such as Universal
17 Services, Energy Efficiency and Demand Response are also included as part of my
18 Customer Care responsibilities.

19

20 **Q. What are your qualifications, work experience and educational background?**

21 A. I have included that information as Exhibit MRS - 1 to my testimony.

22

23 **Q. What is the purpose of your direct testimony?**

1 A. I will describe and explain the Company’s proposed promotion of electric choice. I will
2 also provide an overview of the promotion and operations of the Company’s new retail
3 market initiatives, including the Opt-In Electric Generation Supplier (“EGS”) Service and
4 the Standard Offer Customer Referral Program. Specifically, I will describe how
5 customers will learn about these new retail market initiatives and how they may enroll in
6 these programs. Duquesne Light witness Fisher outlines the overall program design of
7 these two new retail market initiatives being proposed by the Company – the Opt-In EGS
8 Service Program and the Standard Offer Customer Referral Program.

9

10 **Q. Are you sponsoring any exhibits as part of your direct testimony?**

11 A. Yes, I am. Exhibit MRS – 1 is my biographical information.

12

13 **CUSTOMER CHOICE COMMUNICATION PROGRAMS**

14 **Q. Can you provide an overview of the Company’s proposed customer choice**
15 **communication and referral programs?**

16 A. Yes. As part of its proposed default service plan, Duquesne Light plans to promote
17 electric choice to customers in its service area utilizing numerous mediums including use
18 of Duquesne Light’s:

- 19 • Company website,
- 20 • Bill Inserts,
- 21 • Bill Print Message,
- 22 • “New Mover Packet,”
- 23 • Interactive Voice Response (“IVR”) phone system, and

1 • Email Messaging.

2 Duquesne witness Vallarian describes the Company’s proposed customer
3 education activities in more detail in his testimony.

4
5 **Q. Describe how Duquesne Light promotes customer choice on its website.**

6 A. Duquesne Light promotes electric choice on the main page of its website,
7 www.duquesnelight.com, with an active link to the Pennsylvania Public Utility
8 Commission (“Commission”) website for electric supply at PAPowerSwitch.com.
9 Residential Customers can access further electric choice information under the Customer
10 Service tab located on the “For Your Home” page. The electric choice information
11 displayed includes a description of electric choice including how to participate, to select a
12 supplier, to calculate your monthly savings, and to rescind, as well as frequently asked
13 questions (“FAQs”). The FAQs cover topics such as supplier information, “price to
14 compare”, participation, changing suppliers, billing information, slamming, restructuring,
15 energy assistance, renewable resources, metering, and customer service. An active link
16 to the Commission’s PAPowerSwitch.com is displayed on this page. Commercial and
17 Industrial Customers can access similar information under the Customer Service tab
18 located on the “For Your Business” page.

19
20 **Q. Describe how Duquesne Light promotes customer choice via bill inserts.**

21 A. Duquesne Light proposes to continue to promote supplier shopping via its *Service Line*
22 customer newsletter, included as a bill insert. These bill inserts are mailed to all

1 residential customers and are read by two-thirds of residential customers. Current and
2 previous editions of *Service Line* are available on the Company’s website.

3
4 **Q. Describe how Duquesne Light will promote customer choice via a bill print message.**

5 A. Duquesne Light will enhance the price to compare information placed on the bill to
6 include a referral to PAPowerSwitch.com. As a result, all customers may be reminded of
7 their opportunity to choose an electric supplier on a monthly basis. Duquesne Light
8 Witness Pfrommer describes these changes in the price to compare language in his
9 testimony.

10
11 **Q. Describe how Duquesne Light promotes customer choice via a new mover
12 information packet.**

13 A. In order to advise residential new customers and a subset of moving customers of their
14 opportunity to choose a supplier, Duquesne Light plans to promote shopping via its “New
15 Mover Packet.” This packet contains a variety of useful information for new customers
16 including a section on customer choice. The customer choice section reinforces that
17 electric customers in Pennsylvania have the option to choose their electric supplier and
18 that EGSs may offer lower prices or other options such as green electric generation. It
19 refers customers to both the Commission’s website and the OCA’s electric shopping
20 guide at www.oca.state.pa.us. Phone numbers for both the Commission and the OCA are
21 provided on their respective websites. Lastly, it informs customers that no matter from
22 whom they buy their power, the reliability and quality of their local distribution service
23 will not change. Last year, nearly 50,000 “New Mover Packets” were distributed.

1 **Q. Describe how Duquesne Light will promote customer choice via its IVR phone**
2 **system.**

3 A. Duquesne Light will modify its IVR to advise customers of their opportunity to choose a
4 supplier and to provide a referral to PAPowerSwitch.com. Residential customers
5 contacting the Company to initiate or move service, to discuss choice questions or to
6 resolve high bill concerns will hear this IVR customer referral.

7

8 **Q. Describe how Duquesne Light will promote customer choice via email messaging.**

9 A. In a further attempt to promote supplier shopping, Duquesne Light proposes to send an
10 email to residential customers that have provided the Company with an email address.
11 This email message will be developed jointly with the Office of Consumer Advocate to
12 provide relevant customer choice information.

13

14 **Q. Which customers would be able to benefit from the Company's proposed customer**
15 **choice communication and customer referral programs?**

16 A. Duquesne Light's customer choice communication and referral programs reach all
17 customers. Programs for specific customer segments vary by offering. The Company's
18 website is accessible to anyone. Residential and Commercial & Industrial customers
19 have customer choice information on the "For Your Home" and "For Your Business"
20 sections of the website. Duquesne Light's *Service Line* is mailed to all residential
21 customers and is also accessible via the Company's website. The "New Mover Packet"
22 is mailed to new residential customers and existing residential customers who have
23 moved within the service territory after residing in the same address for at least two
24 years. The price to compare message with referral to PAPowerSwitch.com would reach

1 Residential and Commercial & Industrial customers. The IVR would reach residential
2 customers who contact Duquesne Light to initiate or move service, to discuss customer
3 choice, or to resolve a high bill complaint. The email would target residential customers.
4

5 **NEW / MOVING CUSTOMER REFERRAL PROGRAM**

6 **Q. Is the Company planning to implement a new/moving customer referral program?**

7 A. Yes. The Company will expand the customer choice communication and customer
8 referral programs that I described above when it implements the new/moving customer
9 referral program in accordance with the Commission's March 3, 2012 Final Order on the
10 Intermediate Work Plan. The program will be targeted to new residential and small C&I
11 customers as well as to existing non-shopping residential and small C&I customers who
12 contact the Company to establish service or to move to a new premise within the
13 Company's service territory. This program is scheduled to be operational by the end of
14 2012, and Duquesne Light will merge the new/moving customer referral program with
15 the standard offer customer referral program once that is implemented.
16

17 **STANDARD OFFER PROGRAM**

18 **Q. Please provide an overview of the Company's proposed new Standard Offer**
19 **Program.**

20 A. The Company's proposed Standard Offer Program is an expansion of the customer choice
21 communication, the customer referral programs and the new/moving customer referral
22 program that I described above. The Standard Offer Program will be targeted to non-
23 shopping residential customers who contact the Company for an inquiry that would

1 provide a natural segue to supplier shopping. After the customer's specific inquiry has
2 been resolved, Duquesne Light's customer service representative (CSR) will reinforce
3 that the customer has the opportunity to choose his/her supplier, that supplier offers exist
4 and, when appropriate, that a standard offer lower than their current price to compare is
5 available. When the customer indicates that he/she is interested, he/she will be
6 transferred to a "choice referral team."

7
8 **Q. What would be the role of the "choice referral team"?**

9 A. The exact roles of the "choice referral team" and EGSs participating in the Standard
10 Offer Program have not yet been fully defined, and will depend in part on the call center
11 scripts that are yet to be developed. However, as I describe further below, Duquesne
12 Light envisions a process whereby it would facilitate customer enrollment in the program
13 so that interested customers could avoid having to take numerous steps to enroll. The
14 "choice referral team" will answer specific customer questions about supplier shopping,
15 refer customers to all available supplier offers at PAPowerSwitch.com, and explain the
16 current standard offer available. If the customer knows he or she is interested in enrolling
17 in the standard offer, the "choice referral team" will send customer referral information to
18 the corresponding EGS on a daily basis so that the EGS could then submit the appropriate
19 EDI transaction to process the enrollment. In this case, the EGS would not be required to
20 have a separate or duplicative conversation with the customer to enroll the customer in
21 the program. Depending on how the call center scripts are crafted, it also is possible that
22 the "choice referral team" could transfer the customer to the customer-elected or
23 Duquesne Light assigned EGS call center for enrollment.

1 **Q. What standard offer product will the “choice referral team” need to explain to**
2 **customers?**

3 A. As detailed in Witness Fisher’s testimony, the EGS standard offer will be a 7% reduction
4 from the Company’s applicable default service price to compare known at the time of the
5 offer. The 7% reduction is a constant cents per kWh price established against the price to
6 compare. The constant price will be known on the date the standard offer is made and
7 will be effective for 12 customer billing cycles.

8
9 **Q. Which customers can participate in the Standard Offer Program?**

10 A. All residential customers who are on default service at the time of the contact would be
11 *targeted* for participation in the standard offer. However, if other residential customers
12 became aware of the program through other means, these residential customers could
13 participate as well. If a residential customer inquires about the standard offer, he/she
14 would be transferred to the “choice referral team.”

15
16 **Q. Will CAP customers be eligible to participate in the Standard Offer Program?**

17 A. CAP customers will not be eligible to participate in the Standard Offer Program.

18
19 **Q. Will CAP customers be notified that they will be ineligible to participate?**

20 A. Yes, CAP customers will receive a letter indicating that they are ineligible to participate
21 in the Standard Offer Program. At Duquesne Light’s collaborative webinar held on
22 March 28, 2012, the Pennsylvania Utility Law Project (“PULP”) requested that proactive
23 notification be sent to CAP customers in order to minimize confusion.

24

1 **Q. Which types of calls would be transferred to the “choice referral team” in the**
2 **Standard Offer Program?**

3 A. Four types of customer calls would be transferred to the “choice referral team”: 1) to
4 initiate or move service, 2) to discuss choice questions, or 3) to resolve high bill
5 concerns, or 4) to inquire about the Standard Offer Program. Customer calls for issues
6 such as emergencies, service shut offs, collections, and general business, such as operator
7 calls, would not be included. Regardless of the reason a customer calls, if a customer
8 asks about the Standard Offer Program, the customer will be transferred to the “choice
9 referral team” after their initial inquiry has been resolved. I note that high bill complaints
10 will be addressed before the standard offer is mentioned.

11

12 **Q. Would Duquesne Light’s CSRs be responsible for describing existing EGS product**
13 **offerings?**

14 A. No, the CSRs will not provide information regarding existing EGS product offerings.
15 When a customer expresses interest in an existing EGS product offering, other than the
16 customer standard offer, he/she will be referred to PAPowerSwitch.com for additional
17 information. The Commission stated in the Tentative Order that it is reluctant to place
18 EDCs in the position of providing information regarding existing EGS product offerings
19 during a customer referral call.¹ The CSRs would have a pre-determined script to follow.
20 Duquesne Light plans to work with the Commission, EGSs, and the OCA to ensure that
21 any call center script does not favor Duquesne Light’s default service over EGS supply

¹ Tentative Order, at 19.

1 options and that the information being provided is complete and accurate. CSRs would
2 provide factual information on this subject in a fair and neutral manner.

3

4 **Q. Would Duquesne Light’s “choice referral team” enroll customers in the Standard**
5 **Offer Program?**

6 A. Not directly. While Duquesne Light will facilitate this process, EGSs must formally
7 complete the enrollment of customers. Residential customers may provide referral
8 information to the EGS through the Duquesne Light website or by telephone using an
9 interactive voice response (“IVR”) system maintained and operated by Duquesne Light
10 or by a dedicated call center “choice referral team” member. Customer *requests* received
11 via Duquesne Light’s website, the IVR system, or the call center referral group will be
12 forwarded to the EGS daily. The EGS must then submit a switching request via the
13 appropriate EDI transaction to Duquesne Light for each customer. EGS enrollment must
14 adhere to the Company’s meter reading schedule and must be consistent with the
15 switching protocols in the Company’s retail and supplier tariffs.

16

17 **Q. What is the Choice Referral Team?**

18 A. Duquesne Light will create its own “choice referral team” utilizing additional resources
19 within its call center or outsourcing to a third party. Separating the referral calls will
20 enable Duquesne Light to accurately track the costs of the program, to provide detailed
21 electric choice training to a specific set of CSRs, and to ensure a minimal impact to the
22 remainder of the call center’s operations.

23

24

1 **OPT-IN EGS SERVICE PROGRAM**

2 **Q. How will the Opt-In EGS Service Program be promoted?**

3 **A.** As explained by Mr. Fisher, the Company will provide a one-time Opt-In EGS Service
4 Program in June 2013. The Opt-In EGS Service Program will be promoted via an offer
5 letter sent by Duquesne Light. All offers by Opt-In EGSs will include the stated price
6 and the same standard terms and conditions. The offer letter will also include a response
7 post-card or tear off coupon, pre-populated as much as possible, for the customer to
8 return to the Company.

9
10 **Q. How will the offer letter be developed?**

11 **A.** The offer letter and any other related materials will be developed jointly by the Office of
12 Consumer Advocate, the Commission, EGSs, and Duquesne Light.

13
14 **Q. Which customers can participate in the Opt-In EGS Service Program?**

15 **A.** All residential customers who are on default service, other than CAP customers and
16 default service customers that recently affirmatively instructed Duquesne Light not to
17 release their addresses to EGSs, would be *targeted* for participation in the Opt-In EGS
18 Service Program and will receive a letter from the Company and participating EGSs.
19 However, if other residential, non-CAP customers became aware of the program through
20 other means, these residential customers could participate as well.

21
22 **Q. Will CAP Customers be eligible to participate?**

23 **A.** No, CAP customers will not be eligible to participate in the Opt-In EGS Service Program.
24

1 **Q. Will CAP customers be notified that they will be ineligible to participate?**

2 Yes, CAP customers will receive a letter indicating that they are ineligible to participate
3 in the Opt-In EGS Service Program. At Duquesne Light’s collaborative webinar held on
4 March 28, 2012, PULP requested that proactive notification be sent to CAP customers in
5 order to minimize confusion.

6
7 **Q. How will customers enroll in the Opt-In EGS Service Program?**

8 A. Duquesne Light will facilitate customer enrollment in the Opt-In EGS Service Program.
9 Completed customer post-cards or tear off coupons from the Opt-In letter will be returned
10 to the Company. Residential customers may also provide a customer enrollment referral
11 through Duquesne Light’s website or by using an interactive voice response (“IVR”)
12 system maintained and operated by Duquesne Light. Customer referrals received via the
13 completed and returned post-card or tear off coupon, the Company’s website, or the IVR
14 system will be forwarded to the EGS daily. The EGS must then submit a switching
15 request via the appropriate EDI transaction to Duquesne Light for each customer. EGS
16 enrollment must adhere to the Company’s meter reading schedule and must be consistent
17 with the switching protocols in the Company’s retail and supplier tariffs. While
18 Duquesne Light will facilitate this process, EGSs must formally complete the enrollment
19 of customers.

20

21 **Q. Would Duquesne Light’s CSRs be responsible for describing the Opt-In EGS**
22 **Service Program offerings?**

1 **A.** Duquesne Light's CSRs will not be responsible for promoting the Opt-In EGS Service
2 Program offerings. However, CSRs will respond to customer inquiries about the Opt-In
3 EGS Service Program. The Company will monitor customer feedback to the Opt-In EGS
4 Service Program including customer concerns and/or questions posed by callers.

5

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

7 **A.** Yes, it does.

Duquesne Light Exhibit MRS – 1

Michele R. Sandoe, Vice President – Customer Care

Ms. Sandoe oversees the development and implementation of policies, plans, programs, strategies and tactics for providing customer care to the Company's 585,000 customers. She manages the relationships with commercial, industrial and residential customers and directs revenue management or 'meter to cash' process. Ms. Sandoe provides oversight and approval of all development and business improvement strategies for areas of control, projects that are critical to organizational objectives and the energy efficiency and demand response programs ensuring compliance with PaPUC decisions and energy reduction commitments. After joining the Company in 1996, Ms. Sandoe progressed through increasingly responsible assignments, including Director Revenue Cycle Services. Previously, Ms. Sandoe held various analytical positions within Mellon Bank and the University of Pittsburgh. Ms. Sandoe holds a master's degree from the University of Michigan and a bachelor's degree from the University of Pittsburgh, and her directorships include Rebuilding Together Pittsburgh.