

**DUQUESNE STATEMENT NO. 6**

**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  
DAVID G. WOLFE**

**Dated: April 27, 2012**

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

2 A. David G. Wolfe, 411 Seventh Avenue MD 8-1, Pittsburgh PA 15219.

3

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

6 A. I am the Director of Technology.

7

8 **Q. How long have you worked in Information Technology and at Duquesne Light?**

9 A. I have more than 26 years of diversified experience in technology, including 19 years in  
10 various staff and leadership positions at Duquesne Light. I began my employment with  
11 the Company on June 3, 1993.

12

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

14 A. I am responsible for IT applications, projects, infrastructure and support;  
15 telecommunications; and the company’s Smart Meters Program. I also serve as a  
16 director on the Utility Telecom Council’s Smart Network board and on the Executive  
17 Committee for the Leukemia & Lymphoma Society Light the Night Walk, which is held  
18 annually in Pittsburgh.

19

20 **Q. What is your educational background?**

21 A. I have a master’s degree in Business Administration from Duquesne University and a  
22 bachelor’s degree from Grove City College in Computer Systems and Accounting.

23

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

1 A. I will describe and explain the Company's proposed enrollment facilitation processes for  
2 the Opt-In EGS Service and Standard Offer programs. I will also outline the Company's  
3 proposed plans related to accelerating automated switching.

4

5

**OPT-IN EGS SERVICE PROGRAM**

6 **Q. Can you provide an overview of the Company's proposed process for facilitating**  
7 **customer enrollments for the Opt-In EGS Service Program?**

8 A. Yes. Duquesne Light proposes facilitating enrollments for the Opt-In EGS Service  
9 Program under a four step, primarily automated process.

- 10 1. Duquesne Light will randomly assign residential customers to Opt-In  
11 Suppliers based on awarded shares.
- 12 2. Duquesne Light will send letters to eligible residential customers that remain  
13 on default service.
- 14 3. Duquesne Light will manually update the company's Customer Information  
15 System with the affirmative customer responses received by mail or phone  
16 call each day.
- 17 4. Duquesne Light's Supplier Service Center will email a file each morning to  
18 each EGS participating in the Opt-In EGS Service Program listing the  
19 customers by Duquesne Light account number that are assigned to them and  
20 that signed-up for the program the preceding day.

21 This four-step process of actions taken by Duquesne Light is designed to make it easy for  
22 customers to enroll and EGSs to participate in the program, and will ensure that EGSs are

1 not required to make contact with customers in order to complete the enrollment. Each of  
2 these steps are described further below.

3

4 **Q. Please describe step one of the proposed Opt-In EGS Service Program enrollment**  
5 **process.**

6 A. In the first step of the proposed Opt-In EGS Service Program enrollment process,  
7 Duquesne Light will randomly pre-assign all residential customers, except for customers  
8 in CAP, to one of the EGS's participating in the Opt-In EGS Service Program. The  
9 number of customers pre-assigned to each EGS will be based on the percentage of supply  
10 that they win under the tranche structure described in Mr. Fisher's testimony. For  
11 example, an EGS that wins 50% of the Opt-In EGS Service Program supply would be  
12 assigned half of all of Duquesne Light's eligible residential customers. All eligible  
13 residential customers will be assigned to an Opt-In program EGS even if all of the  
14 tranches are not subscribed based on a fractional share. For example, if the program  
15 tranches are only subscribed at 70% and one EGS wins 50% while another EGS wins  
16 20%, then the first EGS would be assigned five-sevenths (or 71%) of all eligible  
17 Duquesne Light residential customers and the other EGS would be assigned two-sevenths  
18 (29%) of all eligible Duquesne Light residential customers. However, an EGS will not be  
19 required (or permitted) to serve more tranches than it bid.

20

21 **Q. Please describe step two of the proposed Opt-In EGS Service Program enrollment**  
22 **process.**

1 A. In the second step of the proposed Opt-In EGS Service Program enrollment process,  
2 Duquesne Light will send letters to all eligible residential customers that remain on  
3 default service unless they have recently requested that their addresses not be released to  
4 an EGS. Only customers that have made an affirmative election in 2012 will be  
5 excluded. The letters to all other eligible customers will include both the Duquesne Light  
6 logo, as well as the logo of the customer's pre-assigned EGS. The letters will also  
7 include a tear-off coupon or postcard that the customer can send back to Duquesne Light  
8 through U.S. Mail indicating their desire to participate in the program. The letters will  
9 also list a Duquesne Light phone number for customers to call as well as a Duquesne  
10 Light web site that customers can access on-line to indicate their desire to participate in  
11 the program. This will provide multiple ways in which a customer may enroll in the  
12 program.

13  
14 **Q. Please describe step three of the proposed Opt-In EGS Service Program enrollment**  
15 **process.**

16 A. In the third step of the proposed Opt-In EGS Service Program enrollment process,  
17 Duquesne Light will manually, on a daily basis, update the Company's Customer  
18 Information System with the affirmative customer responses received by mail or phone.  
19 In addition, Duquesne Light will, on a daily basis, systematically update the Company's  
20 Customer Information System with the affirmative customer responses received through  
21 Duquesne Light's IVR or web site. This daily update process will automatically monitor  
22 the participation cap for each EGS. Customer enrollment in the Opt-In EGS Service  
23 Program will be limited to 50% of eligible residential accounts on default service, and all  
24 EGSs will receive a cap on the number of customers that they can enroll. Once the

1 number of customers that sign up for the Opt-In EGS Service Program equals the cap for  
2 their assigned EGS, all subsequent customer registrations for that EGS will not be  
3 accepted. Customers that call Duquesne Light could, however, elect another EGS  
4 participating in the program that has not yet met its participation cap. Duquesne Light's  
5 witness Fisher provides additional detail regarding how the supplier participation caps  
6 will work.

7

8 **Q. Please describe step four of the proposed Opt-In EGS Service Program enrollment**  
9 **process.**

10 A. In the fourth step of the proposed Opt-In EGS Service Program enrollment process,  
11 Duquesne Light's Supplier Service Center will email a file each morning to each EGS  
12 participating in the Opt-In EGS Service Program. This file will list the customers by  
13 Duquesne Light account number that are assigned to them and who signed-up for the  
14 program the preceding day. For each account listed, the file will also contain the  
15 necessary customer demographic information for the EGS to enroll customers into the  
16 Opt-In EGS Service Program using their standard enrollment process. The EGS will not  
17 need to contact the customer in order to complete the enrollment. At this point, the  
18 enrollment process will proceed in the same manner as all other customer switching  
19 transactions beginning with the generation of an 814 EDI enrollment transaction from the  
20 EGS to Duquesne Light.

21

22 **Q. Can customers that have already switched to an EGS participate in the Opt-In EGS**  
23 **Service Program?**

1 A. Yes. Although customers that have already switched to an alternate supplier will not  
2 receive a letter informing them of the Opt-In EGS Service Program, they will be pre-  
3 assigned to an EGS. They will not be sent a letter because those customers may be in a  
4 contract with their supplier and because these customers do not require a “jump start” to  
5 begin shopping. If they wish to participate in the Opt-In EGS Service Program and  
6 initiate the transaction, their enrollment will begin at step three of the process.

7

8 **Q. Can CAP customers participate in the Opt-In EGS Service Program?**

9 A. No. CAP customers will not be assigned to an Opt-In EGS Service Program EGS and  
10 therefore will not be allowed to participate in the Opt-In EGS Service Program.

11

12 **Q. Can customers that request their addresses not be released to an EGS participate in  
13 the Opt-In EGS Service Program?**

14 A. Yes. Although customers that request that their addresses not be released to an EGS will  
15 not receive a letter informing them of the Opt-In EGS Service Program, they will be pre-  
16 assigned to an EGS. If they wish to participate in the Opt-In EGS Service Program and  
17 initiate the transaction, their enrollment will begin at Step three of the process.

18

19 **Q. Can customers request an EGS other than the EGS that they were assigned for the  
20 Opt-In EGS Service Program?**

21 A. Yes. If customers request an EGS participating in the Opt-In EGS Service Program other  
22 than the one that they were randomly assigned, Duquesne Light will honor the request.  
23 Since the letter’s tear-off coupon or postcard, as well as the IVR and Duquesne Light web  
24 site will only allow customers to enroll with the EGS they were assigned, these customers

1 would need to call the Duquesne Light call center. Any enrollments with an EGS will  
2 count towards the tranche cap for that EGS even if it is different than the original  
3 assignment.

4

5

### **STANDARD OFFER PROGRAM**

6 **Q. Does the Company's proposed process for facilitating customer enrollments for the**  
7 **Standard Offer program differ from the Company's proposed process for**  
8 **facilitating customer enrollments for the Opt-In EGS Service Program?**

9 A. Yes. Although Duquesne Light also proposes facilitating enrollments for the Standard  
10 Offer Program under a four step, primarily automated process, each of the steps are  
11 different from those in the Opt-In EGS Service Program.

12

13 **Q. Please describe step one of the proposed Standard Offer Program enrollment**  
14 **process.**

15 A. In the first step of the proposed Standard Offer Program enrollment process, Customer  
16 Service Representatives (CSR's) working in Duquesne Light's primary call center will  
17 refer certain customer call types to the "choice referral team." This referral will occur at  
18 the end of the customer's normal business call as described in Duquesne Light witness  
19 Sandoe's testimony and will result in a physical transfer of the call.

20

21 **Q. Please describe step two of the proposed Standard Offer Program enrollment**  
22 **process.**

23 A. In the second step of the proposed Standard Offer Program enrollment process, if the  
24 customer wishes to participate in the program after hearing an explanation of the offering,

1 the CSR will manually update the Company's Customer Information System with the  
2 affirmative customer response. If during the offering explanation the customer selects a  
3 specific EGS participating in the Standard Offer Program, the CSR will also manually  
4 update the Company's Customer Information System with the specified EGS.

5  
6 **Q. Please describe step three of the proposed Standard Offer Program enrollment  
7 process.**

8 A. In the third step of the proposed Standard Offer Program enrollment process, if the  
9 customer did not select a specific EGS in step two, then Duquesne Light will  
10 systematically assign the customer to an EGS participating in the Standard Offer  
11 Program. The assignments will be done sequentially so that each participating EGS  
12 receives an equal share of the participating customers that do not specifically select an  
13 EGS. Once a customer has been assigned to a participating EGS during the systematic  
14 assignment process, this EGS moves to the bottom of the list. However, an EGS does not  
15 lose their place on the systematic assignment list if a customer selects them in step two.

16  
17 **Q. Please describe step four of the proposed Standard Offer Program enrollment  
18 process.**

19 A. In the fourth step of the proposed Standard Offer Program enrollment process, Duquesne  
20 Light's Supplier Service Center will email a file each morning to each EGS participating  
21 in the Standard Offer Program. This file will list the customers by Duquesne Light  
22 account number that are assigned to them and who signed up for the program the  
23 preceding day. For each account listed, the file will also contain the necessary customer  
24 demographic information for the EGS to enroll customers into the Standard Offer

1 Program using their standard enrollment process. The EGS will not need to contact the  
2 customer in order to complete the enrollment. At this point, the enrollment process will  
3 proceed in the same manner as all other customer switching transactions beginning with  
4 the generation of an 814 EDI enrollment transaction from the EGS to Duquesne Light.

5  
6 **Q. Can customers that have already switched to an EGS participate in the Standard  
7 Offer Program?**

8 A. Yes. However, customers that have already switched to an alternate supplier will not be  
9 introduced to the program at the end of their normal business call. Therefore, unless they  
10 explicitly express an interest, they will not be referred to the Duquesne Light Standard  
11 Offer Program choice referral team.

12  
13 **Q. Can CAP customers participate in the Standard Offer Program?**

14 A. No. CAP customers will not be referred to the Duquesne Light Standard Offer Program  
15 choice referral team even if they express an interest in the program.

16  
17 **Q. When is Duquesne Light proposing to implement the Standard Offer Program?**

18 A. As explained by the Company's witness, Mr. Fisher, Duquesne Light is proposing to  
19 implement the Standard Offer Program on June 1, 2014. One of the reasons for waiting  
20 until June 1, 2014 is because the Company is in the process of making a significant  
21 investment in a new customer information system (FOCUS), the first phase of which is  
22 currently scheduled to be operational at the start of the Default Service Plan. As a result,  
23 it would be difficult for the Company to implement the necessary system requirements  
24 for the Standard Offer Program at the same time that it is installing and testing a new

1 customer information system. Furthermore, once the new customer information system  
2 is up and running the Company has chosen to implement several new process  
3 improvements to allow for accelerated customer switching to EGSs. These process  
4 improvements are explained below. The process improvements related to accelerated  
5 switching should be implemented before the Standard Offer Program commences so that  
6 the Company is not required to switch Standard Offer Program procedures mid-program.  
7 The Company currently projects that it will be able to implement the accelerated  
8 switching process improvements by the first quarter of 2014.

#### 9 10 **ACCELERATED SWITCHING**

11 **Q. Will Duquesne Light implement any process improvements to accelerate switching**  
12 **to an EGS?**

13 A. Yes, Duquesne Light will implement two process improvements for accelerating the  
14 supplier switching timeframe to an EGS. These process improvements are often referred  
15 to as “seamless move” and “switch on connect” and the implementation of this  
16 functionality will require significant changes to the company’s customer information  
17 systems.

18  
19 **Q. Can you provide a brief explanation of “seamless move” functionality?**

20 A. Yes. For “seamless move” functionality, the EDC provides the capability for an existing  
21 customer to retain their current alternate supplier rather than dropping back to default  
22 service when they move from one premise to another within the same EDC territory.  
23 Currently when a customer with an alternate supplier moves to another premise within

1 the same EDC territory, they are automatically enrolled in default service at their new  
2 premise. The customer can then switch to an alternate supplier on their next bill cycle  
3 following the normal switching rules.

4  
5 **Q. Can you provide a brief explanation of “switch on connect” functionality?**

6 A. Yes. For “switch on connect” functionality, the EDC provides the capability for a new  
7 customer to select a supplier immediately upon moving into the EDC territory rather than  
8 being enrolled in default service for their first cycle bill. Currently when a new customer  
9 moves into the EDC territory they must wait until at least their first cycle bill to switch to  
10 an alternate supplier following the normal switching rules.

11  
12 **Q. What steps does Duquesne Light have to take before supporting “seamless move”  
13 and “switch on connect” functionality?**

14 A. Duquesne Light must make significant changes to its existing Customer Information  
15 System (DISCuS) to support “seamless move” and “switch on connect” functionality.  
16 Since Duquesne Light is close to concluding the Assembly Phase of a three year project  
17 (FOCUS) to replace DISCuS with the Oracle Customer Care & Billing System (CC&B),  
18 it is best to defer implementation of this functionality until after the new system is  
19 installed and properly tested, which is scheduled to be completed in the second quarter of  
20 2013.

21  
22 **Q. Why can’t Duquesne Light implement “seamless move” and “switch on connect”  
23 functionality sooner as part of the FOCUS project implementation?**

1 A. “Seamless moves” and “switch on connect” functionalities were not part of the scope of  
2 the FOCUS project that was defined during the Analysis Phase in the first half of 2011.  
3 Therefore, these functionalities will need to be implemented as part of a subsequent  
4 release, which Duquesne Light estimates can be completed in the first quarter of 2014.

5

6 **Q. Are there any other considerations related to the implementation of “seamless**  
7 **moves” or “switch on connect” functionalities?**

8 A. Yes. Although Duquesne Light believes that the confirmation letter and rescind period  
9 are critical components of customer switches between suppliers, it would need to be  
10 eliminated when a customer selects a supplier upon moving into an EDC territory for the  
11 first time. It would not be practical for the Company to implement the “switch on  
12 connect” functionality but then have a customer assigned to default service during the 10-  
13 day confirmation period. The Company does not see this as an issue because seamless  
14 moves will be initiated by contacting the Company.

15

16 **Q. Are there any other process improvements that exist for accelerating the supplier**  
17 **switching timeframe?**

18 A. Yes. Another process improvement for accelerating the supplier switching timeframe is  
19 “off cycle switch” functionality.

20

21 **Q. Can you provide a brief explanation of “off cycle switch” functionality?**

22 A. Yes. For “off cycle switch” functionality, the EDC provides the capability for a customer  
23 to select the date that they want to switch to a new supplier rather than waiting to switch

1 on the next cycle bill. Currently all switches from default service to an EGS or vice-  
2 versa occur on the customer's next cycle bill following the normal switching rules.

3

4 **Q. When will Duquesne Light implement "off cycle switch" functionality?**

5 A. "Off cycle switch" functionality can only be offered to customers with meters that are  
6 read daily. Not all of Duquesne's residential meters are currently read daily. Therefore,  
7 Duquesne Light plans to implement "off cycle switch" functionality as part of our Smart  
8 Meter program. When a customer receives a Smart Meter, they will have the capability  
9 to select the date that they want to switch to a new supplier rather than waiting to switch  
10 on the next cycle bill.

11

12 **Q. Does Duquesne Light have plans to implement "bill ready" functionality?**

13 A. Yes. Duquesne Light currently provides "rate ready" functionality. Commencing on  
14 June 1, 2015, Duquesne Light plans to implement "bill ready" functionality and be  
15 capable of billing any product an EGS would like to offer that is supported by then  
16 available metering data.

17

18 **Q. Does this conclude your direct testimony?**

19 A. Yes, it does.