

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

**Petition of Duquesne Light Company for Approval of its Default  
Service Program**

Docket Nos. P-2012-2301664

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**ANSWER OF RESPONDENT THE  
COALITION FOR AFFORDABLE UTILITY SERVICES  
AND ENERGY EFFICIENCY IN PENNSYLVANIA**

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**I. INTRODUCTION**

On April 27, 2012 Duquesne Light Company (“Duquesne” or the “Company”) filed a Petition for Approval of its Default Service Program. In addition to specifying its procurement strategy for the default service period in question, Duquesne has proposed a retail opt-in aggregation program, a standard offer customer referral program, and a new and moving customer program in response to the Commission’s March 2, 2012 Order in *Investigation of Pennsylvania’s Retail Electricity Markets*, Docket No. I-2011-2237952.

On June 1, 2012, concurrent with this filing, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), through its attorneys at the Pennsylvania Utility Law Project, filed a Petition to Intervene in this proceeding. Although intervention has not yet been granted by the Presiding Officer, CAUSE-PA files this Answer in response to the Petition.

**II. ANSWER**

CAUSE-PA has preliminarily reviewed the Petition and identified a number of issues presented by the filing. CAUSE-PA anticipates that additional issues will arise as a more

comprehensive review of Duquesne's filing is undertaken, including a more comprehensive review of Duquesne's testimony, and discovery is conducted. However, the preliminary issues identified by CAUSE-PA include the structure of Duquesne's proposed retail market enhancements.

**A. The Opt-In Auction**

Duquesne proposes to implement an "opt-in" program in June 2013, in which EGSs will bid to provide competitive retail electric service to Duquesne's non-shopping, residential default load. (Petition ¶ 54.) According to the Petition, each offer price must be for a 12-month fixed price product that is at least five percent (5%) less than Duquesne's then-current Price-to-Compare. (Id. ¶¶ 55-56.) Customers participating will also receive a \$50 cash payment from the EGS who acquires the customer in the auction provided that the customer remains on Opt-in EGS service for at least three billing cycles (Id.) Once the winning EGSs are selected, customers would be randomly assigned and would receive the opportunity to Opt-in the program. (Id. ¶ 58.) Duquesne proposes to exclude CAP customers and default service customers that have recently affirmatively instructed Duquesne not to release their addresses to EGSs, from this program. (Id.) Participating customers can select another EGS or return to default service without penalty after enrollment; however, at the end of the 12-month fixed price an enrolled customer will not return automatically to default service and an EGS may establish new prices. (Id. ¶ 60.)

CAUSE-PA supports Duquesne's decision to preclude CAP customers from the Opt-in Auction program; however, it submits that there are other open issues concerning both the hazards and benefits that this auction would have for non-CAP, low-income residential customers. These issues must be thoroughly reviewed through discovery and a hearing in order

to ensure that Duquesne's low-income customers are not harmed by participation in such an auction.

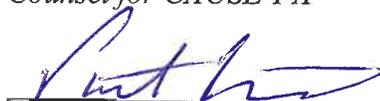
**A. Customer Referral Programs**

Duquesne also proposes to implement a Standard Offer Customer Referral Program, which would be available to residential customers with a standard 7% discount off the then-current PTC for a term of 12-months. (Petition ¶¶ 64-65.) Consistent with Commission direction, CAP customers would be precluded from participating in the standard offer program. (Id. ¶ 68.) The Standard Offer Program would not commence until 2014 because of computer programming changes. (Id. ¶¶ 65.) CAUSE-PA intends to examine the various proposals to ensure that each of them adequately protects low-income customers. Duquesne has appropriately concluded that CAP customers should not participate in this program and that the Standard Offer Program should be deferred until after the Opt-in Auction program; CAUSE-PA intends to support this approach. However, there remain unanswered questions about whether there are adequate protections for other low-income customers enrolled in these programs. These issues must be thoroughly reviewed through discovery and a hearing in order to ensure that Duquesne's low-income customers are not harmed by participation in such a program.

WHEREFORE, CAUSE-PA respectfully requests that this matter be set for hearings. Hearings are necessary to ensure that the default service rates that will be charged starting June 1, 2013 are just and reasonable and that the proposed program changes and additions are consistent with Pennsylvania law.

Respectfully submitted,

**PENNSYLVANIA UTILITY LAW PROJECT**  
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