

CITIZEN POWER

Public Policy Research Education and Advocacy

September 10, 2013

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
Harrisburg, PA 17120

**Re: Pennsylvania Public Utility Commission v. Duquesne Light Company
Docket No. R-2013-2372129**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission please find the Petition to Intervene of Citizen Power, Inc. in the above-referenced proceeding.

Sincerely,



Theodore Robinson
Counsel for Citizen Power

Enclosure

cc: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2013-2372129
	:	
Duquesne Light Company	:	

PETITION TO INTERVENE OF CITIZEN POWER, INC.

TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Citizen Power, Inc. (“Citizen Power”), by and through its attorney, Theodore S. Robinson, hereby Petitions to Intervene in the above-captioned proceeding pursuant to the provisions of the Rules of Practice and Procedure of the Pennsylvania Public Utility Commission (“PUC” or “Commission”), 52 Pa. Code §§ 5.71-5.76, and in support thereof states as follows:

I. BACKGROUND

1. Duquesne Light Company (“Duquesne” or “Company”) provides electric service to over 588,000 customers in Allegheny and Beaver counties.¹
2. On August 2, 2013, Duquesne filed Proposed Supplement 81 to Duquesne Light Company’s Tariff Electric PA PUC No. 24.

¹ Duquesne Light Exhibit 5, Statement No. 1 at 4.

3. Citizen Power is a non-profit, 501(c)(3), public policy research, education, and advocacy organization incorporated under the laws of the Commonwealth of Pennsylvania with its principal place of business located at 2121 Murray Avenue, Pittsburgh, Pennsylvania 15217.

4. Citizen Power markets a renewable energy product of TriEagle Energy (PA PUC A-2010-2180376). Citizen Power also operates the Green Energy Collaborative, a program with the goal of promoting Pennsylvania wind generation. The Green Energy Collaborative have enrolled over 1000 members.

II. STANDARDS FOR INTERVENTION

5. The Commission's regulations at 52 Pa. Code §§ 5.71-5.76 establish the standards and requirements for a party to intervene in an action before the Commission. Section 5.72 sets forth the eligibility requirements for a party to intervene, which provides, in pertinent part, as follows:

(a) Persons. A petition to intervene may be filed by a person claiming a right to intervene or an interest of such nature that intervention is necessary or appropriate to the administration of the statute under which the proceeding is brought. The right or interest may be one of the following:

(1) A right conferred by statute of the United States or of the Commonwealth.

(2) An interest which may be directly affected and which is not adequately represented by existing participants, and as to which the petitioner may be bound by the action of the Commission in the proceeding.

(3) Another interest of such nature that participation of the petitioner may be in the public interest.

52 Pa. Code § 5.72. The eligibility requirements for an interested party to intervene in an action before the Commission is less strict and easier to satisfy than the common law standard for

intervention. *Application of Metropolitan Edison Co. for Approval to Construct an Electric Generating Unit Fueled by Natural Gas*, Docket No. A-110300, 1994 Pa. PUC LEXIS 52 (Order entered Feb. 25, 1994) (citing *William Penn Parking Garage, Inc. v. City of Pittsburgh*, 464 Pa. 168, 346 A.2d 269 (1975)).

III. FACTS SUPPORTING INTERVENTION

6. Titus North is the Executive Director of Citizen Power and is a customer of Duquesne Light. David Hughes, William H. Carlson, Mark A. Scott, and Curtis Williams are members of the Citizen Power Board of Directors and are customers of Duquesne Light.

7. The principal place of business of Citizen Power is 2121 Murray Avenue, Pittsburgh, Pennsylvania 15217. Citizen Power is a customer of Duquesne Light at this location.

8. Citizen Power devotes almost all of its resources to consumer and environmental protections issues. Citizen Power has participated in numerous proceedings regarding electricity market deregulation, renewable resource standards, energy efficiency, and customer rates in Pennsylvania and Ohio and at the Federal Energy Regulatory Commission ("FERC"). Citizen Power has been a statewide advocate for lower energy costs and increased use of renewable energy and energy-efficiency technologies.

9. Citizen Power has been a participant on behalf of customers in previous Duquesne Light proceedings before the Commission, including Docket No. R-2010-2179522 (Duquesne's Distribution Rate Plan), Dockets No. P-2012-2301664 and P-2009-2135500 (Duquesne's Default Service Plans), Docket No. M-2012-23343399 (Duquesne's Energy Efficiency and Conservation Plan), Docket No. M-2009-2123948 (Duquesne's Smart Meter Plan), Docket No. P-00072247 (Duquesne's "POLR IV" proceeding), Docket No. P-00032071 (Duquesne's "POLR III")

proceeding), Docket No. R-00974104 (Duquesne's "POLR II" Settlement proceeding), Docket No. P-00021969 (regarding Duquesne's petition to modify its "POLR II" Plan in connection with the Company's intention to join PJM West), Docket No. P-00032071 (relating to modification of Duquesne's POLR II rates), and Docket No. R-00974104 (Duquesne's Restructuring Plan).

10. Duquesne's filing proposes to increase electric distribution service rates by \$76.3 million, which according to the Testimony of Mr. Bordo would allow the Company an opportunity to earn an overall rate of return of 8.36% including an 11.25% return on common equity upon the distribution rate base of \$1.54 billion.² This level of return requires operating revenue in the FPFTY of over \$495 million and operating income in the FPFTY of over \$129 million.³ The Company believes that a relatively high ROE is justified because of strong customer service metrics, excellent service reliability, and their work in supporting the Commission in promoting important energy policy issues.⁴

11. According to Duquesne, a significant reason for the amount of the proposed rate increase is Commission requirements related to smart meter programs, cyber security, and storm restoration.⁵

12. The Company is proposing to increase the fixed monthly customer charge from \$7.00 to \$15.00 for all residential rate classes.⁶ Increases in fixed charges can potentially reduce incentives for customers to conserve energy. In addition, the company is proposing an increase in the energy charge for residential customers.⁷

² Duquesne Light Company Exhibit 5, Statement No. 1 at 6-7.

³ Duquesne Light Company Exhibit 2, Schedule D-1, Pg 1, Lines 2 & 15.

⁴ Duquesne Light Company Exhibit 5, Statement No. 1 at 18.

⁵ Duquesne Light Company Exhibit 5, Statement No. 1 at 17.

⁶ Duquesne Light Company Exhibit 5, Statement No. 10 at 8.

⁷ Duquesne Light Company Exhibit WVP-2, Sixth Revised Pages 32, 34, & 37.

13. If the Company's request is approved, the distribution increase for an average RS customer using 600 KWH per month would be 24.6%.⁸

14. The Company has modified the Tariff for Rates SM and PAL to allow for the use of light-emitting diode (LED) lighting and modified Rider No. 8 to provide default service supply prices for LED fixtures.⁹

IV. GROUNDS FOR INTERVENTION

14. Citizen Power has a direct interest in the outcome of this proceeding and meets the standards for intervention set forth in 52 Pa. Code § 5.72(a)(2). Specifically, as a customer of Duquesne Light, Citizen Power has an interest that the Proposed Supplement No. 81 does not capriciously impact retail rates paid by Citizen Power.

17. The Commission's regulation also provides that a person who has "[a]nother interest of such nature that participation of the petitioner may be in the public interest" may intervene in the proceeding. 52 Pa. Code § 5.72(a)(3). As both a consumer and environmental advocacy organization, Citizen Power has a unique perspective that cannot be represented by any other party in this proceeding. Citizen Power submits that this unique interest coincides with the public interest and should be considered by the Commission.

18. The interests of Citizen Power are not adequately represented by another party. The other parties in this proceeding are not authorized and do not have standing to fully represent the interests of Citizen Power.

⁸ Duquesne Light Company Exhibit 1, Part IV, Attachment DFR IV-D-1, Pg. 1 of 10.

⁹ Duquesne Light Company Exhibit WVP-2, Sixth Revised Pages 68 & 76; Third Revised Page 88A.

19. Based on the foregoing, Citizen Power has substantial interests that will be directly and immediately affected by the Commission's disposition of the Applicants' Application. Therefore, this Petition to Intervene should be granted.

V. POSITION OF CITIZEN POWER, INC.

20. Citizen Power believes that this proposed distribution rate increase needs to be fully investigated by the Commission. Citizen Power is specifically concerned about the impact of Proposed Supplement No. 81 upon residential rates, the reasonableness of the proposed rate increases, and the desperate impacts of the proposed rate increase upon different customer classes. In addition, Citizen Power is concerned that an increase in fixed charges for residential customers may discourage energy conservation. Furthermore, Citizen Power supports the modification of certain tariffs to allow for LED lighting.

21. At this time, Citizen Power continues to evaluate its position on the proposed rate increase and will refine its position based upon further study of the plan, review of discovery and additional input from other parties. Citizen Power reserves the right to raise other issues as necessary and appropriate during the course of the proceeding and to respond to issues raised by other parties.

VI. COUNSEL

22. Citizen Power will be represented in this proceeding by the following counsel:

Theodore S. Robinson, Esq.
Citizen Power
2121 Murray Avenue
Pittsburgh, PA 15217

Phone: 412-421-7029
Fax: 412-421-6162
Email: robinson@citizenpower.com

23. Counsel consents to the service of documents by electronic mail to robinson@citizenpower.com, as provided in 52 Pa. Code § 1.54(b)(3).

WHEREFORE, for all of the foregoing reasons, Citizen Power believes that its intervention in this proceeding satisfies the legal standards for intervention and will serve the public interest. Citizen Power respectfully requests that the Commission grant this Petition to Intervene in the above-captioned matter and give it full party status in this proceeding.

Respectfully submitted,



Theodore S. Robinson, Esquire
PA Attorney ID No. 203852

Citizen Power
2121 Murray Avenue
Pittsburgh, PA 15217

Phone: 412-421-7029
Fax: 412-421-6162
Email: robinson@citizenpower.com

Date: September 10, 2013

Counsel for Citizen Power

VERIFICATION

I, Titus North, hereby state that the facts set forth above in the Petition to Intervene are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: September 10, 2013



Titus North
Executive Director
Citizen Power
2121 Murray Avenue
Pittsburgh, PA 15217

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PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
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Duquesne Light Company	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Petition to Intervene of Citizen Power, Inc. upon the participants listed below, in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA FIRST CLASS MAIL

Charles D. Shields, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17120

Michael W. Gang, Esquire
Anthony Kanagy, Esquire
Post & Schell P.C.
12th Floor
17 North Second Street
Harrisburg, PA 17101-1601

Robert H. Hoaglund, II, Esq.
Tishekia E. Williams, Esq.
Duquesne Light Company
411 Seventh Avenue, 16th Fl.
Pittsburgh, PA 15219

John R. Evans, Esquire
Office of Small Business Advocate
300 North Second Street
Suite 1101
Harrisburg, PA 17101

Pamela C. Polacek, Esquire
McNees Wallace & Nurick, LLC
P.O. Box 1166
100 Pine Street
Harrisburg, PA 17108-1166

Scott J. Rubin, Esquire
Public Utility Consulting
333 Oak Lane
Bloomsburg, PA 17815

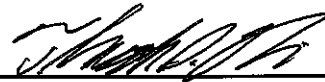
Christopher O'Hara, Esquire
NRG Energy Inc.
211 Carnegie Center Drive
Princeton, NJ 08540

Derrick Price Williamson, Esquire
Barry A. Naum, Esquire
Spilman Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050

Candis A. Tunilo, Esquire
David T. Evrard, Esquire
Amy E. Hirakis, Esquire
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

Dated this 10th day of September, 2013

By:



Theodore S. Robinson (PA Bar #203852)
Citizen Power
2121 Murray Avenue
Pittsburgh, PA 15217
(412) 421-7029 (phone)
(412) 412-6162 (fax)