



COMMONWEALTH OF PENNSYLVANIA

October 1, 2013.

E-FILED

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

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

Dear Secretary Chiavetta:

Enclosed for filing is the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, in the above-captioned proceeding.

As evidenced by the enclosed certificate of service, all parties have been served as indicated.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sharon E. Webb".

Sharon E. Webb
Assistant Small Business Advocate
Attorney ID No. 73995

Enclosures

cc: Parties of Record
Brian Kalcic

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	DOCKET NO. R-2013-2372129
	:	
DUQUESNE LIGHT COMPANY	:	

**OFFICE OF SMALL BUSINESS ADVOCATE
PREHEARING MEMORANDUM**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business consumers of utility services before the Pennsylvania Public Utility Commission (“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in this matter is Assistant Small Business Advocate Sharon E. Webb. Please address all correspondence as follows:

Sharon E. Webb
Assistant Small Business Advocate
Office of Small Business Advocate
300 North Second Street, Suite 1102
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II. FILING BACKGROUND

On August 2, 2013, Duquesne Light Company (“Duquesne” or the “Company”) filed Supplement No. 81 to Tariff Electric-PA PUC Tariff No. 24, a general base rate filing, which requested an increase in Duquesne’s total distribution rates of \$76.3 million per year, with a return on equity of 11.25%

On August 22, 2013, the OSBA filed a Complaint and a Public Statement against the proposed increase. On September 26, 2013, the Commission entered an Order at this docket which suspended the proposed increase for investigation. As such the filing was suspended by operation of law through May 1, 2014.

III. IDENTIFICATION OF WITNESSES AND TENTATIVE ISSUES

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Mr. Brian Kalcic
Excel Consulting
Suite 720
225 South Meramec Avenue
St. Louis, MO 63105
(314) 725-2511
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After an initial review of the materials submitted by Duquesne, the OSBA has identified the following issues:

1. Whether the Company’s proposed 11.25% Return on Equity is excessive;
2. Whether the Company’s jurisdictional and class cost-of-service methodologies are appropriate;
3. Whether Duquesne is proposing to recover its capitalized Information Technology costs associated with its CAP customer shopping program from the appropriate rate classes; and

4. Whether the Company's proposed class revenue allocation, general service small (GS) and general service medium (GM) rate designs are cost based.

The OSBA will participate in the case to assure that the interests of small business customers of Duquesne are adequately represented and protected.

As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of the Company and other parties through discovery, the cross-examination of witnesses appearing for those parties, and through briefing. The OSBA will particularly focus on any issue where the impact on the interests of Duquesne's small business consumers would be unjustifiably different than, or disproportionate to, the impact on another class of customers, or otherwise lacking in reasonableness or basic fairness. The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

IV. SERVICE OF DOCUMENTS

The OSBA requests that all parties serve a hard copy of any document filed in this case upon the OSBA and the OSBA witness identified above. In addition to hard copies of pleadings, briefs, and exceptions, the OSBA requests hard copies of responses to discovery propounded by the OSBA or any other party. Service by electronic mail *only* is not acceptable.

V. SETTLEMENT

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

VI. HEARING AND BRIEFING SCHEDULE

The OSBA has been in discussions with the Company and other parties to create an appropriate procedural schedule.

Respectfully submitted,



Sharon E. Webb
Attorney ID No. 73995
Assistant Small Business Advocate

For:
John R. Evans
Small Business Advocate

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Dated: October 1, 2013

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

CERTIFICATE OF SERVICE

I certify that I am serving two copies of the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, by e-filing, e-mail, and/or first-class mail (unless otherwise noted) upon the persons addressed below:

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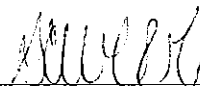
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Date: October 1, 2013