



October 2, 2013

Via E-Filing

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

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

Dear Secretary Chiavetta:

Enclosed please find the Prehearing Memorandum of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA") and the attached Certificate of Service in the above captioned proceeding.

Kindly notify the undersigned if you have any questions or concerns about this filing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patrick M. Cicero".

Patrick M. Cicero, Esquire
Harry S. Geller, Esquire
Counsel for CAUSE-PA

CC: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

Certificate of Service

I hereby certify that I have this day served copies of the Prehearing Memorandum of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) upon the persons set forth below in accordance with the requirements of 52 Pa. Code § 1.54:

VIA E-MAIL & FIRST-CLASS MAIL

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Pennsylvania Public Utility Commission	:	
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**Prehearing Memorandum of the
Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania**

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), through its counsel at the Pennsylvania Utility Law Project, hereby files this Prehearing Memorandum in compliance with the September 26, 2013, Prehearing Conference Order issued by Administrative Law Judge Conrad A. Johnson.

I. Background

On August 2, 2013, Duquesne Light Company (“Duquesne” or the “Company”) filed with the Pennsylvania Public Utility Commission (“Commission”) Supplement No. 81 to the Company’s Tariff- Electric- Pa. P.U.C. No. 24 representing a request for an increase in the Company’s electric distribution rates of approximately \$76.3 million, to be effective October 1, 2013. If approved, the Company’s request would represent a system average increase of approximately 10.6% of the average bill above current distribution rates, would permit the company 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. The Company is proposing to increase the fixed monthly customer charge from \$7.00 to \$15.00 for all residential rate classes. If the

Company's rate increase request is approved the distribution rates for an average RS customer using 600 KWH per month would increase by 24.6%.

CAUSE-PA filed a Petition to Intervene on September 25, 2013. By Order dated September 26, 2013, the Commission suspended the proposed Supplement No. 81 to Electric-PA. P.U.C. No. 24 until May 1, 2014, and referred this proceeding to the Commission's Office of Administrative Law Judge for hearings. By order dated that same day, ALJ Johnson scheduled a prehearing conference for Friday, October 4, 2013 at 10:00 a.m., and ordered the parties to file prehearing memoranda by 3:00 p.m. on October 2, 2013. This prehearing memorandum is filed in compliance with that order.

II. Issues to be presented

In addition to complying with sound rate making principles, Duquesne must also ensure that its rates and tariff comply with universal service requirements, and the Commission must ensure that universal service programs assist low-income customers to afford electric distribution service, and that these programs are appropriately funded and available in each electric distribution territory. 66 Pa. C.S. § 2804(9). In the event that the Commission approves any distribution rate increase, the Commission should condition approval on Duquesne's agreement to perform such actions as are necessary to assure compliance with applicable sections of the Public Utility Code, Commission regulations and guidelines, and settlement agreements. CAUSE-PA is particularly concerned about the impact to Duquesne's low-income customers that the proposed base rate increase will have on their ability to afford continued utility service.

CAUSE-PA has conducted an initial review of Duquesne's proposed tariff changes, and it opposes Duquesne's request on the grounds that the proposed rate increase and tariff changes

may result in unjust and unreasonable rates that would impose severe hardship on low and moderate income residential customers. The following specific issues of concern must be addressed in this proceeding:

- i. The conformity to law and the effect on low and lower income households of the proposed rate structure change which more than doubles the current customer charge, disproportionately impacts low-use customers, and further decouples Duquesne's distribution revenue from volumetric usage; and,
- ii. The conformity to law, adequacy and the effect on low and lower income households of Duquesne's current Universal Service Programs, including, but not limited to, its Low Income Usage Reduction Programs, and the ability of these programs to effectively mitigate the increased rates proposed by Duquesne.

III. Witnesses and Testimony

CAUSE-PA intends to present the following witness to testify in this matter, but reserves the right to call additional witnesses as may be warranted upon proper notice to the Commission and the parties:

Mr. Mitchell Miller
Mitch Miller Consulting LLC
60 Geisel Road
Harrisburg, PA 17112
717-903-2196
Mitchmiller77@hotmail.com

Mr. Miller will address the issues identified above and any other issues that may arise in the course of this proceeding.

IV. Proposed Schedule

CAUSE-PA will work with the other parties to come to a schedule which suits the needs of all of the parties and the Commission. CAUSE-PA supports the submission of the testimony of witnesses in writing in advance of the hearing.

V. Public Input Hearings

CAUSE-PA does not oppose the scheduling of public input hearings but is not presently requesting that one be scheduled.

VI. Settlement

CAUSE-PA is willing and ready to engage in settlement discussions in an attempt to resolve or narrow the issues in this proceeding, with any and all parties, and encourages the parties to engage in settlement early in the process.

VII. Service on CAUSE-PA

CAUSE-PA is represented by the attorneys at the Pennsylvania Utility Law Project.

Electronic service and one hard copy of all documents should be served on CAUSE-PA as follows:

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Respectfully submitted,

PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA



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