

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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May 29, 2014

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

RE: Petition of Duquesne Light Company for  
Approval of a Default Service Plan for the  
Period June 1, 2015 through May 31, 2017  
Docket No. P-2014-2418242

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully Submitted,

*Kristine E. Robinson*

Kristine E. Robinson  
Assistant Consumer Advocate  
PA Attorney I.D. # 316479

Enclosures

cc: Honorable Katrina L. Dunderdale  
Certificate of Service

182571

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company :  
For Approval of Default Service Plan : Docket No.: P-2014-2418242  
For the Period June 1, 2015 :  
Through May 31, 2017 :

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PREHEARING MEMORANDUM  
OF THE  
OFFICE OF CONSUMER ADVOCATE

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Pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. Section 333, and in response to the May 7, 2014 Prehearing Conference Order issued in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

**I. INTRODUCTION**

On April 24, 2014, Duquesne Light Company (Duquesne Light or Company) filed a Petition with the Pennsylvania Public Utility Commission (Commission) seeking: (i) approval of a default service plan (DSP) for the period June 1, 2015 through May 31, 2017, (ii) approval of a Time-of-Use (TOU) Program, and (iii) other approvals required for the implementation of the DSP.

The Petition was assigned to the Office of Administrative Law Judge and was further assigned to Administrative Law Judge Katrina L. Dunderdale for investigation and the scheduling of hearings. On May 7, 2014, ALJ Dunderdale issued a Prehearing Conference Order indicating that a telephonic prehearing conference was scheduled for June 2, 2014. This Order also detailed the parties' obligations with respect to the Prehearing Conference.

On May 12, 2014, the OCA filed an Answer, Notice of Intervention, and Public Statement in response to the Company's Petition. The OCA submits this Prehearing Memorandum in compliance with the Prehearing Conference Order in this matter.

## II. ISSUES AND SUB-ISSUES

Based upon a preliminary analysis of the Company's Petition, the OCA has compiled a list of issues that it anticipates will be included in its investigation of the DSP. It is anticipated that other issues will arise and may be pursued as discovery proceeds.

The OCA has identified several issues that may require further review as follows:

- **Procurement Methodology:** The OCA will examine the Company's proposed procurement method to ensure that the procurement methodology adopted in this proceeding is consistent with the Public Utility Code and is designed to provide the least cost reliable supply, taking into account price stability for customers over time. The OCA also intends to examine the type and mix of resources being procured to ensure that the products are designed to meet the requirements of Act 129.
- **Contingency Plan:** The OCA will examine the Company's contingency plan to ensure that it does not rely too heavily on spot market purchases.
- **Rate Design and Cost Recovery:** The OCA will examine the reasonableness of Duquesne Light's proposal for six-month residential supply rate changes. The OCA will also examine the impact on consumers of semi-annual reconciliation of Residential procurement group default service costs and revenues. The OCA submits that the Company's proposals for recovering costs must also be reviewed.
- **Supplier Master Agreement:** The OCA will review the Company's proposed supplier master agreement to ensure its compliance with the Public Utility Code and to ensure that such a plan does no harm to default service, customers, or the retail competitive market.
- **Standard Offer Customer Referral Program:** The OCA will examine the proposed Standard Offer Customer Referral Program and the costs that may arise from the program to ensure that such a program is reasonable, cost-justified, and that the costs are allocated appropriately among stakeholders.
- **Time of Use Rates:** The OCA will review the TOU proposal to ensure that it meets the needs of ratepayers while maintaining compliance with existing law and the Commission's regulations.

### **III. WITNESSES**

Dr. Steven Estomin will assist the OCA in this proceeding with issues relating to procurement and rate design. Ms. Barbara Alexander will assist the OCA in this proceeding with issues relating to retail market enhancement programs and consumer protection issues. The OCA intends to present the direct, rebuttal, and surrebuttal testimony, as may be necessary, of its witnesses. The OCA's witnesses will present testimony in written form and will also attach various exhibits, documents, and explanatory information which will assist in the presentation of the OCA's case. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony, and answers to interrogatories be mailed directly to the OCA's witnesses at the below addresses, as well as mailing a copy to counsel for the OCA.

Steven L. Estomin  
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Suite 300  
Columbia, MD 21044  
E-mail: [sestomin@exeterassociates.com](mailto:sestomin@exeterassociates.com)

Barbara Alexander  
Consumer Affairs Consultant  
83 Wedgewood Drive  
Winthrop, ME 04364  
E-mail: [barbalex@ctel.net](mailto:barbalex@ctel.net)

The OCA specifically reserves the right to call additional witnesses, as necessary. As soon as the OCA has determined whether an additional witness or witnesses will be necessary for any portion of its case, the OCA will promptly notify Administrative Law Judge Dunderdale and all parties of record.

### **IV. SERVICE ON OCA**

The OCA will be represented in this case by Aron J. Beatty, David T. Evrard, and Kristine E. Robinson. Two copies of all documents should be served on the OCA as follows:

Aron J. Beatty  
Assistant Consumer Advocate  
Office of Consumer Advocate  
555 Walnut St., 5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
Telephone: (717) 783-5048  
Fax: (717) 783-7152  
Email: [ABeatty@paoca.org](mailto:ABeatty@paoca.org)

As a courtesy, the OCA requests that all electronic correspondence be additionally copied to David T. Evrard ([DEvrard@paoca.org](mailto:DEvrard@paoca.org)), Kristine E. Robinson ([KRobinson@paoca.org](mailto:KRobinson@paoca.org)), and Cammie A. Shoen ([CShoen@paoca.org](mailto:CShoen@paoca.org)).

## **V. DISCOVERY**

Because the time period for discovery and preparation of testimony is limited, the OCA supports a shortened discovery response time in this proceeding, consistent with the modifications approved in numerous other default service proceedings. The OCA, therefore, requests the following modifications to the discovery regulations:

- A. Answers to written interrogatories be served in-hand within ten (10) calendar days of service of the interrogatories.
- B. Objections to interrogatories be communicated orally within three (3) days of service; unresolved objections be served to the ALJ in writing within five (5) days of service of interrogatories.
- C. Motions to dismiss objections and/or direct the answering of interrogatories be filed within three (3) days of service of written objections.
- D. Answers to motions to dismiss objections and/or direct the answering of interrogatories be filed within three (3) days of service of such motions.
- E. Responses to requests for document production, entry for inspection, or other purposes be served in-hand within ten (10) calendar days.

F. Requests for admission be deemed admitted unless answered within ten (10) days or objected to within five (5) days of service

**VI. PROPOSED SCHEDULE**

The OCA will work with the parties to develop a mutually agreeable schedule.

**VII. PUBLIC INPUT HEARINGS**

At present, the OCA has not received a request for a public input hearing. The OCA will promptly notify ALJ Dunderdale and request a public input hearing should circumstances warrant.

Respectfully Submitted,



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Dated: May 29, 2014

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CERTIFICATE OF SERVICE

Petition of Duquesne Light Company :  
for Approval of a Default Service : Docket No. P-2014-2418242  
Plan for the Period June 1, 2015 :  
Through May 31, 2017 :

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Prehearing Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 29th day of May 2014.

SERVICE BY E-MAIL and INTEROFFICE MAIL

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