

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

Prehearing Memorandum

On May 7, 2014, a Prehearing Conference Order was issued by the Honorable Katrina L. Dunderdale, Administrative Law Judge, setting a prehearing conference for Monday, June 2, 2014 at 9:00 a.m., and requiring each party to prepare and distribute a prehearing memorandum setting forth the history of the proceeding, the issues it intends to present, and proposed witnesses, along with the subject of their testimony.

In response, 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 Conference Memorandum.

I. Background

On April 24, 2014, Duquesne Light Company (Duquesne Light) filed a Petition with the Pennsylvania Public Utility Commission (PUC or Commission) seeking approval of its Default Service Plan for the period of June 1, 2015 through May 31, 2017. The Petition was referred to the Honorable Katrina L. Dunderdale, Administrative Law Judge with the Office of Administrative Law Judge to coordinate and oversee the proceedings.

As indicated above, ALJ Dunderdale issued a Prehearing Conference Order on May 7, 2014, scheduling a prehearing conference for June 2, 2014. On May 19, CAUSE-PA filed a Petition to Intervene and Answer to Duquesne Light’s Petition and provided service to ALJ

Dunderdale and the parties of record at that time. CAUSE-PA now submits this Prehearing Memorandum in furtherance of ALJ Dunderdale's May 7, 2014 Prehearing Conference Order.

II. Issues to be Presented

CAUSE-PA has conducted an initial review of Duquesne Light's Default Service Plan and testimony, and has identified several issues that may result in unjust and unreasonable provision of default service and could impose severe hardship on low and moderate income residential customers. Additionally, it has identified several issues that, if modified throughout the course of the proceeding, could also create a hardship for low and moderate income residential customers. In relevant part, CAUSE-PA has a discernible interest in and reserves the right to raise issue with Duquesne's proposals to:

- a. Incorporate 6-month, laddered rate changes for default service supply, as opposed to the existing 12-month, non-laddered supply rate structure. Petition ¶ 7-8, 10.
- b. Acquire only a portion of default service supply in September 2016 in anticipation of potential legislative amendments to default service supply. Petition ¶ 12-13.
- c. Rely on spot market pricing, with full recovery from ratepayers, as a contingency if sufficient bids for default service supply are not received. Petition ¶ 42.
- d. Rely on spot market and short term contracts, without incorporation of any long term contracts, to fulfill its mandate to acquire electricity for default service through a "prudent mix of contracts" that result in the least cost over time to customers. Petition ¶ 47-48
- e. Continue its Standard Offer Customer Referral Program for all customers, presumably including customers enrolled in or eligible for Duquesne's customer assistance program (CAP), and extend the program to all customers who contact the utility for certain reasons, including the resolution of high bill disputes, without specific exemption for emergencies or terminations. Petition ¶ 57-58.
- f. Recover 50% of any unrecovered costs of its Standard Offer Customer Referral Program from Residential and Small C&I default service customers. Petition ¶ 61.
- g. Continue purchasing receivables from suppliers without respect to whether the

company receives payment from the customer. Petition ¶ 62.

- h. Revise the purchase of receivables plan to reflect increased administrative costs, without specifying to whom those increased costs will be assigned. Petition ¶ 62.
- i. Enhance information sharing with EGSs, without indication of how it plans to inform customers of their right to opt out of information disclosure. Petition ¶ 62.
- j. Establish a Time of Use rate option for all residential customers, including those enrolled in its CAP. Petition ¶ 63-64.
- k. Change residential rates on a semi-annual basis, as opposed to its current quarterly basis. Petition ¶ 73.

III. Witnesses and Testimony

CAUSE-PA reserves the right to present the following witness to testify in this matter, as well as the right to call additional witnesses as may be warranted upon proper notice to ALJ Dunderdale and parties.

Mitchell Miller
Mitch Miller Consulting LLC
60 Geisel Road
Harrisburg, PA 17112
717-903-2196
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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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WHEREFORE, CAUSE-PA respectfully submits this Prehearing Conference Memorandum.

Respectfully submitted,

PENNSYLVANIA UTILITY LAW PROJECT
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DATED: May 29, 2014

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served copies of the **Prehearing Memorandum of CAUSE-PA**, as set forth below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA EMAIL and FIRST CLASS MAIL

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DATED: May 29, 2014