



Duquesne Light
Our Energy...Your Power

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Senior Counsel

May 8, 2014

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VIA OVERNIGHT MAIL

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

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

RE: Duquesne Light Company 2014-2016 Universal Service and Energy Conservation Plan
Docket Number: M-2013-2350946

Dear Secretary Chiavetta:

Pursuant to the Pennsylvania Public Utility Commission's ("Commission") Final Order issued March 6, 2014 in the above referenced docket, Duquesne Light Company ("Company") was required to provide data regarding its outbound calling campaign and debt reduction within 60 days. On May 5, 2014, the Company received a brief extension from Commission staff. In compliance with the Final Order, the enclosed document was provided to Commission staff and interested parties via electronic mail on May 7, 2014. Herein, the Company is filing the requested data with the Secretary's Bureau. Hard copies are also being provided via U.S. mail as indicated on the certification of service.

Please feel free to contact Lynda Pekarsky at 412-393-6027 with any questions or comments.

Respectfully,

Tishekia E. Williams
Senior Counsel, Regulatory

Enclosures

cc: Certificate of Service



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SECRETARY'S BUREAU

May 7, 2014

Overview

In response to the requirement set forth in the Order received on March 6, 2014 in relation to Docket No. M-2013-2350946, Duquesne was requested to "report on how much of the [\$5 million reduction in customer arrearages resulting from its outbound referral campaign] are due to CAP enrollments, payment agreements, or referrals made to other assistance programs (e.g., LIHEAP or Dollar Energy)." Separate from the revised 2014-2016 Plan, Duquesne was directed to report this information to all active in this proceeding within 60 days from the entry date of this order.

Below is a summary of the net decreases based on the residential categories requested including reductions in CAP arrearages and payment agreements. However, the \$5M reduction in customer arrearages referenced above and in previous comments represents residential, commercial and industrial customers.¹

	2012	2013	Total
Overdue CAP Arrearages	\$ 17,428,245.90	\$ 14,839,600.49	\$ (2,588,645.41)
Payment Agreements	\$ 4,173,837.00	\$ 3,103,836.00	\$ (1,070,001.00)
Other Overdue Arrearages not on CAP and not on a Payment Agreement	\$ 26,258,190.10	\$ 24,830,873.51	\$ (1,427,316.59)
		Net	\$ (5,085,963.00)

¹ Without a comprehensive investigation of all factors including, but not limited to, outbound campaigns, customer payment behavior, income changes for both those below and above 150% of the federal poverty level and external impacts such as layoffs, unemployment, non-electric utility commodity price fluctuations and the economy in general, a comprehensive analysis of the data requested cannot be provided. In addition, Duquesne does not store historical records of all outbound call attempts that can be easily queried for analysis. Answered calls are documented in freeform comments. Therefore, the following responses are based solely on the change in each category identified or overall changes in the overall residential customer category.

CAP and CAP Energy Assistance

The Company looked at the change in CAP arrearages based on the CAP billed amounts and CAP paid amounts as well as the frozen arrearage write off amounts those customers would have received for full on-time payments. Duquesne also analyzed the total dollars in energy assistance monies received by CAP customers based on the type of assistance grant received. This analysis was based on calendar year. Below is a comparison of this data based on 2012 results compared to 2013.

Bills and Payments

	Avg CAP Enrollment	Annual CAP Billed Amount	Annual CAP Cash Payments	Total Annual CAP Payments*	Annual Avg Billed Amount	Annual Avg Paid in Cash	Annual Avg Paid in Total	Annual Avg % of Bill Paid with Cash	Annual Avg % of Bill Paid in Total*
2012	36544	\$ 33,138,219.00	\$ 30,073,524.00	\$ 32,543,417.44	\$ 906.80	\$ 822.94	\$ 890.53	91%	98%
2013	36085	\$ 30,129,611.84	\$ 28,455,957.00	\$ 31,542,022.25	\$ 834.96	\$ 788.58	\$ 874.10	94%	105%
Net	-459	\$ (3,008,607.16)	\$ (1,617,567.00)	\$ (1,001,395.19)	\$ (71.84)	\$ (34.36)	\$ (16.42)	4%	6%

*Amount includes Energy Assistance Dollars

Assistance Grants Received by CAP Participants

	\$1 Energy	LIHEAP	CRISIS	Total Assistance Received
2012	\$ 78,795.00	\$ 1,972,294.03	\$ 247,663.00	\$ 2,298,752.03
2013	\$ 240,969.00	\$ 2,042,703.16	\$ 802,403.47	\$ 3,086,075.63
Net	\$ 162,174.00	\$ 70,409.13	\$ 554,740.47	\$ 787,323.60

CAP Write Offs

	Frozen Arrearage Write Off	CAP Credit Write Off	Total Write Off Amount
2012	\$ 2,563,525.00	\$ 12,905,624.00	\$ 15,469,149.00
2013	\$ 2,750,672.00	\$ 12,539,468.00	\$ 15,290,140.00
Net	\$ 187,147.00	\$ (366,156.00)	\$ (179,009.00)

Based on the analysis done by the Company, contributing factors for the decreases in CAP arrearages could be attributed to the following:

- Lower CAP enrollment
- Lower average billed amounts
- Increase in the percentage of the annual billed amounts paid in cash payments

- Increase in the amount of energy assistance monies received and paid towards the bill
- On-time and in full payments that provided for additional frozen arrearage write offs

CAP payments received were 105% of the CAP billed amounts in 2013 thus reducing previous outstanding delinquent balances. Full and on-time payments also contributed to the decrease in delinquent balances as experienced by a total frozen arrearage write off reduction of \$2,750,672 in 2013 as compared to only \$2,563,525 in 2012.

LIHEAP cash, Crisis and Dollar Energy assistance dollars received by CAP customers also increased by 34% in 2013. The Company believes much of the increase was attributed to the overall number of referrals provided to customers, outreach efforts, outbound campaigns conducted to refer customers to its Universal Service Programs and the number of LIHEAP applications mailed directly to customers.

As shown in the chart below, the number of energy assistance referrals increased by 52% in 2013. This increase can be attributed to both inbound and outbound referrals. The number of mailed applications also increased slightly.

Customer Service Representative Energy Assistance Referrals				
Year	LIHEAP Cash	LIHEAP CRISIS	Dollar Energy	Total
2012	8059	5089	3298	16446
2013	11183	6897	6854	24934
Net	3124	1808	3556	8488

LIHEAP Applications Mailed	
2012	8974
2013	9033

In total, the Company received approximately \$800K more in energy assistance dollars in 2013 compared to 2012 through these increased efforts.

Non-CAP Energy Assistance

Provided in the chart below is an analysis of the assistance dollars received by non-CAP customers based on a calendar year. In comparing 2012 to 2013, assistance dollars received decreased. As such, this is not considered a major factor to the \$5M reduction in customer arrearages.

2012	LIHEAP Dollars	Crisis Dollars	\$ Energy Dollars	Total Assistance
All	\$ 3,154,648.80	\$ 514,624.85	\$ 597,250.00	\$ 4,266,523.65
CAP	\$ 1,972,294.03	\$ 247,663.00	\$ 78,795.00	\$ 2,298,752.03
Non-CAP	\$ 1,182,354.77	\$ 266,961.85	\$ 518,455.00	\$ 1,967,771.62
2013	LIHEAP Dollars	Crisis Dollars	\$ Energy Dollars	Total Assistance
All	\$ 2,972,794.15	\$ 1,175,562.43	\$ 750,000.00	\$ 4,898,356.58
CAP	\$ 2,042,703.16	\$ 802,403.47	\$ 240,969.00	\$ 3,086,075.63
Non-CAP	\$ 930,090.99	\$ 373,158.96	\$ 509,031.00	\$ 1,812,280.95

Payment Agreements

The number of customers on an active payment agreement decreased in 2013. The chart below represents the number of accounts and dollar amounts of customers with payment agreements in December 2012 as compared to December 2013.

Number of Customers on an Agreement		
	Total	Low Income
2012	7461	1250
2013	5838	1095
Net	-1623	-155

Dollars on an Agreement		
	Total	Low Income
2012	\$ 4,173,837.00	\$ 741,396.00
2013	\$ 3,103,836.00	\$ 631,389.00
Net	\$ (1,070,001.00)	\$ (110,007.00)

Avg Dollars per Customer on an Agreement		
	Total	Low Income
2012	\$ 559.42	\$ 593.12
2013	\$ 531.66	\$ 576.61
Net	\$ (27.76)	\$ (16.51)

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As noted above, the number of payment agreements and dollar amounts on an agreement decreased. In addition, for those customers who remained on a payment agreement, the overall average dollar amount per customer decreased as well by almost 5%.

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CERTIFICATE OF SERVICE

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I hereby certify that a true and correct copy of Duquesne Light Company's response to the Commission's requested data in Docket No. M-2013-2350946 has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant):

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Dated May 8, 2014

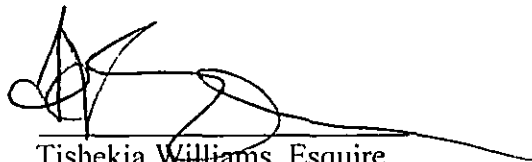
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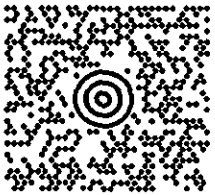

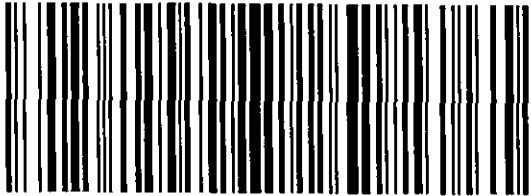

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