

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**STATEMENT OF THE COALITION FOR AFFORDABLE UTILITY SERVICES  
AND ENERGY EFFICIENCY IN PENNSYLVANIA IN SUPPORT OF  
STIPULATION FOR PARTIAL SETTLEMENT**

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The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), one of the signatory parties to the Stipulation filed by Duquesne Light Company (“DLC”, “Duquesne”, or “Company”) on September 15, 2014, respectfully requests that the terms and conditions of the Stipulation be approved by Administrative Law Judge Katrina L. Dunderdale and the Pennsylvania Public Utility Commission (“Commission”). For the reasons stated more fully below, CAUSE-PA believes that the terms and conditions of the Stipulation are in the public interest.

**I.     INTRODUCTION**

CAUSE-PA intervened in this proceeding to (a) address its concerns about the effect that Duquesne’s Default Service Program – and in particular, the continued offering of or potential changes to its Standard Offer Program (SOP) – would have on the long-term affordability of service for economically vulnerable households within its service territory; (b) ensure that Duquesne’s low income customers are not harmed; and (c) make certain that the programs put forth by Duquesne are in the public interest. CAUSE-PA did not present direct testimony in this proceeding, but closely monitored discovery and testimony exchanged and/or presented

throughout the proceeding and engaged in negotiations leading to the Stipulation, which was derived through good faith negotiation by all parties. The Stipulation is in the public interest in that it addresses issues of concern to CAUSE-PA, balances the interests of the parties, and fairly resolves a number of important issues. If approved by the Commission, substantial litigation and associated costs will be avoided both in the present proceeding and in the course of future litigation and/or appeals.

## **II. CAUSE-PA'S REASONS FOR SUPPORT OF THE STIPULATION**

The following terms of this Stipulation reflect a carefully balanced compromise of the interests of all the Joint Petitioners in this proceeding:

Paragraph 4 of the Stipulation provides that the Company will amend its SOP scripts within 90 days “clarifying that the 7% discount is subject to change during the 12 month program.” The script will read:

“I see that you are eligible for a voluntary program that offers a price for generation service for 12 months that is 7% off of the current price to compare. The price to compare may change during the 12 months but your rate will remain fixed at \_\_\_\_\_. If you are interested, I will transfer you to a supplier who is participating in this program for more information.”

Increased disclosure about the nature of the SOP discount is well justified. In Direct Testimony, submitted by the OCA, Barbara Alexander explained that her review of Duquesne’s SOP caused her to be “concerned that [Duquesne] and its agent may engage in ‘over selling’ this program to overcome customer reluctance and fail to give the proper disclosures and implement the appropriate consumer protections that should accompany this program.” (OCA Direct Testimony, Alexander, at 15). Ms. Alexander went on to explain that, currently, Duquesne only informs customers of the 7% discount, and does not provide callers with any explanation of “the

relationship between the SOP contract price and the changes in the future of the PTC.” (Id. at 16).

While not fully addressing the issues associated with low income customers (including those enrolled in Duquesne’s CAP) participating in the SOP, CAUSE-PA believes that enhanced disclosure of information about the SOP discount is a notable improvement over the current program structure, which does not provide such disclosures. CAUSE-PA has a specific interest in ensuring that economically vulnerable customers – particularly those enrolled in Duquesne’s Customer Assistance Program (CAP) – receive clear and detailed information about the SOP discount prior to enrollment in the program. Expanding the up-front disclosures regarding program terms, particularly those disclosures that explain the nature of the discount over time, will help customers make a more informed decision about their participation in the program.

Paragraphs 5 and 6 of the Stipulation also includes a commitment by Duquesne to conduct a collaborative with interested Parties to resolve other outstanding issues associated with the SOP, which is to be completed within 45 days of the Commission’s Final Order. Topics to be explored in the collaborative include further customer disclosures, the use of a third party administrator, and cost recovery. These remaining issues could have a significant impact on economically vulnerable customers, particularly those enrolled in Duquesne’s CAP, as the resolution of these issues could serve to either clarify or obscure the information that customers receive about the SOP and its interaction with utility-run Universal Service discount programs, and may impact the overall cost of the program that is borne by all Duquesne customers. CAUSE-PA supports convening a stakeholder meeting to resolve these outstanding issues, as it permits a free exchange of viewpoints directed toward constructive end, avoids litigation and the

expenses attendant thereto, and has proven to be an efficient and productive method of resolving disputes.

Finally, paragraphs 9 and 10 provide for the exclusion of CAP customers from the Time of Use (TOU) rate offering “in the first year of the DSP VII.” As the Stipulation explains, this limited exclusion is necessary and prudent “because issues regarding CAP portability have not been finally determined at this time, and there will be a limited window for TOU enrollment in the first year of the DSP VII.” During this interim period, Duquesne will hold a collaborative, commencing no later than June 30, 2015, to “explore how to effectively integrate the TOU Program with CAP, provided that general issues regarding CAP portability have otherwise been decided by the Commission.” CAUSE-PA recognizes that a TOU program may be beneficial for some CAP customers, but fully supports a temporary exclusion of CAP customers to enable Duquesne to integrate its TOU Program with Duquesne’s CAP in a manner that addresses the unique financial circumstances that CAP customers experience. In the interim, the Company will have the opportunity to gather stakeholder input through the collaborative effort to which it has committed and to gain a measure of experience in implementing the TOU Program for the remainder of its residential rate class.

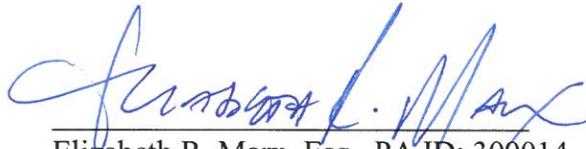
### **III. CONCLUSION**

CAUSE-PA submits that the Stipulation, which was achieved by the Joint Petitioners after an extensive investigation of Duquesne’s filing, including informal and formal discovery and the submission of direct, rebuttal, surrebuttal and rejoinder testimony, is in the public interest. Acceptance of the Stipulation avoids the necessity of further administrative and possible

appellate proceedings regarding the settled issues at what would have been a substantial cost to the Joint Petitioners and Duquesne's customers.

Accordingly, CAUSE-PA respectfully requests that the ALJ and the Commission approve the Stipulation.

**PENNSYLVANIA UTILITY LAW PROJECT**



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Date: September 30, 2014

*For: Coalition for Affordable Utility Services  
and Energy Efficiency in Pennsylvania*

**Certificate of Service**

I hereby certify that I, Elizabeth R. Marx, have this day served copies of the **Statement of the Coalition for Affordable Energy Efficiency in Pennsylvania in Support of Stipulation for Partial Settlement** upon the parties of record in the above captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54 in the manner and upon the persons listed below.

**VIA EMAIL and FIRST CLASS MAIL**

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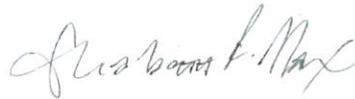
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Respectfully submitted,  
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