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October 29, 2014

VIA ELECTRONIC FILING

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

**Re: Petition of Duquesne Light Company for Waiver of Certain Provisions of the
Pennsylvania Public Utility Commission's Regulations at 52 Pa. Code § 54.4, 52 Pa.
Code § 56.15(7), and 52 Pa. Code § 56.22(a)
Docket No. _____**

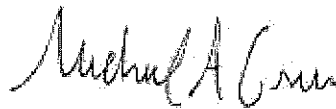
Dear Secretary Chiavetta:

Enclosed for filing on behalf of Duquesne Light Company is a Petition for a Waiver of Certain Provisions of Pennsylvania Public Utility Commission's Regulations at 52 Pa. Code § 54.4, 52 Pa. Code § 56.15(7), and 52 Pa. Code § 56.22(a). Copies of this Petition are being served on the parties listed on the attached Certificate of Service.

Thank you and please contact me if you have any questions or concerns.

Respectfully Submitted,

STEVENS & LEE



Michael A. Gruin

Enclosure

cc: Certificate of Service

Philadelphia • Reading • Valley Forge • Lehigh Valley • Harrisburg • Lancaster • Scranton
Wilkes-Barre • Princeton • Cherry Hill • New York • Wilmington

A PROFESSIONAL CORPORATION

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company for
Waiver of Certain Provisions of the Pennsylvania
Public Utility Commission's Regulations at
52 Pa. Code § 54.4, 52 Pa. Code § 56.15(7), and 52 Pa.
Code § 56.22(a)

Docket No. P _____

**PETITION OF DUQUESNE LIGHT COMPANY FOR WAIVER OF CERTAIN
PROVISIONS OF THE PUBLIC UTILITY COMMISSION'S REGULATIONS**

Duquesne Light Company (Duquesne Light) hereby files this Petition pursuant to 52 Pa. Code § 56.452 and 52 Pa. Code §5.43 to request a waiver of certain provisions of the regulations of the Pennsylvania Public Utility Commission ("Commission") at 52 Pa. Code §54.4 (Bill Format for Residential and Small Business Customers), 52 Pa. Code §56.15(7) (Billing Information), and 52 Pa. Code §56.22(a) (Accrual of Late Payment Charges). This waiver is being requested in connection with Duquesne Light's replacement of its existing customer information system with a new Customer Care and Billing ("CC&B") system as part of a larger system upgrade referred to as the FOCUS ("For Our Customers") project. The waivers requested are limited and temporary in nature and are the result of the technical implementation of the CC&B system. In support of this request, Duquesne Light states as follows.

I. INTRODUCTION AND BACKGROUND

1. Duquesne Light is a public utility and electric distribution company as defined in Sections 102 and 2803 of the Public Utility Code, 66 Pa. C.S.A. 102, 2803.
2. Duquesne Light provides electric distribution, transmission, and provider of last resort services in Pennsylvania subject to the regulatory jurisdiction of the Commission.

3. Duquesne Light's principal business address is:

Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219

4. Duquesne Light is represented in this matter by:

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5. Duquesne Light furnishes electric service to approximately 588,000 customers throughout its certificated service territory, which includes portions of Allegheny and Beaver Counties and encompasses approximately 817 square miles.

6. Duquesne Light has undertaken a multi-year project to replace its existing customer information system with a new Customer Care and Billing ("CC&B") system as part of the FOCUS project. The FOCUS project is a complex and multifaceted technology implementation that impacts virtually every aspect of Duquesne Light's business and the service we provide to our customers. Many of the new systems and upgrades included within the

FOCUS project are necessary for the Company to comply with Act 129 and the Commission's Smart Meter Procurement and Installation orders. Although collectively coined the FOCUS project, the project includes the upgrade, implementation and integration of several major systems such as the new CC&B system, a new Service Oriented Architecture, Meter Data Management system, Workforce Management system, Market Transaction Messages and Interactive Voice Response, among other things.

7. The new CC&B system will replace Duquesne Light's existing billing and customer information system ("CIS").

8. Upon completion, the new CC&B system will be activated and will be utilized for numerous aspects of customer billing and information, including customer notices, bill calculation and presentation, and customer service tracking.

9. While the Company anticipates that the new CC&B system will be fully compliant with the applicable Commission regulations in the near future, Duquesne Light is requesting a limited and temporary waiver of certain of the Commission's regulations during the transition from Duquesne Light's existing CIS to the new CC&B system, as set forth in more detail below.

II. STANDARD FOR GRANTING WAIVER OF COMMISSION REGULATIONS

10. The Commission's Rules of Administrative Practice and Procedure at 52 Pa. Code § 5.43 allow for petitions for waiver of any of the Commission's regulations. Such petitions must set forth clearly and concisely the interest of the petitioner in the subject matter, the specific waiver being requested, and cite by appropriate reference the statutory provision or other authority involved. The petition must set forth the purpose of, and the facts claimed to constitute the grounds requiring the waiver.

11. The Commission's regulations also permit a utility to request a temporary exemption from the provisions of Chapter 56 of the Commission's regulations if unreasonable hardship to a utility results from compliance with a section of Chapter 56. See 52 Pa. Code § 56.452.

III. REQUEST FOR WAIVER

12. Duquesne Light seeks limited and temporary waiver of the Commission regulation at 52 Pa. Code § 56.22(a) ("Accrual of late payment charges"). This regulation states that

"Every public utility subject to this chapter is prohibited from levying or assessing a late charge or penalty on any overdue public utility bill, as defined in § 56.21 (relating to payment), in an amount which exceeds 1.5% interest per month on the overdue balance of the bill. These charges are to be calculated on the overdue portions of the bill only. The interest rate, when annualized, may not exceed 18% simple interest per annum."

13. Currently, Duquesne Light's Tariff states that an overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the charges billed by the Company, including EGS charges for those customers who have selected consolidated billing. See Duquesne Light Electric Tariff No. PA P.U.C. No. 24, at Rate Sheets RS, RH, and RA.

14. The CC&B billing system is formatted in such a way that late payment charges are calculated monthly based on the entire amount of the outstanding balance on the account at the time of billing, including unpaid late payment charges that were previously issued.

15. It is unclear whether the 1.5% limitation refers to simple or compounded interest in the Commission's regulation at 52 Pa. Code § 56.22(a)¹

¹ The Commission has stated that "Section 56.22 of our Regulations provides that late charges are to be calculated on the overdue portions of the bill. Ostensibly, overdue portions of a bill could include unpaid late charges." *Aronson v. Duquesne Light Company*, Docket No. C-00981349 (Order entered February 10, 20000)

16. While the CC&B system will initially calculate late payment charges based on a customer's entire outstanding balance, Duquesne Light has safeguards in place to ensure that total annual interest charged to delinquent balances does not exceed 1.5% per month or 18% annually, even in cases of lengthy non-payment extending for over a year.

17. Duquesne Light expects that a modification to the CC&B system will be implemented within six months of the activation of the system. Once this modification is implemented, no interest will be charged on unpaid late payment charges that were previously issued.

18. Duquesne Light seeks a limited waiver of 52 Pa. Code § 56.22(a) for a period of six months, to the extent the Commission believes the method of applying late payment charges at the rate of 1.25% compounded monthly is not in compliance with 52 Pa. Code § 56.22(a).

19. Duquesne Light also seeks limited and temporary waiver of the Commission regulation at 52 Pa. Code § 56.15 (7), which states that "The total amount of payments and other credits made to the account during the current billing period must appear on the bill."

20. During the first month of the transition from the existing customer and billing system to the new CC&B system, customers' initial bills issued from the new system will reflect the customers' balance forward from the old system, and correctly incorporate any payments or credits made to the account since their last bill to show their correct current balance. However, customers' initial bills from the new CC&B system may not display all payments and other credits made to the account during the most recent billing period as individual line items.

21. This is a one-time issue occurrence resulting from the transition between two markedly different billing systems.

22. After the initial billing cycle under the CC&B system, all customer payments and

other credits made to the account during the current billing cycle will appear on the bill.

23. During this initial month, customers will still have the ability to contact Duquesne Light to inquire about the application of payments and credits and to receive their current account balances.

24. After the initial billing cycle under the CC&B system, all payments and other credits made to the account during the most recent billing cycle will be reflected on customer bills in full compliance with 52 Pa. Code § 56.15 (7).

25. Accordingly, Duquesne Light Company requests a temporary waiver of the provisions of 52 Pa. Code § 56.15 (7) during the first billing cycle under the CC&B system.

26. Finally, Duquesne Light seeks limited and temporary waiver of the Commission regulation at 52 Pa. Code § 54.4, which states in part that:

“(1) EDC charges must appear separately from EGS charges.

(2) Charges for basic services must appear before charges for nonbasic services, and appear distinctly separate.

(3) Customer bills must contain the following charges, if these charges are applicable, and these charges must appear in a distinct section of the bill. The designation or label of each charge as either a basic charge or nonbasic charge appears in parenthesis following the name of the charge. This label of either basic or nonbasic is not required to accompany the name of the charge on the bill.

(i) Generation charges (basic).

(A) Generation charges shall be presented in a standard pricing unit for electricity in actual dollars or cents per kWh, actual average dollars or cents per kWh, kW or other Commission-approved standard pricing unit.

(B) Generation charges shall appear first among the basic charges with one exception. EDCs may place the customer charge first among the basic charges.”

27. Current FOCUS testing indicates that on some customer bills, customer charges may occasionally appear on bills in such a way that other basic service charges are listed before generation charges.

28. Duquesne Light has informed the vendor who is configuring and installing the CC&B system about this issue, and the vendor is working to correct the issue. However, it

appears that the issue may not be resolved prior to the activation of the CC&B system.

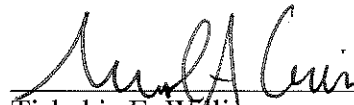
Therefore, Duquesne Light is requesting a one-year waiver of the bill format requirement of 52 Pa. Code § 54.4, to allow for the issue to be corrected permanently.

IV. CONCLUSION

For the foregoing reasons, Duquesne Light Company respectfully requests that the Commission grant the foregoing requests for temporary and limited waiver of the Commissions regulations.

Date: October 29, 2014

Respectfully Submitted



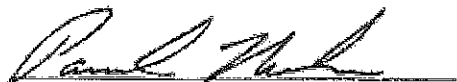
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VERIFICATION

I, PAMELA NIEHAUS, holding the title of
Project Manager with Duquesne Light Company verify that the factual
allegations contained in the foregoing Petition for Waiver are true and correct to the best of my
knowledge, information and belief and that I expect Duquesne Light Company to be able to
prove the same at a hearing held in this matter. I understand that the statements herein are made
subject to the penalties of 18 Pa. C.S. § 4904, relating to unsworn falsifications to authorities.



October 28, 2014
Date

CERTIFICATE OF SERVICE

And now, this 29th day of October 2014, I do hereby certify that I have served a true and correct copy of the foregoing Petition upon the persons listed below at their respective address, via first-class mail, postage prepaid.

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Date: October 29, 2014

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