



Duquesne Light
Our Energy...Your Power

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Tishekia E. Williams
Senior Counsel, Regulatory

March 2, 2015

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MAR 2 2015

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P. O. Box 3265
Harrisburg, Pennsylvania 17105-3265

Re: Duquesne Light Company 2012 Focused Management and Operations Audit
2014 Implementation Plan Progress Report
Docket No. D-2011-2269361

Dear Secretary Chiavetta:

Enclosed for filing on behalf of Duquesne Light Company, please find the second of three annual progress reports required by the Pennsylvania Public Commission's Secretarial Letter dated March 14, 2013 related to the Bureau of Audit's Focused Management and Operations Audit.

If you have any questions regarding the information contained in this filing, please feel free to contact me or Ribeka Garrity at 412-393-6099 or rgarrity@duqlight.com.

Sincerely,

Tishekia E. Williams
Senior Counsel, Regulatory

Enclosures

cc: Mr. Dennis P. Hosler, Director - Bureau of Audits
Mr. George A. Dorow, Jr., Supervisor - Bureau of Audits

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Implementation Plan Progress Report

**Prepared in Response to the
PaPUC February 2013 Focused Management and Operations Audit of
Duquesne Light Company**

Issued March 2, 2015

Docket No. D-2011-2269361

EXECUTIVE SUMMARY

Duquesne Light Company (“Duquesne Light” or “Company”) accepted each of the ten recommendations set forth in the Focused Management and Operations Audit Report issued by the Pennsylvania Public Utility Commission (“Commission”), and on February 19, 2013 the Company submitted an Implementation Plan to address each recommendation. Contained herein is the second of three annual progress reports as required by the Commission’s March 14, 2013 Secretarial Letter. As of December 31, 2014, Duquesne Light Company had fully implemented or satisfied seven of the audit recommendations and continued to make progress on the remaining three recommendations. As of March 2, 2015, two of the remaining recommendations have been completed and one recommendation is still outstanding.

The current status of Duquesne Light’s implementation steps for each of the Commission’s recommendations are shown in detail below.

Recommendation III-1: Rotate the external audit firm on a periodic basis, or at a minimum, ensure the external audit firm has established a policy to periodically assure rotation of its audit manager and audits teams.

Implementation Step 1:

- Compile information on external audit firm rotation practices for peer companies and benchmark the results against DLC’s practices.

2014 Status: Completed

Implementation Step 2:

- Obtain from DLC’s current external audit firm its policies to periodically assure rotation of its audit manager and audit teams. Review this policy with the DLC Audit Committee and establish an internal policy to assure this information is presented to DLC management and the DLC Audit Committee on an annual basis.

2014 Status: Completed

Recommendation IV-1: Examine the overall management structure of Duquesne Light periodically and adjust reporting relationships, where appropriate, to eliminate unjustified low or high spans of control.

Implementation Step 1:

- Perform an analysis of the overall management structure of Duquesne Light to review overall spans of control. Identify spans of control outside the range of 1:4 to 1:10. Human Resources will follow up with any departments having such spans to determine whether there is sound rationale for such spans to exist, and document the rationale.

2014 Status: Completed & Ongoing

Recommendation V-1: Submit a detailed, written explanation for each dividend payout exceeding 85% of net income to the Commission within 30 days after public release of this audit report, and ensure that advance notice and explanations are submitted to the Commission prior to making future dividend payments in excess of 85% of net income.

Implementation Step 1:

- A written explanation for each dividend payout that exceeded 85% of net income will be provided to the Commission within 30 days after the public release of the audit report.

2014 Status: Completed

Implementation Step 2:

- Advance notice and explanation of future annual dividend payments will be provided to the Commission prior to making future annual dividend payments in excess of 85% of annual net income.

2014 Status: Completed & Ongoing

Recommendation VI-1: Conduct periodic audits of the entire cost allocation process.

Implementation Step 1:

- The Company will perform an internal audit of the cost allocation process at least once within each three (3) year internal audit plan (IAP). This audit will be included as part of the next IAP (covering 2013 – 2015) scheduled for approval by the Company's Audit Committee in February 2013.

2014 Status: Ongoing

Recommendation VI-2: Develop a comprehensive cost allocation manual to provide step by step guidance in processing cost allocations and help ensure uniformity in the handling of affiliate transactions.

Implementation Step 1:

- Utilizing the National Association of Regulatory Utility Commissioners (NARUC) Guidelines for Cost Allocations and Affiliate Transactions as a basis, develop a comprehensive cost allocation manual to ensure uniformity in the handling of affiliate transactions.

2014 Status: Completed

Implementation Step 2:

- Develop a plan for communication of the cost allocation manual to all personnel within the organization. Identify personnel across the organization that should receive formal training on the contents of the cost allocation manual and conduct such training.

2014 Status: Completed

Recommendation VII-1: Conduct a staffing study to analyze the costs and benefits of reducing overtime through various practices such as adjusting levels of shift work, relocating personnel between districts, hiring additional craftworkers, and/or using more outside contractor hours.

Implementation Step 1:

- Perform analysis of historical and planned work to develop model for Overhead, Underground, and Substation personnel to ensure appropriate staffing levels exist

2014 Status: Completed & Ongoing

Recommendation VII-2: Expand the databases used to track and monitor third-party damages and claims to include all pertinent information regarding types of damages, names or parties, invoiced amounts, settled amounts, and settlement reasons in order to better identify the causes of and control third party damages.

Implementation Step 1:

- Expand the database to track the following information and make that information searchable: 1) amount collected against the invoiced amount; 2) settlement reasons; 3) name or party; 4) type of damage.

2014 Status: Completed

Implementation Step 2:

- Conduct quarterly review of database in order to identify contractors or individuals who cause damage on multiple occasions.

2014 Status: Completed & Ongoing

Recommendation VII-3: Strive to achieve average or better Occupational Safety and Health Administration recordable incident rates by monitoring and continually modifying safety programs to address the most current safety issues at the Company.

Implementation Step 1:

- Conduct a Safety Leadership course for all Supervisors and Union leaders. The purpose of this workshop is to equip our leaders with the important insights, strategies, and tools necessary to achieve and sustain a culture of safety; including:
 - Focusing on identified risks and issues that organizational personnel have identified.
 - Establishing specific individual accountabilities and activities that integrate safety management principles and processes into the daily operation of the business.
 - Establishing a positive safety culture built upon “catching employees doing things right”.
 - Determination of what is important to an organization and how this maps to the current safety performance.
 - Presentation and discussion of insights into effective safety management, including:
 - What works in safety and what does not
 - Root Causes of Incidents.
 - The incident reaction cycle.

2014 Status: Completed

Implementation Step 2:

- Duquesne Light will train over 600 field employees in Human Performance. Training has been developed to provide workers with a structured and systematic approach to performing all tasks. This training also looks at organizational processes to identify causes of organizational and individual performance gaps. The program will provide new solutions to improve and sustain human performance. Training employs methods such as STAR (Stop Think Act Review).

2014 Status: Completed

Implementation Step 3:

- Annually review Duquesne Light Company’s OSHA recordable incident rate, and modify safety programs to address current safety issues.

2014 Status: Completed & Ongoing

Recommendation VIII-1: Enhance current measures to reduce residential customer arrearages.

Implementation Step 1:

- Segment customers based on an internal credit behavioral score as well as specific customer classes. These segmentations will be completed in conjunction with the deployment of Duquesne Light’s new Customer Information System.

2014 Status: Completed

Implementation Step 2:

- Evaluate and implement new outbound call campaigns. These evaluations and implementations will be completed in conjunction with the deployment of Duquesne Light's new Customer Information System.

2014 Status: Completed

Recommendation VIII-2: Examine potential policy, procedures and staffing level changes that may be necessary to efficiently respond to the increasing levels of customer complaints and Payment Arrangement Requests.

Implementation Step 1:

- Review staffing levels in the Regulatory Consumer Relations group and make recommendations with respect to whether changes are needed.

2014 Status: Completed & Ongoing

Implementation Step 2:

- Review process that has been used to respond to informal complaints and PARS in 2012 and determine the time frames needed to complete each step and what process improvements or procedures can be implemented to increase efficiency.

2014 Status: Completed

IMPLEMENTATION PLAN

Duquesne Light Company Response to Focused Management and Operations Audit

Recommendation III-1: Rotate the external audit firm on a periodic basis, or at a minimum, ensure the external audit firm has established a policy to periodically assure rotation of its audit manager and audits teams.

Audit Report Reference: Chapter III, Page 16

Company Response: Accepted.

Responsible Individual(s): Matt Ankrum
Controller
Finance

Description of Implementation Steps/Anticipated Date of Completion:

1. Compile information on external audit firm rotation practices for peer companies and benchmark the results against DLC's practices.

Date of Completion: 3rd Quarter 2013

2014 Implementation Status Update: Completed

Changes were completed and implemented in 2013 as previously provided in the 2013 Implementation Plan Progress Report. A request for proposal for external audit services was initiated and completed in 2014.

2. Obtain from DLC's current external audit firm its policies to periodically assure rotation of its audit manager and audit teams. Review this policy with the DLC Audit Committee and establish an internal policy to assure this information is presented to DLC management and the DLC Audit Committee on an annual basis.

Date of Completion: 4th Quarter 2013

2014 Implementation Status Update: Completed

Changes were completed and implemented in 2013 as previously provided in the 2013 Implementation Plan Progress Report. The Company presented the policy to the DLC Audit Committee at its November 2013 and 2014 meetings.

IMPLEMENTATION PLAN

Duquesne Light Company Response to Focused Management and Operations Audit

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| Recommendation IV-1: | Examine the overall management structure of Duquesne Light periodically and adjust reporting relationships, where appropriate, to eliminate unjustified low or high spans of control. |
| Audit Report Reference: | Chapter IV, Page 21 |
| Company Response: | Accepted. |
| Responsible Individual(s): | Todd Faulk Vice President, Human Resources |

Description of Implementation Steps/Anticipated Date of Completion:

1. Perform an analysis of the overall management structure of Duquesne Light to review overall spans of control. Identify spans of control outside the range of 1:4 to 1:10. Human Resources will follow up with any departments having such spans to determine whether there is sound rationale for such spans to exist, and document the rationale.

Original Date of Completion: 4th Quarter 2013

Revised Date of Completion: 4th Quarter 2014

Date of Completion: 1st Quarter 2015

2014 Implementation Status Update: Completed & Ongoing

An assessment of the management structure of Duquesne Light was completed 4th quarter 2014. The report of the findings was finalized February 2015. A comprehensive periodic review of reporting relationships as part of an organizational study will be conducted at a minimum every 3 years. Span-of-control will be considered as a factor when changes are made to departments or groups throughout the organization.

IMPLEMENTATION PLAN

Duquesne Light Company Response to Focused Management and Operations Audit

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| Recommendation V-1: | Submit a detailed, written explanation for each dividend payout exceeding 85% of net income to the Commission within 30 days after public release of this audit report, and ensure that advance notice and explanations are submitted to the Commission prior to making future dividend payments in excess of 85% of net income. |
| Audit Report Reference: | Chapter V, Page 28 |
| Company Response: | Accepted. |
| Responsible Individual(s): | James Milligan, Manager, Treasury Operations Finance |

Description of Implementation Steps/Anticipated Date of Completion:

1. A written explanation for each dividend payout that exceeded 85% of net income will be provided to the Commission within 30 days after the public release of the audit report.

Date of Completion: 30 days after the public release of the audit report.

2014 Implementation Status Update: Completed

Changes were completed and implemented in 2013 as previously provided in the 2013 Implementation Plan Progress Report.

2. Advance notice and explanation of future annual dividend payments will be provided to the Commission prior to making future annual dividend payments in excess of 85% of annual net income.

Date of Completion: Ongoing.

2014 Implementation Status Update: Completed & Ongoing

The Company is required to file notice with the Commission when the dividend payments are in excess of 85%. In 2014, the Company's dividends were below the 85% threshold; therefore, a report to the Commission was not needed.

IMPLEMENTATION PLAN

Duquesne Light Company Response to Focused Management and Operations Audit

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| Recommendation VI-1: | Conduct periodic audits of the entire cost allocation process. |
| Audit Report Reference: | Chapter VI, Page 36 |
| Company Response: | Accepted. |
| Responsible Individual(s): | Christian Wilson Manager, Internal Audit |

Description of Implementation Steps/Anticipated Date of Completion:

1. The Company will perform an internal audit of the cost allocation process at least once within each three (3) year internal audit plan (IAP). This audit will be included as part of the next IAP (covering 2013 – 2015) scheduled for approval by the Company's Audit Committee in February 2013.

Date of Completion: The exact timing and scope of the audit will be determined upon completion of Duquesne Light Company's Cost Allocation Manual (CAM) per Recommendation #VI-2

2014 Implementation Status Update: Ongoing

Duquesne Light Company's (DLC) Internal Audit Department is currently in the process of conducting the 'Cost Allocation Manual' audit. We expect fieldwork to conclude in the second quarter of 2015 with issuance of the related internal audit report to occur by the end of the second quarter of 2015. As with any internal audit project, this timeframe could vary due to either change in the expected availability of audit and/or auditee personnel or the quantity and/or complexity of potential issues encountered during the course of the review.

IMPLEMENTATION PLAN

Duquesne Light Company Response to Focused Management and Operations Audit

Recommendation VI-2: Develop a comprehensive cost allocation manual to provide step by step guidance in processing cost allocations and help ensure uniformity in the handling of affiliate transactions.

Audit Report Reference: Chapter VI, Page 36

Company Response: Accepted.

Responsible Individual(s): Matt Ankrum
Controller
Finance

Description of Implementation Steps/Anticipated Date of Completion:

1. Utilizing the National Association of Regulatory Utility Commissioners (NARUC) Guidelines for Cost Allocations and Affiliate Transactions as a basis, develop a comprehensive cost allocation manual to ensure uniformity in the handling of affiliate transactions.

Date of Completion: 3rd Quarter 2013

2014 Implementation Status Update: Completed

Changes were completed and implemented in 2013 as previously provided in the 2013 Implementation Plan Progress Report. No additional changes were made in 2014.

2. Develop a plan for communication of the cost allocation manual to all personnel within the organization. Identify personnel across the organization that should receive formal training on the contents of the cost allocation manual and conduct such training.

Date of Completion: 3rd Quarter 2013

2014 Implementation Status Update: Completed

Changes were completed and implemented in 2013 as previously provided in the 2013 Implementation Plan Progress Report. No additional changes were made in 2014.

IMPLEMENTATION PLAN

Duquesne Light Company Response to Focused Management and Operations Audit

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|-----------------------------------|---|
| Recommendation VII-1: | Conduct a staffing study to analyze the costs and benefits of reducing overtime through various practices such as adjusting levels of shift work, relocating personnel between districts, hiring additional craftworkers, and/or using more outside contractor hours. |
| Audit Report Reference: | Chapter VII, Page 50 |
| Company Response: | Accepted. |
| Responsible Individual(s): | Alex Burns Manager Operations Planning and Budgeting |

Description of Implementation Steps/Anticipated Date of Completion:

1. Perform analysis of historical and planned work to develop model for Overhead, Underground, and Substation personnel to ensure appropriate staffing levels exist.

Date of Completion: 3rd Quarter 2013

2014 Implementation Status Update: Completed & Ongoing

In 2014, a cross functional Business Improvement Team was assigned to address the efficient use of overtime on a corporate wide level. The team reviewed the overall overtime and determined that the most impact could be obtained by focusing on overhead, underground, substations, and the operations center. The team then verified the root causes and prioritized them based on the impact they each have on overtime. Solution implementation is currently ongoing.

IMPLEMENTATION PLAN

Duquesne Light Company Response to Focused Management and Operations Audit

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| Recommendation VII-2: | Expand the databases used to track and monitor third-party damages and claims to include all pertinent information regarding types of damages, names or parties, invoiced amounts, settled amounts, and settlement reasons in order <i>to better identify the causes of and control third party damages.</i> |
| Audit Report Reference: | Chapter VII, Page 50 |
| Company Response: | Accepted. |
| Responsible Individual(s): | Krycia Kubiak Assistant General Counsel Office of General Counsel |

Description of Implementation Steps/Anticipated Date of Completion:

1. Expand the database to track the following information and make that information searchable: 1) amount collected against the invoiced amount; 2) settlement reasons; 3) name or party; 4) type of damage.

Date of Completion: 1st Quarter 2013.

2014 Implementation Status Update: Completed

Changes were completed and implemented in 2013 as previously provided in the 2013 Implementation Plan Progress Report. No additional changes were made in 2014.

2. Conduct quarterly review of database in order to identify contractors or individuals who cause damage on multiple occasions.

Date of Completion: 2nd Quarter 2013 and Ongoing.

2014 Implementation Status Update: Completed & Ongoing

Reviews of the third-party damage and claims database to identify contractors or individuals who cause damages on multiple occasions were implemented with a quarterly report starting April 2013, and continue to be reviewed on a quarterly basis.

IMPLEMENTATION PLAN

Duquesne Light Company Response to Focused Management and Operations Audit

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| Recommendation VII-3: | Strive to achieve average or better Occupational Safety and Health Administration recordable incident rates by monitoring and continually modifying safety programs to address the most current safety issues at the Company. |
| Audit Report Reference: | Chapter VII, Page 50 |
| Company Response: | Accepted. |
| Responsible Individual(s): | Michael Peluso Manager Employee Safety & Workforce Development |

Description of Implementation Steps/Anticipated Date of Completion:

1. Conduct a Safety Leadership course for all Supervisors and Union leaders. The purpose of this workshop is to equip our leaders with the important insights, strategies, and tools necessary to achieve and sustain a culture of safety; including:
 - Focusing on identified risks and issues that organizational personnel have identified
 - Establishing specific individual accountabilities and activities that integrate safety management principles and processes into the daily operation of the business
 - Establishing a positive safety culture built upon “catching employees doing things right”
 - Determination of what is important to an organization and how this maps to the current safety performance
 - Presentation and discussion of insights into effective safety management, including:
 - What Works in Safety and What Doesn't
 - Root Causes of Incidents
 - The Incident Reaction Cycle

Date of Completion: 2nd Quarter 2013.

2014 Implementation Status Update: Completed

Changes were completed and implemented in 2013 as previously provided in the 2013 Implementation Plan Progress Report.

2. Duquesne Light will train over 600 field employees in Human Performance. Training has been developed to provide workers with a structured and systematic approach to performing all tasks. This training also looks at organizational processes to identify causes of organizational and individual performance gaps. The program will provide new solutions to improve and sustain human performance. Training employs methods such as STAR (Stop Think Act Review).

The STAR technique boosts attention at important points in an activity before a specific act is executed. The performer pauses to focus his or her attention, taking a moment to reflect on the intended action, the component, and its expected outcome. The performer thinks about whether the proposed action is the right action for the situation.

Date of Completion: 2nd Quarter 2013.

2014 Implementation Status Update: Completed

Changes were completed and implemented in 2013 as previously provided in the 2013 Implementation Plan Progress Report.

3. Annually review Duquesne Light Company's OSHA recordable incident rate, and modify safety programs to address current safety issues.

Date of Completion: 4th Quarter 2013 and Ongoing

2014 Implementation Status Update: Completed & Ongoing

KPI's have been established to track both leading and lagging safety performance indicators. The metrics are then communicated to the safety leadership team consisting of both union and management personnel who meet monthly to evaluate the status and progress of the safety initiatives currently running on the property.

Safety KPI's included the following:

1. OSHA recordable & lost time accident rate
2. Number of near miss incidents reported and investigated
3. Number of safe/unsafe observations & jobsite inspections conducted
4. Motor vehicle accident rate

2014 Safety Programs and Initiatives:

1. The following are Safety Culture Improvement Initiatives which include continuous improvement teams with a combination of union and non-union employees working on specific safety related projects.
 - o The first continuous improvement team was formed in April and assigned to evaluate the safety meeting process. The team was commissioned to focus on improving the frequency, content and effectiveness of safety meetings at

Duquesne Light. A full day of Safety Meeting Facilitator Training was provided to 87 Supervisors in Operations, Operations Services, Operations Center, Field Services and Meter Reading. This new process will continue to be implemented across the company in 2015.

- The second continuous improvement team was formed in August and assigned to evaluate the job briefing process at Duquesne Light. The team kicked off by revising the Overhead Job Briefing Form, and creating a Job Briefing Form for Operations Troubleshooters. In addition to meeting the 5 OSHA requirements for job briefings, the team's new process provides a mechanism for employees to report safety issues identified in the field with a means to transfer that information to all necessary parties across the organization. This team will continue to work on developing forms for all crafts throughout Duquesne Light. Once a form is developed the team will deliver training on the new process to that department.
 - The Company held 15 sessions of Safety Culture Excellence Workshops in 2014. The session included:
 - Insights into effective safety cultures reviewing the traditional incident reaction cycle, why injuries happen, the six criteria for safety excellence and the maturity grid
 - Strategies for safety accountability, and
 - The Zero-Incident Performance Process.
2. Updating existing programs and procedures to meet the new 29CFR1910.269 requirements. A Regulatory Steering Team was developed to oversee the Company's efforts in complying with the revised OSHA Regulation released on April 11, 2014. Three sub-committees were established to manage:
- The minimum approach distance and incident energy calculations,
 - Arc Flash Protection, and
 - Fall Protection.
3. The Safe Driver Program was continued in 2014 by conducting practical driving evaluations with new employees, employees transferred from non-driving positions, and employees involved in preventable motor vehicle incidents. The evaluation includes: instruction on conducting 360 walk around of the vehicle, pre-trip inspection instructions, the use and location of all interior vehicle controls, a road trip (test) covering safe driving habits, and a review of Pennsylvania driving laws and company policies.
4. During Duquesne Light's 2014 annual OSHA compliance training, all craft workers, 681 employees, attended a variety of safety seminars. The human performance topic selected this year reviewed the five basic principles:
- People are fallible, even the best make mistakes.

- Error-likely situations are predictable, manageable, and preventable.
 - Individual behavior is influenced by organizational processes and values.
 - People achieve high levels of performance based largely on encouragement and reinforcement received from leaders, peers, and subordinates.
 - Events can be avoided by understanding the reasons errors occur and applying the lessons learned from past events.
5. Near Miss Reporting Program - Duquesne Light reported and investigated 17 near miss incidents. Once an incident was reported the Safety and Workforce Development Department partnered with the affected department to conduct an investigation. The results were communicated to the company and posted to the internal website.

IMPLEMENTATION PLAN

Duquesne Light Company Response to Focused Management and Operations Audit

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| Recommendation VIII-1: | Enhance current measures to reduce residential customer arrearages. |
| Audit Report Reference: | Chapter VIII, Page 62 |
| Company Response: | Accepted. |
| Responsible Individual(s): | Lynda Pekarsky Director Customer Revenue Management |

Description of Implementation Steps/Anticipated Date of Completion:

1. Segment customers based on an internal credit behavioral score as well as specific customer classes. These segmentations will be completed in conjunction with the deployment of Duquesne Light's new Customer Information System.

Original Date of Completion: 4th Quarter 2013.

Revised Date of Completion: July 2014.

Date of Completion: November 2014.

2014 Implementation Status Update: Completed

The Company implemented a new Customer Care and Billing System (CC&B) in late November 2014. As part of that implementation, the Company introduced new collections and severance processes based on customer segmentation on an internal credit behavioral score as well as new specific customer collection classes

2. Evaluate and implement new outbound call campaigns. These evaluations and implementations will be completed in conjunction with the deployment of Duquesne Light's new Customer Information System.

Anticipated Date of Completion: 4th Quarter 2013.

Revised Date of Completion: July 2014.

Date of Completion: November 2014.

2014 Implementation Status Update: Completed

Duquesne implemented several new outbound call campaigns with the launch of the new CC&B Billing System. Several campaigns were targeted to reduce arrearages including a LIHEAP referral campaign, CAP referral campaign, Dollar Energy Fund Referral campaign, Watt Choices Energy Efficiency campaign, Promotion of eBill and Electronic Payment campaign.

IMPLEMENTATION PLAN

Duquesne Light Company Response to Focused Management and Operations Audit

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|-----------------------------------|--|
| Recommendation VIII-2: | Examine potential policy, procedures and staffing level changes that may be necessary to efficiently respond to the increasing levels of customer complaints and Payment Arrangement Requests. |
| Audit Report Reference: | Chapter VIII, Page 62 |
| Company Response: | Accepted. |
| Responsible Individual(s): | Marie Tamilya Supervisor, Regulatory Consumer Relations Office of General Counsel |

Description of Implementation Steps/Anticipated Date of Completion:

1. Review staffing levels in the Regulatory Consumer Relations group and make recommendations with respect to whether changes are needed.

Date of Completion: 2nd Quarter 2013

2014 Implementation Status Update: Completed & Ongoing

In response to the management audit recommendation, the Company reviewed the staffing levels for the regulatory consumer affairs group in January 2013. Specifically, the Company considered, among other things, the number of complaints received, internal staffing levels, and the implications of implementing the new customer care and billing system (FOCUS).

Ultimately, the Company considered hiring one contractor or more contractors to address the potential increase in customer complaints.

Subsequently, Human Resources assisted in the development of an appropriate contractor position and job description as provided in CS-3 Attachment 1. A Professional Consulting agreement was negotiated with a third-party and went into effect on January, 2014, and one contractor was added shortly thereafter.

Over the course of 2014, there were additional discussions related to appropriate staffing levels which continue to take place.

2. Review process that has been used to respond to informal complaints and PARS in 2012 and determine the time frames needed to complete each step and what process improvements or procedures can be implemented to increase efficiency.

Date of Completion: 4th Quarter 2013

2014 Implementation Status Update: Completed

Changes were completed and implemented in 2013 as previously provided in the 2013 Implementation Plan Progress Report. No additional changes were made to these processes in 2014.