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File #: 126931

July 13, 2015

***VIA ELECTRONIC FILING***

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re: Petition of Duquesne Light Company for an Extension of Time and/or Waiver to  
Meet Certain Regulatory Requirements  
Docket No. P-2015-2484590**

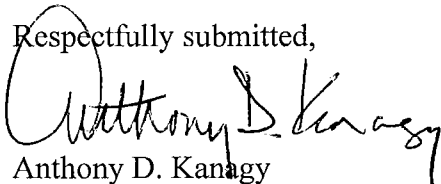
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Dear Secretary Chiavetta:

Enclosed please find the responses of Duquesne Light Company ("Duquesne Light") to the Bureau of Technical Utility Services Data Request Nos. 1(b) and 2 through 5 in the above-referenced proceeding.

Please direct any questions regarding the matter to the undersigned or to Tishekia Williams at (412) 393-1541.

Respectfully submitted,



Anthony D. Kanagy

ADK/skr  
Attachment

cc: Anthony J. Rametta (*via e-mail*)  
Darren Gill (*via e-mail*)

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Set I

Witness: Yvonne Phillips

***EIG I-1*** *On page 1 of the Petition, you mention "FOCUS Day 2 Projects," which address challenges, inefficiencies, and defects that arose after the introduction of new code during the FOCUS go-live date.*

*b. Do FOCUS Day 2 Projects arise only in the context of significant IT/code/software modifications? Assuming the Company continues to utilize the FOCUS System, will FOCUS Day 2 Projects continue to be necessary beyond June 2016?*

**Response:**

As stated in the response below, some of the FOCUS Day 2 items were for planned changes that were not completed prior to Go Live in November of 2014. Examples of these targeted items that were not completed included various reports that remained to be developed in the BI Publisher application, credit and collections functionality, additional CAP automation, and other configuration changes to more efficiently manage business process exceptions. The "Day 2" term was used specifically with the FOCUS project to identify work that would be scheduled post the Go Live date. Going forward, we will be referring to "Ongoing Oracle System Maintenance" rather than "Day 2" to reference work that is needed post a major release rollout such as Joint Bill, Bill Ready, TOU, etc. This work is part of our Roadmap schedule referenced in the waiver petition. Every major Utility has a Customer Information System that requires ongoing maintenance, including our Oracle Solution. We will continue to have Change Requests for business improvements and regulatory requirements/changes. Change Requests and Defects will be part of the DLC Production System for every subsequent major project/release during the life of the Oracle system. The Company has no current plans to transition away from the FOCUS system.

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Witness: Gunther Hehn and Tim Daigle

**FIG I-1** On page 1 of the Petition, you mention “FOCUS Day 2 Projects,” which address challenges, inefficiencies, and defects that arose after the introduction of new code during the FOCUS go-live date.

- d. In footnote 2 of the Petition, you mention “legacy applications” as part of the Service Oriented Architecture System.
- i. Do you plan to eventually phase out all legacy applications from the pre-FOCUS System era? If so, when? If not, why not?
  - ii. Does the inclusion and maintenance of legacy applications through your Service Oriented Architecture System necessitate the need for more system testing to ensure the stability and viability of the FOCUS System than would otherwise be necessary in a FOCUS System without legacy applications?

**Response:**

d (i) The FOCUS System is built on Oracle Utilities application suite. The Oracle Utilities application suite will handle some but not all of the business process supported by the remaining legacy applications. Therefore not all legacy applications are planned to be replaced. The Company will continue to evaluate the capabilities of the Oracle Utilities application suite to determine if maintaining a legacy applications provides business benefit/improved functionality when compared to the cost of replacing the legacy application.

d (ii) The Service Oriented Architecture System provides the communication layer for the applications in the Oracle Utilities suite and the legacy applications. The level of testing is not significantly impacted due to the use of legacy applications and the Oracle Utilities suite. Testing consists of validating business processes are functioning properly. The testing would still be done even if all business processes were performed using the Oracle Utilities suite.

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Witness: Tim Daigle and Yvonne Phillips

**EIG I-2** On pages 4-5 of the Petition, you discuss the guidelines utilized in developing the Road Map (Exhibit A). Many of these guidelines focus on minimizing code changes to the FOCUS System and ensuring the stability of the FOCUS System. In light of the potential fragilities of the FOCUS System and the apparent defects requiring resolution through FOCUS Day 2 Projects, did the Company consider completely revamping the FOCUS System or creating a new overarching system instead of moving forward with updates and patchwork to the foundational FOCUS System that launched on November 28, 2014? If so, please discuss any cost-benefit analysis that was conducted.

**Response:**

The guidelines were established to ensure that subsequent modifications to the FOCUS system do not degrade the capabilities of the FOCUS system and that all future releases are as successful as the initial implementation. Process improvements are continually evaluated and included with each release where possible. The Company does not believe a revamp of the entire FOCUS system is required. A cost-benefit of a complete revamp has not been performed; however a complete revamp would be imprudent because it would require a new customized system to be built at significant additional expense.

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Witness: Gary Matthis and Yvonne Phillips

**EIG I-3** In the Petition, you provide a Road Map (Exhibit A) and Planned Milestones by Quarter (Exhibit B). Are there any updates/changes to these exhibits? If so, please submit those updates.

**Response:**

The Company has eliminated the 2.4 upgrade (release 3.2) to reduce the risk of delays in future releases. In lieu of the 2.4 upgrade, the Company plans to implement the 2.5.2 upgrade upon release by Oracle. After further analysis, the elimination of release 2.4 will not impede the Company's ability to implement Bill Ready functionality.

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Witness: Brian Novicki and James Karcher

**EIG I-4** In light of the number of requested extensions and waivers, please provide an updated Conceptual Smart Meter Timeline. See Duquesne's Final Smart Meter Procurement and Installation Plan (SMP) Compliance filing, Docket No. M-2009-2123948, Appendix B (filed August 2, 2013). Highlight and describe any changes from the Appendix B in the August 2, 2013 filing, specifically noting if any of the changes relate to the problems with the FOCUS System deployment.

**Response:**

The Company will file the results of the OMS Phase I study and a petition requesting Commission approval of the proposed changes to the AMI deployment schedule along with other proposed changes to the Company's smart meter plan by July 31, 2015. In its petition, the Company will request approval to accelerate smart meter deployment and recover incremental costs related to the AMI implementation.

Minimal changes to the Conceptual Smart Meter Timeline have been made. Specifically, implementation of bidirectional communication, remote meter reprogramming, hourly usage, and hourly consumption functionality was implemented in 2015. The existing timeline is outlined below.

Existing Timeline:

- 2014 – 5K Cumulative meter installs
- 2015 – Bidirectional communication; Remote meter programming; Hourly usage data; Hourly consumption; 150K Cumulative meter installs
- 2016 – TOU/RTP; Remote connect/disconnect; 15 Minute interval data; Net metering; 300K Cumulative meter installs
- 2017 – Price and consumption direct access; Auto control of consumption; Voltage monitoring; Outage notification; 450K Cumulative meter installs
- 2018 – 600K Cumulative meters installs

With the exception of the cumulative meter installs, timeline changes noted above are related to the FOCUS System deployment.

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**EIG I-4, page 2 of 2**

Phase 1- Strategic Planning: The Company has requested an extension to file the results of the Phase I study until July 31, 2015

- Study of distribution operations processes & technologies
- Implementation planning
- Refined cost/benefit detail
- Recovery planning

Phase 2: 7/2015\* through 12/2019\* -

Phase 2 – Advanced Outage Capabilities

- Design and Build an Electric Model Implement an OMS
- Advanced Outage Communications
- Advanced Restoration Processes

Phase 3: 1/2020\* through 3/2021\*

Phase 3 – Advanced Distribution Capabilities

- Implement DMS
- VOLT/VAR
- Transformer Loading

\*- The dates included herein are contingent upon receiving regulatory approvals.

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Witness: Brian Novicki

**EIG I-4** In light of the number of requested extensions and waivers, please provide an updated Conceptual Smart Meter Timeline. See Duquesne's Final Smart Meter Procurement and Installation Plan (SMP) Compliance filing, Docket No. M 2009-2123948, Appendix B (filed August 2, 2013). Highlight and describe any changes from the Appendix B in the August 2, 2013 filing, specifically noting if any of the changes relate to the problems with the FOCUS System deployment.

- a. On page 11 of the Petition, you estimate that Duquesne will have approximately 48,000 smart meters installed by June 1, 2015. Is Duquesne on track with its Smart Meter Deployment plan? How many smart meters are currently installed? Approximately, how many smart meters will Duquesne have installed by January 1, 2016? Does Duquesne still expect to have installed approximately 200,000 smart meters by June 1, 2016?

**Response:**

- a. Yes, the Company's smart meter deployment is on schedule. As previously noted, the Company will file a petition requesting Commission approval of proposed changes to the AMI deployment schedule by July 31, 2015. In its petition, the Company will be request approval to accelerate smart meter deployment and recover incremental costs related to the AMI implementation. Duquesne Light currently has approximately 60,000 smart meters installed in our service territory. The Company will have approximately 150,000 smart meters installed by January 1, 2016, and expects to have installed approximately 200,000 smart meters by June 1, 2016.

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Witness: Brian Novicki

**EIG I-4** In light of the number of requested extensions and waivers, please provide an updated Conceptual Smart Meter Timeline. See Duquesne's Final Smart Meter Procurement and Installation Plan (SMP) Compliance filing, Docket No. M-2009-2123948, Appendix B (filed August 2, 2013). Highlight and describe any changes from the Appendix B in the August 2, 2013 filing, specifically noting if any of the changes relate to the problems with the FOCUS System deployment.

- b. In footnote 9 of the petition, you mention "certain Small and Medium C&I customers with interval meters." Approximately, how many customers are in this category and what percentage of Duquesne's load do those customers comprise? What is the specific deployment schedule for the replacement of those interval meters with smart meters?

**Response:**

- b. There are approximately 27,000 small and medium commercial and industrial ("C&I") customers with interval meters, which comprises approximately 22% of Duquesne's Load. Small and Medium C&I meters in this category are being replaced with Smart meters starting in 2016, with a targeted completion date of 2019. Yearly targets are as follows:
- 2016 – 3000,
  - 2017 – 8500,
  - 2018 – 8500,
  - 2019 – 7000.
- Total: 27,000

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Witness: James Karcher

**EIG I-5** Please reference Duquesne's fifth request regarding its Outage Communication and Voltage Monitoring Phase I Study on pages 12-13 of the Petition.

- a. Due to the 30-day extension request to file the Phase 1 implementation roadmap by July 31, 2015, please provide a specific date as to when Duquesne will petition the Commission for approval to implement its Post Phase 1 findings? See Docket No. M-2009-2123948 (Order entered Jan 9, 2014 approving Duquesne's August 2, 2013 SMP Compliance Filing). The Post Phase 1 Petition will be for approval for Duquesne to implement specific advance communication, restoration, and voltage monitoring capabilities (Phases II and III). See August 2, 2013 SMP Compliance Filing, Docket No. M-2009-2123948, at 11 and 12.

**Response:**

- a. The Company plans to petition the Commission for approval to implement its Post Phase 1 implementation roadmap on Friday, July 31, 2015.

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Witness: James Karcher

**EIG I-5** Please reference Duquesne's fifth request regarding its Outage Communication and Voltage Monitoring Phase I Study on pages 12-13 of the Petition.

- b. According to the January 9, 2014 Order, the post Phase 1 Petition must include “information on the incremental costs and any associated potential operational and maintenance cost savings for the Voltage Monitoring and Communication of Outages and Restorations capabilities.” See Docket No. M-2009-2123948, at Ordering Paragraph 4. Will this information now be included in the July 31, 2015 Phase 1 implementation roadmap filing? If not, please provide a specific date as to when Duquesne will provide this information to the Commission?

**Response:**

- b. Yes. Information on the incremental costs and any associated potential operational and maintenance cost savings for the Voltage Monitoring and Communication of Outages and Restorations capabilities will be provided in the July 31, 2015 filing.