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| PUC logo | COMMONWEALTH OF PENNSYLVANIA  PENNSYLVANIA PUBLIC UTILITY COMMISSION  400 NORTH STREET, HARRISBURG, PA 17120 | **IN REPLY PLEASE REFER TO OUR FILE** |

July 13, 2016

Docket No.: P-2016-2540046

TISHEKIA E. WILLIAMS, ATTORNEY

DUQUESNE LIGHT COMPANY

411 SEVENTH AVENUE

16TH FLOOR

PITTSBURGH, PA 15219

RE: Duquesne Light Company’s Long Term Infrastructure Improvement Plan TUS 1 Data Request

Dear Ms. Williams:

The Duquesne Light Company (Duquesne) filed a Petition seeking approval of its Long Term Infrastructure Improvement Plan (LTIIP) on April 15, 2016. The Office of Small Business Advocate (OSBA) filed an Answer, Notice of Intervention, Public Statement, and Verification on May 5, 2016. In their Answer, the OSBA requested the Petition be sent to the Office of Administrative Law Judge (ALJ) for hearings and preparation of an initial decision. The Commission’s LTIIP review procedures require LTIIPs to be referred to the ALJ if comments “raise material factual issues.” 52 Pa. Code § 121.4(c).

The OSBA averred there was insufficient information or knowledge to form a belief as to the truth of the Petition’s claims in the following sections: Introduction-8, II-9, II-10, and III-30. This alone does not raise material factual issues. Specifically, the Petition’s sections Introduction-8, II-9, and II-10 refer generally to how Duquesne plans to structure and focus the work of its LTIIP. These issues are further expanded upon in the LTIIP and its Appendices and the Commission believes the information contained in the LTIIP and Appendices satisfies the OSBA’s concerns of insufficient information or knowledge. The Petition section III-30 indicates Duquesne’s intention to file a Petition for approval of a Distribution System Improvement Charge, which it did on May 26, 2016, at the above Docket. Therefore, the OSBA’s concerns on that matter are satisfied.

An LTIIP must include a description of the manner in which infrastructure replacement will be accelerated per 52 Pa. Code § 121.3(a)(6). Duquesne’s LTIIP lacks sufficient supporting information in regards to historical baseline infrastructure replacement and capital spending for the categories of eligible property. In addition, more information is needed to determine the cost-effectiveness of the LTIIP per 52 Pa. Code § 121.4(e)(1).

Please refer to Attachment 1, Data Request TUS 1, for additional information the Commission requests to properly evaluate and approve the Duquesne LTIIP.

Please forward the information to the Secretary of the Commission at the address listed below **within ten (10) days** from the date of this letter. Make sure to reference the Docket Number listed above when filing your response. Please note that some responses may be e-filed to your case, <http://www.puc.pa.gov/efiling/default.aspx>. A list of document types allowed to be e-filed can be found at <http://www.puc.pa.gov/efiling/DocTypes.aspx>.

Rosemary Chiavetta, Secretary

Pennsylvania Public Utility Commission

400 North Street

Harrisburg, PA 17120

**Your answers should be verified per 52 Pa Code § 1.36.** Accordingly, you must provide the following statement with your responses:

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect 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 falsification to authorities).

The blank should be filled in with the name of the appropriate company representative, and the signature of that representative should follow the statement.

Please direct any questions to David Washko, Bureau of Technical Utility Services, at dawashko@pa.gov or (717) 425-7401.

 Sincerely,

Rosemary Chiavetta

Secretary

Enclosure: Attachment No. 1, Data Request TUS-1

cc: Daniel Searfoorce- TUS Reliability and Emergency Preparedness Supervisor

David Washko- TUS Electric Reliability Engineer

**Attachment 1**

**Data Request TUS-1**

Docket No. P-2016-2540046

Duquesne Light Company

1. Reference the Duquesne LTIIP, Section IV(7).
   1. Describe in detail the process that will be employed when selecting LTIIP projects to be competitively bid. Describe in detail how bids are solicited for those selected projects. Provide a sample of an RFP. Provide a summary and copy of the procedure(s) controlling the bidding process. Provide an approximate percentage of projects that are to be competively bid to outside contractors. What determinations and thresholds are used to decide what projects are to be outsourced?
   2. Provide the Pre-approved Vendor Program guideline procedures for contractors. Explain in detail how contractors are evaluated to determine on-going acceptable performance. Provide an example of a formalized Contractor review and approval scorecard with scoring methods and acceptance criteria.
   3. Referencing Section IV(7)(b)(ii), describe in detail the sourcing platform and contract intelligence model and how those ensure the procurement of supplies and components are verified to be cost effective. Describe the process to ensure scrapped/salvaged copper conductors and electrical components are accounted for and how any credit is flowed back to back to the project and/or other area.
2. Reference the Duquesne LTIIP, Section IV(1)(e).
   1. Duquesne avers that it cannot provide estimated annual expenditures related to unreimbursed highway relocations. There are 6 other jurisdictional electric distribution companies with approved LTIIPs and they all contained estimated historical baseline and projected expenditures by year for unreimbursed highway relocations.[[1]](#footnote-1) Duquesne should reference those companies’ LTIIPs for their methodologies. Failure to provide the historical baseline and projected expenditures by year for an eligible property category may result in the LTIIP being rejected. Provide information on unreimbursed highway relocation historical baseline (at a minimum, the previous 5 calendar years) and projected expenditures as described, above, and provide an updated Table 12 (reference the LTIIP Appendix B, page 32) that includes the information.
   2. Ensure the amounts determined in 2(a), above, are included in the tables required by data requests 3 and 4, below.
3. Reference the Duquesne LTIIP Appendix B, Table 11, page 30.
   1. Provide a table that details the estimated eligible property quantity addressed, by year, for each of the accelerated LTIIP programs and initiatives, similar to Table 12, Summary of LTIIP Expenditures.
   2. Provide a table that details the baseline historical (at a minimum, the previous 5 calendar years) and baseline projected eligible property quantity addressed, by year, for each of the LTIIP programs. The table should be formatted like the table requested in 3(a), above.
4. Reference the Duquesne LTIIP Appendix B, Figure 4, page 33.
   1. Figure 4 does not provide enough detail in regards to expenditures by program for the historical and projected amounts. Reformat this figure to a table similar to Table 12 (Appendix B, page 32) that provides an annual expenditure dollar amount by year for each of the program categories as well as a total amount for all program categories by year.

1. The 6 approved electric distribution company LTIIPs are PPL Electric, PECO Electric, Met-Ed, Penelec, Penn Power, and West Penn Power at Docket Numbers P-2012-2325034, P-2015-247142, P-2015-2508942, P-2015-2508936, P-2015-2508948, and P-2015-2508931, respectively. [↑](#footnote-ref-1)