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

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Re: Duquesne Light Company Time of Use and Real Time Pricing Plan
Third and Final Progress Report
Docket Nos: P-2009-2149807, P-2015-2484590**

Dear Secretary Chiavetta:

Enclosed for filing is Duquesne Light Company's Time of Use and Real Time Pricing Plan Third and Final Progress Report.

Please feel free to contact me with any questions, comments or concerns.

Respectfully Submitted,

Tishkia E. Williams
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Cc: Certificate of Service

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Third and Final Progress Report – November 30, 2016

Background – First TOU Reporting Period

Pursuant to Act 129 of 2008,¹ on December 28, 2009, Duquesne Light Company (“Duquesne” or “Company”) submitted its Petition for Approval of its Time-of-Use (“TOU”) and Real Time Pricing (“RTP”) Plan (“Plan”). In addition to satisfying an Act 129 obligation, the purpose of the proposed four-step Plan was to integrate TOU rates into practice and to complement both the Company’s Energy Efficiency and Conservation and Demand Response Plans (“EECDR”) and Smart Meter Implementation Plan.

- Step 1 - (2010) Conduct Market Analysis
- Step 2 - (2011) Implement Residential Pilot Program Infrastructure
- Step 3 - (2012) Implement Residential Pilot Programs
- Step 4 - (2013) Implement TOU Pricing Programs to Smart Meter Customers

The Plan proposed three TOU alternatives for evaluation. The Time-of-Week program (TOU-1) was designed around the limited capabilities of the Company’s existing residential meter infrastructure. TOU-1 was designed to provide approximately 1,000 residential customers with an incentive to reduce their usage during certain summer months measured against a baseline consumption mark set during those months in the previous year.

The Time-of-Day program (TOU-2) was a summertime plan in which customer’s rates varied between on-peak and off-peak usage. It was designed to encourage approximately 100 residential customers to shift their summer usage from on-peak to off-peak hours. Due to limitations of the current metering and billing system, new meters were installed on these customer’s homes capable of collecting and storing hourly usage data.

TOU-3 was an expanded TOU plan proposed to coincide with the deployment of smart meters. The parameters of TOU-3 would be based on information learned from TOU-1 and TOU-2 and customer research. Evaluation of small commercial and industrial (“C&I”) customer interest in TOU rates also was to be considered. Participation in TOU-3 would be strictly voluntary.

On June 23, 2010, at Docket No. P-2009-2149807, the Pennsylvania Public Utility Commission (“Commission”) approved the Company’s Plan requiring, among other items, supplemental reports addressing Plan progress on September 30 each year.

In October 2010, a Company team was formed for program development and to implement the Plan. The team worked together to define objectives and key communication messages; define customer participation criteria; create program materials; install hourly-read meters for TOU-2; implement process changes and work with outside consultants for customer research in a collaborative effort to achieve Plan goals. This collaborative process led to the creation of Duquesne’s *Smart Sense* pilot program, the formation of a *Smart Sense* website and a *Smart Sense* email mailbox for customer communication.

¹ 66 Pa.S.C. § 2807(f)(5)

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In April 2011, the team successfully enrolled 1,341 residential customers in the Time-of-Week (TOU-1) program and 111 residential customers in the Time-of-Day (TOU-2) program. The team engaged customers in the pilot through surveys and communication materials. Electric usage data (kilowatt-hours or “kWh”) collected from participants during the months of June 2011 through September 2011 was used as baseline data to develop the program design and to measure program success.

On November 30, 2011,² the Company filed its first progress report. The report summarized an analysis of customer usage data and the results from on-line web surveys and customer focus groups to form the final design and pricing of the two *Smart Sense* pilot programs. The Company’s research indicated that customers prefer programs that are simple in structure, easy to understand and offer meaningful opportunities to reduce energy costs with options that accommodate various levels of risk. Following is a description of each *Smart Sense* pilot program.

Time-of-Week Program: Customers who reduce their June 2012 through September 2012 electricity use by 10% or more below their 2011 baseline kilowatt-hour usage would receive a 10% incentive credit on the default service supply charge portion on their bill. As an added incentive, customers who reduce their monthly consumption 10% for all four 2012 applicable months — June 2012 through September 2012 — would receive an additional 10% off of their September 2012 default service supply charge. Credits to the customer would be provided in the following month’s bill.

Time-of-Day Programs: The Company proposed two rate options in response to customer input. These two options provided each customer a choice, depending on their level of risk and perceived opportunity to modify their behavior to save. The proposed rates for the two Time-of-Day programs were based on the Company’s existing default service rates for residential customers.³ There was no guarantee of savings to the customer from these two programs.

Table 1: *Smart Sense* TOU Rates for the Time-of-Day Programs

	Time-of-Day 1	Time-of-Day 2
On-Peak Period	Weekdays 1 p.m. to 6 p.m.	Weekdays 4 p.m. to 6 p.m.
Off-Peak Period	6 p.m. to 1 p.m. weekdays and all weekend hours	6 p.m. to 4 p.m. weekdays and all weekend hours
On-Peak Rate	15.72 cents/kWh	31.44 cents/kWh
Off-Peak Rate	6.13 cents/kWh	5.86 cents/kWh

² On August 2, 2011, the Company submitted a petition to the Commission to extend the filing date of all supplemental reports to November 30 each year. On September 27, 2011, the Commission approved the Company’s request to submit the supplemental reports by November 30 each year

³ Since these were pilot programs, the Time-of-Day rates proposed in Supplement No. 57 were only available to the 111 eligible participants for a four month period beginning June 1, 2012, through September 30, 2012.

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In addition to receiving communication materials on energy saving tips, energy efficient products, and opportunities to provide feedback through on-line surveys and focus groups, participants who remained in the program through September 30, 2012, would receive a \$100 pre-paid debit card as appreciation for their input.

On March 20, 2012, the Company filed Supplement No. 57 to Tariff Electric, Pa. P.U.C. No. 24 with an issued date of March 20, 2012, and an effective date of May 19, 2012, in compliance with the Commission's Order dated June 23, 2010, at Docket No. P-2009-2149807. Supplement No. 57 implemented the two TOU rate options for the Time-of-Day pilot programs. In addition to Supplement No. 57, on March 20, 2012, Duquesne Light concurrently filed a Petition for special permission to file a tariff supplement to become effective on less than 60 days-notice. The proposed effective date was on or before April 27, 2012, to allow time for the Company to communicate approved details of the programs to the *Smart Sense* pilot participants. On April 26, 2012, at Docket Nos. R-2012-2294694 and P-2012-2295300, the Commission approved the Company's request.

After the April 26, 2012, Commission approval of Supplement No. 57, the Company requested Time-of-Day (TOU-2) participants select one of the two TOU rate options from Table 1 above. Those who did not respond to the request would be placed on the TOD-1 rate. When solicited, 16 participants chose TOD-1 and 55 chose TOD-2. The remaining 30 participants who did not reply were placed on TOD-1, which balanced the number of participants between TOD programs.

Background – Second TOU Reporting Period

On November 30, 2012, the Company filed its second progress report. The report evaluated customer response during the effective period June 1, 2012, through September 30, 2012, and compared that response to baseline data. The report focused on customer response and customer feedback during the effective period of June 1, 2012, through September 30, 2012, and identified customer interests that could benefit design and implementation of future TOU programs. The report did not analyze system impacts because of the changes in customer participation levels throughout the period, gaps in data, and the limited number of participants in the Time-of-Day pricing program. Instead, it concentrated on customer participation and feedback.

The primary objectives of the participant research were to continue to gather information about participant awareness of energy consumption and conservation; assess customer reaction to program results; assess reaction to program design; and gauge overall satisfaction with the pilot program.

Specifically, participant research involved:

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- Evaluating participant satisfaction;
- Gathering feedback on program design;
- Evaluating specific aspects of the program (e.g., on-peak periods, rates);
- Determining impression of website interactions;
- Measuring participant satisfaction with communications, communication methods and messages; and
- Determining if participants would be likely to enroll in similar programs in the future;

During the second program year, the Company used a steady stream of email messages, in addition to a dedicated website section, to communicate with participants. In addition, bill messages were used to keep the participants informed. As reported in the second progress report, customer response to communications was favorable. Customer research confirmed the majority of the participants didn't mind having an e-mail address as their main means of contact. Most indicated the process was efficient and those that did send an e-mail received a response in a timely and thorough manner.

The following considerations for future residential program design were identified from this research and reported in the second progress report:

1. Manage expectations – Define up front opportunities and expected outcomes. Customers need to understand the results of their actions, both the magnitude and the potential risks and benefits.
2. Options – Pricing options, the flexibility to switch back to a flat rate, and the opportunities with energy efficiency products and services are examples of options that make customers feel in control. Focus group research did identify some customer interest in a bill protection program. It is unlikely that a higher incentive (i.e., a higher participation incentive) would have produced materially different customer outcomes.
3. Data - Access to data eventually provided through smart meters will be valuable for the customer.
4. Communications – Use of the web and email received positive customer feedback and should be continued.

Background – Third TOU Reporting Period

On November 30, 2012, the Company submitted a Petition to Modify the TOU Plan schedule and reporting requirements. The Company proposed to delay the TOU-3 portion of the TOU Plan to align with smart meter deployment and the Company default service plan that would be in effect June 1, 2015, to May 31, 2017. In that Petition, the Company committed to certain TOU Plan schedule and reporting requirements and to delay the third TOU report until November 30, 2016. By order entered August 15, 2013, at Docket No. P-2009-2149807, the Commission authorized

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the Company to delay TOU implementation until June 1, 2015, and to delay reporting requirements until November 30, 2016.

On May 28, 2015, Duquesne filed a Petition for Waiver to extend the time to implement, among other items, a Time-of-Use Program (Docket No. P-2015-2484590), explaining that the Company was precluded from implementing the approved TOU Program during the summer of 2015. The Company felt that by commencing the TOU Program in June of 2016 when it anticipated having approximately 200,000 meters installed that would be capable of recording usage on an hourly basis, it would increase the number of eligible customers which would both encourage EGSs to participate in the TOU Program and provide sufficient data to validate testing results. By Order entered July 30, 2015, the Commission granted Duquesne's request for an extension of time to implement its TOU Program to become effective June 1, 2016, with reporting requirements regarding the Program to be filed with the Commission no later than November 30, 2016.

Accordingly, this third and final TOU Report is being submitted in compliance with the Commission's Orders at Docket No. P-2009-2149807 and Docket No. P-2015-2484590.

Third TOU Reporting Period

TOU Collaborative Process

On June 4, 2015, Duquesne Light sent an invitation to all parties in its Default Service Plan VII ("DSP VII") proceeding along with invitations to AEP Energy and US Gas and Electric Inc.⁴ to participate in an initial TOU collaborative meeting on June 25, 2015. Parties were invited to participate in person, by webinar or by teleconference.

The initial TOU collaborative meeting was held on June 25, 2015, and was attended by representatives from Duquesne Light, the Office of Consumer Advocate ("OCA") and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA"). No EGSs participated in the initial collaborative.

Duquesne Light presented its TOU options via a PowerPoint slide deck provided in Attachment 1. The slide deck explained that both Rate Ready and Bill Ready TOU options would be available for EGSs to provide TOU service to customers. Duquesne Light informed participants at the collaborative that Bill Ready functionality would be available by May 31, 2016, in time for the TOU program. Duquesne Light responded to questions from the TOU collaborative participants primarily in regard to process, eligibility and enrollment. The Company asked all entities for comments by July 10, 2015. Those comments were considered prior to the second collaborative meeting.

⁴ AEP Energy and US Gas Inc. expressed an interest in participating in a prior default service collaborative.

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Duquesne Light held a Second TOU Collaborative meeting on July 22, 2015. That PowerPoint slide deck is provided as Attachment 2. Representatives from the OCA and CAUSE-PA also participated in this collaborative meeting. No EGSs participated in the second collaborative.

As a result of the two collaborative meetings, the participants were able to reach a consensus on many, but not all, TOU issues. The Company made a filing on September 30, 2015, with the Pennsylvania PUC (Docket No. P-2015-2506002) that detailed the parameters of the proposed TOU program, a description of the rules for the Rate Ready and Bill Ready billing options, the TOU agreement, cost recovery, pro forma tariff sheets and TOU program reporting requirements.⁵ The Commission approved the Company's filing by Order dated January 28, 2016.

November 18, 2015 - RFP Issued for EGS Participation

The Company alerted EGSs early in the TOU process of this opportunity to offer TOU pricing to residential customers and to gauge their interest. As such, the Company identified potential providers and an initial request for proposal ("RFP") was conducted with the top ten (10) suppliers of residential customers and/or suppliers that historically participated in these types of RFPs.

A TOU procurement website was established, RFP information and instructions were sent to suppliers, and a technical datasheet was created. A copy of this information is provided in Attachment 3.

On November 18, 2015, the RFP for the TOU program was opened to potential EGSs. Each EGS was notified via e-mail and phone call about the procurement opportunity. The Company monitored the TOU procurement website for activity and as of December 15, 2015, there was little activity or interest from EGSs. The first TOU RFP was ultimately closed on January 7, 2016, without a bid or EGS interest.

Due to lack of EGS interest in the first RFP, during the month of December 2015, the Company informally contacted the Office of Competitive Market Oversight ("OCMO") and notified them of the potential that the Company's TOU RFP may not have a bidder. In early January 2016, the Company also contacted the Retail Energy Supply Association ("RESA") to enlist its support to engage member EGSs.

RESA shared the RFP materials and the Company filing with its members. RESA and the Company conducted a conference call on January 27, 2016. The companies that were invited to the call were: Constellation, ConEd Solutions, Direct Energy, AEP Energy, WGL Energy and NRG. Reliant Energy (NRG) did not participate on the call but did have a subsequent discussion

⁵ As explained in the Company's September 30, 2015, filing, the TOU program was only offered to residential customers as the functionality for commercial and industrial customers to have data collection and communications systems installed with respect to their smart meters would not be available until May 31, 2016, which would not allow enough time for those customers to be included in the 2016 TOU Program. A copy of that filing may be found on the PaPUC's website at http://www.puc.pa.gov/about_puc/consolidated_case_view.aspx?Docket=P-2015-2506002.

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and e-mail communications with Duquesne Light. The Company received sufficient feedback and interest from EGSs to justify that a second RFP would deliver EGS response to the TOU RFP.

February 5, 2016 - RFP Issued for EGS Participation

On February 5, 2016, the second RFP was opened for the aforementioned suppliers. Each EGS was sent an e-mail invitation and received a follow up phone call. Attachment 4 is a screen shot of the internal RFP platform that shows the bidders and the Company's interaction with the suppliers. Questions from bidders were due by close of business on February 12, 2016, with responses from the Company due back by February 20, 2016. The second TOU RFP was closed on February 29, 2016.

On February 7, 2016, the Tribune Review wrote an article about the Duquesne Light time-of-use program entitled, "Utilities' time-of-use pricing encourages reduced usage during peak hours." The article was well received and gave the pending RFP and the TOU program more attention. A copy of the article is provided as Attachment 5.

The Company received three (3) Rate Ready bids and one (1) Bill Ready bid as a result of the second TOU RFP. A Technical Datasheet response was also provided with the pricing from the EGSs. The bids were analyzed and scored on the basis of their answers, but with a high weighting to the pricing of the bids. The bid prices were analyzed by using a standard load profile for an average residential customer. The profile and shape were consistent with the PJM settlement and supplier information that the Company uses. By applying this methodology consistently to all EGS TOU price offerings, the Company was able to determine the lowest price for customers using either the Bill Ready or Rate Ready product. The intent of the Program was not to charge customers more with a punitive rate should they not alter their usage behaviors. The PUC was notified of the rates and the decision process before awarding the bidders the Program.

Two (2) EGSs were awarded the opportunity to offer TOU pricing programs to residential customers. Direct Energy Services was awarded the Rate Ready offer and WGL Energy Services was awarded the Bill Ready offer. Table 2 below summarizes the winning EGS TOU price offerings.

Table 2: TOU Price Offerings from Winning Bidders⁶

EGS	Direct Energy Services	WGL Energy Services
Type of Billing	Rate Ready	Bill Ready
Summer On-Peak Period	Weekdays 2 p.m. to 6 p.m.	Weekdays Noon to 7 p.m.
Summer Off-Peak Period	6 p.m. to 2 p.m. weekdays and all weekend hours and holidays	7 p.m. to Noon weekdays and all weekend hours and holidays
Summer On-Peak Rate	8.79 cents/kWh	9.700 cents/kWh
Summer Off-Peak Rate	5.79 cents/kWh	6.467 cents/kWh
Non-Summer Rate All Hours	7.69 cents/kWh	7.109 cents/kWh

⁶ The summer period is from June 1, 2016, through September 30, 2016. October 1, 2016, through May 31, 2017, is the non-summer period.

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On March 4, 2016, the Company held an informal call with OCMO informing them of the TOU RFP results and winning bidders. The Company reviewed the bid process, the methodology for analyzing the bid prices, and the overall decision process for selecting the winning EGSs for the TOU Program. There were no questions or issues identified with the results.

The Company worked with both EGSs to complete the documentation that would make the results official. On March 22, 2016, agreements were fully executed with both EGSs.

The Company continued to work with each EGS during the months of April and May 2016 to prepare for the opening of the TOU Program on June 1, 2016. Conference calls were conducted and e-mail communications occurred with each EGS. Attachment 6 is a five-page supplier question and answer document that was sent to both suppliers, ensuring they both had the same answers to implement the TOU Program.

CSR Training / IVR Updates

The Company conducted internal training with customer service representatives (“CSRs”) to ensure they had proper training to understand and respond to customer phone calls. This training was conducted on March 17, March 31 and April 29, 2016. The Company utilized a subset of specialized CSRs via a dedicated phone number to discuss the options and answer any questions so the customer could make an informed decision that best suits their needs.

In addition to CSR training, the Company added a selection to its Interactive Voice Response system (“IVR”) that instructed customers to visit www.DuquesneLight.com/TOU where customers could view valuable insight and information regarding the TOU offerings, or choose the option to speak to a CSR.

A copy of the training material is provided as Attachment 7.

Customer Communications

Duquesne Light created an eligibility list in Mid-April 2016 which contained approximately 185,000 residential customers. In addition to having a fully functioning smart meter, the eligibility criteria for the residential customer included: no net metering, no budget billing plan, no CAP customers and no account delinquency. All eligible customers were mailed a TOU marketing packet which included a letter announcing the Program and an overview of Time-of-Use, how the Program works and each supplier’s specific program details including TOU hours and rates. In addition, the packet provided information on how to sign up, including contact numbers for the two (2) suppliers. The material also included additional Frequently Asked Questions (“FAQs”) such as how a customer who is enrolled in TOU can track their usage, access the online TOU comparison calculator, un-enrolling, as well as how to contact Duquesne Light with any additional questions. Attachment 8 contains the letter and FAQs.

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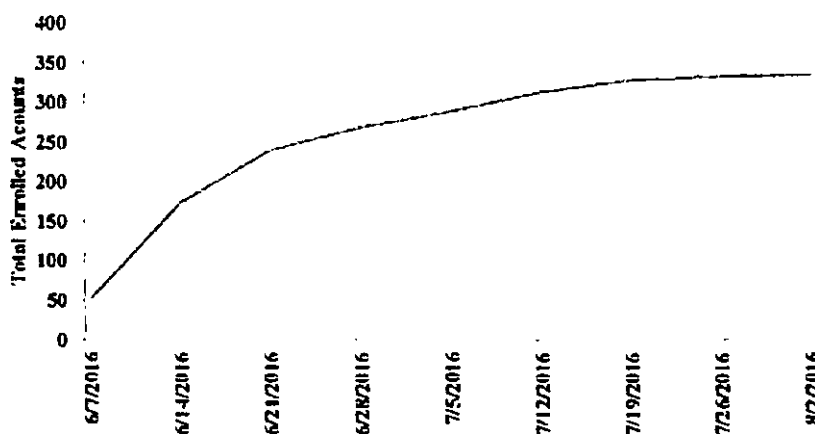
Customer Enrollment

There were two (2) suppliers who offered TOU rates to eligible customers, Direct Energy Services and WGL Energy Services. Each EGS offered its own distinctive program with specific on-peak and off-peak hours and rates.

Enrollment began on May 28, 2016, and closed on July 31, 2016. In total, 336 residential customers enrolled with Direct Energy Services and one residential customer enrolled with WGL Energy Services.⁷

Chart 1 below shows enrollment for Direct Energy Services. By the end of June, approximately 80% of the 336 Direct Energy Services customers were enrolled in the TOU program.

Chart 1 - Direct Energy Services Time-of-Use Enrollment



In accordance with the Company's EGS Coordination Tariff Rule No. 5.4.4, EGSs participating in the Company's TOU program were required to provide materials related to marketing their TOU pricing plan to enroll customers⁸.

The following is a list of information from Rule No. 5.4.4.⁹

- On-peak and off-peak rates and applicable time period – Rate Ready and Bill Ready billing
- Financial incentives to enroll (e.g. gift card for enrollment)

⁷ Only one customer, who enrolled with Direct Energy Services, participated in the Company's 2011-2012 *Smart Sense* TOU pilot program.

⁸ The Company's tariffs may be found on the Company website at <https://www.duquesnelight.com/customer-service/customer-choice/rates/tariff-resources>.

⁹ This same list of information is also included in the Company's September 30, 2015, filing at Docket No. P-2015-2506002, Page No. 12.

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- c. Communication materials sent to customers (e.g. email, mailings)
- d. Marketing and advertising materials
- e. Customer survey results
- f. EGS website information
- g. EGS bill messages for TOU participants
- h. Linkage of rates to technology (e.g. smart thermostats)
- i. Total incremental Company expenses to implement the program

The Company contacted Direct Energy Services and WGL Energy Services to determine if either EGS had implemented additional communication or marketing initiatives identified above to enroll residential customers in the TOU program. A copy of Direct Energy Services' marketing material is provided as Attachment 9.

Duquesne Light Website / OPower

The Company has had a successful and ongoing relationship with the firm OPower to provide customers access to energy consumption information along with other value added services on the Company's website. By leveraging that relationship, Duquesne Light partnered with Opower to develop a TOU specific rate modeling portal.

At the Company's direction, the OPower web application was expanded to include a savings analysis for TOU program participants that would model the pricing of each supplier and the Price to Compare ("PTC").

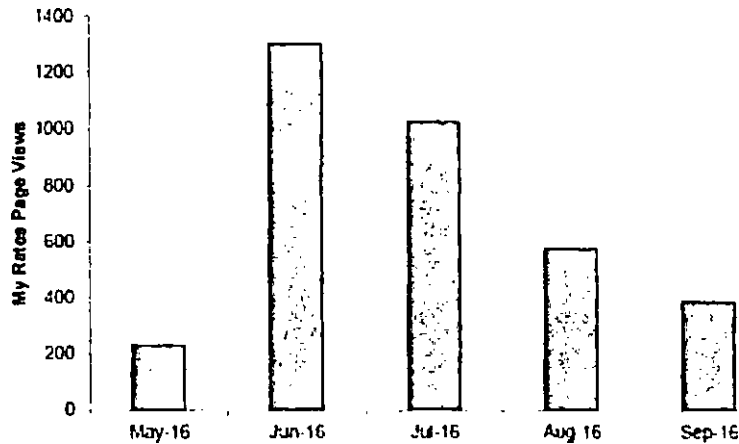
Duquesne Light provided each customer access to a web portal that provided access to a rate comparison tool, energy efficiency tips, and the ability to view their usage month-to-month and day-to-day. The rate comparison tool allowed customers to evaluate both TOU rate offerings compared to their current rate. This analysis assisted customers in determining whether they wanted to participate in the program, potential savings of each, as well as determining which option would best suit their needs. In addition to the rate comparison tool, it allowed customers to gain further information about each offering. It also offered the customers direct links and access to each EGSs phone number and website for questions and enrollment. Attachment 10 provides screenshots from the web portal.

The information in Chart 2 below highlights that customers were interacting with the "My Rates" page the most during the TOU enrollment period and, after engagement, tailed off. During the peak in June, over 5% of total Opower Web Portal page views were on the "My Rates" page.

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Chart 2 – “My Rates” Page Interaction



Weather - CDD in Duquesne Light Company Zone (Pittsburgh PA)

A cooling degree day (CDD) in this analysis is calculated by first averaging the final historical daily high and low temperature from AccuWeather Pittsburgh PA. A baseline of 65° is then subtracted from the average for each day to create a daily CDD, with negative numbers set to zero. Table 3 below aggregates all the CDDs by month over the past 4 years. The summer of 2016 was warmer than three (3) previous summers; 2016 had 49% more CDD than the three-year average and August 2016 had 84% more CDD than the average of three (3) previous August CDD.

Table 3: Aggregation of CDDs by Month

	June	July	August	September
2013	150	259	188	74
2014	178	181	167	69
2015	185	258	203	166
2016	213	325	342	151
Typical	157	258	220	84

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Costs

The incremental expenses the Company incurred to implement the program is as follows:

Cover letter preparation and marketing sheet	\$ 17,930
Printing and mailing	\$ 73,744
Customer research (estimate)	<u>\$ 25,000</u>
Total expenses	\$116,674

The cover letter, printing and mailing costs are being recovered through residential default service rates effective December 1, 2016. The additional expenses will be recovered through residential default service rates effective June 1, 2017.

Data Analysis

The analysis of data considers two (2) key parameters. First, base line hourly data for prior billing periods for customers participating in the TOU program prior to June 2016 does not exist because these customers did not have a smart meter installed on their home. Therefore, evaluation of customer behavioral change because of on- and off-peak pricing is limited. Second, only one customer enrolled with WGL Energy Services in its TOU pricing plan. Accordingly, this analysis will only evaluate data for residential customers enrolled in Direct Energy Services TOU pricing plan.

Since hourly baseline data is not available, the Company assessed whether Direct Energy Service customers' behavior changed before and after enrollment for a sample of 100 customers who began TOU in June 2016. As described below, the billing analysis is a comparison of the TOU pricing to the PTC in effect at the time.

Chart 3 compares actual June 2016 hourly usage data for Direct Energy Services customers in aggregate before and after enrollment in TOU. The black line represents the load shape before TOU and the shaded orange area is the load shape during TOU. The on-peak period from 2 p.m. to 6 p.m. is denoted by the vertical lines (hour ending 14 to hour ending 18). The load shape in this limited analysis does not show significant differences in customer behavior before and after TOU. However, despite not seeing significant differences in this sample, a conclusion about the overall effectiveness of TOU to change customer behavior cannot be reached.

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Chart 3 - June 2016 Direct Energy Services Customers Weekday Load Shape

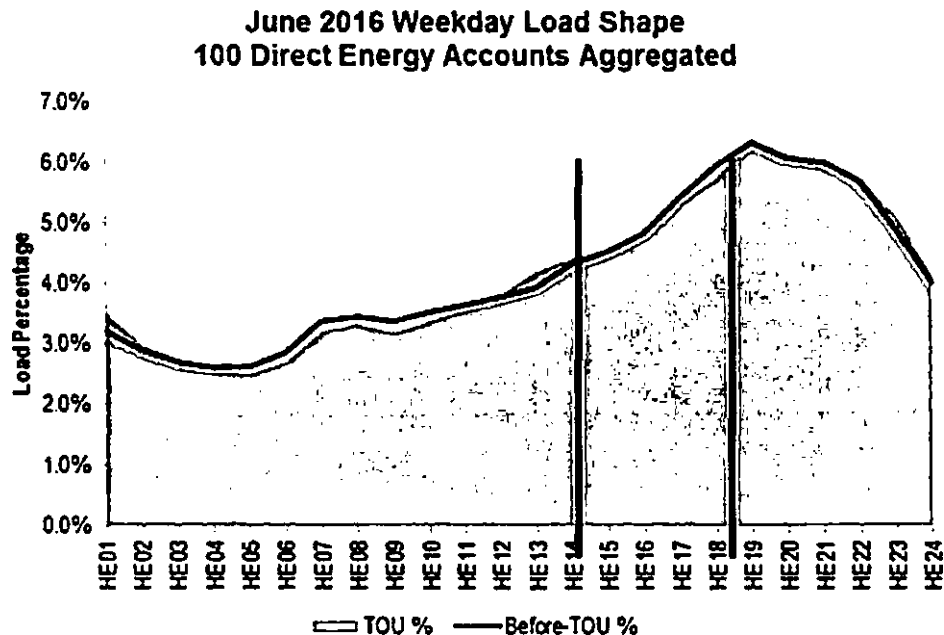


Table 4 provides a summary of on-peak and off-peak kilowatt-hour consumption by month. The on-peak and off-peak share of kWh (14% and 86% respectively) are consistent with the data collected and presented in the Company's first two TOU reports as well as the Company's profile data. Similarly, the weekday and weekend share of kWh consumption are consistent with past reports.

Table 4: Direct Energy Services TOU Customer Usage Data

	Jun 2016	Jul 2016	Aug 2016	Sep 2016
Weekday Off-peak kWh	70,926	164,848	191,435	135,549
Weekday On-peak kWh	17,534	42,477	51,558	32,398
Weekday kWh	88,460	207,325	242,993	167,947
Weekend kWh	36,585	94,604	93,807	64,189
Total kWh	125,044	301,929	336,800	232,136
Customers	285	334	336	336
Average kWh/Customer	439	904	1,002	691
On-peak share of kWh	17,534	42,477	51,558	32,398
Off-peak share of kWh	107,511	259,452	285,242	199,738
Weekday share of kWh	71%	69%	72%	72%
Weekend share of kWh	29%	31%	28%	28%

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During the TOU program from June through September 2016, Direct Energy Services customers were charged an on-peak rate of 8.79 cents/kWh weekdays from 2 p.m. to 6 p.m. and an off-peak rate of 5.79 cents/kWh for the remaining hours and holidays. The Company's PTC for the same period was 8.07 cents/kWh. The total charges for enrolled customer load in the TOU Program was calculated at the Direct Energy Service rates and compared to what the customer would have been charged at the PTC rate had they been a default service customer during this same period of time. Table 5 summarizes the calculations.

Table 5: TOU Direct Energy Services Charges versus PTC Charges

Month	TOU Charges	PTC Charges	Difference (Savings)
Jun 2016	\$7,766	\$10,091	\$2,325
Jul 2016	\$18,756	\$24,366	\$5,610
Aug 2016	\$21,047	\$27,180	\$6,133
Sep 2016	\$14,413	\$18,733	\$4,320
Total	\$61,982	\$80,370	\$18,388

Table 6 shows a range of monthly savings per customer compared to what they would have paid had they been a default service customer.

Table 6: TOU Direct Energy Services Customers – Range of Monthly Savings

	Jun 2016	Jul 2016	Aug 2016	Sep 2016
No Savings	0	0	0	0
\$0 to \$2.50	40	7	5	9
\$2.51 to \$5.00	55	15	18	30
\$5.01 to 10.00	104	60	51	91
\$10.01 to \$15.00	57	76	58	107
\$15.01 to \$20.00	17	73	76	47
\$20.01 to \$30.00	11	76	94	42
Greater than \$30.00	1	27	34	10
Total	285	334	336	336

In summary, all participating Direct Energy Services customers in the TOU program did save money on strictly a comparison against the PTC benchmark. However, absent baseline data, the Company cannot conclude that the TOU program did or did not alter behavior.

Customer Research

Duquesne Light utilized an outside firm, Market Strategies International ("MSI"), to conduct two (2) focus group sessions with TOU Program participants to evaluate the customer experience with the Program. The focus group sessions were held on October 20, 2016.

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Third and Final Progress Report – November 30, 2016

Participants were attracted to the program because they felt confident that, if the Program was not saving them money, they could reliably switch to a new supplier at no cost. In general, they were satisfied with the communications during the Program. Customer suggestions to expand the Program included extending the TOU period to include more months (i.e. expand the TOU pricing period longer than June through September), multiple communications and multiple communication channels, and retaining current enrollment practices (i.e. easy to enroll, no switching fees, switch at any time). A detailed discussion of customer research and the focus group findings may be found in MSI's reported included as Attachment 11.

Conclusions

Identifying if customer load has been modified and shifted due to the TOU program is difficult to determine as more analysis and baseline usage patterns are necessary. In other markets, it typically takes customers time to adjust to the new meters and TOU programs that take full advantage of an educated consumer to modify usage patterns.

Customer savings from the program is a positive impact but cannot be directly attributed to the program and changes in usage patterns. The PTC for residential customers increased during this period of time. Therefore, a clear picture of savings was difficult to determine.

Below are Key Findings from the TOU Program Participants that highlight both pros and cons from the participants' point of view.

Key Findings – Pros

- feeling as though they were helping the environment because it limits the need for extra generation
- more aware of their daily energy use and behaviors
- did not require much sacrifice to see savings
- TOU rates were good
- they liked that they were provided with usage data
- most believe they changed their behavior as a result of being on the TOU Program
- most were very careful to avoid running the air conditioner or other appliances during the peak hours
- most recall receiving direct mail from both Duquesne Light and from Direct Energy in support of the TOU Program and which is how they first learned of the Program
- most switched as a result of the mailer they received from Direct Energy rather than Duquesne Light's mailing
- Duquesne Light's support of the TOU Program convinced many participants to try it

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Third and Final Progress Report – November 30, 2016

Key Findings – Cons

- some would have liked more specific feedback on energy usage (hourly data)
- some did not like that they had to go to a separate website to view usage information
- hard to know how much money you are actually saving
- hard to participate and save if you are home during the day
- had to switch suppliers or to a supplier
- unsure how the program works after September (non-summer pricing)

Overall, participants were happy with the TOU Program. Based on information gathered from the two (2) focus group sessions, participants described it as effortless, money-saving, environmentally-friendly and empowering. While perceptions of their savings varied based on how often they were at home during the peak hours, most participants were satisfied with their experience on the program and the savings they were able to achieve.

In its DSP VIII proceeding, the Company has proposed to continue to encourage EGS-sponsored TOU programs beyond May 31, 2017.¹⁰ During the DSP VIII period, the Company will complete the process of installing interval meters on all customers thereby allowing small C&I customers and medium C&I customers to be eligible for EGS-sponsored TOU programs. The Company will continue to facilitate the ability for EGSs to offer TOU programs through bill ready and rate ready billing functionality and identifying those customers with interval meters on the Eligible Customer List. These changes will allow EGSs more flexibility to craft TOU products to align with customer interest.

¹⁰ The Company filed its DSP VIII proceeding on May 2, 2016 at Docket No. P-2016-2543140 for the period June 1, 2017 through May 31, 2021. Statement No. 2 addresses TOU program plans for the DSP VIII period.

Attachment 1

Slide Deck

Initial Time of Use Pilot Program Collaborative Meeting

June 25, 2015



Time of Use Pilot Program Collaborative Meeting

June 25, 2015

Agenda



- ▶ Introductions
- ▶ Review the Default Service Settlement Stipulation Sept. 15, 2015
- ▶ Overview of Program Options
 - Rate Ready Option
 - Bill Ready Option
- ▶ Customer Assistance Program ("CAP") Customer Participation in TOU
- ▶ Cost Recovery Proposal
- ▶ Open Discussion
- ▶ Next Steps

Introductions



▶ Please introduce yourself with:

- Name
- Affiliation

Review of Settlement Stipulation – September 15, 2014



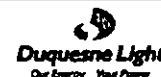
- ▶ With respect to the 2016 TOU Pilot Program, Duquesne will conduct a collaborative to develop a TOU Pilot program and cost recovery mechanism for the year commencing on June 1, 2016 and ending May 31, 2017, to identify ways
- to permit multiple EGSs to participate in a TOU offering(s) and
 - to explore how to effectively integrate the TOU Program with CAP provided that general issues regarding CAP portability have otherwise been decided by the Commission.

Review of Settlement Stipulation – September 15, 2014



- ▶ In order to permit the Company time to identify new options available for TOU service and assess necessary TOU Program changes to potentially integrate CAP customers if CAP portability issues have been decided, the collaborative will commence no later than June 30, 2015.
- ▶ The collaborative will continue for 60 days. Following the collaborative, the Company will file with the Commission by September 30, 2015, a TOU Program proposal reflecting any consensus that has been achieved and the Company's proposal on unresolved issues.
- ▶ The Commission will provide an opportunity for comments by interested parties, and issue a final order by January 31, 2016, so that any actions necessary to commence the approved TOU program commencing June 1, 2016 can be completed.

Review of Opinion and Order – January 15, 2015



- ▶ That the Stipulation filed in the matter captioned as Petition of Duquesne Light Company for Approval of its Default Service Program for Period of June 1, 2015 through May 31, 2017, at Docket Number P-2014-2418242, is approved without modification
- ▶ That the Default Service Plan, as proposed by Duquesne Light Company and as modified by the Settlement Stipulation filed on September 15, 2014, is approved.

Parameters of Customers in TOU Pilot



- ▶ Advanced Meter must be installed and communicating on the network with available interval consumption data that has been successfully tested
- ▶ Estimate at this time is that approximately 150,000 residential, small commercial and medium commercial customers will be eligible.
- ▶ Customers will be Billed by Duquesne Light Company on a Purchase of Receivable program.
- ▶ Enrollment period for the program will be June 1 through July 31.
- ▶ Customers will stay with the EGS after the end of the pilot program but they are able to leave without a cancellation fee.

TOU Pilot Rate Ready Option



- ▶ Multiple Electric Generation Suppliers (EGS) can participate in the TOU rate ready program; Duquesne does reserve the right to manage the number of suppliers.
- ▶ Each EGS can offer a single summer rate for peak, summer off peak and seasonal rate with multiple rates supported that can differ from each other EGS
- ▶ TOU rate ready is a twelve (12) month program beginning June 1, 2016 and concluding May 31, 2017
- ▶ Peak time is defined as 2:00 – 6:00 pm June 1 - September 30, 2016. All EGS's MUST offer the same peak time schedule, no exceptions. Off peak time is defined as the 20 hours = 6 PM – 2 PM.
- ▶ Current enrollment processes and EDEWG guidelines will be followed.
- ▶ Duquesne Light will calculate charges based upon EGS rates.

TOU Pilot Bill Ready Option



- ▶ Multiple Electric Generation Suppliers (EGS) can participate in the TOU bill ready program
- ▶ EGS can offer any combination of rates
- ▶ TOU Bill ready is a twelve (12) month program beginning June 1, 2016 and concluding May 31, 2017
- ▶ EGS's can offer any TOU peak schedule for period June 1, - September 30, 2016.
- ▶ Current enrollment processes and EDEWG guidelines will be followed
- ▶ EGS's will be required to provide data such as rate, peak period and other information deemed necessary to complete required Commission reporting to be further defined in the RFP.

TOU Pilot Bill Ready Option - continued



- ▶ Duquesne Light will provide the interval data to the participating EGS.
- ▶ The EGS will be required to perform the necessary calculations relating to the peak schedule and rate charged
- ▶ The EGS will provide the calculations back to Duquesne Light via the EDI transaction process
- ▶ Duquesne Light will be responsible to put the EGS charges on the bill as line item(s).
- ▶ EGS's will be responsible to ensure the accuracy of each transaction
- ▶ Duquesne Light will provide a rate comparison website for customers to evaluate different rate options including default service

CAP Customer Participation in TOU



- ▶ Duquesne Light awaits the decision on CAP shopping and portability
- ▶ The Company does not believe that a decision will be received to allow the necessary time to create the integration necessary or CAP customer participation
- ▶ The Company proposes that CAP customers will not be eligible to participate in the TOU Pilot to begin June 1, 2016.
- ▶ CAP Customers with an advanced meter communicating on the network will be excluded from the eligible customer list provided to EGS's participating in the TOU Pilot.

TOU Cost Recovery



- ▶ Duquesne Light Proposed in the Default Service Filing:
 - The EGS supplying TOU will be responsible to recover their own costs.
 - Any incremental costs incurred by the Company to implement and retain the TOU program will be borne by default service customers
 - TOU costs readily attributable to a specific customer class will be directly assigned to the default service class for which such costs are incurred
 - All other costs. Which cannot be directly assigned, will be allocated to all default service classes eligible to participate in the program in proportion to each class' default service load
- ▶ The Default Service Plan filed estimated the TOU costs that include communications, analysis, billing resources and training. Costs associated with IT system development are being reviewed.

Open discussion



- ▶ Is there an alternative cost recovery mechanism for the TOU Pilot?
- ▶ What best practices have you experienced from other programs?
- ▶ What concerns or challenges do you anticipate with the TOU Pilot program?
- ▶ What solutions can you recommend?
- ▶ Duquesne Light will be working with winning EGSs to jointly communicate the TOU program to eligible customers. What suggestions do you have regarding communications?

Next Steps



- ▶ Distribute collaborative minutes, presentations and overview
- ▶ Schedule any necessary meetings with internal Company representatives
- ▶ Schedule next collaborative
 - Provide any deliverables from June collaborative in advance

Attachment 2

Slide Deck

Second Time of Use Pilot Program Collaborative Meeting

July 22, 2015



Duquesne Light
Our Energy...Your Power

Time of Use Pilot Program Proposal

Introductions



Duquesne Light
Our Energy...Your Power

- ▶ Please introduce yourself with:
- Name
 - Affiliation

Summary Timeline of Time of Use Deliverables



- ▶ *On June 25, 2015 Duquesne Light conducted an external Collaborative meeting to discuss the details of the 2016-2017 TOU program.*
- ▶ *On July 10, 2015 comments from participants regarding the TOU program were due to Duquesne Light.*
- ▶ *On July 22, 2015 a second external Collaborative is being held by Duquesne Light company to finalize any comments. Consensus agreement on any TOU items will be sought.*
- ▶ *The Company will file with the Commission by September 30, 2015, a TOU Program proposal that reflects any consensus that has been achieved and the Company's proposal on unresolved issues.*
- ▶ *The Commission will provide an opportunity for comments by interested parties, and issue a final order by January 31, 2016, so that any actions necessary to commence the approved TOU program commencing June 1, 2016 can be completed.*

Questions from the Previous Collaborative



- ▶ **Can the enrollment period begin prior to June 1st?**
- ▶ **Will the customers see their on-peak/off-peak usage amounts and rates?**
- ▶ **Can Duquesne Light offer a customer protection plan for those participating, over the 12 month period?**
- ▶ **What is Duquesne Light's position on the proposed cost-recovery options?**

Consensus obtained on the following TOU Pilot parameters  **Duquesne Light**
Our Energy Your Power

- ▶ An Advanced Meter must be installed and communicating on the DLC network with available interval consumption data that has been successfully tested. Advanced Meters will be deployed for residential, small commercial, and medium commercial customers.
- ▶ Customers will be Consolidated Billed by Duquesne Light Company. Qualifying TOU EGSs must be participating in, and will use, the Purchase of Receivable program to bill customers.
- ▶ Customers will see their usage amounts and rates clearly identified by on-peak, off-peak, or seasonal on the bill.
- ▶ TOU Pilot program is a twelve (12) month program beginning June 1, 2016 and concluding May 31, 2017. The "Summer TOU" timeframe will be defined as the period of June 1, 2016 through September 30, 2016.

Consensus obtained on the following TOU Pilot parameters  **Duquesne Light**
Our Energy Your Power

- ▶ CAP customers will not be eligible to participate in the TOU Pilot to begin June 1, 2016.
- ▶ CAP Customers with an advanced meter communicating on the network will be excluded from the eligible customer list provided to EGS's participating in the TOU Pilot.
- ▶ Customers will stay with the EGS after the end of the pilot program but they are able to leave without a cancellation fee.

TOU Rate and Bill Ready Options



- ▶ Duquesne Light will implement the Rate Ready and Bill Ready options for the TOU Pilot program, pursuant to the criteria detailed and presented in the first TOU Collaborative meeting.
- ▶ For an EGS using the Rate Ready option, the definition of on-peak hours will be defined as the time period between 2 PM – 6 PM.
- ▶ Any EGS that wishes to participate in the Bill Ready option will need to be certified by Duquesne Light Company. In addition they will be required to provide data such as rate, peak period and other information deemed necessary to complete required Commission reporting to be further defined in the RFP. An EGS using Bill Ready will adhere to the defined "TOU Summer" timeframe.
- ▶ If an approved EGS is not identified or does not provide customers with a TOU product offering that meets the requirements of this filing, Duquesne Light Company will offer a program.

TOU Cost Recovery



- ▶ Duquesne Light Proposed in the Default Service Filing:
 - The EGS supplying TOU will be responsible to recover their own costs.
 - Any incremental costs incurred by the Company to implement and retain the TOU program will be borne by default service customers
 - TOU costs readily attributable to a specific customer class will be directly assigned to the default service class for which such costs are incurred
 - All other costs, which cannot be directly assigned, will be allocated to all default service classes eligible to participate in the program in proportion to each class' default service load
- ▶ The Default Service Plan filed estimated the TOU costs that include communications, analysis, billing resources and training. Costs associated with IT system development are being reviewed.

Open Items to Discuss a Consensus Opinion



- ▶ Enrollment period for the program will be June 1, 2016 through July 31, 2016.
 - Duquesne Light will work with any TOU EGS, prior to 6/1 enrollments, to ensure the transition to the program is seamless and well communicated.
 - Duquesne Light does not believe, nor do we recommend, enrollments can be accepted prior to 3 business days prior to 6/1/16.

- ▶ Additional Items?

Final Steps



- ▶ Duquesne Light Company will file the TOU program with the PA PUC by 9/30/15.
- ▶ After the Commission issues an order, Duquesne Light will conduct an RFP to identify perspective EGSs that will participate in the TOU program.

Attachment 3

First RFP Issued for EGS Participation
November 18, 2015

RFP Information and Instructions Sent to Suppliers
Technical Datasheet

47805 : Time-of-Use Program

Duquesne Light

Open 11/18/15 12:00:00 PM EST Close 01/07/16 05:00:00 PM EST Opening in 1 day 0 hour 41 mins 2 secs
Buyer Contact: Darcie Orr

1. Download Documents } 2. Upload Documents } 3. Commercial Data } 4. **Technical Data** } 5. Pricing Data } Messaging }

Save Data Your information can be changed after it is saved. If you leave this page without saving it first, you will lose all unsaved data.	
Level of Importance	
Using a scale of 1-10, with 1 representing "Not Important at All" and 10 representing "Most Important", please assign a ranking to the following items:	
Retention of the customers after the TOU Pilot program is completed in May 31, 2017.	Select One v
Identifying what the Residential Rates will be for June 2016, in order to provide assurances of a competitive offer.	Select One v
Duquesne Light Company providing marketing materials for the program.	Select One v
Duquesne Light Company providing an eligible customer list that shares with the EGS those accounts that have smart meters and can participate in the Pilot.	Select One v
Having the option to utilize a Bill-Ready or Rate-Ready billing plan	Select One v
More than one EGS participating in the program	Select One v
What is the likelihood that you will participate in the Duquesne Light TOU program?	Select One v
Save Data Back to Top	
For the questions in the below section, please provide as much additional information as possible	
Have you reviewed the DLC Time-of-Use Program document, filed with the PUC?	
<input type="radio"/> Yes <input type="radio"/> No	
Is your organization capable of providing all of the services and meeting all of the requirements outlined within the Time-of-Use Program document filed with the PUC?	
<input type="radio"/> Yes <input type="radio"/> No	

Is your organization a licensed EGS by the PUC with authority to provide service to Residential and/or Small Commercial and Industrial customers in DLC's service territory?

Yes No

Do you understand that no exceptions or changes to the Time-of-Use document filed with the PUC will be accepted or approved after the PUC has approved the document?

Yes No

Are you aware of the Duquesne Light Time of Use Filing and proposed Pilot Program rules?

Yes No

Please provide any relevant details pertaining to your understanding of the DLC Time of Use Pilot Program, including your interest in participating in it.

sample text

Have you ever participated in a Time of Use program with another utility?

Yes No

Please provide any relevant details of the program that you are able to disclose, including any "lessons learned" or "best practices" observed, and including your willingness to continue to participate in the program moving forward or to participate in a similar program with DLC or another utility.

sample text

Do you plan to utilize only the Duquesne Light marketing materials or will you market to these residential customers as well?

DLC provided materials only Willing/able to provide additional marketing materials in addition to or independent of DLC marketing materials

If you selected "other" please provide the name of the billing system, and your reason for selecting that system. If you selected one of the two options, please provide details as to how long you've been using it, your experience with any other billing programs, and any other relevant details you can provide.

sample text

Do you plan to utilize the Bill-Ready or Rate-Ready billing option?

Bill-Ready Rate-Ready

If you plan to use the Bill-Ready billing option, will you offer a dynamic TOU product with multiple price plans (e.g. Free weekends, different price at night, etc.)?

sample text

Based on your organization's experience with Time of Use programs, what is the industry standard for defining "peak hours" (e.g. 2:00PM - 6:00PM? 12:00PM - 6:00PM, etc.) Please advise the start and end times.
sample text

The Time of Use program projects to have 125,000 – 150,000 residential customers that would be eligible to participate. Is that a large enough population of potential participants to make the TOU program worthwhile for your organization?

Yes No

Please provide additional details, including what potential enrollment would be required in order to entice your organization to participate, and if possible the size of the participating population that are in other TOU programs in which your organization is participating.

sample text

What is the earliest timeframe that you would like to begin soliciting customers for the TOU program?

Select One

Save Data Back to Top

Technical Data Sheet Response

Level of Importance	Green Mountain Energy	Green Mountain Energy	Relevant Energy	WGL Energy Services Inc.
Using a scale of 1-10, with 1 representing "Not important at all" and 10 representing "Most important", please assign a rating to the following items:				
Retention of the customers after the TOU Pilot program is completed in May 21, 2018?	10	10	10	8
Identifying what the Residential Rates will be for June 2018 in order to provide assurance of a competitive offer.	10	9	9	10
Durquesne Light Company providing marketing materials for the program.	9	9	9	5
Durquesne Light Company providing an eligible customer list that shows with the EGS those accounts that have smart meters and can participate in the Pilot.	10	9	9	10
Having the option to utilize a DR Ready or Rate Ready billing plan.	10	1	1	7
More than one EGS participating in the program.	5	1	1	2
What is the likelihood that you will participate in the Durquesne Light TOU program?	7	10	10	10
For the questions in the below section, please provide as much additional information as possible.				
Have you reviewed the DLC Time-of-Use Program document filed with the PUC?	Yes	Yes	Yes	Yes
Is your organization capable of providing all of the services and meeting all of the requirements outlined within the Time-of-Use Program document filed with the PUC?	Yes	Yes	Yes	Yes
Is your organization a licensed EGS by the PUC with authority to provide service to Residential and/or Small Commercial and Industrial customers in DLC's service territory?	Yes	Yes	Yes	Yes
Do you understand that the provisions of example to the Time-of-Use document filed with the PUC will be accepted or approved after the PUC has approved the document?	Yes	Yes	Yes	Yes
Has your organization completed and updated the Information Security Questionnaire for Data Sharing? (Note: Completion of this form is required in order for your bid to be considered complete)	Yes	Yes	Yes	Yes
Are you owners of the Durquesne Light Time of Use filing and proposed Pilot Program rules?	Yes	Yes	Yes	Yes
Please provide any relevant details pertaining to your understanding of the DLC Time of Use Pilot Program, including your interest in participating in a		We are very excited at the opportunity to partner with DLC on the Time-of-Use program as we have done with other utilities. We are interested in both the opportunity to enroll customers and the opportunity to further our reputation as a go-to provider for utility partnerships. As addressed during GSA, our understanding is that we can make needed amendments for each of the standard terms and conditions included within the RFP. In terms of operational considerations our understanding is that DLC will be providing rates for meter read schedules that cross over the summer and non summer seasons. We have submitted two bids for rate-ready under two brands. The difference is that with Relevant Energy Northeast LLC, we would be providing a Time of Use offer as submitted, and with Green Mountain Energy Company, we would be providing 100% wind RECs with the Time of Use offer submitted. We wanted to provide this option for DLC but we have no preference on the selection.	We are very excited at the opportunity to partner with DLC on the Time of Use program as we have done with other utilities. We are interested in both the opportunity to enroll customers and the opportunity to further our reputation as a go-to provider for utility partnerships. As addressed during GSA, our understanding is that we can make needed amendments for each of the standard terms and conditions included within the RFP. In terms of operational considerations our understanding is that DLC will be providing rates for meter read schedules that cross over the summer and non summer seasons. We have submitted two bids for rate-ready under two brands. The difference is that with Relevant Energy Northeast LLC, we would be providing a Time of Use offer as submitted, and with Green Mountain Energy Company, we would be providing 100% wind RECs with the Time of Use offer submitted. We wanted to provide this option for DLC but we have no preference on the selection.	While we have not participated in TOU programs specifically, we have quite a lot of experience providing customized products for a variety of customers, as evidenced by the various references provided. WGL Energy is a leader in efficient and environmentally friendly energy technology solutions for residential, commercial and industrial customers. We look forward to serving DLC customers.
Have you ever participated in a Time of Use program with another utility?	Yes	Yes	Yes	No
Please provide any relevant details of the program that you are able to disclose, including any lessons learned, your willingness to continue to participate in the program moving forward, as to participate in a similar program with DLC or another utility.		Yes. We have participated in Time-of-Use programs with PPL Electric Utilities. We have found the most success with programs that have a focused message (e.g. one supplier and one offer). If chosen as a provider, we would be happy to provide a deeper dive on lessons learned and best practices from past experience.	Yes. We have participated in Time-of-Use programs with both PECCO Energy and PPL Electric Utilities. We have found the most success with programs that have a focused message (e.g. one supplier and one offer). For example, the PECCO Smart Time Pricing pilot exceeded PECCO and our expectations in including default residential customers to sign up for and remain in a TOU rate offered by an EGS, and both PECCO and we attribute the success in the participation rates to the collaborative EGS-EGC approach to the program. If chosen as a provider, we would be happy to provide a deeper dive on lessons learned and best practices from past experience.	We anticipate continuing to participate in this program moving forward or working with DLC or other utilities to offer additional programs or programs.
Do you plan to utilize only the Durquesne Light marketing materials or will you market to these residential customers as well?	Willing able to provide additional marketing materials in addition to or independent of DLC marketing materials.	Willing able to provide additional marketing materials in addition to or independent of DLC marketing materials.	Willing able to provide additional marketing materials in addition to or independent of DLC marketing materials.	Willing able to provide additional marketing materials in addition to or independent of DLC marketing materials.
If you selected "other", please provide the name of the billing system and your reason for selecting the system. If you selected one of the two options please provide detail as to how long you've been using it, your experience with any other billing programs, and any other relevant details you can provide.		We are proficient in both bill ready and rate-ready billing methodology and has used both across our Northeast markets since we were founded. We provide TOU products under bill-ready billing methodology in PPL utilities today. We are also in the first EDI test flight to become bill ready for DLC with certification scheduled for mid March but we have chosen rate-ready because we are already set up for this with DLC today.	We are proficient in both bill ready and rate-ready billing methodology and has used both across our Northeast markets since we were founded. We provide TOU products under bill ready methodology in PECCO and PPL utilities today. We are also in the first EDI test flight to become bill ready for DLC with certification scheduled for mid March but we have chosen rate-ready because we are already set up for this with DLC today.	WGL Energy is prepared to utilize either bill ready or rate-ready billing. Pricing for rate-ready has also been allocated for our consideration.
The Time of Use program projects to have 125,000 - 150,000 residential customers that would be eligible to participate. Is that a large enough population of potential participants to make the TOU program worthwhile for your organization?	Yes	Yes	Yes	Yes
Please provide additional details including what potential enrollment would be required in order to make your organization to participate and if available, the size of the participating population that are in other TOU programs in which your organization is participating.		We are very excited about the possibility of enrolling approximately 3,000 DLC customers in a customer Time-of-Use offer. We have nearly 500 customers that have chosen to enroll in a Time-of-Use offer through PPL's program.	We are very excited about the possibility of enrolling approximately 3,000 DLC customers in a customer Time-of-Use offer. For the program that we participated in with PECCO, PECCO selected 120,000 residential customers to enroll in PECCO Smart Time Pricing with 4,882 customers accepting the offer, which produced a 4% acceptance rate. We also have hundreds of customers that have chosen to enroll in a Time-of-Use offer through PPL's program.	
What is the earliest timeframe that you would like to begin soliciting customers to the TOU program?	May 2018	April 2018	April 2018	April 2018



Duquesne Light

Our Energy...Your Power

Duquesne Light Company

**Request for Proposal (RFP)
Instructions to Bidders**

Time-of-Use Program

February 4, 2016

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1.0 Overview

1.1 Background

Duquesne Light Company ("DLC") is the leading electric utility provider in Western PA serving more than 500,000 residential customers and nearly 150,000 commercial and industrial customers. Headquartered in Pittsburgh, Pennsylvania DLC employs approximately 1,400 employees. DLC distributes electric energy to approximately 610,000 commercial, industrial, and residential customer meters, which account for approximately 579,000 service accounts, in the City of Pittsburgh and throughout Allegheny and Beaver counties, a service territory of approximately 817 square miles. The Company is held by a consortium of private equity investors that own all of the common shareholdings of the parent firm, Duquesne Holdings LLC.

DLC's interest is in providing its customers with the best products and services at the most affordable rates possible. DLC sees this initiative as a cornerstone to validate and support its Corporate Strategic Goals. Your participation will be evaluated principally on your ability to help DLC reach its objectives.

1.2 Proposal Purpose

DLC is pleased to invite you to respond to its Request for Proposal ("RFP"). The intent of this RFP is to solicit proposals from qualified parties ("Bidders") in an effort to identify and retain an organization(s) that will provide the best rates for our Time-of-Use Program, benefitting DLC customers. The goal in issuing this RFP is to award a contract(s) to a qualified Electric Generation Supplier ("EGS") capable of meeting the requirements set forth in Section 2.0 of this RFP/Instructions to Bidders Document and as detailed on the Time-of-Use ("TOU") Program documents available on the PUC website at:

<http://www.puc.state.pa.us/pcdocs/1385257.pdf> as well as on Tab #1 (Download Documents) on the PowerAdvocate site.

If it is to be considered, your response must be complete in all respects, it must conform to the specific instructions herein, and it must be received by DLC in accordance with the RFP timetable – per Table 1 within Section 4.1.

1.3 Bid Event Coordinator

The Bid Event Coordinator for this sourcing event is Darcie Orr (dorr@duqlight.com) of Duquesne Light Company. Responses to any questions and clarifications will be coordinated through the Bid Event Coordinator by utilizing the "Messaging" Tab on the PowerAdvocate Platform, and will be directed automatically to the Bid Event Coordinator. *A Bidder and its representatives are NOT permitted to contact DLC employees, contractors, agents, affiliates or other Bidders regarding matters related to this RFP without prior written approval and consent of the Bid Event Coordinator.* No communication of any kind shall be permitted with other DLC employees or subcontracted entities regarding this RFP.

2.0 Time-of-Use Program Summary

2.1 TOU Program Summary

DLC has proposed and received approval for a Time-of-Use Program from the Pennsylvania Public Utility Commission ("PUC"). To summarize the program, the concept is consistent with similar TOU programs in that the awarded EGS will offer to DLC customers as part of the TOU Program, different rate options offered by the awarded Bidder(s) which will vary during different time periods, but not as frequently as each hour, and includes defined off-peak and on-peak periods. The customer will pay a lower rate during off-peak period and a higher rate during defined on-peak hours. The expected outcome and goal of the program, is to drive customers to use less energy during on-peak times, and increase their usage during the off-peak hours, as they are currently defined.

DLC strongly suggests that you review the entire Time-of-Use Program document, as filed and approved with the PUC in order to fully understand the expectations and requirements of the program. The complete PUC filing is available at [Rev Order Duquesne Light TOU.doc](#) as well as on Tab #1 (Download Documents) on the PowerAdvocate site.

To be considered, you must be licensed as an EGS by the PUC with authority to provide service to Residential and/or Small Commercial and Industrial ("C&I") customers in Duquesne Light's service territory. The Bidder must also meet all obligations and requirements of a PUC licensed EGS. The Bidder must be a member of PJM and be a signatory to any pertinent PJM agreements, as applicable.

2.2 TOU Program Terms and Conditions

Note that as part of the PA PUC filing, DLC has proposed the Terms and Conditions language that will govern the Agreement with the EGS for this Time of Use Program. Any awarded Bidder will be expected to agree to, and comply with the Terms and Conditions as stated in the filing.

That said, it is again the strong suggestion of DLC that the PUC filing be thoroughly reviewed by utilizing the following link: <http://www.puc.state.pa.us/pcdocs/1385257.pdf> or by downloading the document from Tab #1 (Download Documents) on the PowerAdvocate site, and reviewing the proposed TOU Program, including the governing Terms and Conditions, in full, prior to bidding.

3.0 Instructions to Bidders

3.1 RFP Response Instructions

Responses and supporting attachments must be submitted electronically via the internet utilizing the PowerAdvocate Platform only. You may register for, or log on to, the PowerAdvocate Platform via PowerAdvocate's website: www.poweradvocate.com.

Only information received via proper completion of a datasheet on the PowerAdvocate Platform or uploaded to the PowerAdvocate Platform in PDF or Word or Excel format will be considered in the evaluation of this RFP. Documents uploaded to the PowerAdvocate Platform that are not specifically requested by DLC may or may not be considered in the evaluation of this RFP. Any

information included in any other documentation, uploaded or included in any other section of the website or mailed/emailed directly to DLC is considered a violation and may be cause for disqualification from consideration.

Bidders are solely responsible for examining the complete RFP, including all documents, instructions, datasheets, specifications and any addenda to these documents and for responding in full compliance with these instructions.

A supplier with an existing business relationship with DLC is permitted to discuss current business matters with typical and appropriate DLC contacts, but shall refrain from discussing this RFP. All communications with respect to this RFP must flow through the PowerAdvocate Platform. *Any supplier (incumbent or otherwise) that attempts to contact any other DLC personnel during this period, for reasons other than to discuss current business matters will be considered in violation of this restriction and risks having their RFP response disqualified.*

DLC will not provide any warnings to a Supplier prior to disqualifying its response, and will contact the Supplier in writing, referring this section of the RFP and the instance of the violation.

All clarifying questions pertaining to information within or related to the RFP shall be directed to:

Bid Event Coordinator: Darcie Orr
dorr@duqlight.com
Phone: 412.393.8811

All questions concerning the use or operation of the PowerAdvocate Platform shall be directed to:

PowerAdvocate: support@poweradvocate.com
Phone: 857.453.5800

All Bidders must complete, on time, the commercial (Tab #3), technical (Tab #4) and pricing (Tab #5) datasheets as well as the Information Security Questionnaire, for their RFP response to be considered. If a Bidder wishes to provide additional information or chooses to expound upon any of their original bid with options, they may upload documents in PDF, Word or Excel format under Tab #2 (Upload Documents) on the PowerAdvocate Platform. Take note however that additional, unsolicited documents, may or may not be considered or reviewed as part of the RFP evaluation.

It is each Bidder's responsibility to maintain diligence in monitoring the posting of Questions and Answers to the PowerAdvocate Platform as well as any additional information uploaded within the Platform. Please have anyone you believe to be critical to your team register with PowerAdvocate at www.poweradvocate.com.

3.2 General Guidelines

DLC reserves the right to make changes to this RFP by issuance of one or more addenda or amendments and to distribute additional clarifying or supporting information relating thereto. DLC may ask any or all Bidders to elaborate or clarify specific points or portions of their submission. Clarification may take the form of written responses to phone calls or in-person meetings for the purpose of discussing the RFP, the responses thereto, or both.

Time-of-Use Program – Request for Proposal

It is solely the responsibility of each Bidder to ensure that all pertinent and required information is included in its submission and pitch. DLC reserves the right to determine at its sole discretion whether a submission is incomplete or non-responsive.

Bidders should clearly state all assumptions they make about the meaning or accuracy of information contained in this RFP. If you do not ask questions or clarify any assumptions, DLC will assume that you agree with and understand the requirements in the RFP.

3.3 Additional RFP Guidelines and Terms

Please carefully review the following guidelines and terms that apply to this RFP. Submission of response on the technical datasheet (Tab #4) on the PowerAdvocate Platform will be interpreted as an understanding and acceptance of these guidelines and terms:

1. **Disclaimer** – This RFP is not a contract offer by DLC. DLC reserves the right to discontinue or modify the RFP or RFP process at any time, and makes no commitments, implied or otherwise, that this process will result in a business transaction or negotiation with one or more suppliers.
2. **Conditional Bidder** – All Bidders are considered conditional until DLC has reviewed, evaluated, and approved a Bidder's technical and financial capabilities to perform.
3. **Right of Rejection / Acceptance** – DLC reserves the right to reject any or all responses, to accept any response or to select any combination of responses. DLC reserves the right to waive any irregularity contained in any response. No response will be accepted unless DLC specifically invited the Bidder to respond.
4. **Right of Withdrawal** – Responses may be withdrawn by Bidders at any time prior to the RFP Response Due Date. A response may not be withdrawn after the RFP Response Due Date.
5. **Right to Disqualify** – DLC reserves the right to disqualify any Bidder for any reason, including an incomplete response and an unsatisfactory qualification evaluation, up to the time of contract award.
6. **Award of Contract** – To the extent that a contract is awarded, it will be awarded to the supplier(s) deemed best suited to meet DLC's needs at the sole discretion of DLC team. DLC reserves the right to award a contract to one supplier, to split it among several suppliers, or to make no award to any supplier.
7. **Volumes and Business Profile** – All volumes and business profiles are projections only. Both volumes and business profiles may change due to changes in the DLC business strategy or external business conditions.
8. **Legal Authority** – The responses and any proposals sent in response to this RFP must be signed by a person having legal authority to bind the Bidder's organization.
9. **Supplier Selection and Presentations** – Following the analysis of all RFP responses received, finalists may be invited to a clarification meeting with DLC to further

review capabilities and opportunities.

10. **No representations or warranties** – DLC makes no representations or warranties regarding the accuracy or completeness of the information contained in this RFP, including the attachments. Each Bidder is responsible for making its own evaluation of the information and data contained in this RFP and in preparing and submitting responses to this RFP.
11. **Proposal Costs** – All Costs incurred by a Bidder and its team members in connection with this RFP, including any costs incurred in providing or obtaining additional information to or from DLC, shall be borne by the Bidders and its team members. DLC shall not be responsible for any such costs.

4.0 RFP Schedule

4.1 RFP Milestone Schedule

All responses must be received by the date set forth in the milestone schedule - Table 1 within this section. Any exceptions to the response date will be at the discretion of the DLC. DLC may, in its sole discretion, extend the due date for all Bidders, if such action is necessary, to satisfy the requirements of the RFP process. The major milestones of this RFP process are summarized as follows:

Table 1:

RFP Event	Date
Open RFP	2/5/2016
Supplier Open Questions Period Ends	2/12/2016
Final Answers to Supplier Questions Posted	2/17/2016
RFP Closes (i.e. Response to All Datasheets due)	2/29/2016
Award Recommendation	3/11/2016
NOTE THAT NO AWARD CAN BE MADE, AND NO CONTRACT SIGNED, UNTIL Duquesne Light Company can appropriately analyze the results and inform THE PUC.	

All deadlines are 5:00PM EST on the date specified, unless otherwise noted.

5.0 Appendices to the RFP

Available on Tab #1 (Download Documents) of PowerAdvocate Platform are the following:

- RFP/Instructions to Bidders document
- TOU Filing with PUC dated 9/30/2015
- DLH Information Security Questionnaire for Data Sharing
- Duquesne Light Consulting Services Terms and Conditions (version 4/1/2015)

Time-of-Use Program RFP

Supplier Questions and DLC Answers

Administrative Questions

Question:

Will the answers to the RFP be published or distributed outside of DLC or can they be submitted confidentially?

Answer:

All questions that are submitted to Duquesne Light Company regarding this RFP will be published for bidders to see. Answers provided to any questions will also be published for all bidders. This creates a fair and transparent proposal.

Question:

On the technical tab, for "Level of Importance" is DLC looking for these to be answered relative to one another or can we give more than one category the same rating?

Answer:

Suppliers can give more than one category the same rating. We are attempting to determine what suppliers believe are the most important items for the RFP.

Question:

Could DLC provide an example of "relevant details" for the question on the Technical information section that requests the EGS to provide "relevant details pertaining to your understanding of the DLC Time of Use Pilot Program, including your interest in participating in it"?

Answer:

The intent of this question was to provide suppliers with an opportunity to confirm their understanding of the program, specifically any relevant details that a supplier may consider critical to their participation in the program. Example: A supplier may state or confirm that they have interest in the TOU program as long as there are 150,000 or more residential accounts available to participate. Contrarily, if a supplier confirms that commercial accounts

are not participating and that is why they are not interested in the program, we would like that feedback.

Legal Questions

Question:

For each of the standard terms and conditions included with the RFP (the Time of Use Supplier Agreement, the standard Terms of Service, and the General Terms and Conditions – Consulting Services), will the Supplier have the opportunity to propose limited amendments?

For example - Right of review for advertising materials. Will DLC agree to provide the Supplier with the opportunity to review and approve any DLC-created advertising which references Supplier in a collaborative manner? Suppliers have an independent legal and regulatory obligation to review advertising offering its energy supply and/or using its trademarks. As drafted, the DLC documents do not recognize this obligation.

Answer:

Duquesne Light Company will work with the winning supplier(s) in a collaborative manner to ensure every effort is made to have a successful TOU pilot program. Reasonable requests like the example provided would be taken in to consideration and appropriate changes or adjustments to the program can be made. While proposing limited amendments may be considered, Duquesne Light will reserve the right to use the documents provided to suppliers as they are written. Should multiple suppliers participate in the TOU program, Duquesne Light will exercise final authority on all items that impact the program, such as marketing materials.

Question:

Could DLC confirm that the winning EGSs will utilize their own PUC approved Disclosure Statements/Terms of Service and PUC approved contract summaries to enroll customers?

Answer:

Confirmed. The winning EGS will utilize their own PUC approved Disclosure Statements/Terms of Service and their own contract summaries.

Question:

For the “General Terms and Conditions – Consulting Services” document:

1. The RFP includes a Consulting Services Agreement. When would an EGS be required to enter into that agreement? What types of consulting services are anticipated? Scope of services to be provided? Business terms, such as price for services?

Answer:

Duquesne Light Company does not anticipate needing a Consulting Services Agreement during the TOU pilot program. This reference in the General Terms and Conditions was kept in the document to ensure this unlikely scenario was referenced.

2. The Consulting Agreement references other terms and conditions. If applicable, where are those other terms available for review, i.e., DLC's "Purchase Order," "Purchase Agreement," "Supplemental Terms and Conditions"?

Answer:

Duquesne Light Company will not be actively pursuing a Consulting Agreement with the winning supplier(s). Only if a scenario presented itself whereby a Consultant would be involved in the TOU Pilot program would these documents be necessary.

Operational Questions

Question:

What is the rationale behind having both a rate-ready and a bill-ready program?

Answer:

Duquesne Light wants to provide potential suppliers of the TOU program with both billing options, allowing suppliers the option to use the billing method they are most comfortable using. The Company is not requiring a supplier to use both bill methods. Duquesne Light is not required to have a rate-ready and a bill-ready product offering.

A rate ready product offering has set "on-peak" hours of 2 PM - 6 PM. The Bill Ready product may offer a supplier with greater product flexibility as it pertains to "on-peak" hours.

Question:

Are all AMI customers eligible for both rate-ready and bill-ready products, meaning that if 4 different EGSs were chosen between bill-ready and rate-ready, the 4 EGSs would be competing for the same AMI customers?

Answer:

Duquesne Light has limited the amount of suppliers that can use the rate ready billing option to a single supplier. In the above scenario, we may have 1 supplier using rate ready billing and 3 suppliers using a bill-ready product. The 4 suppliers would be competing for the same AMI

customers. We anticipate a total of 175,000 customers will be available for suppliers to market this TOU pilot program.

Question:

For rate-ready, will the EGS calculate the blended rate or does the EGS pass parameters to DLC for DLC to calculate?

Answer:

For rate-ready billing, the EGS is expected to provide Duquesne Light with the "on-peak" and "off-peak" rates, as well as the "seasonal" rate that begins on October 1st. These rates will be sent to Duquesne Light via an EDI transaction. These rates will then be applied to the hourly usage data that is captured for each account and then billed accordingly.

Question:

Is the expectation that Residential, Small Commercial, and Large C&I are all in scope?

Answer:

No. Residential customers are the only rate class of customers that are eligible this year for the TOU pilot program. Small, Medium, and Large commercial and industrial customers are not eligible this year.

Question:

Could DLC please confirm that the winning EGS will have their TOU customer load settled at PJM via interval usage data and that the EGS will have access to that data?

Answer:

Confirmed. Duquesne Light Company will use the interval usage data to settle and bill the customers. This data will be available to the EGS through EDI transactions.

Product Questions

Question:

Is DLC envisioning that one supplier will be selected to provide the "featured" product (under the required rate-ready structure) while other suppliers will be selected to offer alternative products (under bill-ready billing)? Or, can the bill-ready product be the same as the rate-ready product?

Answer:

Duquesne Light Company does not have a preference regarding the billing methodology that a supplier selects for the TOU program. The Company is only allowing 1 rate-ready bill method, while multiple suppliers can use the bill-ready product. The Company and suppliers are under no obligation to have a rate ready bill offer. The TOU program only requires one supplier to offer a rate-ready or bill-ready product offering for the program to be satisfied. Duquesne Light Company does not expect a supplier would offer the same rate and product structure for a rate-ready and bill-ready offer, since this would have duplicative results.

Question:

If an EGS is selected for the rate ready TOU billing option, is it required that they withdraw any bid for the bill ready option? Or, can an EGS potentially win both rate-ready and bill-ready options?

Answer:

A supplier can win both a rate-ready and bill-ready product offering. Duquesne Light would expect any supplier providing a rate-ready product offering will use the 2 PM - 6 PM "on-peak" rate and the other rate would be the "off-peak" rate. Should a supplier wish to also provide a bill-ready product offering, we expect the hourly "on-peak" period would be different than 2 - 6 PM or that the rate for the bill-ready offer would be different than the rate-ready product they are offering.

Question:

When DLC says bids are expected to be held constant throughout the contract period, is this the customer's 12 month contract period or the EGS's contract period? If the EGS is expected to maintain the same 12 month offer prices for as long as the EGS participates in the program, would the selected EGS have the right to withdraw that offer (stop new enrollment) in the event of extreme cost changes?

Answer:

The TOU program requires that suppliers hold prices constant throughout the term of the 12 month period. From June 1, 2016 through September 30, 2016 the suppliers will provide to Duquesne Light and customers with a known price for the "on-peak" and "off-peak" hours. A "seasonal" rate will also be provided for October 1, 2016 through May 31, 2017. The enrollment window for this program is June 1, 2016 through July 27, 2016. After July 2016, customers are not eligible to enroll in the TOU program. An EGS must honor their pricing to customers through the 12 month period. The EGS does not have the right to change pricing to

customers for the period of June 1, 2016 through May 31, 2017, once the prices have been established.

A determination will be made by Duquesne Light Company, the PA PUC, and the winning supplier regarding plans to extend, reissue, or discontinue the TOU program after May 31, 2017.

Question:

I read in the PUC filing that we're to report on survey findings. Is there a requirement that we conduct customer surveys in order to participate?

Answer:

No. An EGS is not required to conduct customer surveys in order to participate. Duquesne Light Company is obligated to report back to the PA PUC the results of the pilot program. The Company intends to report to the PUC results that reflect the TOU program. We would welcome input and contributions from the winning EGS in a collaborative filing with the PUC but the obligation to report to the PUC is solely the responsibility of Duquesne Light.

Question:

I read something about suppliers being required to report to DLC on any incremental costs of implementing this program. Is it your expectation that we must report our costs to DLC? I do not believe this is something we would be at all comfortable doing, as this is competitively sensitive information.

Answer:

EGSs are not required to share sensitive cost information with Duquesne Light. We encourage any input from an EGS that would help educate the PUC with the effort that was necessary to manage the TOU program. This could include general information about marketing the program or value propositions but the EGS is not required to share any information other than the pricing and product attributes that are well documented public information.

Question:

The PUC has approved contracting documents for all EGSs. I note that there is a contract template attached to the bid documents. From a compliance perspective, the awarded bidder will

be compelled to utilize the contracting documents that the PUC has approved, modified, of course, to properly explain the TOU product offer and pricing. Would this be a problem?

Answer:

No. A similar question was addressed earlier regarding this matter.

Question:

Once the enrollment window closes for the TOU offer, will the winning EGSs be permitted to use the TOU ECL to reach out to the customers who did not respond with another TOU or non TOU offer? In addition, will winning EGSs be permitted to cross sell other products and services to customers who do enroll for the TOU offer? For example, if an EGS also sells natural gas, can a winning EGS offer that customer a natural gas product? Or any other value added service?

Answer:

The winning EGS(s) will be provided with an eligible customer list (ECL) that will allow them to market to customers that are possible TOU participants due to their AMI meter installation. The Company is not encouraging an EGS to use the ECL for anything other than marketing the TOU program to these customers. Any additional uses of the ECL are done without interest from the Company and are the sole responsibility of the EGS.

Attachment 4

TOU Bid Event Snapshot

Today								Description	Assignee	Status	Date
Wk	Sat	Mon	Tue	Wed	Thu	Fri	Sat				
43		1	2	3	4	5	6	Open			02/26/2016 9:30 AM EST
44	8	9	10	11	12	13	14	Supplier Open Questions Period Ends			02/12/2016 5:00 PM EST
45	15	16	17	18	19	20	21	DLE Responses to Questions Due			02/17/2016 5:00 PM EST
46	22	23	24	25	26	27	28	Close			02/29/2016 5:00 PM EST
47	29	30	31								

Bidding Summary										
Bidding Status	Bid Requests	Responses	Declined	Accepted	Rejected	Expired	Cancelled	Withdrawn	Unresponsive	Unsuccessful
<input checked="" type="checkbox"/> AEP Energy	Declined	0	02/12/2016			0	0 of 3			<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> Constellation Energy	Bidding	0	02/12/2016	02/13/2016		0	0 of 3			<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> Direct Energy	Bidding	0	02/09/2016	02/29/2016		6	3 of 3	02/29/2016		<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> Energy Plus Holdings LLC	Bidding	0		02/29/2016		0	0 of 3			<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> Green Mountain Energy	Bidding	0		03/09/2016		3	3 of 3	02/29/2016		<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> IGS Energy	Bidding	0	02/12/2016	02/08/2016		0	0 of 3			<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> Reliant Energy	Bidding	0		02/29/2016		4	3 of 3	02/29/2016		<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> WGL Energy Services Inc	Bidding	0	02/11/2016	04/05/2016		8	3 of 3	02/29/2016		<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>

Buyer Notes					Buyer Bids				
<p>02/18 As of 2/18 all bidders had logged in since the responses to questions went out on 2/17 - except IGS Energy but I called him and left a VM on 2/18 reminding him that the questions and answers went out for his review - Darce Orr</p> <p>02/09 2/9/16 - Spoke to Leah Gibbons at NRG - she asked that we add their 3 separate entities - Green Mountain, Reliant Energy</p>					<p>John Peoples</p> <p>Duquesne Light</p> <p>11/18/16 9:44 AM EST</p> <p>412 393 368</p>				

Bidding Log Details									
AEP Energy									
<p>02/12 10:09am - DECLINED TO BID - Spoke to Madelon Kuchera - she said that they decided internally not to bid I asked why and she said right now they're just too busy to work on an RFP. I asked if there was anything about the RFP that caused them to decide not to bid and she said absolutely not - she said they're just too busy right</p>					<p>Madelon Kuchera</p> <p>Invited</p> <p>AEP Energy</p>				
Constellation Energy									
<p>02/12 10:15am - Left a VM for Ed Broin regarding his last login being on 2/5 - the questions are due today in writing if he has any - also if they are going to decline to bid we'd like to gain some insight into why that might be. I left my phone # on the message for him to please call me back Darce Orr</p>					<p>Ed Broin</p> <p>Active</p> <p>Constellation Energy</p> <p>02/23/16 10</p>				
Direct Energy									
<p>02/09 10:43am - Spoke to Diana Burckhart - she is speaking to her internal folks to see if they will be interested in bidding. She doesn't make that decision but will follow up with them again to see if they want to bid. I left my phone</p>					<p>Diana Burckhart</p> <p>Active</p> <p>Direct Energy</p> <p>03/24/16 9</p>				

Attachment 5

Tribune Review Article

*Utilities' time-of-use pricing encourages reduced usage
during peak hours.*

February 7, 2016

TRIBLIVE

Utilities' time-of-use pricing encourages reduced usage during peak hours

BY DAVID CONTI

Sunday, Feb. 7, 2016, 9:00 p.m.

It's been an ever-changing two years for the natural gas industry, yet debates over some issues remain constant.

Hundreds of thousands of people are getting technology that could help them lower their electric bills as utilities install more so-called smart meters in Western Pennsylvania.

Some Duquesne Light customers will be eligible to participate in a pilot program known as time-of-use pricing this summer that would allow them to take more control of their monthly bills. The pricing program encourages customers to find ways to reduce consumption during the hours of the highest stress on the grid. They could pay a higher-than-normal rate for electric use during peak hours of the summer months, and a lower rate during other times of the day.

"It's also good for the environment, because if we take off those highest-peaking days, you're using less resources, less generation," said Krysia Kubiak, director of state regulatory strategy and government affairs for Duquesne Light.

The meters communicate real-time data wirelessly to utilities, which then can show customers how much electricity they're using hourly, instead of the flat monthly measurements taken by conventional meters.

Duquesne Light recently received approval from the state Public Utility Commission to begin the pilot program June 1. The commission is overseeing the state-mandated deployment of smart meters by utilities, which also are required by related laws to cut overall power use. Philadelphia utility PECO in 2014 wrapped up a successful pilot program that it called Smart Time Pricing. The meters eventually will be installed on all homes and businesses in the state.

The pilot program at Duquesne Light will rely on the competitive market, which allows customers to choose a supplier that offers different rates and packages. Those who don't choose a supplier default to their distribution company.

"This is a program that's only made possible because of our new smart meters," Kubiak said. "It will be a way to test their capabilities and get a lot of information for our customers and when they're using electricity."

The top goal is to give consumers more options, said Nils Hagen-Frederiksen, a spokesman for the PUC, which has been encouraging people to shop for electric suppliers on the competitive market.

"Options are what the commission is focused on," he said. "We're moving with the technology toward giving consumers more choices and more of an active role in regulating their costs."

Duquesne Light is seeking proposals from suppliers that would set rate structures within the confines of the pilot program. So it does not know what the summer peak and non-peak rates will be.

"We are looking at multiple (suppliers) to participate," said Dave Defide, manager of customer programs. "It will give us more intelligence about what customer choices really are if they have two or three (suppliers) to look at. If they're offering different programs, which ones work best?"

Although all customers eventually will get smart meters — state law does not allow anyone to "opt out" — participation in the time-of-use pilot will be voluntary.

Duquesne Light expects between 180,000 and 200,000 residential customers will have meters and will be eligible to participate by June 1. Of 121,000 Philadelphia customers eligible for PECO's pilot, 4,800 enrolled.

Smart meters have caused controversy among those who see them as an invasion of privacy or a potential health hazard from the wireless signals they emit. State laws restrict the sharing of customer data without consent.

The PUC has heard from people interested in the potential benefits that come with the meters, Hagen-Frederiksen said. Consumers are accustomed to getting itemized data on cellphone use and other bills, he noted.

"When consumers are getting a semi-real-time snapshot of usage, it gives them the ability to alter their behavior," he said.

Time-of-use pricing could benefit the larger grid if it encourages people to reduce consumption at times of highest demand, and instead run dishwashers and air conditioning when it's cheaper.

Adding power plants and transmission equipment to grid specifically to handle peak loads costs money that utilities could spend elsewhere, experts say.

It's not clear when such pricing models will become a normal part of the rate structure as the meter rollout continues.

The Duquesne Light program will run through May 2017, though peak hours for pricing purposes will be only from 2 to 6 p.m. weekdays through September. It will report back to the PUC with results.

"We envision getting intel this summer ... and to be able to start designing a more permanent solution," Defide said. "I can't say it's a carved-in-stone certainty that in 2017 there will be a permanent offering, because we have to see what happens from a customer perspective."

Attachment 6

Supplier Q&A Document

for

Implementation of TOU Program

Time-of-Use Program Post - RFP

Supplier Questions and DLC Answers

Administrative Questions

Question:

What channels will Duquesne Light use to market the TOU program on behalf of suppliers and the program? When can the EGS suppliers begin marketing the program?

Answer:

Duquesne Light will be providing customers with an initial door hanger when an AMI meter is installed. This will alert them to the benefits of their new AMI meter, including programs like TOU. The Company will also send each eligible customer a marketing letter during the period of April 18th through May 6th, notifying them of their opportunity to participate in the TOU program. As part of those materials, Duquesne Light is providing the customers with a website that they can go to in order to obtain more information on the program, with the ability to personally analyze the two offers.

The EGS will receive an eligible customer list from Duquesne Light Company after April 18th, but prior to May 1st, which will allow them to begin marketing to eligible customers.

Question:

Will Duquesne Light share with the TOU suppliers any marketing materials prior to them being sent? Can the EGS suppliers alter or amend the marketing materials that the Company is sending?

Answer:

Duquesne Light will share marketing materials with the TOU suppliers prior to the items being sent to customers.

No. The Company will not allow the documents to be altered by either supplier. This is because DLC will remain impartial and objective in sponsoring this program.

Duquesne Light Company does expect similar considerations from the TOU suppliers as it pertains to the EGS marketing materials. The Company would like to preview the EGS materials as well. These materials can be sent to DLC_SSC@duqlight.com.

Legal Questions

Question:

In the RFP process there was a Terms and Conditions document, located in the Appendix section, which Duquesne Light required suppliers to sign. Does DLC require that document to be signed by customers that enroll in the TOU program?

Answer:

Duquesne Light Company does not require that this document be signed by customers. The contract signed by customers is between the supplier and the customer.

Question:

Will DLC allow EGS marketing to refer to themselves as a "preferred vendor/supplier for the Duquesne Light Time-of-Use program" or similar sponsorship language?

Answer:

Duquesne Light Company will consider allowing sponsorship/partnering language in a suppliers marketing materials, pending our company's legal approval. Should a supplier wish to include language in their materials referencing the Company, please submit those items to Dave Defide and John Peoples for DLC Legal approval.

Operational Questions

Question:

Is there a unique identifier in the meter number or SA ID# that a supplier could use to identify and ensure that the account had an AMI meter installed and was eligible for the TOU program. (Ex: Meters starting with a 2.)

Answer:

Duquesne Light does not reassign or change the SA ID number for an account that has an AMI meter installed and working. EGSs can verify that an AMI meter has been installed if the meter number begins with an "F" (i.e. "F12345678") however this does not necessarily mean that the customer is eligible for TOU. The eligible customer list that DLC is providing is the only foolproof way to establish an account has an AMI meter and is eligible for the TOU program according to DLC's business requirements.

Question:

Is the Time of Use eligible customer list formatted the same as the standard eligible customer list?

Answer:

*Duquesne Light has created another format for the Time of Use eligible customer list. The format of this list will not contain all of the data elements that are provided in the standard monthly eligible customer list that the Company provides EGSs. If an EGS would like to obtain the customer's historical usage information, an 867 HU request should be submitted. (*Note: an 867 HI request will be rejected as the customer will not have historical interval data until after they enroll in the TOU program.)*

Question:

Will the format of the Time of Use eligible customer list be available to TOU suppliers prior to the list being issued?

Answer:

Attached to the response email.

Question:

Please explain the enrollment window for the TOU program? Specifically, when is the earliest and latest that enrollments can be sent?

Answer:

Duquesne Light expects the enrollment transactions to be managed and processed in the same manner as all rate-ready or bill-ready enrollment transactions would be processed. The TOU program does not alter the timing of enrollment transactions to be sent by an EGS or processed by DLC.

The TOU program begins on June 1st, 2016. All enrollment transactions received after May 27th will be accepted. Any enrollment transactions received after July 31st will be rejected. It is incumbent on the EGS to manage the enrollment process.

Question:

Is the expectation that Residential customer classes are all in scope and Small Commercial, Medium Commercial and Large C&I are all out of scope?

Answer:

Yes. Residential customers are the only rate class of customers that are eligible this year for the TOU pilot program (RS, RH, RA). Small, Medium, and Large commercial and industrial customers are not eligible this year.

Question:

Are Budget-Billed customers ineligible? If so why?

Answer:

Budget Billed customers are ineligible for the TOU program.

The Company filing, accepted by the PUC, explained that the TOU program incentivizes customers to modify their usage consumption. A budget bill masks the benefits of a TOU program by leveling customer payments, while also adversely impacting the utilities analysis.

Question:

Could DLC please explain the transaction process that will occur if an EGS sends an enrollment transaction for a customer on budget billing is?

Answer:

DLC's Supplier Service Center will review a report that details any TOU enrollment received for a budget or delinquent customer. The SSC will terminate the enrollment and then DLC's Call Center staff will contact the customer advising them that they must take corrective action to participate in the TOU program. Once the customer completes this, the SSC will notify the EGS to resubmit their enrollment request.

Question:

Could DLC warm transfer on budget billing?

Answer:

No, as described above, the goal is to minimize the amount of times a customer needs to call either DLC or the TOU Supplier.

Question:

Could DLC please provide a sample 810 transaction with this information?

Answer:

Yes. Duquesne Light Company will send a Rate Ready sample 810 transaction to both suppliers.

Product Questions

Question:

When DLC says bids are expected to be held constant throughout the contract period, is this the customer's 12 month contract period or the EGS's contract period? If the EGS is expected to maintain the same 12 month offer prices for as long as the EGS participates in the program, would the selected EGS have the right to withdraw that offer (stop new enrollment) in the event of extreme cost changes?

Answer:

The TOU program requires that suppliers hold prices constant throughout the term of the 12 month period. From June 1, 2016 through September 30, 2016 the suppliers will provide to Duquesne Light and customers with a known price for the "on-peak" and "off-peak" hours. A "seasonal" rate will also be provided for October 1, 2016 through May 31, 2017. The enrollment window for this program is June 1, 2016 through July 27, 2016. After July 2016, customers are not eligible to enroll in the TOU program. An EGS must honor their pricing to customers through the 12 month period. The EGS does not have the right to change pricing to customers for the period of June 1, 2016 through May 31, 2017, once the prices have been established.

A determination will be made by Duquesne Light Company, the PA PUC, and the winning supplier regarding plans to extend, reissue, or discontinue the TOU program after May 31, 2017.

Attachment 7

Slide Deck

Customer Service Representative (“CSR”) Training

TOU Program

May 27, 2016

Time of Use (TOU) Pilot Program



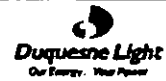
Release 5.0

Agenda

- 1 Course Introduction
- 2 Time of Use (TOU) Overview
- 3 EGS Offering – Enrollment / Drop
- 4 Customer Care and Experience
- 5 Debrief / Q&A

Release 5.0

Ground Rules



- Set Cell Phones on Vibrate
- Everyone Participates
- Listen Actively
- Share Your Knowledge
- Be Open Minded
- Remember to Sign-In

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Course Objectives



By the end of this course you will be able to...



Describe the Time of Use (TOU) Pilot Program, including on-peak, off-peak, and around-the-clock rates



Understand the enrollment/drop process for the TOU Pilot Program



Address customer inquiries related to the TOU Pilot Program

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Agenda



- 1 Course Introduction
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What is the Time of Use (TOU) Pilot Program?



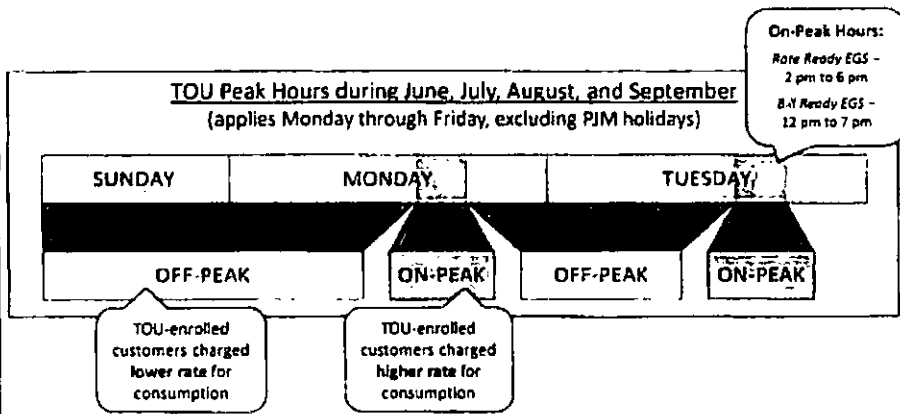
The Time of Use (TOU) Pilot Program:

- Customer is provided variable rates during warmer months:
 - On-peak rate and off-peak rates during June, July, August, and September
 - Around-the-clock rate during other months
- Customer realizes savings when shifting heavy usage to off-peak hours



Release 5.0

On-Peak vs. Off-Peak Time Periods



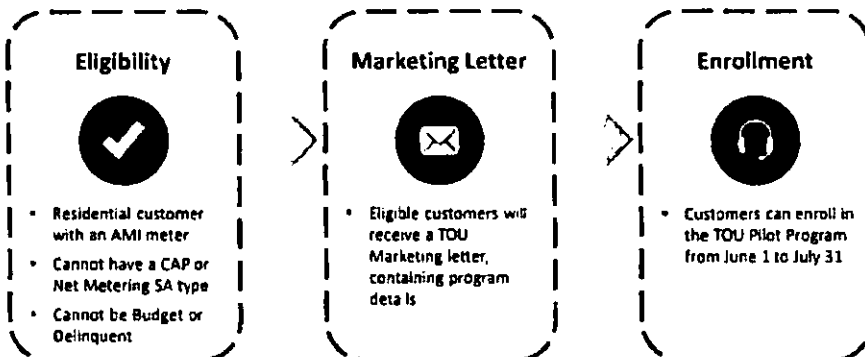
Note: Peak hours and impacted months are subject to change, based on guidance from the PUC.

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Eligibility and Enrollment



DLC estimates that about 2,000 customers will enroll in the TOU Pilot Program in 2016:



Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Around the Clock Billing					TOU Billing			Around the Clock Billing			
					TOU Enrollment Window						

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Offerings: EGS vs. POLR



Electric Generation Supplier (EGS) Offering



- ✓ DLC sends TOU Marketing letters to customers
- ...
- △ Supplier sets rates and administers the TOU Program
- △ Supplier enrolls customers in TOU
- △ DLC generates a report to identify budget and delinquent customer enrollment. DLC will have a process for removing these customers from TOU

Note: Budget and Delinquent Customers will not be excluded from receiving TOU Marketing letters

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Knowledge Check

Knowledge Check



During June through September, when are TOU-enrolled customers charged a lower rate for energy consumption?

- A. Off-Peak hours
- B. On-Peak hours

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Knowledge Check - Answer



During June through September, when are TOU-enrolled customers charged a lower rate for energy consumption?

- A. Off-Peak hours
- B. On-Peak hours

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Glossary of Key Terms



- ▶ **Time of Use (TOU):** a billing program that provides variable rates for usage during on-peak and off-peak time periods during June, July, August, and September
- ▶ **On-peak:** Hours of network-wide high energy usage, during which TOU-enrolled customers would be charged a higher rate
- ▶ **Off-peak:** Hours of network-wide normal energy usage, during which TOU-enrolled customers would be charged a lower rate
- ▶ **TOU Peak Billing:** Months (June, July, August, and September) of network-wide high energy usage, during which customers will be billed using on-peak and off-peak rates
- ▶ **Around-the-clock billing:** Months of network-wide normal energy usage, during which the customer will be billed using one around-the-clock rate
- ▶ **Provider of Last Resort (POLR):** DLC acts as the power generation company by purchasing power
- ▶ **Electric Generation Supplier (EGS):** Electric generation and transmission suppliers

Release '5.9

Enrollment / Drop

Overview



The supplier is responsible for administering the TOU Pilot Program.

TOU Supplier

- Supplier will set the TOU rates
- Supplier will enroll customers and send an enrollment request to Duquesne Light

Duquesne Light

- DLC will send TOU Marketing letters to customers with a TOU Eligible characteristic in CC&B
- DLC will run a report to identify Budget and Delinquent customers erroneously enrolled in TOU and conduct call backs with these individuals

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Where Does the Watt Choice CSR Fit In?

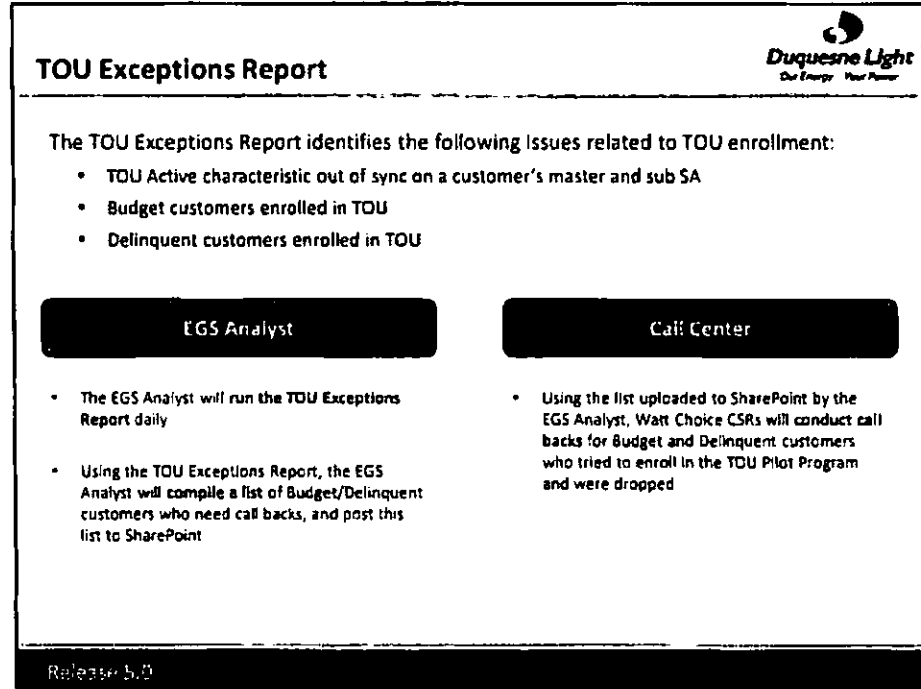
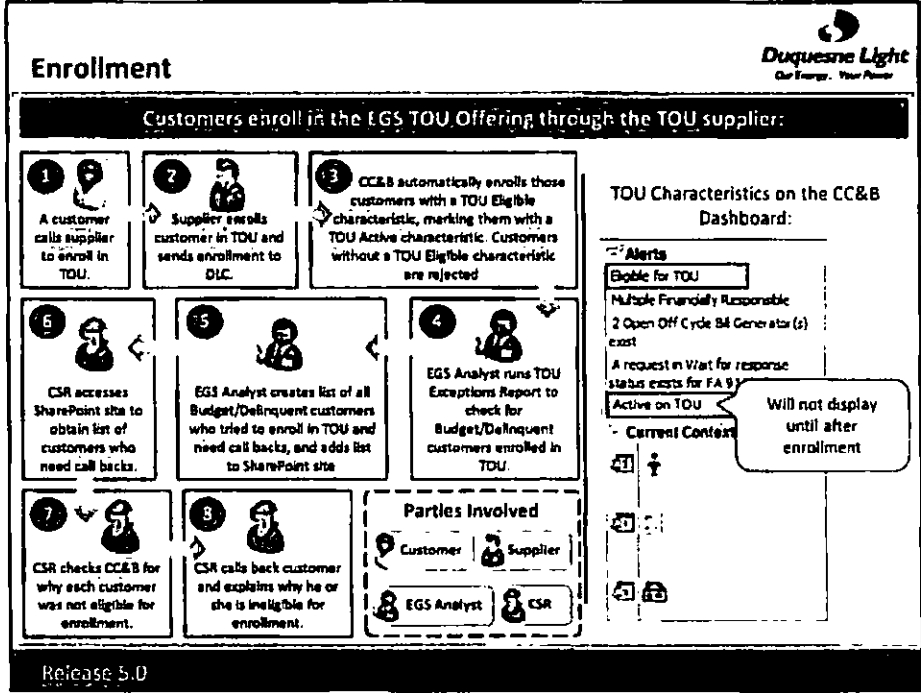


The supplier is responsible for administering the TOU Pilot Program.

Call Center

- Watt Choice CSRs will handle general inquiries (including questions about benefits and eligibility) regarding the TOU Pilot Program
- Watt Choice CSRs will direct customers to contact the supplier to enroll in/drop from the TOU Pilot Program
- Using a list uploaded to SharePoint by the EGS Analyst, Watt Choice CSRs will conduct call backs for Budget and Delinquent customers who tried to enroll in the TOU Pilot Program

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Drop



A customer can un-enroll from the TOU Offering in one of two ways:



The customer may reach out to the TOU supplier and ask to be placed on a non-TOU rate:

- The supplier will send this enrollment information to DLC.
- CC&B will automatically set the customer's TOU Active characteristic equal to "N" on both the master and sub SA.



The customer may enroll with a supplier not offering TOU billing:

- The new supplier will send the customer's enrollment information to DLC.
- CC&B will automatically set the customer's TOU Active characteristic equal to "N" on both the master and sub SA.

Beyond handling general inquiries, Watt Choice CSRs will not have any additional responsibilities associated with the Drop Process.

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Knowledge Check

Knowledge Check



What are Watt Choice
CSRs' TOU
responsibilities?



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Knowledge Check - Answer



Answer

The Watt Choice CSR is responsible for:


- Handling general inquiries from customers
- Directing customers to the supplier for enrollment and drop
- Conducting call backs with Budget and Delinquent customers, who tried to enroll in TOU



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Customer Care and Experience

Role Play Exercise #1 – Customer Call Back



Trigger:

A Budget/Delinquent customer was enrolled in the TOU Program.



Scenario:

- The customer enrolled in the TOU Pilot Program through the TOU supplier.
- The TOU Exceptions Report identified this customer as being erroneously enrolled in the TOU Pilot Program.
- The Watt Choice CSR must conduct a customer call back.

What happens?

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Role Play Exercise #2 – Customer Call Back



Trigger: A Budget/Delinquent customer was enrolled in the TOU Program.



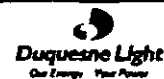
Scenario:

- The customer enrolled in the TOU Pilot Program through the TOU supplier.
- The TOU Exceptions Report identified this customer as being erroneously enrolled in the TOU Pilot Program.
- The Watt Choice CSR must conduct a customer call back.

What happens?

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Role Play Exercise #3 – High Bill Complaint



Trigger: A customer calls in regarding their TOU bill.



Scenario:

- After enrolling in TOU, the customer received a bill that was much higher than normal.
- The customer did not track interval usage through the online portal.
- The customer did not switch heavy energy usage to off-peak times.

What happens?

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Agenda



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Release 5.0

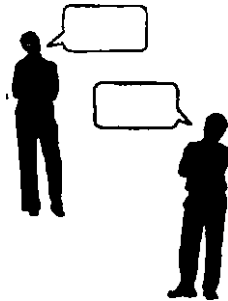
Debrief: Four Key Take-Aways



What do Watt Choice CSRs need to know about the Time of Use (TOU) Pilot Program?

- Customers enrolled in the TOU Pilot Program will be charged **variable on-peak and off-peak rates** from June through September.
- Customers can enroll in the TOU Pilot Program from June 1 through July 31.
- Watt Choice CSRs will be responsible for **handling general inquiries** about the TOU Pilot Program.
- Watt Choice CSRs will be responsible for **conducting call backs** with Budget and Delinquent customers who tried to enroll in the TOU Pilot Program.

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*What's on
your mind?*

Attachment 8

Duquesne Light Company's Marketing Material



Save Energy, Money by Taking Part in Duquesne Light's Time-of-Use Program

Duquesne Light's new advanced metering infrastructure enables us to offer a variety of programs and services that can help you save energy, in addition to benefiting the environment. Many of you already are taking advantage of new online tools that help you discover ways to manage your monthly electric bill, as well as email or phone alerts to manage high-usage activity.

Now, Duquesne Light's advanced metering infrastructure will enable you to benefit through use of optional "Time-of-Use" rates being offered by Direct Energy Services and WGL Energy Services. During summer months, when customer demand for electricity is especially high, you will have the ability to potentially save money, and benefit the environment, by shifting part of your electric use from high-demand periods to different times of the day or week.

From June through September 2016, participants in Duquesne Light's Time-of-Use pilot program will pay lower-than-normal rates during weekday mornings, evenings and overnight, and all weekend. Higher rates will be in effect during peak hours. For the rest of the year, an around-the-clock rate will apply.

Please see the enclosed Q&A for specific pricing information and details on how the program will work. More information and a Time-of-Use Calculator that can help you choose the best rate offering to meet your needs is available at DuquesneLight.com/TOU. Customers on budget billing, or those who have an unpaid balance from previous Duquesne Light bills, cannot participate.

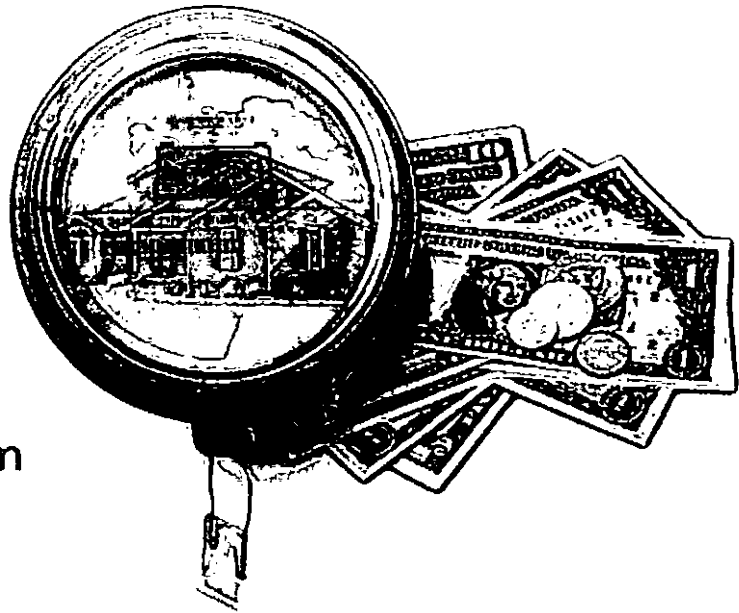
We value you as a customer. Your consideration to participate in this important pilot program is truly appreciated. Thank you for helping us serve you better.

Sincerely,

Dave Defide
Manager, Customer Programs



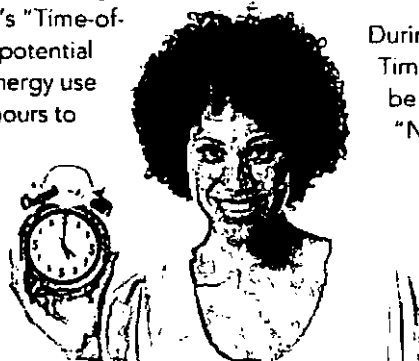
Learn More About Duquesne Light's Time-of-Use Program



What are Time-of-Use rates?

During certain times of the day and year – especially late afternoons during summer months – electric customers typically use more power than at other times of the day or year. Periods when demand for electricity soars are called “peak hours.” During those periods, higher-cost, less-efficient and less environmentally friendly generating facilities must be used to meet customer demand. These higher costs are absorbed by all customers.

Utilities typically bill customers based on how much electricity they use, regardless of when they use it. Participants in Duquesne Light's “Time-of-Use” pilot program will have the potential to save money by shifting their energy use away from higher cost, on-peak hours to lower cost, off-peak hours.



How will the program work?

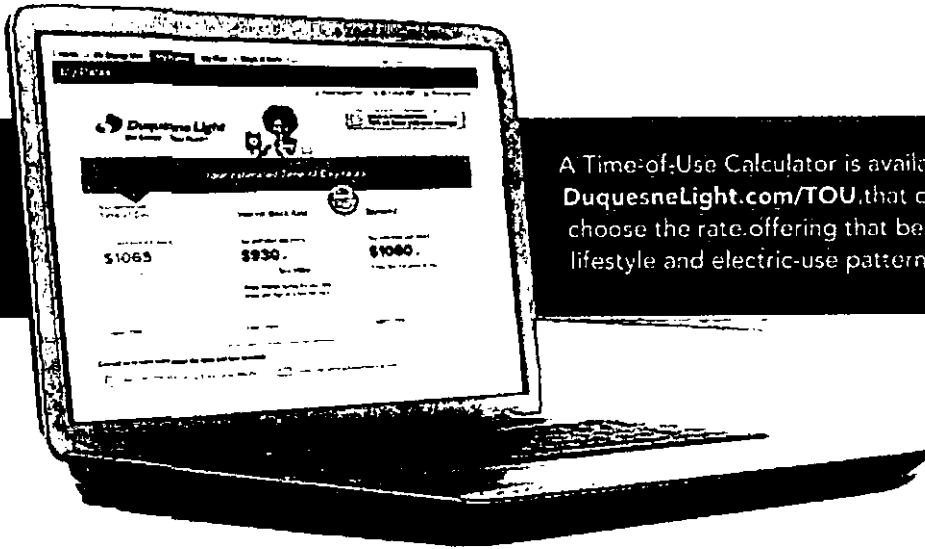
From June 1, 2016, to Sept. 30, 2016, customers who voluntarily enroll in Duquesne Light's Time-of-Use pilot program will have two supply rates: on-peak and off-peak. The higher of the two, the on-peak rate, applies during specific weekday afternoon hours (see timeframes below for both participating electric generation suppliers), excluding holidays. The lower of the two, the off-peak rate, applies at all other times.

During all other months of the year, Time-of-Use-enrolled customers will be charged a single around-the-clock “Non-Summer” rate.

What are the available Time-of-Use Rates?

Two electric generation suppliers are offering Time-of-Use rate options as part of Duquesne Light's pilot program.

<u>Elec. Generation Supplier</u>	<u>Direct Energy Services</u>	<u>WGL Energy Services</u>
Summer On-Peak Hours	2 p.m. to 6 p.m. Weekdays	Noon to 7 p.m. Weekdays
Summer On-Peak Price	8.79 cents/kWh	9.7 cents/kWh
Summer Off-Peak Hours	All Other Weekday/Weekend Hours and Weekday Holidays	All Other Weekday/Weekend Hours and Weekday Holidays
Summer Off-Peak Price	5.79 cents/kWh	6.467 cents/kWh
Non-Summer Price	7.69 cents/kWh	7.109 cents/kWh



A Time-of-Use Calculator is available at DuquesneLight.com/TOU, that can help you choose the rate offering that best fits your lifestyle and electric-use patterns.

How can I sign up for the Time-of-Use Program?

Depending on the electric generation supplier you have selected, call Direct Energy Services at 1-844-878-4409, or WGL Energy Services at 1-844-427-5945.

How do I know if I should enroll in the Time-of-Use Program?

To save money, and help the environment, you'll need to switch as much of your energy use as possible – especially things like air conditioning – to lower-cost, off-peak hours. If you are unable to shift your usage to these off-peak times, you will not be able to realize the savings of the Time-of-Use pilot program. A Time-of-Use Calculator that is available at DuquesneLight.com/TOU can help you evaluate if this program fits your lifestyle and electric-use patterns.

Will I be able to track my usage throughout the month to help keep my bill low?

Yes. As part of the advanced metering infrastructure project, Duquesne Light provides a free web portal that helps you maximize the benefits of your new digital meter. By providing your usage in hourly increments, the web portal can help you better understand when you are using electricity. In addition, the portal provides personalized ideas for saving energy and money. If you haven't done so already, you can sign up for the portal at DuquesneLight.com/MyElectricUse.

Please note that there is no guarantee of savings on your electric bill as part of this program. Customers must actively participate and be willing and able to shift their peak weekday electric use in order to potentially benefit from this pricing program.

Can all Duquesne Light residential customers participate in the Time-of-Use Program?

Customers who had an advanced digital meter installed before March 15, 2016, are eligible to participate. Customers on budget billing or those who have an unpaid balance from previous Duquesne Light bills cannot participate.

Can I un-enroll part way through the Program if I don't like it?

Yes. You can un-enroll at any time. Should you wish to re-enroll later on, the final date for enrollment is July 31, 2016.

What if I have additional questions or don't have access to the Internet?

Call us at 1-888-WATTLEY (928-8539), press one and then select five. One of our customer service representatives can discuss the options and answer any questions so you'll have the information you need to make the decision that is best for you.

Attachment 9

Direct Energy Services' Marketing Material

Customer ID: <XXXXXXXX>



SWITCH TODAY AND — SAVE — WITH THIS EXCLUSIVE OFFER

Dear <First Name> <Last Name>,

High electricity bills can be frustrating because it seems like you have no control. As a resident in the Duquesne Light service area, you have the power to choose an energy plan that works for you.

You might have heard that Direct Energy has partnered with Duquesne Light to develop an exclusive Time of Use (TOU) product designed to help you take greater control of your utility bills and save money.

Our Peak Savings plan gives customers the opportunity to save money by reducing consumption during the period when the demand for electricity is highest on the grid (the peak). All you have to do is reduce your use on weekdays from 2–6 p.m. to save on your electricity bills this summer!*

Summer Off-Peak Rate	Summer On-Peak Rate	Non-Summer Rate
June 1 – Sept. 30	June 1 – Sept. 30	Oct. 1 – May 31
5.79¢/kWh	8.79¢/kWh	7.69¢/kWh
All day on weekends All hours on weekdays (Except 2–6 p.m.)	2–6 p.m. (Weekdays only)	All day
Use your washing machine, dishwasher and other appliances during these hours	Reduce your use during these hours	Enjoy this great, predictable fixed rate

More and more Duquesne Light customers in <City> are selecting Direct Energy as their electricity supplier. Here's why:

- ▶ **ENJOY PEAK SAVINGS:** Reduce your use, and your savings could add up fast. You'll experience the greatest savings if your home is usually unoccupied from 2–6 p.m. on weekdays. You have the power to make a difference in your budget!
- ▶ **SWITCHING IS EASY:** There are no cancellation or sign up fees, your utility does not change, and your service will not be interrupted.
- ▶ **EARN REWARDS:** We're the exclusive energy partner of Penti[®], the rewards program that lets you earn points in one place and use them at another. Sign up today to start earning points.

Call us today at 1-XXX-XXX-XXXX or visit us at DirectEnergy.com/XXXX
and have your utility bill handy. This is a limited time offer exclusively for customers in the Duquesne Light service area, so be sure to lock in your Peak Savings today—it's just one of the ways we're helping customers buy less of what we sell!

*To qualify for the exclusive Summer Off-Peak Rate, customers in the Duquesne Light service area must be on a Direct Energy plan and must be on a fixed rate plan. Offer is available from June 1 to September 30, 2018. Peak Savings is 5.79¢/kWh, Off-Peak Rate is 8.79¢/kWh, and Non-Summer Rate is 7.69¢/kWh. All rates are subject to change without notice. Offer is available to existing customers only. Service is available in the Duquesne Light service area. © 2018 Direct Energy. All rights reserved. Direct Energy is a registered trademark of Direct Energy Group, Inc. All other trademarks are the property of their respective owners. Direct Energy is not affiliated with any utility company.

Customer ID: <XXXXXX>



ENJOY SUMMER SAVINGS — AND A — \$50 VISA™ PREPAID CARD!

Dear <First Name> <Last Name > ,

High electricity bills can be frustrating because it seems like you have no control. As a resident in the Duquesne Light service area, you have the power to choose an energy plan that works for you.

You might have heard that Direct Energy has partnered with Duquesne Light to develop an exclusive Time of Use (TOU) product designed to help you take greater control of your utility bills and save money.

Our Peak Savings plan gives customers the opportunity to save money by reducing consumption during the period when the demand for electricity is highest on the grid (the peak). All you have to do is reduce your use on weekdays from 2–6 p.m. to save on your electricity bills this summer!*

Table with 3 columns: Summer Off-Peak Rate, Summer On-Peak Rate, Non-Summer Rate. It details rates per kWh (5.79¢, 8.79¢, 7.69¢) and applicable times (weekends, 2-6 p.m. weekdays, all day) with usage tips.

More and more Duquesne Light customers in <City> are selecting Direct Energy as their electricity supplier. Here's why:

- ▶ ENJOY PEAK SAVINGS: Reduce your use, and your savings could add up fast. You'll experience the greatest savings if your home is usually unoccupied from 2–6 p.m. on weekdays. You have the power to make a difference in your budget!
▶ GET A \$50 BONUS: Sign up today and get a \$50 Direct Energy Visa Prepaid Card to spend on anything you like!
▶ EARN REWARDS: We're the exclusive energy partner of Plenti®, the rewards program that lets you earn points in one place and use them at another. Sign up today to start earning points.

Call us today at 1-XXX-XXX-XXXX or visit us at DirectEnergy.com/XXXX and have your utility bill handy. This is a limited time offer, exclusively for customers in the Duquesne Light service area, so be sure to lock in your Peak Savings today—it's just one of the ways we're helping customers buy less of what we sell!

Small print text at the bottom of the page containing legal disclaimers, terms of service, and contact information for Direct Energy.

Attachment 10

TOU Web Portal Sample Pages

TOU Rate Comparison Overview

Duquesne light and Opower partnered in 2016 to provide a rate comparison mechanism for the two Time-of-Use pilot rates provided by Direct Energy and WGL.

The web portal was available at: www.duquesnelight.com/tou and a customer would have to sign into the portal using their account number to see the comparison.

Who was eligible to see the My Rates comparison?

- Customers with new digital meters only.
- Must have at least 45 days worth of interval reads.
- Customers must be on the RH--M, RA--M, or RS--M base rate.

Why may the cost estimate not have reflected the customer's actual bill?

- The rate comparison was a forecast of projected energy usage at a specific time and may not reflect what actually occurs if a customer changes their behavior within a billing period post-estimate.
- Taxes and fees are not included. Only charges based on energy use were included in developing the forecast.
- The forecast was calculated using an analysis of the customer's previous usage history. The longer history of interval and billing reads that a customer has, the more accurate their comparison should be.

The following slides highlight the experience for customers.

My Rates Overview Page

The top-level view of the My Rates page provides a summary of a customer's current rate and any other rates for which they are eligible. Customers can compare the rates and click links to get more information about each one.



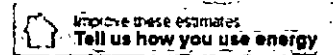
[Home](#)
[My Energy Use](#)
[My Rates](#)
[My Plan](#)
[Ways to Save](#)

My Rates

[Feedback](#)
[Print this page](#)

We've estimated your costs for each rate option.

[Why are these rates offered?](#)



Your current rate
Residential
Alternative
Supplier

Your estimated cost [\(per kWh\)](#)

\$1540_{/yr}

[Learn more](#)
[View details](#)
[View details](#)
[View details](#)
[View details](#)

[Learn more](#)

Residential
Service

Your estimated cost [\(per kWh\)](#)

\$1550_{/yr}

Duquesne Light's standard service for residential customers who do not use electric heat

[Learn more](#)

Peak Savings

Your estimated cost [\(per kWh\)](#)

\$1655_{/yr}

Shift your usage and save

[Learn more](#)

Clean Energy
Time-of-Use

Your estimated cost [\(per kWh\)](#)

\$1680_{/yr}

Electricity matched with wind RECs

[Learn more](#)

The rate comparisons and costs are provided for informational purposes only and do not constitute an offer or recommendation by Duquesne Light. Actual rates and costs may vary based on your usage. The estimated costs are based on your current usage. Actual costs may vary based on your usage. The estimated costs are based on your current usage. Actual costs may vary based on your usage. The estimated costs are based on your current usage. Actual costs may vary based on your usage.

Duquesne Light cannot guarantee the accuracy, completeness or usefulness of the information or the estimated cost information displayed. Duquesne Light will not be liable for any damages, including any indirect, special, incidental or consequential damages, arising out of the use of the information or the estimated cost information displayed.

My Rates Detailed Page – Standard DLC Rate

The rate details page provides a more in-depth look at a given rate. The following information appeared for each rate:

- Rate name
- How it works
- Estimated cost details
- Ways to lower your bill
- Frequently-asked questions

In the example below, the customer can see more detail on the base DLC rate that they are currently on today (if applicable).



Home My Usage **My Rates** My Plan Ways to Save

My Rates

[Switch My Rates](#)

[Rate Details](#) [Rate Comparison](#)

Residential and Add on Heat Pump

Overview

A Duquesne rate. Residential and Add on Heat Pump. Duquesne Light customers who do not choose an alternative supplier.

How it works

The rate that you pay for electricity stays the same throughout the day.

Interested in this rate?

Call 1-800-922-0332 (1-800-WATTLE)
Email customer_care@duquesnelight.com

Frequently asked questions

Does the rate I am currently on vary based on the time of day?

No, the Duquesne Light rate does not change during the day or week. The rate is a flat rate which remains constant.

How often does my price-to-compare rate change?

Duquesne Light's price-to-compare rate changes on June 1 and December 1 of each year.

Your estimated costs for the last 7 months

Nov 17, 2014 - Feb 1, 2015



Improve these estimates
Tell us how you use energy

See [Term/Con](#) [Market](#) [Usage](#) [Rate](#)

Ways to lower your bill

Click [here](#) to get tips on how to save energy this summer.

The information on this page is provided for informational purposes only and does not constitute a recommendation by Duquesne Light as to whether or not you should benefit from the use of any alternative energy source or energy efficiency program. The information is provided for informational purposes only and does not constitute a recommendation by Duquesne Light as to whether or not you should benefit from the use of any alternative energy source or energy efficiency program. The information is provided for informational purposes only and does not constitute a recommendation by Duquesne Light as to whether or not you should benefit from the use of any alternative energy source or energy efficiency program.

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My Rates Detailed Page – Peak Savings

The page below shows the Direct Energy "Peak Savings" TOU rate details.



[Welcome Sign Up](#) [My Account](#) [Sign Out](#)

[Home](#) [My Energy Use](#) **[My Rates](#)** [My Plan](#) [Ways to Save](#)

My Rates

[Back to My Rates](#)

[Print Rate Card](#) [Print Summary](#)

Peak Savings

Overview

During the parts of the day when demand is highest on the electricity grid (2pm to 6pm in the summer), you'll pay one competitive fixed rate. But when demand is lower (6pm at night until 2pm the next day), you'll pay a lower fixed rate.

How it works

It's simple: during the high energy demand hours of 2pm to 6pm on weekdays, you'll pay \$79¢/kWh, but you'll only pay \$70¢/kWh during all other hours of the week.

This savings portion of this plan runs from June 1st, 2016 to September 30th, 2016. The rest of the year, you'll pay the great fixed rate of 76¢/kWh.

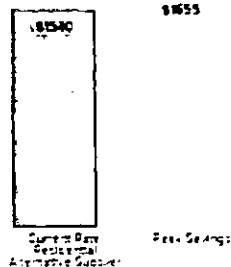
UNITED STATES OF AMERICA FEDERAL GOVERNMENT IN THE DUQUESNE LIGHT SERVICE AREA. PROVIDED THAT THIS RAISED THE NUMBER OF PEAK HOURS OF THE 2016 RATE PERIOD FROM JUNE 1 TO SEPTEMBER 30, 2016 FROM 6 AM TO 11 AM TO 2 PM TO 6 PM AND ALSO, ON WEEKENDS, THE NUMBER OF PEAK HOURS OF THE 2016 RATE PERIOD FROM 2 PM TO 6 PM ON WEEKENDS AND THE NON-PEAK PERIOD FROM 6 PM TO 2 PM ON WEEKENDS. EFFECTIVE DATE: OCTOBER 1, 2015. ALL OTHERS OF THE RATE PERIODS: 6 PM TO 6 PM ON WEEKENDS, ALL OTHERS: 76¢/KWH. AND THE CURRENT RATE PERIOD IS A PORTION OF THE RATE OF DIRECT ENERGY MARKETING LIMITED IN THE UNITED STATES AND OF CONTACT USE UNDER THE TERMS OF THE CONTRACT.

Interested in this rate?

Call: 800-670-4406
Visit: www.duquesnelight.com/090716

Your estimated cost details

[Back to My Rates](#)



Last year, you would have spent \$115 more on this rate.

Improve these estimates. **Tell us how you use energy**

Show Total Cost: [View Cost](#) | [View Cost](#) | [View Cost](#)

Ways to lower your bill

[Click here to get tips on how to save energy this summer!](#)

Frequently asked questions

What is the Peak Savings Plan?
Our Peak Savings plan offers you the chance to pay one fixed rate when energy demand is low and a reduced fixed rate when energy demand is low.

During the parts of the day when demand is highest on the electricity grid (2pm to 6pm in the summer), you'll pay one competitive fixed rate. But when demand is lower (6pm at night until 2pm the next day), you'll pay a lower fixed rate.

This is an excellent plan if you're not at home using energy when the fixed rate is highest. It's also good if you can shift your high-usage activities to the early morning or late evening to take advantage of the lower rate.

Why is the Peak Savings Plan called Time-of-Use by Duquesne Light?
There are certain times of the day when people use more energy at home. In summer, these hours tend to be the heat of the afternoon when temperatures are highest. They're called "peak hours" and they represent times when extra pressure is placed on the grid because so many people are using extra energy to cool their homes against the summer heat.

Plans like our Peak Savings offer you a lower rate at different hours of the day as a way to encourage you to shift the time you use energy in your home.

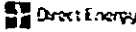
How will the Direct Energy Peak Savings Plan work?

It's simple: during the high energy demand hours of 2pm to 6pm on weekdays, you'll pay \$79¢/kWh, but you'll only pay \$70¢/kWh during all other hours of the week.

This savings portion of this plan runs from June 1st, 2016 to September 30th, 2016. The rest of the year, you'll pay the great fixed rate of 76¢/kWh.

My Rates Detailed Page – Peak Savings

The page below is the Direct Energy-owned web page that customers were linked to.


Get Your Bill

ENJOY DISCOUNTED ELECTRICITY THIS SUMMER!

We're coming to Peak Savings Pennsylvania!

Summer On-Peak Rate

June 1 - Sept 30

5.79¢/kWh

All Day on weekdays
All hours on weekends
Peak 24 p.m.

Summer On-Peak Rate

Oct 1 - May 31

8.79¢/kWh

2:00 p.m. - Monday, Wk



No-Summer Rate


All Day

7.69¢/kWh

ORDER
NOW

Enjoy summer savings now and rate electricity through



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My Rates Detailed Page – Peak Savings

The page below shows the "Clean Energy Time-of-Use" details for the WGL rate. Unfortunately the WGL-owned page with additional details is no longer supported on their site so could not be included here.



Home My Energy Use **My Rates** My Plan Ways to Save

My Rates

[Return to Home](#)

[Print this page](#) [Feedback](#)

Clean Energy Time-of-Use

Overview

Best for customers who want to use less energy during peak hours and preserve the environment. 100% National Wind Power from WGL Energy's selected wind energy sources to provide an eco-friendly and reduce carbon dioxide emissions.

How it works

Environmentally friendly, our Clean Energy Time-of-Use option allows you to save up to 15% on your electricity rate by shifting your energy use away from higher cost on-peak hours to a lower cost off-peak hours.

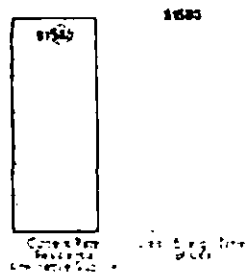
- Summer On-Peak Price: period June 1, 2016 – September 30, 2016
 - Usage hours: Noon to 7 PM, Weekdays
 - Price: 90 cents/kWh
- Summer On-Peak Price: period June 1, 2018 – September 30, 2018
 - Usage hours: A: Other weekdays, Weekends and holidays and Weekday holidays
 - Price: 6.450 cents/kWh
- Non-Summer Price: period October 1, 2016 – May 31, 2017
 - Usage hours: A: around the clock, 24 hours a day
 - Price: 5.025 cents/kWh

Interested in this rate?

Call 1-800-448-7622 or 1-800-448-7623 or visit [www.wgl.com/energy](#) or [www.wgl.com/energy](#) for more information.

Your estimated cost details

[View this page in PDF](#)



Last year you would have spent \$140 more on this rate

Improve these estimates. Tell us how you use energy.

Share Your Cost:

Ways to lower your bill

Click [here](#) to get tips on how to save energy this summer.

Throughout the My Rates page there are ways for customers to learn more information on their energy usage, as well as ways for them to self-select behavior changes that might make a TOU Rate more cost-effective for them.

Dialog Box

Improve these estimates

Improve these estimates
Tell us how you use energy

Improve your rate plan estimates close X

1 of 3. During the summer, can you make small changes to shift your usage on weekday afternoons?

I'm already using as little as I can on weekday afternoons

Some. I can shift some of my usage to earlier or later in the day

A lot. I can shift a lot of my usage to earlier or later in the day

Suggested ways to reduce

If you're home: Turn off lights (small impact); use appliances earlier or later in the day; use the dishwasher or doing laundry (medium impact); and adjust your thermostat 3-5 degrees (big impact).

When you are away from home: turn off appropriate appliances and adjust your thermostat setting for your air conditioner.

Throughout the My Rates page there are ways for customers to learn more information on their energy usage, as well as ways for them to self-select behavior changes that might make a TOU Rate more cost-effective for them.

Dialog Box

View estimates for all of your bills

Your estimated costs for the last 7 months



In the last 7 months you would have spent \$60 more on this rate

Tell us how you use energy

View Cost

Ways to lower your bill

Interested in this rate?

Call 844-678-4409

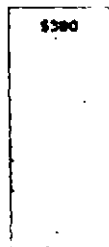
Visit www.DirectEnergy.com/DQETSU

high usage occurred in the morning or late evening to take advantage of a lower rate

Why is the Peak Savings From Time of Use so High?

Your estimate

How is this calculated?



Current Rate Residential and Add-on Heat Pump

Your last 7 months estimated costs

	Current Rate Residential and Add-on Heat Pump	Peak Savings
Aug 2015	\$85	\$85
Sep	\$85 (highest)	\$85 (highest)
Oct	\$45	\$48 (lowest)
Nov	\$43	\$52
Dec	\$41	\$55
Jan 2016	\$44	\$60
Feb	\$38 (lowest)	\$50
Total Cost	\$380	\$435

In the last 7 months you would have spent \$55 more on this rate

Note: This amount may not match your bill as it is calculated based on your average usage data and does not include taxes or fees.

Show Total Cost: Highest Bill: Lowest Bill:

[View estimates for all bills](#)

Ways to lower your bill

Click [here](#) to get tips on how to save energy this summer

Best time to use is 6p to 6p weekdays you'll pay 6.79¢/kWh. If you only use 5.79¢/kWh during hours of the week.

Attachment 11

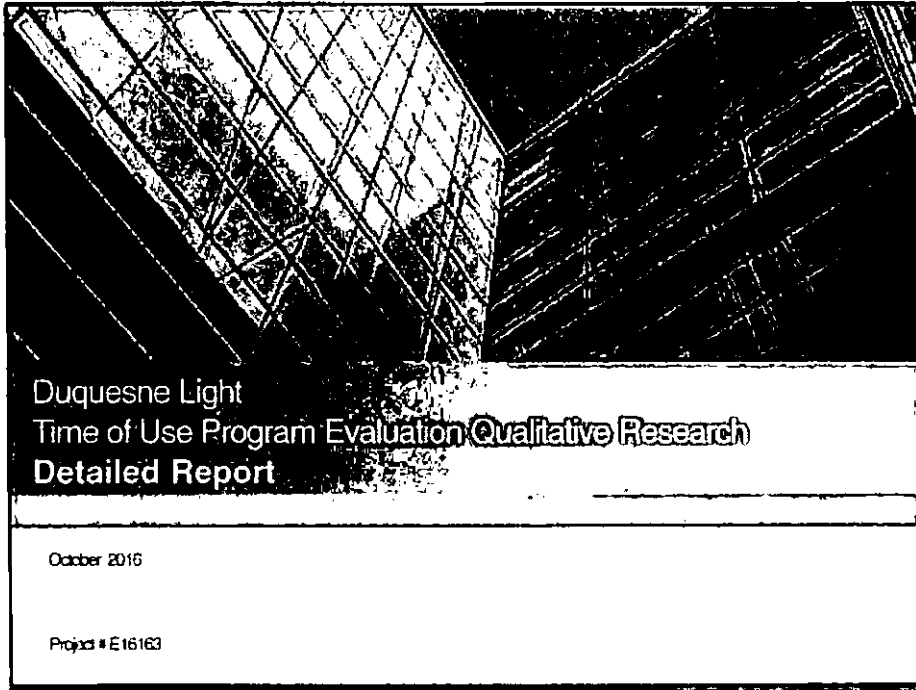
Market Strategies International

Detailed Report of

Duquesne Light Company

Time-of-Use Program Evaluation Qualitative Research

October 2016



Duquesne Light
Time of Use Program Evaluation Qualitative Research
Detailed Report

October 2016

Projct # E16163

Research Objectives

The specific objectives for Duquesne Light's Time-of-Use (TOU) in-depth focus group research, includes:

- > Evaluate satisfaction with the TOU program.
- > Better understand the motivations for enrolling in TOU and expectations for the program
- > Explore ways TOU may have impacted consumer behavior
- > Determine if customers feel that participation in the program affects their overall feelings about DLC
- > Identify TOU program improvements or enhancements to increase the perceived value and success of the program for customers, while also identifying ways to increase participation in the program

Methodology

- Market Strategies two focus groups with Duquesne Light TOU participants on October 20th, 2016

Location	Time	Customer Type	# of Participants
Caripos Research, Pittsburgh, Pennsylvania	5:30 p.m.	Residential TOU Participants	11
	8:00 p.m.	Residential TOU Participants	11

- All groups were moderated by Market Strategies International Senior Research Director, Christian Riepe
- Participants received a \$100 incentive, plus \$15 for parking-related costs.
- The groups averaged approximately two hours in length.
- The groups were audio and video taped and typed transcripts of each group were developed

Key Findings

Key Findings

- Overall participants are happy with the program. They describe it as *effortless, money-saving, environmentally-friendly, and empowering*. While perceptions of their savings varied based on how often they were at home during the peak hours, most participants were satisfied with their experience on the program and the savings they were able to achieve.
- Participants identified the following as Pros and Cons for the program:

<ul style="list-style-type: none"> Saves money Saves energy Makes you feel empowered and feel good about what you're doing Helps the environment because it limits the need for extra generation Makes you more aware of your daily behaviors that may be using energy Leads to fewer equipment breaks for DLC, which will help keep bills low Can switch with no cancellation fee Does not require much of a sacrifice to see the savings Good price Leads to fewer brownouts Give you a choice to participate Makes you more energy conscious Give you control over your usage Provides usage data 	<ul style="list-style-type: none"> Some not receiving emails on energy usage Want more specific feedback on energy usage (hourly data) Bad program if you are at home during peak hours Hard to know how much money you are actually saving Unclear how the program works after September (off-peak months) Covers too few months Some moved usage to earlier times in the day ("Don't try AC until noon") Had to switch suppliers Had to go to a separate website Should be integrated with smart thermostats Took longer for the bill to be finalized
--	--

Key Findings

- Most participants believe they changed their behaviors as a result of being on the program. Most were very careful to avoid running the air conditioning or other appliances during the peak hours. They explained that they would wait until the peak hours ended before running appliances. Others would set their air conditioning especially low in the morning to cool the house before turning it off during the peak hours.
- Participants recall receiving direct mail from both Duquesne Light and from Direct Energy in support of the TOU program. For most, this is the way they first learned of the program. While a few did switch as a result of the mailer from DLC, most did not switch until they had received the mailer from Direct Energy. Despite acting based on the Direct Energy materials, it was the support from Duquesne Light that convinced many participants to try the program.

I actually called Duquesne Light because, like I said, I got the flyer through the mail from Direct Energy. I wanted to make sure. These people said it's a lot of stuff going on. You don't know what you're getting yourself into. So I called Duquesne Light, and they enlightened me on it. They said that yeah, they were gonna be behind it. So I went with it.

- Participants were attracted to the program because they felt confident that if the program was not saving them money, that they could switch back for free at any time. Most of the participants in the groups had never switched suppliers before; for these individuals, the *no cancellation fee* promise was especially powerful in moving them to take the risk of switching from DLC.
- Most participants did not visit the website to check on their usage while on the program. However, many participants felt that the emails they were receiving notifying them about their energy usage were helpful. They welcomed these emails and wanted more detail on their usage.
- Communication with DLC and Direct Energy during the program was limited. A few participants contacted DLC, but for reasons unrelated to the TOU program.

Implications and Recommendations

- For customers who enrolled in the Time of Use program, they found that their behaviors changed as a direct result of their participation in the program. In order to take advantage of the cost savings, they actively changed their energy consumption patterns. Although, it seems total energy usage may not have changed, the distribution of the household load appears to have changed.
- Participants are happy with the program and would like to see it expanded to include a larger portion of the year, perhaps by including winter months or by adding an additional month to the summer time program.
- The participation of Duquesne Light was an integral part of "legitimizing" the program for customers and gave them the confidence that they could reliably switch to a new supplier without disrupting their service or feel like they were being deceived.
- Additional communication efforts will be necessary to expand enrollment in the program. While most participants in this study recall receiving a direct mail piece from both Duquesne Light and from Direct Energy, the overall familiarity with the mailer suggests that awareness in the total customer base may be relatively low.
 - Multiple communication channels will be required to expand enrollment in the program.
 - Multiple direct mail efforts will also be required to expand awareness of the program.
- Future communications about the program should include the following messaging:
 - Disaggregation usage details to highlight potential savings from individual appliances (e.g., "Keeping your 50" television turned off during the peak time could save you \$XX").
 - Participation in the program empowers customers to better control their energy consumption and electricity bill.
 - Switching to the program and participation during the program are simple and easy to do.
 - Endorsed by Duquesne Light.
 - No cancellation fees - switch back at any time.

Overall Program Evaluation

Most participants had a positive experience with the TOU program. They found it easy to participate and felt more in control over their energy consumption and spending.

I liked the - not only the idea of the ability to save some money, but the fact that you can actually control that yourself. I like that.

Works for me because I work six blocks from here, so I'm not even home until after six. So I don't even know what's going on using up power anyway between two and six.

It don't affect me very much. By the time I would get home, it would be close to 6:30 or 6:00 anyway like 5:30. And I would just wait before I turned on any air conditioning or fans or anything like that. It was fine. It was only half hour because I wasn't home generally at that time anyway. If it saves some money on the electric bill - mine was already pretty low. But if I can save a little bit more, it's great.

It's something to consider given what your lifestyle is or what your work schedule is, something like that. Certainly tell them that it's a good idea depending on what you do. If you're at work all day, it's a no-brainer.

Good. Pretty advantageous because I'm home all the time. Had more focus on what I use and when I use it. Put off those things that I don't have to do until some other time.

I have a choice to run something from four to six, and I say, "Well usually I would run it. But now I'm gonna run it at when I get charged - like 5-7 kilowatts." It's like making those choices you feel good. You feel like you're saving it only.

It's cost-effective. It's advantageous to your overall spending. Makes you more aware of what you're doing when you're doing it, how long you're doing it. So it takes a lot of onus on the person too. You can't just say, "I'm going to join this program," and then expect it all to work. You have to be proactive.

Good deal if you can be disciplined about it.

Overall participants are happy with the program. They describe it using words such as *effortless, money-saving, environmentally-friendly, and empowering.*

Words to Describe the Time of Use Program

Innovative	Challenging yourself to change
Savvy	Money saving
Progressive	Effortless
Simple	Beneficial
Delicious	Empowering
Incentive	Energy efficient
Disincentive	Self-awareness
Legitimate	High tech
Educational on energy usage	Environmentally friendly
Exclusive	Key - Need to be able to change your behavior
Environmentally friendly	
Track usage	
Convenient	
No penalty	
Reducing dependence	
Fairness	
Convenient	

Several participants felt that their participation in the program has societal benefits, which helped motivate them to enroll.

- > *Living by myself, the stuff that runs all the time the refrigerator, the recorders for the two TV sets I have. The computer is on. And if I don't use stuff between two and six, then that means that Duquesne Light or Direct Energy isn't gonna have to power up another coal-fired generator. Save the environment and all that. That really - that was the reason why I did it.*
- ~ *I mean it seemed painless enough. I don't know if my efforts only save Duquesne Light money and effort. I don't think it really saves me a whole lot necessarily but my bill's pretty low anyway.*
- > *If you're thinking about how it's reducing the energy load during that peak time, it's essentially helping your neighbors by not creating a possible brown-out situation or something so I don't know how to say that in two words.*
- > *They mentioned this in the original brochure, they have to use coal and stuff which is dirtier when people go over so if you use less during these times, they spend less time generating coal power which is dirtier.*

Participants identified the following pros and cons of the Time of Use Program.

PROS	CONS
<ul style="list-style-type: none"> • Saves money • Saves energy • Makes you feel empowered and feel good about what you're doing • Helps the environment because it limits the need for extra generation • Makes you more aware of your daily behaviors that may be using energy • Leads to fewer equipment breaks for D.L.C. which will help keep bills low • Can switch with no cancellat on fee • Does not require much of a sacrifice to see the savings • Good rates • Leads to fewer brownouts • Give you a choice to participate • Makes you more energy conscious • Give you control over your usage • Provides usage data 	<ul style="list-style-type: none"> • Some not receiving emails on energy usage • Want more specific feedback on energy usage (hourly data) • Bad program if you are at home during peak hours • Hard to know how much money you are actually saving • Unsure how the program works after September (off-peak months) • Covers too few months • Some moved usage to earlier times in the day ("blast my AC until noon") • Had to switch suppliers • Had to go to a separate website • Should be integrated with smart thermostats • Took longer for the bill to be finalized

While many participants were not at home during the peak hours, many adjusted their usage of appliances and air conditioning during peak hours.

Running the washing machine, that sort of thing, shows a lot more water heater things like that. Just be more mindful of what you can do someplace else or some other time.

Other things that you definitely become more aware of is - I use I to leave my TV on for my dogs, so they don't have to be in the house by themselves while it was quiet. Give them something to keep them company. That's one thing I learned. But it won't be a huge thing between me and six.

I work 4:15 to 8:00 once a week I'm have a day off and I leave the AC for four hours of the day so I would just that as a gain. During my normal work on the way going the whole time that it's high but during the one day I'm at home I have to deal with that somewhat, especially when it's 95 degrees.

A few participants explained that they ran their air conditioning at a lower temperature than normal in the morning to help keep their house cool during the peak hours, possibly resulting in a larger overall energy usage for the day.

For me actually there was a slightly reversed effect in the sense that when I work from home and it was a hot day, I would set the air conditioning on a lower temperature than I normally would early in the morning to try to get the house as cool as possible.

At least one participant also explained that because of her participation in the program, she discovered the relative cost of using her air conditioner and decided it was worth the additional cost to continue to use the air conditioner, even during the peak hours.

I took a little off on during the air conditioning for a very long time this summer. I really just break down. I was doing house project and realize I can't do it but I was in the building, I could actually figure out - it costs me \$3 a day to run the air conditioner. That's worth it. So I put it off. Staying on for the week so that was one of the things where when I figured out how much it could be.

The easiest part of being on the Time of Use program is

Not doing any housework

It doesn't affect me as much because by the time I get home from work it's almost 6:00. So those four hours don't affect me as much.

Switching was very simple

The hours: You just know the hours, two to six. It's simple and on weekends it's free. How simple can you get?

It's simple, no fuss

Requires no effort

The sign up form was easier than I expected. Just get a call and done it.

Most challenging part of the whole experience was _____

- > *I guess making the initial call and being on the phone with it for a few minutes. There's nothing else challenging*
- > *I would say getting the other people in the house to buy into it. Because I was there and I was controlling it, but the people that weren't there and then they'd be there one day at 2:00 and you know "Turn on the air" and you're like "no!"*
- > *Behavior modification*
- > *For me it was knowing exactly which day it was going to take effect and it happened mid-cycle for me and I didn't think that was normal. Because I signed up for it and typically when you change suppliers it takes a month or two and I wanted to make sure I wasn't using it a lot between 2 and 6 when that would actually take into effect. Confirmation of exactly which day that would have been good.*
- > *The hardest part was [adjusting] our lifestyle - got home at 4:00 and started load of wash so - "Wife, don't do that." So that was somewhat difficult for a while.*

Program Awareness & Communications

Most participants are not aware of news or announcements about Duquesne Light, but many have noticed the new logo.

I haven't seen anything, not in my paper.

The power plant was down for some repairs, but that's normal.

It seems as though I've seen a lot more Duquesne Light trucks and things like that, just simply because the logo has changed. So it sticks out. So it seems like I noticed it more just because it's different. Like you say, "What is that?" Oh yeah."

The bill changed, yeah.

[The bill] said "DLC" in big letters instead of Duquesne Light.

Many participants are aware of other energy efficiency programs, though recall of the "Watt Choices" seems to be low.

I know in my bill recently, I've seen some things about if you're interested in having an energy audit done in your home, you can find out ways to save on your electricity.

Couple years ago, they had something at the Home and Garden Show, and I actually took advantage of it. I got some of those light bulbs but did not do the home audit because I definitely need insulation in my house. Other than that, I should be fine.

Something else where a couple years ago they had a program where you could just go in and put your name and address, and they would send you like a power strip with a master switch and some CFL light bulbs and stuff. But that was a couple years ago.

I don't know what [Watt Choice] is.

Whenever I did order or send in for that packet that you were talking about with the light bulbs and all that, I thought that was for the Watt Choices program.

On the Web site I think there's a little survey thing you can take, and it gives you some ideas of what you can do along those lines.

[Watt is] their little animated cartoon figure light bulb, like the Gecko gecko.

I had a whole-house energy audit done. I want to say they said it was \$620 and only cost \$75 and Duquesne foot the bill for the rest of it.

I was in a program where they came and put some kind of equipment hooked on to my air conditioner where I agreed for them to be able to curtail use when peak times. I guess when the temperature was over a certain amount and during certain hours for specified periods.

I'm pretty sure it was through Duquesne Light where they picked up an old refrigerator and paid me to do it because it was an old, not energy-efficient refrigerator.

Consistently, participants appreciate receiving the usage emails, with many expressing the desire for more information

- > Yeah, they tell me whenever I'm up
- > They tell me if I'm up so much percent and what my bill's probably going to be
- > At the bottom of it, they also give you some tips to save on your electricity, which is nice, and I've used several of those like over the summer.
- > I'm a big nerd and I like the graphs and the charts. The weekly email that tells me that you're doing a good job this week so I'm being kind of a nerd like that so yeah.

Participants are very interested in receiving more detailed information on their usage. They want to see disaggregated usage data so they can make more informed decisions on usage of individual appliances.

I wonder like "Can I unplug this?" Can I keep... just unplug everything?" Would that tax me to zero?" I don't know. So I do wonder about that like if I could take steps.

When I sign to other people who have a lot over bill, I'm thinking to myself "Well what's different?" Because if I'm not using any electricity during that time, there must be something using electricity during that time. And to your point, what do I have plugged in that maybe I should unplug?"

So we do get those emails that kind of highlights your usage and try to predict your [usage], but we also have to sign up for a different Web site than Duquesne Light where you can actually go and check your usage by time of day.

I would like to know what made it go up so high one day or to watch it even, couple hours.

You can pull up your account daily. I can pull up my account on my phone right now and see how much energy I used.

It'll tell me yesterday I used X amount of energy. It's almost real-time so there should be a little bit more specific.

Most participants recall receiving mailers from both Duquesne Light and Direct Energy. A few participants instead only recall a phone call from Direct Energy about the program.

I think I had a pamphlet from Duquesne Light in the Time of Use too. I think I got one from Direct Energy, one from Duquesne Light.

I got one from Duquesne Light also, and I didn't know about it. Then the one from Direct Energy came. That's when I followed up on it. Thinking it was the same thing. And then I talked to Direct Energy. I realized that it wasn't the same one that Duquesne Light had.

It was an inset in my bill.

There were actually several mailings I think. First there was a letter from Duquesne saying, "Your meters are being upgraded to ones that can support this. Watch for enhancements in the future." And then after that, I think like other people just we got something from Duquesne. You maybe two different providers doing it. Then the Direct Energy mailing, and I called on the Direct Energy mailing like some of the others have mentioned.

I actually called Duquesne Light because I got the flyer through the mail from Direct Energy. I wanted to make sure those charges said a lot of stuff going on. You don't know what you're getting yourself into. So I called Duquesne Light, and they enlightened me on it. They said that yeah, they were gonna be behind it. So I went with it.

I think that happened to me too. I got a letter. The letter told me I needed to call some date in the future like two weeks. And I got it in my pile to do, and then I called. And they said, "Ah, times are busy. We'll get back to you. I don't think they ever got back. And then somebody called me a couple days later and I said, "Sure."

Piece of mail.

I'm going to say it was from Direct Energy.

I'm pretty sure my... the mailer was from Duquesne Light because I was a hybrid at the bottom I had. Well, we suggest you go on one of these Time of Use. Here are two programs we recommend and there were two things at the bottom and the one had longer hours and a slightly higher rate.

I got something from Direct Energy that I don't know if it was maybe some hot business related to something it had come in my Duquesne Light bill.

Consistently participants felt that the mailers should have included more details on how they could save money, specifically asking for disaggregation usage for individual appliances.

...I know what it is, we'll be helpful. Rather than giving you a piece of paper that states that this is what it costs on these hours and then this is what costs during the savings hours, why can't they give you some example like a \$500 per month during the hours, with the much time during that period and how much more it costs during those hours. That's what you would save. To the point it can show information that's more applicable to the house than just a list of a watt.

What would have been better if they had said... I think you said and said, "Hey, turn off your TV." That would probably take more people. All the people may be more inclined to sign up. They don't in general they can't relate.

...I think it was a need to be around that new, you see, what is really the only thing you might look at and I would say you can't really give a precise number of dollars and whatever that kind of use program and the only thing that is related to the... and I guess that would be needed.

Several participants expressed distrust of the savings promise and confusion over the program. They said not few that the mailer adequately described the program in simple terms.

They would've let me know what was the meter... I thought Duquesne Light was just a... well, it's important to get you to sign up for Direct Energy was a need to make it make you save energy.

They put the information in the bottom of the mailing. I guess... well, I read the mailing and I was confused. I was a little confused about it. But what... well, about it and what made me call them was the time being at the bottom where they had... and the pricing... well, they have times during those months and then... well, that's what makes me... They put it in the back and when...

Well, I was confused about it. I was with Direct Energy... well, I was with Direct Energy. And then I got the Time of Use thing in the mail. It said you haven't signed up with Direct Energy. So I called them and I said, "Could I sign up for Direct Energy? And why would I... it's there." The end of it was confused. It was really confused what the time...

Interactions with Duquesne Light and with Direct Energy during the program were very limited. Most had no contact with either company.

- > *Just set up an account for the home line, but it's not really that useful because the billing still comes through Duquesne Light. And you can't really see your usage there so it's just yeah.*
- > *No reason to call. I think it's only for that three-month period.*

Motivations for Enrolling

Participants were most often motivated to switch by the mailers from Duquesne Light and Direct Energy. The involvement of Duquesne Light helped to "legitimize" the program for some participants.

I signed up with Duquesne Light. I never got the second mailing from Direct Energy, so I have no idea what that was about. But after I got the Duquesne Light one, there were a choice of two suppliers listed. And you could choose based on the rates were different for each of them based on the promo period. And I ended up just choosing Direct Energy because the first worked with my schedule the best, and the rate was great.

Like the fact that there was something in print as well because I mean you're checking different rates at different times for supplier price, whatever. There's a lot of information put together. That would be hard to think through on the phone especially if somebody's aggressive and wants you to make a decision right then. I think I'd be OK if Direct Energy calls and I said please send me something and it came and it was sanctioned by Duquesne Light then I would probably have been OK.

My brother lives in central Pennsylvania and he's had friends that were offered a super low rate and they switched companies and then a couple months later all of a sudden their bills were in the thousands of dollars. Through the deal so there was some kind of scamming and lawsuits going on. It was a permanent thing and they - they switched it for two years. So I went in with a little bit of caution so I wasn't like a complete switch from Duquesne Light's. I wasn't a total different company, it was just like this piece of it seems safer.

Sanctioned by DCE - so sanctioned by Duquesne Light.

The second mailing from Direct Energy had a significant effect on participants. Many switched as a result of receiving the mailing from Direct Energy. They chose Direct Energy over WGL because it offered lower rates and a narrower peak time.

I think one of the biggest marketing strategies - it could be wrong, but listening to all of us we do know that Duquesne Light was going to do it. But the majority of us didn't really jump into it until Direct Energy sent out the second mailing. And then Direct Energy sends out the second mailing and you're like "Oh I wanted to do this." So I think that if that was not that reminder that got you going, then I think that Direct Energy did a good marketing plan with that (Direct Energy) was better than.

Participants were clearly motivated to enroll in the plan because it did not include any cancellation fees and they felt comfortable that they could "switch back" at any time.

The one thing about I was like other companies, saying you have to sign a contract, this you don't. Even if you don't want to stay with it, you could get out.

Like most of these offers you mention to save money, they tend to be like a fixed price for three months. And then it's a variable rate that more often than not, it's a couple cents higher than the base rate. So they tend to be - you have to get a reminder for yourself. But this was very straightforward. It's during the summertime. It's this and that. And then after the summer's over, it was a fixed price. So if it had been variable starting September, I probably would have thought hard before doing it, just because they were all variable rates.

There was no cancellation fee number one - if you don't like it, you can cancel at any time, which is a big thing.

The rate, strictly the rate and there was no cancellation fees, there was no commitment for my contract.

I don't know but I was like having something on paper because sometimes you get solid state - you get a phone call and it's like we're trying to sell something or sell a service - send me the information, I want to see something in black and white because there's always the scam.

Several participants were also motivated by the idea of having control over their electricity usage - they felt "empowered" to effect change in their electric bills and having a positive environmental impact.

So I think in our minds we all said, they're in a good deal. This is something we want to do, it empowers us to control our electricity and control with the environment and everything, it empowers us to do that, so we feel that it empowers us.

I think it's a good idea. I mean I think that's what's making our power suppliers off everybody using their appliances during this time frame, it's a good idea not to do it.

It's a good idea because lessens demand on the environment which makes me feel good.

Program participants speculated at possible reasons why others did not enroll. They believe the key barriers are apathy, distrust of the program, not understanding the program, or simply being unaware of the program.

Apathetic or happy with the status quo

- *There's a lot of people that just don't want to be bothered changing anything*
And to be honest, before I lost my job, my electric bill was my electric bill. And I was just happy with Duquesne Light, and I didn't matter to me.

Distrust the program because the savings seem's too good to be true

- I don't pay attention to them anyway, because it sounds too good. It's probably not true.*
I think fear a little bit, people - if you have a fear of understanding bills or numbers, that kind of thing, then you might think that you're missing the true point or this is too good to be true.

Program is complicated and don't want to take the time to understand it

- It seems restrictive, you got somebody telling me that I can't use - do what I want for a time period of two to six.*
I think maybe they should have offered the program without any other extra limiting circumstances. They would have been more [customers who could have] benefited.
I think part of the reason some people may not do it is that there's some unpredictability. Let's say if you're using the electricity a lot between two and six, so it could be they decided not to do it because they didn't want to gamble with what they're able to do or not.
I will say it was hard because you get the letter and it said to call the companies. If you call the company and you could register but they said but it's not going to start for a month and a half or two months and then like - what?

Overlooked or never read the materials

- I think a lot of people just don't read the stuff that comes in their box or in the mail. Maybe it's a stroke they think "It's just nothing." And they just toss it aside. I don't even think that they read it.*
It could get overlooked. I think the initial thing - was in my Duquesne Light bill but - you got stuff in the mail every day.

Most participants in the groups had to switch to Direct Energy from Duquesne Light in order to participate - for nearly all it was a non-issue. One participant expressed dissatisfaction for having to switch suppliers in order to enroll in the program.

- I don't like the fact that you had to switch providers. If I would have known you had to switch providers I wouldn't have gotten involved.*

Participants were mixed in the amount of savings they expected. Some were unsure what to expect and were happy to be saving any amount, others were very calculating about their expected savings amount.

- > *I don't know. I didn't really know. I mean that's why I got into it. I was hoping it was going to be significant enough to be able to stay with it. Because they'd say if it was going to be a good program enough people wanted to stay in, then they were going to continue the program. It was a gamble.*
- > *I didn't know. I just had no idea... I really had no idea going in like what I was going to save.*
- > *I don't think that I thought of it in the terms of what I was going to save specifically. It was more that I was impressed with the company that was offering to help you lower your bill and to perhaps not have brownouts because people were using so much electricity during specific times. So, if I could not use as much electricity that would help maybe stave off problems down the road.*
- > *I didn't know. I just looked at the rate and said this is good compared to Duquesne Light.*
- > *Well when I got my first bill I calculated it so during peak hours I was paying 8.79 per kilowatt-hour. I only used 16 kilowatt-hours at peak rate, so that was \$1.45 and non-peak I used 325 at 579 so my total bill, this is just the supplier part of it was \$20.31. If I had stayed with Duquesne Light it would have been \$27.60 so that was - \$7.30 savings. It was - I'm like - I was right, this is a no-brainer.*
- > *I would say mine was less than I expected because it turns out that my usage was less than I expected so time together how much you saved, how much your usage is.*
- > *It's about the same with me. I thought I'd save more. I didn't really have too many expectations that it wasn't that much.*
- > *I knew mine was going to be about \$3.00 because I normally use about 123 Kilowatts per month. Two cents less I think is what the savings was. It was about \$2.50- \$3.00 a month.*

Improvements to the Program

When asked to describe their "ideal" program, participants recommended a customized peak time window, being able to enroll online, and incentives for enrolling in the program.

- I think it should be a whole lot longer because there are extremes in this area. In the summertime it gets extremely hot in the area. In the wintertime your heats running all the time. So I think it would be better, like she said, to have a little longer period so you can really see what's going on with your bills.*
 - I think it should be personalized to the customer.*
 - Not necessarily different windows, but now that they have the data they could tell you based on your usage, there's no guarantee that you're going to continue to use it that way. Based on your usage here's what you can save. Not some theoretical figure.*
 - You could customize it and maybe the rate would be different though. If you had 2 00 to 6 00, 7.9 Kilowatts or whatever. If you chose 1 to 7, it would probably be different but it would probably bring people in more because they would still say "Hey this works better for me."*
- Like what Vivian said, if they put out more information, that was reliable that other people could relate to, I think they would have more people sign up for it. More awareness.*
- It would be nice if you could sign up for it online versus having to call.*
- You can use it towards your bill! A \$25 00 gift card used towards your bill if you sign up for the time to save program.*

Many participants were confused about what their rates would be after the peak months had ended. They need more clarification on how the program works in off-peak months.

I'm not sure what to do now, you're right. Like if we're off the program, are we're, end of it, it's actually next year? Do I have to do anything right now? I don't know.

I guess what's not clear to me is so now if you stay on it, if they don't make a change to the flyers, again, it would automatically trigger again in the summer and then the fixed rate that's in the next summer months. Is that rate, like every 6 months they're just the base rate. I don't know if this is going to go up and down with it or just stay fixed forever? That part of the agreement is not 100% clear to me.

I feel that the information as far as after the program was ending wasn't very clear. And myself, initially, I couldn't find the paperwork at the end of September when the program was ending. So I called Direct Energy to try to find out what my rate would be and the woman that I spoke with, she just couldn't even tell me. It was just, she just kept saying "I can't tell you what the rate is going to be in advance." And I'm just like, it made no sense to me. Like it was just really frustrating. And I ended up finding the paperwork, so I found out the answer but she couldn't give it to me.

Participant Profiles & Moderator's Guide

Group 1: Participant Profile

Name	Gender	Level of Satisfaction	Would they participate again?	Age	Marital Status	Distance	Education	Income	Occupation	Home Ownership	Family Type
John	F	Very Satisfied	They would like to participate	55	Yes	Very Close	HS Grad	\$75,000	College Degree	Own	Single Family Home
Roger	F	Very Satisfied	They would like to participate	50	Yes	So Close	HS Grad	\$20,400	HS Grad	Own	Single Family Home
Ken	M	Somewhat Satisfied	They would like to participate	50	Yes	Very Close	HS Grad	\$75,000	College Degree	Rent	Single Family Home
Bruce	M	Very Satisfied	They would like to participate	45	Yes	So Close	HS Grad	\$40,500	College Degree	Rent	Apartment
Cathy	F	Very Satisfied	They would like to participate	51	Yes	So Close	HS Grad	\$75,000	HS Grad	Own	Single Family Home
Dawn	F	Very Satisfied	They would like to participate	52	Yes	So Close	HS Grad	\$20,400	Some College	Own	Single Family Home
Gal	F	Very Satisfied	They would like to participate	51	Yes	Very Close	HS Grad	\$40,500	Some College	Own	Single Family Home
Ken	M	Very Satisfied	They would like to participate	52	Yes	Very Close	HS Grad	\$50,750	Advanced Degree	Own	Single Family Home
Alan	M	Neither Satisfied nor Dissatisfied	They would like to participate	50	Yes	Very Close	HS Grad	\$50,750	Trade Tech Business School	Own	Mobile Home
Neve	F	Neither Satisfied nor Dissatisfied	They would like to participate	50	Yes	Not Close	HS Grad	\$100,000	College Degree	Own	Single Family Home
Eleanor	F	Very Satisfied	They would like to participate	50	Yes	Very Close	HS Grad	\$40,500	HS Grad	Own	Single Family Home

Group 2: Participant Profile

Name	Gender	Level of Satisfaction	Willingness to Participate	Monthly Income	Willing to Participate	How Often	Age	Income	Education	Home Type	Year of Birth
Sarah	F	Very Satisfied	Definitely would like to participate	\$15	Yes	SW Closely	38	\$50-75K	College Degree	Own	Single Family Home
June	M	Very Satisfied	Definitely would like to participate	\$20-25	Yes	Very Closely	64	\$50-75K	College Degree	Own	Single Family Home
Michael	M	Somewhat Satisfied	Probably would like to participate	\$25	Yes	SW Closely	50	\$100-200K	Advanced Degree	Rent	Single Family Home
Maine	F	Very Satisfied	Definitely would like to participate	\$20	Yes	SW Closely	58	<\$20K	HS Grad	Rent	Apartment/Condo
Michael	F	Somewhat Satisfied	Definitely would like to participate	\$15	Yes	Very Closely	47	\$75-100K	Advanced Degree	Own	Single Family Home
Bill	M	Somewhat Satisfied	Definitely would like to participate	Don't know	Yes	Not at all	54	\$75-100K	College Degree	Own	Single Family Home
Carol	F	Very Satisfied	Definitely would like to participate	\$20	No	Very Closely	65+	\$40-50K	College Degree	Own	Town Home
Chris	M	Somewhat Satisfied	Probably would like to participate	\$5 to \$10	No	Very Closely	24	\$40-50K	Some College	Own	Single Family Home
Sarah	F	Neither Satisfied nor Dissatisfied	Probably would like to participate	Increased \$5-\$10 per month	Yes	Very Closely	28	<\$20K	Some College	Rent	Apartment/Condo
Kathy	F	Very Satisfied	Definitely would like to participate	Don't know	Yes	SW Closely	56-64	\$75-100K	College Degree	Own	Condo
Tina	F	Somewhat Satisfied	Probably would like to participate	Don't know	Yes	Very Closely	59	\$20-40K	College Degree	Own	Single Family Home

Moderator's Guide

DUQUESNE LIGHT TOU PROGRAM PARTICIPANT FOCUS GROUP MODERATOR'S GUIDE

OBJECTIVES

- Evaluate satisfaction with the TOU program
- Identify and understand the motivations for enrolling in TOU and expectations for the program
- Explore how TOU may have impacted consumer behavior
- Determine if customers feel that participation in the program affects their overall feelings about DCLC
- Identify TOU program improvements or program elements to increase the perceived value and success of the program for customers, what are something users do increase participation in the program

INTRODUCTION (5-10 MINUTES)

- Before we get into the nuts and greases for our discussion, let's take a second for you all to introduce yourselves. Please tell us a little about your family, about how much your monthly electric bill has changed, how long you have lived in your current home and if there is anything unique in how your bill works electrically
- Moderator introduces focus group concept, role of moderator and reviews "rules" for the group: no right or wrong answers, microphones, addressing everyone gets to speak, review list of each other
- Your ideas will be very valuable to us, so from all sides is encouraged although it may need to move us along from time to time to keep us on track as we use up the time we have together

B. OVERALL PERCEPTION OF DCLC & ENERGY CONSUMPTION (10 MINUTES)

- Let's start off with a very general question:
 - In the past three months, to what have you seen, heard or read about DCLC?
 - What else? Anything else? Other topics? (Probe for new topics)
 - Where did you read/hear it?
 - Did what you read/hear strike you as positive, neutral or negative? Why?
 - Besides the TOU program, are you aware of any other DCLC programs for residential customers?
 - What program(s) have you heard about? What choices?
 - How do you hear about those programs?
 - What do you think of the Web Choices section on the DCLC website?
 - How knowledgeable do you currently feel when it comes to knowing what actions you can take to make your home more energy efficient?
 - What info or tools does DCLC or should DCLC provide to help you save energy better (could be more energy efficient)?
 - What obstacles/barriers are there to making your home more energy efficient?
 - Has your level of knowledge changed compared to a year or two ago?
 - What do you feel has been the cause of the change in your knowledge?

C. OVERALL PERCEPTIONS OF THE TOU PROGRAM (15 MINUTES)

- We are going to spend the remainder of our discussion this evening on your experiences and perceptions of participating in the TOU program
- What is your overall impression of the program?
 - Overall positive, negative, neutral?
 - What examples can you give us to explain why you feel that way?
- [FLIP-CHART] Help the DL but a "Pros and Cons" list. What should go into the "Pros" side of the list about TOU? What goes on the "Cons" side?
- Let's imagine that one of your neighbors asks you about the TOU program. What would you tell that person?

Moderator's Guide (cont.)

7. How did you first learn about TOU? Who told you about it?
 - What administrators did you see about TOU? From DLC or Direct Energy?
8. What was the process like to enroll? Did you have to switch suppliers? Any fees involved?
9. What was your initial impression?
10. What did Direct Energy/DLC say that convinced you to sign up?
11. What would you have thought if you had learned about it from DLC instead of Direct Energy? (or vice-versa depending on group assignment)
12. What were your expectations when you signed up?
 - How much did you think you would save?
 - How do you expect your behaviors would change?

V. EXPERIENCE DURING TOU (20 MINUTES)

Let's talk now about your experience while on the TOU program.

1. Based on the expectations you just listed, how well did your experience on the TOU program fit with your expectations?
 - How did it meet expectations?
 - How was it different from your expectations?
 - How much do you think you saved by being on the TOU plan? (FLIPCHART)
2. What changes, if any, did you make to the way you use energy once you were on the TOU program?
3. What interactions, if any, did you have with DLC about TOU plan? (website, phone)
 - Did you visit the TOU program-related website (dug.dower.com)?
 - How often would you say you visited the website? What issues or problems did you have while using the website?
 - What kinds of information and tools do you recall accessing while on the website? What links did you complete on the website?
 - How would you rate the usefulness of the information and tools provided on the website? How would you rate your satisfaction with the information and tools provided on the website?

VI. DESCRIBE YOUR EXPERIENCE ON THE TOU PROGRAM IN 1-2 WORDS (FLIPCHART)

1. Fill in the blank.
 - The best part about TOU plans is _____
 - To make the program more valuable for regular people, I would change _____
 - The worst part of being on TOU is _____
 - The most challenging part of the whole experience was _____
2. How has the TOU program affected your opinion of DLC? Positive/negative? More/less likely to stay with DLC?

VII. BUILD IDEAL PROGRAM (15 MINUTES)

Let's start from scratch and build our own Time of Use Plan. If you worked at DLC and were put in charge of creating a TOU plan, what would it look like?

1. Let's start with how it would work? What would be the basic "rules" or parameters for how the plan would work? (Time of day, how much customer choice, how much savings)
2. Who would be eligible for it?
3. Who would "offer" the plan -- a supplier like Direct Energy or DLC?
4. How would you let customers know about it?
5. What would you tell customers to convince them to sign up for it?

VIII. WIND-UP (5 MINUTES)

1. Overall, taking into account everything, what would you say are the most critical elements of your department with the TOU program that DLC needs to be aware of in order to keep people like you engaged in these programs in the future?
2. If something like the TOU program was offered again with your suggested changes, would you participate again?
3. This is all the questions I have for you. Is there anything else you think DLC ought to know?

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Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Third and Final Progress Report – November 30, 2016

Background – First TOU Reporting Period

Pursuant to Act 129 of 2008,¹ on December 28, 2009, Duquesne Light Company (“Duquesne” or “Company”) submitted its Petition for Approval of its Time-of-Use (“TOU”) and Real Time Pricing (“RTP”) Plan (“Plan”). In addition to satisfying an Act 129 obligation, the purpose of the proposed four-step Plan was to integrate TOU rates into practice and to complement both the Company’s Energy Efficiency and Conservation and Demand Response Plans (“EECDR”) and Smart Meter Implementation Plan.

- Step 1 - (2010) Conduct Market Analysis
- Step 2 - (2011) Implement Residential Pilot Program Infrastructure
- Step 3 - (2012) Implement Residential Pilot Programs
- Step 4 - (2013) Implement TOU Pricing Programs to Smart Meter Customers

The Plan proposed three TOU alternatives for evaluation. The Time-of-Week program (TOU-1) was designed around the limited capabilities of the Company’s existing residential meter infrastructure. TOU-1 was designed to provide approximately 1,000 residential customers with an incentive to reduce their usage during certain summer months measured against a baseline consumption mark set during those months in the previous year.

The Time-of-Day program (TOU-2) was a summertime plan in which customer’s rates varied between on-peak and off-peak usage. It was designed to encourage approximately 100 residential customers to shift their summer usage from on-peak to off-peak hours. Due to limitations of the current metering and billing system, new meters were installed on these customer’s homes capable of collecting and storing hourly usage data.

TOU-3 was an expanded TOU plan proposed to coincide with the deployment of smart meters. The parameters of TOU-3 would be based on information learned from TOU-1 and TOU-2 and customer research. Evaluation of small commercial and industrial (“C&I”) customer interest in TOU rates also was to be considered. Participation in TOU-3 would be strictly voluntary.

On June 23, 2010, at Docket No. P-2009-2149807, the Pennsylvania Public Utility Commission (“Commission”) approved the Company’s Plan requiring, among other items, supplemental reports addressing Plan progress on September 30 each year.

In October 2010, a Company team was formed for program development and to implement the Plan. The team worked together to define objectives and key communication messages; define customer participation criteria; create program materials; install hourly-read meters for TOU-2; implement process changes and work with outside consultants for customer research in a collaborative effort to achieve Plan goals. This collaborative process led to the creation of Duquesne’s *Smart Sense* pilot program, the formation of a *Smart Sense* website and a *Smart Sense* email mailbox for customer communication.

¹ 66 Pa.S.C. § 2807(f)(5)

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

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In April 2011, the team successfully enrolled 1,341 residential customers in the Time-of-Week (TOU-1) program and 111 residential customers in the Time-of-Day (TOU-2) program. The team engaged customers in the pilot through surveys and communication materials. Electric usage data (kilowatt-hours or “kWh”) collected from participants during the months of June 2011 through September 2011 was used as baseline data to develop the program design and to measure program success.

On November 30, 2011,² the Company filed its first progress report. The report summarized an analysis of customer usage data and the results from on-line web surveys and customer focus groups to form the final design and pricing of the two *Smart Sense* pilot programs. The Company’s research indicated that customers prefer programs that are simple in structure, easy to understand and offer meaningful opportunities to reduce energy costs with options that accommodate various levels of risk. Following is a description of each *Smart Sense* pilot program.

Time-of-Week Program: Customers who reduce their June 2012 through September 2012 electricity use by 10% or more below their 2011 baseline kilowatt-hour usage would receive a 10% incentive credit on the default service supply charge portion on their bill. As an added incentive, customers who reduce their monthly consumption 10% for all four 2012 applicable months — June 2012 through September 2012 — would receive an additional 10% off of their September 2012 default service supply charge. Credits to the customer would be provided in the following month’s bill.

Time-of-Day Programs: The Company proposed two rate options in response to customer input. These two options provided each customer a choice, depending on their level of risk and perceived opportunity to modify their behavior to save. The proposed rates for the two Time-of-Day programs were based on the Company’s existing default service rates for residential customers.³ There was no guarantee of savings to the customer from these two programs.

Table 1: *Smart Sense* TOU Rates for the Time-of-Day Programs

	Time-of-Day 1	Time-of-Day 2
On-Peak Period	Weekdays 1 p.m. to 6 p.m.	Weekdays 4 p.m. to 6 p.m.
Off-Peak Period	6 p.m. to 1 p.m. weekdays and all weekend hours	6 p.m. to 4 p.m. weekdays and all weekend hours
On-Peak Rate	15.72 cents/kWh	31.44 cents/kWh
Off-Peak Rate	6.13 cents/kWh	5.86 cents/kWh

² On August 2, 2011, the Company submitted a petition to the Commission to extend the filing date of all supplemental reports to November 30 each year. On September 27, 2011, the Commission approved the Company’s request to submit the supplemental reports by November 30 each year.

³ Since these were pilot programs, the Time-of-Day rates proposed in Supplement No. 57 were only available to the 111 eligible participants for a four month period beginning June 1, 2012, through September 30, 2012.

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Third and Final Progress Report – November 30, 2016

In addition to receiving communication materials on energy saving tips, energy efficient products, and opportunities to provide feedback through on-line surveys and focus groups, participants who remained in the program through September 30, 2012, would receive a \$100 pre-paid debit card as appreciation for their input.

On March 20, 2012, the Company filed Supplement No. 57 to Tariff Electric, Pa. P.U.C. No. 24 with an issued date of March 20, 2012, and an effective date of May 19, 2012, in compliance with the Commission's Order dated June 23, 2010, at Docket No. P-2009-2149807. Supplement No. 57 implemented the two TOU rate options for the Time-of-Day pilot programs. In addition to Supplement No. 57, on March 20, 2012, Duquesne Light concurrently filed a Petition for special permission to file a tariff supplement to become effective on less than 60 days-notice. The proposed effective date was on or before April 27, 2012, to allow time for the Company to communicate approved details of the programs to the *Smart Sense* pilot participants. On April 26, 2012, at Docket Nos. R-2012-2294694 and P-2012-2295300, the Commission approved the Company's request.

After the April 26, 2012, Commission approval of Supplement No. 57, the Company requested Time-of-Day (TOU-2) participants select one of the two TOU rate options from Table 1 above. Those who did not respond to the request would be placed on the TOD-1 rate. When solicited, 16 participants chose TOD-1 and 55 chose TOD-2. The remaining 30 participants who did not reply were placed on TOD-1, which balanced the number of participants between TOD programs.

Background – Second TOU Reporting Period

On November 30, 2012, the Company filed its second progress report. The report evaluated customer response during the effective period June 1, 2012, through September 30, 2012, and compared that response to baseline data. The report focused on customer response and customer feedback during the effective period of June 1, 2012, through September 30, 2012, and identified customer interests that could benefit design and implementation of future TOU programs. The report did not analyze system impacts because of the changes in customer participation levels throughout the period, gaps in data, and the limited number of participants in the Time-of-Day pricing program. Instead, it concentrated on customer participation and feedback.

The primary objectives of the participant research were to continue to gather information about participant awareness of energy consumption and conservation; assess customer reaction to program results; assess reaction to program design; and gauge overall satisfaction with the pilot program.

Specifically, participant research involved:

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- Evaluating participant satisfaction;
- Gathering feedback on program design;
- Evaluating specific aspects of the program (e.g., on-peak periods, rates);
- Determining impression of website interactions;
- Measuring participant satisfaction with communications, communication methods and messages; and
- Determining if participants would be likely to enroll in similar programs in the future;

During the second program year, the Company used a steady stream of email messages, in addition to a dedicated website section, to communicate with participants. In addition, bill messages were used to keep the participants informed. As reported in the second progress report, customer response to communications was favorable. Customer research confirmed the majority of the participants didn't mind having an e-mail address as their main means of contact. Most indicated the process was efficient and those that did send an e-mail received a response in a timely and thorough manner.

The following considerations for future residential program design were identified from this research and reported in the second progress report:

1. Manage expectations – Define up front opportunities and expected outcomes. Customers need to understand the results of their actions, both the magnitude and the potential risks and benefits.
2. Options – Pricing options, the flexibility to switch back to a flat rate, and the opportunities with energy efficiency products and services are examples of options that make customers feel in control. Focus group research did identify some customer interest in a bill protection program. It is unlikely that a higher incentive (i.e., a higher participation incentive) would have produced materially different customer outcomes.
3. Data - Access to data eventually provided through smart meters will be valuable for the customer.
4. Communications – Use of the web and email received positive customer feedback and should be continued.

Background – Third TOU Reporting Period

On November 30, 2012, the Company submitted a Petition to Modify the TOU Plan schedule and reporting requirements. The Company proposed to delay the TOU-3 portion of the TOU Plan to align with smart meter deployment and the Company default service plan that would be in effect June 1, 2015, to May 31, 2017. In that Petition, the Company committed to certain TOU Plan schedule and reporting requirements and to delay the third TOU report until November 30, 2016. By order entered August 15, 2013, at Docket No. P-2009-2149807, the Commission authorized

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the Company to delay TOU implementation until June 1, 2015, and to delay reporting requirements until November 30, 2016.

On May 28, 2015, Duquesne filed a Petition for Waiver to extend the time to implement, among other items, a Time-of-Use Program (Docket No. P-2015-2484590), explaining that the Company was precluded from implementing the approved TOU Program during the summer of 2015. The Company felt that by commencing the TOU Program in June of 2016 when it anticipated having approximately 200,000 meters installed that would be capable of recording usage on an hourly basis, it would increase the number of eligible customers which would both encourage EGSs to participate in the TOU Program and provide sufficient data to validate testing results. By Order entered July 30, 2015, the Commission granted Duquesne's request for an extension of time to implement its TOU Program to become effective June 1, 2016, with reporting requirements regarding the Program to be filed with the Commission no later than November 30, 2016.

Accordingly, this third and final TOU Report is being submitted in compliance with the Commission's Orders at Docket No. P-2009-2149807 and Docket No. P-2015-2484590.

Third TOU Reporting Period

TOU Collaborative Process

On June 4, 2015, Duquesne Light sent an invitation to all parties in its Default Service Plan VII ("DSP VII") proceeding along with invitations to AEP Energy and US Gas and Electric Inc.⁴ to participate in an initial TOU collaborative meeting on June 25, 2015. Parties were invited to participate in person, by webinar or by teleconference.

The initial TOU collaborative meeting was held on June 25, 2015, and was attended by representatives from Duquesne Light, the Office of Consumer Advocate ("OCA") and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA"). No EGSs participated in the initial collaborative.

Duquesne Light presented its TOU options via a PowerPoint slide deck provided in Attachment 1. The slide deck explained that both Rate Ready and Bill Ready TOU options would be available for EGSs to provide TOU service to customers. Duquesne Light informed participants at the collaborative that Bill Ready functionality would be available by May 31, 2016, in time for the TOU program. Duquesne Light responded to questions from the TOU collaborative participants primarily in regard to process, eligibility and enrollment. The Company asked all entities for comments by July 10, 2015. Those comments were considered prior to the second collaborative meeting.

⁴ AEP Energy and US Gas Inc. expressed an interest in participating in a prior default service collaborative.

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Duquesne Light held a Second TOU Collaborative meeting on July 22, 2015. That PowerPoint slide deck is provided as Attachment 2. Representatives from the OCA and CAUSE-PA also participated in this collaborative meeting. No EGSs participated in the second collaborative.

As a result of the two collaborative meetings, the participants were able to reach a consensus on many, but not all, TOU issues. The Company made a filing on September 30, 2015, with the Pennsylvania PUC (Docket No. P-2015-2506002) that detailed the parameters of the proposed TOU program, a description of the rules for the Rate Ready and Bill Ready billing options, the TOU agreement, cost recovery, pro forma tariff sheets and TOU program reporting requirements.⁵ The Commission approved the Company's filing by Order dated January 28, 2016.

November 18, 2015 - RFP Issued for EGS Participation

The Company alerted EGSs early in the TOU process of this opportunity to offer TOU pricing to residential customers and to gauge their interest. As such, the Company identified potential providers and an initial request for proposal ("RFP") was conducted with the top ten (10) suppliers of residential customers and/or suppliers that historically participated in these types of RFPs.

A TOU procurement website was established. RFP information and instructions were sent to suppliers, and a technical datasheet was created. A copy of this information is provided in Attachment 3.

On November 18, 2015, the RFP for the TOU program was opened to potential EGSs. Each EGS was notified via e-mail and phone call about the procurement opportunity. The Company monitored the TOU procurement website for activity and as of December 15, 2015, there was little activity or interest from EGSs. The first TOU RFP was ultimately closed on January 7, 2016, without a bid or EGS interest.

Due to lack of EGS interest in the first RFP, during the month of December 2015, the Company informally contacted the Office of Competitive Market Oversight ("OCMO") and notified them of the potential that the Company's TOU RFP may not have a bidder. In early January 2016, the Company also contacted the Retail Energy Supply Association ("RESA") to enlist its support to engage member EGSs.

RESA shared the RFP materials and the Company filing with its members. RESA and the Company conducted a conference call on January 27, 2016. The companies that were invited to the call were: Constellation, ConEd Solutions, Direct Energy, AEP Energy, WGL Energy and NRG. Reliant Energy (NRG) did not participate on the call but did have a subsequent discussion

⁵ As explained in the Company's September 30, 2015, filing, the TOU program was only offered to residential customers as the functionality for commercial and industrial customers to have data collection and communications systems installed with respect to their smart meters would not be available until May 31, 2016, which would not allow enough time for those customers to be included in the 2016 TOU Program. A copy of that filing may be found on the PaPUC's website at http://www.puc.pa.gov/about_puc/consolidated_case_view.aspx?Docket=P-2015-2506002.

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and e-mail communications with Duquesne Light. The Company received sufficient feedback and interest from EGSs to justify that a second RFP would deliver EGS response to the TOU RFP.

February 5, 2016 - RFP Issued for EGS Participation

On February 5, 2016, the second RFP was opened for the aforementioned suppliers. Each EGS was sent an e-mail invitation and received a follow up phone call. Attachment 4 is a screen shot of the internal RFP platform that shows the bidders and the Company's interaction with the suppliers. Questions from bidders were due by close of business on February 12, 2016, with responses from the Company due back by February 20, 2016. The second TOU RFP was closed on February 29, 2016.

On February 7, 2016, the Tribune Review wrote an article about the Duquesne Light time-of-use program entitled, "Utilities' time-of-use pricing encourages reduced usage during peak hours." The article was well received and gave the pending RFP and the TOU program more attention. A copy of the article is provided as Attachment 5.

The Company received three (3) Rate Ready bids and one (1) Bill Ready bid as a result of the second TOU RFP. A Technical Datasheet response was also provided with the pricing from the EGSs. The bids were analyzed and scored on the basis of their answers, but with a high weighting to the pricing of the bids. The bid prices were analyzed by using a standard load profile for an average residential customer. The profile and shape were consistent with the PJM settlement and supplier information that the Company uses. By applying this methodology consistently to all EGS TOU price offerings, the Company was able to determine the lowest price for customers using either the Bill Ready or Rate Ready product. The intent of the Program was not to charge customers more with a punitive rate should they not alter their usage behaviors. The PUC was notified of the rates and the decision process before awarding the bidders the Program.

Two (2) EGSs were awarded the opportunity to offer TOU pricing programs to residential customers. Direct Energy Services was awarded the Rate Ready offer and WGL Energy Services was awarded the Bill Ready offer. Table 2 below summarizes the winning EGS TOU price offerings.

Table 2: TOU Price Offerings from Winning Bidders⁶

EGS	Direct Energy Services	WGL Energy Services
Type of Billing	Rate Ready	Bill Ready
Summer On-Peak Period	Weekdays 2 p.m. to 6 p.m.	Weekdays Noon to 7 p.m.
Summer Off-Peak Period	6 p.m. to 2 p.m. weekdays and all weekend hours and holidays	7 p.m. to Noon weekdays and all weekend hours and holidays
Summer On-Peak Rate	8.79 cents/kWh	9.700 cents/kWh
Summer Off-Peak Rate	5.79 cents/kWh	6.467 cents/kWh
Non-Summer Rate All Hours	7.69 cents/kWh	7.109 cents/kWh

⁶ The summer period is from June 1, 2016, through September 30, 2016. October 1, 2016, through May 31, 2017, is the non-summer period.

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On March 4, 2016, the Company held an informal call with OCMO informing them of the TOU RFP results and winning bidders. The Company reviewed the bid process, the methodology for analyzing the bid prices, and the overall decision process for selecting the winning EGSs for the TOU Program. There were no questions or issues identified with the results.

The Company worked with both EGSs to complete the documentation that would make the results official. On March 22, 2016, agreements were fully executed with both EGSs.

The Company continued to work with each EGS during the months of April and May 2016 to prepare for the opening of the TOU Program on June 1, 2016. Conference calls were conducted and e-mail communications occurred with each EGS. Attachment 6 is a five-page supplier question and answer document that was sent to both suppliers, ensuring they both had the same answers to implement the TOU Program.

CSR Training / IVR Updates

The Company conducted internal training with customer service representatives (“CSRs”) to ensure they had proper training to understand and respond to customer phone calls. This training was conducted on March 17, March 31 and April 29, 2016. The Company utilized a subset of specialized CSRs via a dedicated phone number to discuss the options and answer any questions so the customer could make an informed decision that best suits their needs.

In addition to CSR training, the Company added a selection to its Interactive Voice Response system (“IVR”) that instructed customers to visit www.DuquesneLight.com/TOU where customers could view valuable insight and information regarding the TOU offerings, or choose the option to speak to a CSR.

A copy of the training material is provided as Attachment 7.

Customer Communications

Duquesne Light created an eligibility list in Mid-April 2016 which contained approximately 185,000 residential customers. In addition to having a fully functioning smart meter, the eligibility criteria for the residential customer included: no net metering, no budget billing plan, no CAP customers and no account delinquency. All eligible customers were mailed a TOU marketing packet which included a letter announcing the Program and an overview of Time-of-Use, how the Program works and each supplier’s specific program details including TOU hours and rates. In addition, the packet provided information on how to sign up, including contact numbers for the two (2) suppliers. The material also included additional Frequently Asked Questions (“FAQs”) such as how a customer who is enrolled in TOU can track their usage, access the online TOU comparison calculator, un-enrolling, as well as how to contact Duquesne Light with any additional questions. Attachment 8 contains the letter and FAQs.

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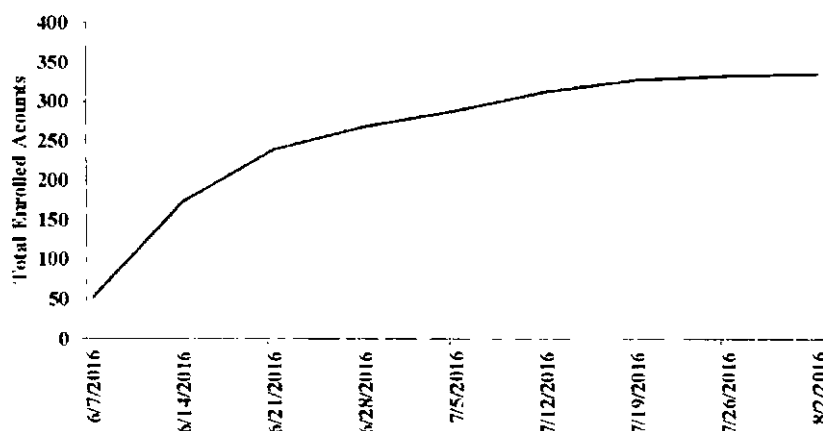
Customer Enrollment

There were two (2) suppliers who offered TOU rates to eligible customers, Direct Energy Services and WGL Energy Services. Each EGS offered its own distinctive program with specific on-peak and off-peak hours and rates.

Enrollment began on May 28, 2016, and closed on July 31, 2016. In total, 336 residential customers enrolled with Direct Energy Services and one residential customer enrolled with WGL Energy Services.⁷

Chart 1 below shows enrollment for Direct Energy Services. By the end of June, approximately 80% of the 336 Direct Energy Services customers were enrolled in the TOU program.

Chart 1 - Direct Energy Services Time-of-Use Enrollment



In accordance with the Company's EGS Coordination Tariff Rule No. 5.4.4, EGSs participating in the Company's TOU program were required to provide materials related to marketing their TOU pricing plan to enroll customers⁸.

The following is a list of information from Rule No. 5.4.4.⁹

- a. On-peak and off-peak rates and applicable time period – Rate Ready and Bill Ready billing
- b. Financial incentives to enroll (e.g. gift card for enrollment)

⁷ Only one customer, who enrolled with Direct Energy Services, participated in the Company's 2011-2012 *Smart Sense* TOU pilot program.

⁸ The Company's tariffs may be found on the Company website at <https://www.duquesnelight.com/customer-service/customer-choice/rates/tariff-resources>.

⁹ This same list of information is also included in the Company's September 30, 2015, filing at Docket No. P-2015-2506002, Page No. 12.

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- c. Communication materials sent to customers (e.g. email, mailings)
- d. Marketing and advertising materials
- e. Customer survey results
- f. EGS website information
- g. EGS bill messages for TOU participants
- h. Linkage of rates to technology (e.g. smart thermostats)
- i. Total incremental Company expenses to implement the program

The Company contacted Direct Energy Services and WGL Energy Services to determine if either EGS had implemented additional communication or marketing initiatives identified above to enroll residential customers in the TOU program. A copy of Direct Energy Services' marketing material is provided as Attachment 9.

Duquesne Light Website / OPower

The Company has had a successful and ongoing relationship with the firm OPower to provide customers access to energy consumption information along with other value added services on the Company's website. By leveraging that relationship, Duquesne Light partnered with Opower to develop a TOU specific rate modeling portal.

At the Company's direction, the OPower web application was expanded to include a savings analysis for TOU program participants that would model the pricing of each supplier and the Price to Compare ("PTC").

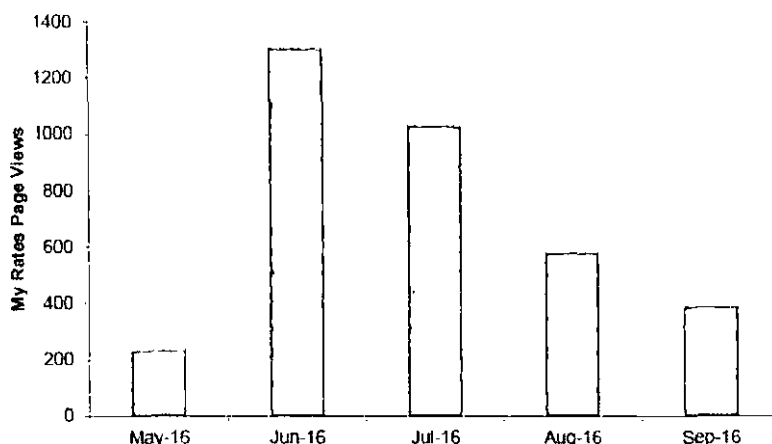
Duquesne Light provided each customer access to a web portal that provided access to a rate comparison tool, energy efficiency tips, and the ability to view their usage month-to-month and day-to-day. The rate comparison tool allowed customers to evaluate both TOU rate offerings compared to their current rate. This analysis assisted customers in determining whether they wanted to participate in the program, potential savings of each, as well as determining which option would best suit their needs. In addition to the rate comparison tool, it allowed customers to gain further information about each offering. It also offered the customers direct links and access to each EGSs phone number and website for questions and enrollment. Attachment 10 provides screenshots from the web portal.

The information in Chart 2 below highlights that customers were interacting with the "My Rates" page the most during the TOU enrollment period and, after engagement, tailed off. During the peak in June, over 5% of total Opower Web Portal page views were on the "My Rates" page.

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Chart 2 – “My Rates” Page Interaction



Weather - CDD in Duquesne Light Company Zone (Pittsburgh PA)

A cooling degree day (CDD) in this analysis is calculated by first averaging the final historical daily high and low temperature from AccuWeather Pittsburgh PA. A baseline of 65° is then subtracted from the average for each day to create a daily CDD, with negative numbers set to zero. Table 3 below aggregates all the CDDs by month over the past 4 years. The summer of 2016 was warmer than three (3) previous summers; 2016 had 49% more CDD than the three-year average and August 2016 had 84% more CDD than the average of three (3) previous August CDD.

Table 3: Aggregation of CDDs by Month

	June	July	August	September
2013	150	259	188	74
2014	178	181	167	69
2015	185	258	203	166
2016	213	325	342	151
Typical	157	258	220	84

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Costs

The incremental expenses the Company incurred to implement the program is as follows:

Cover letter preparation and marketing sheet	\$ 17,930
Printing and mailing	\$ 73,744
Customer research (estimate)	<u>\$ 25,000</u>
Total expenses	\$116,674

The cover letter, printing and mailing costs are being recovered through residential default service rates effective December 1, 2016. The additional expenses will be recovered through residential default service rates effective June 1, 2017.

Data Analysis

The analysis of data considers two (2) key parameters. First, base line hourly data for prior billing periods for customers participating in the TOU program prior to June 2016 does not exist because these customers did not have a smart meter installed on their home. Therefore, evaluation of customer behavioral change because of on- and off-peak pricing is limited. Second, only one customer enrolled with WGL Energy Services in its TOU pricing plan. Accordingly, this analysis will only evaluate data for residential customers enrolled in Direct Energy Services TOU pricing plan.

Since hourly baseline data is not available, the Company assessed whether Direct Energy Service customers' behavior changed before and after enrollment for a sample of 100 customers who began TOU in June 2016. As described below, the billing analysis is a comparison of the TOU pricing to the PTC in effect at the time.

Chart 3 compares actual June 2016 hourly usage data for Direct Energy Services customers in aggregate before and after enrollment in TOU. The black line represents the load shape before TOU and the shaded orange area is the load shape during TOU. The on-peak period from 2 p.m. to 6 p.m. is denoted by the vertical lines (hour ending 14 to hour ending 18). The load shape in this limited analysis does not show significant differences in customer behavior before and after TOU. However, despite not seeing significant differences in this sample, a conclusion about the overall effectiveness of TOU to change customer behavior cannot be reached.

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Chart 3 - June 2016 Direct Energy Services Customers Weekday Load Shape

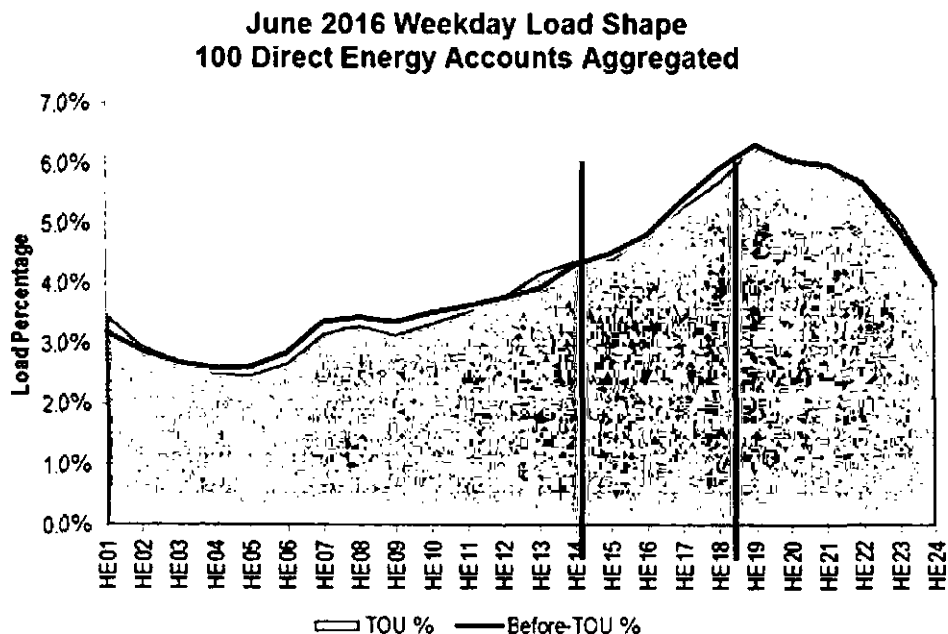


Table 4 provides a summary of on-peak and off-peak kilowatt-hour consumption by month. The on-peak and off-peak share of kWh (14% and 86% respectively) are consistent with the data collected and presented in the Company's first two TOU reports as well as the Company's profile data. Similarly, the weekday and weekend share of kWh consumption are consistent with past reports.

Table 4: Direct Energy Services TOU Customer Usage Data

	Jun 2016	Jul 2016	Aug 2016	Sep 2016
Weekday Off-peak kWh	70,926	164,848	191,435	135,549
Weekday On-peak kWh	17,534	42,477	51,558	32,398
Weekday kWh	88,460	207,325	242,993	167,947
Weekend kWh	36,585	94,604	93,807	64,189
Total kWh	125,044	301,929	336,800	232,136
Customers	285	334	336	336
Average kWh/Customer	439	904	1,002	691
On-peak share of kWh	17,534	42,477	51,558	32,398
Off-peak share of kWh	107,511	259,452	285,242	199,738
Weekday share of kWh	71%	69%	72%	72%
Weekend share of kWh	29%	31%	28%	28%

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During the TOU program from June through September 2016, Direct Energy Services customers were charged an on-peak rate of 8.79 cents/kWh weekdays from 2 p.m. to 6 p.m. and an off-peak rate of 5.79 cents/kWh for the remaining hours and holidays. The Company's PTC for the same period was 8.07 cents/kWh. The total charges for enrolled customer load in the TOU Program was calculated at the Direct Energy Service rates and compared to what the customer would have been charged at the PTC rate had they been a default service customer during this same period of time. Table 5 summarizes the calculations.

Table 5: TOU Direct Energy Services Charges versus PTC Charges

Month	TOU Charges	PTC Charges	Difference (Savings)
Jun 2016	\$7,766	\$10,091	\$2,325
Jul 2016	\$18,756	\$24,366	\$5,610
Aug 2016	\$21,047	\$27,180	\$6,133
Sep 2016	\$14,413	\$18,733	\$4,320
Total	\$61,982	\$80,370	\$18,388

Table 6 shows a range of monthly savings per customer compared to what they would have paid had they been a default service customer.

Table 6: TOU Direct Energy Services Customers – Range of Monthly Savings

	Jun 2016	Jul 2016	Aug 2016	Sep 2016
No Savings	0	0	0	0
\$0 to \$2.50	40	7	5	9
\$2.51 to \$5.00	55	15	18	30
\$5.01 to 10.00	104	60	51	91
\$10.01 to \$15.00	57	76	58	107
\$15.01 to \$20.00	17	73	76	47
\$20.01 to \$30.00	11	76	94	42
Greater than \$30.00	1	27	34	10
Total	285	334	336	336

In summary, all participating Direct Energy Services customers in the TOU program did save money on strictly a comparison against the PTC benchmark. However, absent baseline data, the Company cannot conclude that the TOU program did or did not alter behavior.

Customer Research

Duquesne Light utilized an outside firm, Market Strategies International ("MSI"), to conduct two (2) focus group sessions with TOU Program participants to evaluate the customer experience with the Program. The focus group sessions were held on October 20, 2016.

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Participants were attracted to the program because they felt confident that, if the Program was not saving them money, they could reliably switch to a new supplier at no cost. In general, they were satisfied with the communications during the Program. Customer suggestions to expand the Program included extending the TOU period to include more months (i.e. expand the TOU pricing period longer than June through September), multiple communications and multiple communication channels, and retaining current enrollment practices (i.e. easy to enroll, no switching fees, switch at any time). A detailed discussion of customer research and the focus group findings may be found in MSI's reported included as Attachment 11.

Conclusions

Identifying if customer load has been modified and shifted due to the TOU program is difficult to determine as more analysis and baseline usage patterns are necessary. In other markets, it typically takes customers time to adjust to the new meters and TOU programs that take full advantage of an educated consumer to modify usage patterns.

Customer savings from the program is a positive impact but cannot be directly attributed to the program and changes in usage patterns. The PTC for residential customers increased during this period of time. Therefore, a clear picture of savings was difficult to determine.

Below are Key Findings from the TOU Program Participants that highlight both pros and cons from the participants' point of view.

Key Findings – Pros

- feeling as though they were helping the environment because it limits the need for extra generation
- more aware of their daily energy use and behaviors
- did not require much sacrifice to see savings
- TOU rates were good
- they liked that they were provided with usage data
- most believe they changed their behavior as a result of being on the TOU Program
- most were very careful to avoid running the air conditioner or other appliances during the peak hours
- most recall receiving direct mail from both Duquesne Light and from Direct Energy in support of the TOU Program and which is how they first learned of the Program
- most switched as a result of the mailer they received from Direct Energy rather than Duquesne Light's mailing
- Duquesne Light's support of the TOU Program convinced many participants to try it

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Key Findings – Cons

- some would have liked more specific feedback on energy usage (hourly data)
- some did not like that they had to go to a separate website to view usage information
- hard to know how much money you are actually saving
- hard to participate and save if you are home during the day
- had to switch suppliers or to a supplier
- unsure how the program works after September (non-summer pricing)

Overall, participants were happy with the TOU Program. Based on information gathered from the two (2) focus group sessions, participants described it as effortless, money-saving, environmentally-friendly and empowering. While perceptions of their savings varied based on how often they were at home during the peak hours, most participants were satisfied with their experience on the program and the savings they were able to achieve.

In its DSP VIII proceeding, the Company has proposed to continue to encourage EGS-sponsored TOU programs beyond May 31, 2017.¹⁰ During the DSP VIII period, the Company will complete the process of installing interval meters on all customers thereby allowing small C&I customers and medium C&I customers to be eligible for EGS-sponsored TOU programs. The Company will continue to facilitate the ability for EGSs to offer TOU programs through bill ready and rate ready billing functionality and identifying those customers with interval meters on the Eligible Customer List. These changes will allow EGSs more flexibility to craft TOU products to align with customer interest.

¹⁰ The Company filed its DSP VIII proceeding on May 2, 106 at Docket No. P-2016-2543140 for the period June 1, 2017 through May 31, 2021. Statement No. 2 addresses TOU program plans for the DSP VIII period.

Attachment 1

Slide Deck

Initial Time of Use Pilot Program Collaborative Meeting

June 25, 2015



Time of Use Pilot Program Collaborative Meeting

June 25, 2015

Agenda



- ▶ Introductions
- ▶ Review the Default Service Settlement Stipulation Sept. 15, 2015
- ▶ Overview of Program Options
 - Rate Ready Option
 - Bill Ready Option
- ▶ Customer Assistance Program ("CAP") Customer Participation in TOU
- ▶ Cost Recovery Proposal
- ▶ Open Discussion
- ▶ Next Steps

Introductions



▶ Please introduce yourself with:

- Name
- Affiliation

Review of Settlement Stipulation – September 15, 2014



▶ With respect to the 2016 TOU Pilot Program, Duquesne will conduct a collaborative to develop a TOU Pilot program and cost recovery mechanism for the year commencing on June 1, 2016 and ending May 31, 2017, to identify ways

- to permit multiple EGSs to participate in a TOU offering(s) and
- 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.

Review of Settlement Stipulation – September 15, 2014



- ▶ In order to permit the Company time to identify new options available for TOU service and assess necessary TOU Program changes to potentially integrate CAP customers if CAP portability issues have been decided, the collaborative will commence no later than June 30, 2015.
- ▶ The collaborative will continue for 60 days. Following the collaborative, the Company will file with the Commission by September 30, 2015, a TOU Program proposal reflecting any consensus that has been achieved and the Company's proposal on unresolved issues.
- ▶ The Commission will provide an opportunity for comments by interested parties, and issue a final order by January 31, 2016, so that any actions necessary to commence the approved TOU program commencing June 1, 2016 can be completed.

Review of Opinion and Order – January 15, 2015



- ▶ That the Stipulation filed in the matter captioned as Petition of Duquesne Light Company for Approval of its Default Service Program for Period of June 1, 2015 through May 31, 2017, at Docket Number P-2014-2418242, is approved without modification
- ▶ That the Default Service Plan, as proposed by Duquesne Light Company and as modified by the Settlement Stipulation filed on September 15, 2014, is approved.

Parameters of Customers in TOU Pilot



- ▶ Advanced Meter must be installed and communicating on the network with available interval consumption data that has been successfully tested
- ▶ Estimate at this time is that approximately 150,000 residential, small commercial and medium commercial customers will be eligible.
- ▶ Customers will be Billed by Duquesne Light Company on a Purchase of Receivable program.
- ▶ Enrollment period for the program will be June 1 through July 31.
- ▶ Customers will stay with the EGS after the end of the pilot program but they are able to leave without a cancellation fee.

TOU Pilot Rate Ready Option



- ▶ Multiple Electric Generation Suppliers (EGS) can participate in the TOU rate ready program; Duquesne does reserve the right to manage the number of suppliers.
- ▶ Each EGS can offer a single summer rate for peak, summer off peak and seasonal rate with multiple rates supported that can differ from each other EGS
- ▶ TOU rate ready is a twelve (12) month program beginning June 1, 2016 and concluding May 31, 2017
- ▶ Peak time is defined as 2:00 – 6:00 pm June 1 - September 30, 2016. All EGS's MUST offer the same peak time schedule, no exceptions. Off peak time is defined as the 20 hours = 6 PM – 2 PM.
- ▶ Current enrollment processes and EDEWG guidelines will be followed.
- ▶ Duquesne Light will calculate charges based upon EGS rates.

TOU Pilot Bill Ready Option



- ▶ Multiple Electric Generation Suppliers (EGS) can participate in the TOU bill ready program
- ▶ EGS can offer any combination of rates
- ▶ TOU Bill ready is a twelve (12) month program beginning June 1, 2016 and concluding May 31, 2017
- ▶ EGS's can offer any TOU peak schedule for period June 1, - September 30, 2016.
- ▶ Current enrollment processes and EDEWG guidelines will be followed
- ▶ EGS's will be required to provide data such as rate, peak period and other information deemed necessary to complete required Commission reporting to be further defined in the RFP.

TOU Pilot Bill Ready Option - continued



- ▶ Duquesne Light will provide the interval data to the participating EGS.
- ▶ The EGS will be required to perform the necessary calculations relating to the peak schedule and rate charged
- ▶ The EGS will provide the calculations back to Duquesne Light via the EDI transaction process
- ▶ Duquesne Light will be responsible to put the EGS charges on the bill as line item(s).
- ▶ EGS's will be responsible to ensure the accuracy of each transaction
- ▶ Duquesne Light will provide a rate comparison website for customers to evaluate different rate options including default service

CAP Customer Participation in TOU



- ▶ Duquesne Light awaits the decision on CAP shopping and portability
- ▶ The Company does not believe that a decision will be received to allow the necessary time to create the integration necessary for CAP customer participation
- ▶ The Company proposes that CAP customers will not be eligible to participate in the TOU Pilot to begin June 1, 2016.
- ▶ CAP Customers with an advanced meter communicating on the network will be excluded from the eligible customer list provided to EGS's participating in the TOU Pilot.

TOU Cost Recovery



- ▶ Duquesne Light Proposed in the Default Service Filing:
 - The EGS supplying TOU will be responsible to recover their own costs.
 - Any incremental costs incurred by the Company to implement and retain the TOU program will be borne by default service customers
 - TOU costs readily attributable to a specific customer class will be directly assigned to the default service class for which such costs are incurred
 - All other costs, which cannot be directly assigned, will be allocated to all default service classes eligible to participate in the program in proportion to each class' default service load
- ▶ The Default Service Plan filed estimated the TOU costs that include communications, analysis, billing resources and training. Costs associated with IT system development are being reviewed.

Open discussion



- ▶ Is there an alternative cost recovery mechanism for the TOU Pilot?
- ▶ What best practices have you experienced from other programs?
- ▶ What concerns or challenges do you anticipate with the TOU Pilot program?
- ▶ What solutions can you recommend?
- ▶ Duquesne Light will be working with winning EGSs to jointly communicate the TOU program to eligible customers. What suggestions do you have regarding communications?

Next Steps



- ▶ Distribute collaborative minutes, presentations and overview
- ▶ Schedule any necessary meetings with internal Company representatives
- ▶ Schedule next collaborative
 - Provide any deliverables from June collaborative in advance

Attachment 2

Slide Deck

Second Time of Use Pilot Program Collaborative Meeting

July 22, 2015



Duquesne Light
Our Energy...Your Power

Time of Use Pilot Program Proposal

Introductions

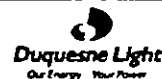


Duquesne Light
Our Energy...Your Power

▶ Please introduce yourself with:

- Name
- Affiliation

Summary Timeline of Time of Use Deliverables



- ▶ *On June 25, 2015 Duquesne Light conducted an external Collaborative meeting to discuss the details of the 2016-2017 TOU program.*
- ▶ *On July 10, 2015 comments from participants regarding the TOU program were due to Duquesne Light.*
- ▶ *On July 22, 2015 a second external Collaborative is being held by Duquesne Light company to finalize any comments. Consensus agreement on any TOU items will be sought.*
- ▶ *The Company will file with the Commission by September 30, 2015, a TOU Program proposal that reflects any consensus that has been achieved and the Company's proposal on unresolved issues.*
- ▶ *The Commission will provide an opportunity for comments by interested parties, and issue a final order by January 31, 2016, so that any actions necessary to commence the approved TOU program commencing June 1, 2016 can be completed.*

Questions from the Previous Collaborative



- ▶ **Can the enrollment period begin prior to June 1st?**
- ▶ **Will the customers see their on-peak/off-peak usage amounts and rates?**
- ▶ **Can Duquesne Light offer a customer protection plan for those participating, over the 12 month period?**
- ▶ **What is Duquesne Light's position on the proposed cost-recovery options?**

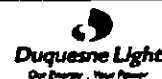
Consensus obtained on the following TOU Pilot parameters  **Duquesne Light**
Our Energy . Your Power

- ▶ An Advanced Meter must be installed and communicating on the DLC network with available interval consumption data that has been successfully tested. Advanced Meters will be deployed for residential, small commercial, and medium commercial customers.
- ▶ Customers will be Consolidated Billed by Duquesne Light Company. Qualifying TOU EGSs must be participating in, and will use, the Purchase of Receivable program to bill customers.
- ▶ Customers will see their usage amounts and rates clearly identified by on-peak, off-peak, or seasonal on the bill.
- ▶ TOU Pilot program is a twelve (12) month program beginning June 1, 2016 and concluding May 31, 2017. The "Summer TOU" timeframe will be defined as the period of June 1, 2016 through September 30, 2016.

Consensus obtained on the following TOU Pilot parameters  **Duquesne Light**
Our Energy . Your Power

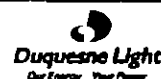
- ▶ CAP customers will not be eligible to participate in the TOU Pilot to begin June 1, 2016.
- ▶ CAP Customers with an advanced meter communicating on the network will be excluded from the eligible customer list provided to EGS's participating in the TOU Pilot.
- ▶ Customers will stay with the EGS after the end of the pilot program but they are able to leave without a cancellation fee.

TOU Rate and Bill Ready Options



- ▶ Duquesne Light will implement the Rate Ready and Bill Ready options for the TOU Pilot program, pursuant to the criteria detailed and presented in the first TOU Collaborative meeting.
- ▶ For an EGS using the Rate Ready option, the definition of on-peak hours will be defined as the time period between 2 PM – 6 PM.
- ▶ Any EGS that wishes to participate in the Bill Ready option will need to be certified by Duquesne Light Company. In addition they will be required to provide data such as rate, peak period and other information deemed necessary to complete required Commission reporting to be further defined in the RFP. An EGS using Bill Ready will adhere to the defined "TOU Summer" timeframe.
- ▶ If an approved EGS is not identified or does not provide customers with a TOU product offering that meets the requirements of this filing, Duquesne Light Company will offer a program.

TOU Cost Recovery



- ▶ Duquesne Light Proposed in the Default Service Filing:
 - The EGS supplying TOU will be responsible to recover their own costs.
 - Any incremental costs incurred by the Company to implement and retain the TOU program will be borne by default service customers
 - TOU costs readily attributable to a specific customer class will be directly assigned to the default service class for which such costs are incurred
 - All other costs, which cannot be directly assigned, will be allocated to all default service classes eligible to participate in the program in proportion to each class' default service load
- ▶ The Default Service Plan filed estimated the TOU costs that include communications, analysis, billing resources and training. Costs associated with IT system development are being reviewed.

Open Items to Discuss a Consensus Opinion



- ▶ Enrollment period for the program will be June 1, 2016 through July 31, 2016.
 - Duquesne Light will work with any TOU EGS, prior to 6/1 enrollments, to ensure the transition to the program is seamless and well communicated.
 - Duquesne Light does not believe, nor do we recommend, enrollments can be accepted prior to 3 business days prior to 6/1/16.

- ▶ Additional Items?

Final Steps



- ▶ Duquesne Light Company will file the TOU program with the PA PUC by 9/30/15.
- ▶ After the Commission issues an order, Duquesne Light will conduct an RFP to identify perspective EGSs that will participate in the TOU program.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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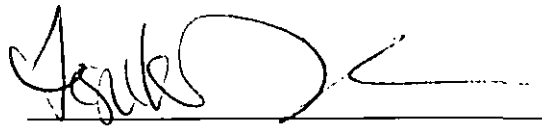
Brian Kalcic
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225 S. Meramec Avenue, Suite 720-T
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Consultant for OSBA

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NOV 23 2016

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dated: November 23, 2016



Tishekia Williams, Esquire.
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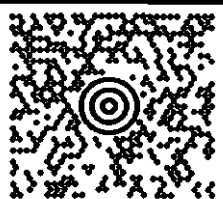
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