



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

September 20, 2017

Secretary Rosemary Chiavetta  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Re: Duquesne Light Company Universal Service and Energy  
Conservation Plan for 2017-2019  
Docket No. M-2016-2534323

Dear Secretary Chiavetta:

Enclosed please find the Bureau of Investigation and Enforcement's (I&E)  
**Comments** in the above captioned proceeding.

Copies are being served on parties as identified in the attached certificate of  
service. If you have any questions, please contact me a (717) 783-7998.

Sincerely,

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Bureau of Investigation and Enforcement  
PA Attorney I.D. No. 93176

Erika L. McLain  
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ACK/ELM/snc  
Enclosure

cc: Certificate of Service  
Gladys M. Brown, Chairman  
Andrew G. Place, Vice Chairman  
David W. Sweet, Commissioner  
John F. Coleman, Jr, Commissioner

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Duquesne Light Company Universal :  
Service and Energy Conservation : Docket No. M-2016-2534323  
Plan for 2017-2019 :

**CERTIFICATE OF SERVICE**

I hereby certify that I am serving the foregoing **Comments** dated September 20, 2017, in the manner and upon the persons listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party):

**Served via Electronic and First Class Mail**

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Duquesne Light Company Universal :  
Service and Energy Conservation : Docket No. M-2016-2534323  
Plan for 2017-2019 :**

**COMMENTS OF THE  
BUREAU OF INVESTIGATION AND ENFORCEMENT  
TO DUQUESNE LIGHT COMPANY'S CORRECTIVE ACTION PLAN  
REGARDING THE SENIOR CUSTOMER ASSISTANCE PROGRAM**

**I. INTRODUCTION**

Pursuant to 52 Pa. Code § 121.4, the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) hereby submits its Comments to Duquesne Light Company’s (“Duquesne Light” or “Company”) corrective action plan related to the Senior Customer Assistance Program (“Senior CAP”) in the above-captioned proceeding filed on August 21, 2017.

Duquesne Light’s corrective action plan is a remediation to its Senior CAP enrollment. Duquesne Light’s Senior CAP was instituted to help customers over the age of 62 with income above the Federal Poverty Level of 150%, but less than 200%.<sup>1</sup> In a 2011 rate case settlement, the Company agreed to limit Senior CAP to existing customers that meet the eligibility requirements and not to enroll any new customers.<sup>2</sup>

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<sup>1</sup> Duquesne Light Corrective Action Plan, p. 1.

<sup>2</sup> Duquesne Light Corrective Action Plan, p. 1.

In connection with the Duquesne Light's 2017-2019 USECP filing, the Company discovered and self-reported to the Commission that approximately 150-200 grandfathered seniors had been removed from the Senior CAP program beginning in 2014.<sup>3</sup> On July 20, 2017, the Commission issued an Order directing the Company to submit to the Commission and the Parties to the 2011 rate case, a corrective action plan that includes a detailed impacts assessment, the number of customers/households impacted, the dollar value of the impacts, and a detailed plan for communication with, and reimbursement for, the affected Senior CAP households unilaterally removed from senior CAP.<sup>4</sup>

Duquesne Light filed their corrective action plan on August 21, 2017. In its plan, the Company found the number of impacted customers to be 170, the average amount of credit to be applied to accounts is \$389.76, and the total dollar impact to Senior CAP customers is approximately \$67,385.<sup>5</sup> According to the plan, among other corrective measures, all affected customers will receive a one-time, lump sum credit and customers who remain eligible for the program will be reenrolled.<sup>6</sup> I&E supports Duquesne Light's plan to refund customers; however, along with the one-time, lump sum credit I&E recommends that affected customers be refunded with interest. Accordingly, the Bureau of Investigation and Enforcement now files this Comment in support of its recommendation.

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<sup>3</sup> Duquesne Light Corrective Action Plan, p. 3.

<sup>4</sup> Duquesne Light Company Universal Service and Energy Conservation Plan for 2017-2019, Docket No. M-2016-2534323, Opinion and Order, p. 6 (Order entered July 20, 2017).

<sup>5</sup> Duquesne Light Corrective Action Plan, p. 5.

<sup>6</sup> Duquesne Light Corrective Action Plan, p. 5.

## II. PROCEDURAL HISTORY

On March 16, 2016, Duquesne Light filed its proposed 2017-2019 USECP with the Commission for review and approval.<sup>7</sup> The Commission entered a Tentative Order which identified issues requiring further attention, tentatively approved the 2017-2019 Proposed Plan, and requested comments.<sup>8</sup> The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), the Office of Consumer Advocate (“OCA”) and Duquesne Light filed comments and reply comments.

Duquesne Light filed an Amended Proposed 2017-2019 Plan on October 31, 2016, which revised its original proposal based on comments and concerns of the Parties and Commission.<sup>9</sup> The Commission issued a Secretarial Letter on November 4, 2016 which requested additional information about Duquesne Light’s Proposed and Amended Proposed 2017-2019 Plans and established a new schedule for Parties to provide comments and reply comments.<sup>10</sup> On November 15, 2016, the Commission issued another Secretarial Letter which amended the comment and reply comment periods.<sup>11</sup> Duquesne Light filed a response including supplemental information on November 18, 2016.<sup>12</sup> CAUSE-PA and the OCA filed supplemental comments to the Amended

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<sup>7</sup> Duquesne Light Company Universal Service and Energy Conservation Three Year Plan for 2017-2019, Docket No. M-2016-2534323.

<sup>8</sup> Tentative Order, M-2016-2534323 (Order entered August 11, 2016).

<sup>9</sup> Duquesne Light Company Amended Universal Service and Energy Conservation Three Year Plan for 2017-2019, Docket No. M-2016-2534323.

<sup>10</sup> Secretarial Letter, Docket No. M-2016-2534323 (Letter dated November 4, 2016).

<sup>11</sup> Secretarial Letter, Docket No. M-2016-2534323 (Letter dated November 15, 2016).

<sup>12</sup> Response of Duquesne Light Company to Commission Request for Additional Information, Docket No. M-2016-2534323.

Proposed 2017-2019 Plan on December 2, 2016. The Company filed supplemental reply comments on December 12, 2016.

On March 23, 2017, the Commission entered an Order directing the Company to make changes to the Amended 2017-2019 USECP prior to final approval.<sup>13</sup> The Company filed a Second Amended 2017-2019 USECP Plan (“Compliance Filing”) on April 24, 2017 in response to the March 2017 Order.<sup>14</sup> The Compliance Filing included a new provision not included in the original 2017-2019 USECP filing to phase out Senior CAP benefits for grandfathered participants.<sup>15</sup> On May 1, 2017, the Commission issued a Secretarial Letter stating the April 24 Compliance Filing was inconsistent with the March 2017 Order and the Company was directed to file a further revised 2017-2019 Plan.<sup>16</sup>

In response to the Secretarial Letter, Duquesne Light filed its further revised 2017-2019 Plan on May 12, 2017.<sup>17</sup> The Commission then issued an Order on July 20, 2017, directing the Company to submit a corrective action plan to the Commission and all Parties to the 2011 rate case.<sup>18</sup>

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<sup>13</sup> Duquesne Light Company Universal Service and Energy Conservation Plan for 2017-2019 Order, M-2016-2534323 (Order entered March 23, 2017).

<sup>14</sup> Duquesne Light Company Second Amended Universal Service and Energy Conservation Three Year Plan for 2017-2019, Docket No. M-2016-2534323.

<sup>15</sup> Duquesne Light Company Second Amended Universal Service and Energy Conservation Three Year Plan for 2017-2019, Docket No. M-2016-2534323.

<sup>16</sup> Secretarial Letter, Docket No. M-2016-2534323 (Letter dated May 1, 2017).

<sup>17</sup> Duquesne Light Company Further Revised Universal Service and Energy Conservation Three Year Plan for 2017-2019, Docket No. M-2016-2534323.

<sup>18</sup> Duquesne Light Company Universal Service and Energy Conservation Plan for 2017-2019 Order, Docket No. M-2016-2534323 (Order entered July 20, 2017).

### III. COMMENT

Eligibility for Duquesne Light's CAP program is based upon a customer's income being at or below 150% of the federal poverty level.<sup>19</sup> In addition to its CAP program, Duquesne Light instituted a Senior CAP program which was available to customers over the age of 62 with income above the federal poverty level of 150%, but less than 200%.<sup>20</sup> In 2011, Duquesne Light entered into a rate case settlement where it agreed to limit its Senior CAP program.<sup>21</sup> The agreement grandfathered existing Senior CAP participants that met the eligibility requirements (over 62 years of age with income not to exceed 200% of federal poverty level) and the Company agreed not to add new customers to the program.<sup>22</sup>

As indicated above, a Secretarial Letter was issued on May 1, 2017 rejecting the Company's April 24 Compliance Filing.<sup>23</sup> The Compliance Filing was found to be inconsistent with the March 2017 Order because it contained a new provision that had not been proposed in either the original Proposed 2017-2019 USECP Plan or the Amended Proposed 2017-2019 Plan. The new provision Duquesne Light included was to phase out the Senior CAP program to the previously grandfathered participants.<sup>24</sup>

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<sup>19</sup> Duquesne Light Corrective Action Plan, p. 4.

<sup>20</sup> Duquesne Light Corrective Action Plan, p. 4.

<sup>21</sup> Duquesne Light Corrective Action Plan, p. 4.

<sup>22</sup> Duquesne Light Corrective Action Plan, p. 4.

<sup>23</sup> Secretarial Letter, Docket No. M-2016-2534323 (Letter dated May 1, 2017).

<sup>24</sup> Duquesne Light Company Second Amended Universal Service and Energy Conservation Three Year Plan for 2017-2019, Docket No. M-2016-2534323.

On May 12, 2017, the Company filed a Revised 2017-2019 USECP Plan which provided for the continuation of the grandfathered Senior CAP program.<sup>25</sup> During that time, it came to Duquesne Light's attention that beginning in 2014, approximately 150-200 grandfathered seniors had been removed from the program.<sup>26</sup> According to the Company, the customers began to be removed on a rolling basis based on their individual recertification date.<sup>27</sup> The inadvertent removal of customers in the Senior CAP program was attributed to changes to Duquesne Light personnel and the introduction of a new billing system.<sup>28</sup> Historically, Senior CAP participants were tracked and identified through largely manual processes such as lists and queries of the previous billing system.<sup>29</sup>

The Commission approved Duquesne Light's Revised 2017-2019 USECP Plan in its July 20, 2017 Order and it also addressed the Senior CAP removal issue.<sup>30</sup> The Order directed the Company to submit a corrective action plan that includes a detailed impacts assessment, the number of customers/households impacted, the dollar value of the impacts, and a detailed communication with, and reimbursement for, the affected Senior CAP households.<sup>31</sup>

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<sup>25</sup> Duquesne Light Company Further Revised Universal Service and Energy Conservation Three Year Plan for 2017-2019, Docket No. M-2016-2534323.

<sup>26</sup> Duquesne Light Corrective Action Plan, p. 3.

<sup>27</sup> Duquesne Light Corrective Action Plan, p. 3.

<sup>28</sup> Duquesne Light Corrective Action Plan, p. 4.

<sup>29</sup> Duquesne Light Corrective Action Plan, p. 4.

<sup>30</sup> Duquesne Light Company Universal Service and Energy Conservation Plan for 2017-2019 Order, Docket No. M-2016-2534323 (Order entered July 20, 2017).

<sup>31</sup> Duquesne Light Company Universal Service and Energy Conservation Plan for 2017-2019 Order, Docket No. M-2016-2534323 (Order entered July 20, 2017).

Duquesne Light filed its corrective action plan on August 21, 2017, which identified eligible accounts and calculated the benefits that would have been applied had they maintained their enrollment in Senior CAP. According to the corrective action plan, the number of impacted customers is 170, the average amount of credit to be applied to accounts is \$389.76 and the total dollar impact to Senior CAP customers is approximately \$67,385.<sup>32</sup> All affected customers will receive a one-time, lump sum credit and the customers that remain eligible for the program will be reenrolled in Senior CAP.<sup>33</sup> Several process changes have also been implemented by the Company to lessen the likelihood of future errors such as quarterly training to its Community Based Organizations and customer service representatives that help administer Duquesne Light's universal services programs.<sup>34</sup> These training sessions have already been held in July and August of this year.<sup>35</sup> The Company also has indicated that they are developing a program to identify accounts with exceptions so that they will be immediately notified of program abnormalities.<sup>36</sup>

I&E supports Duquesne Light's corrective action plan to provide one-time, lump sum refunds to customers; however, it proposes that interest be added to each customer's refund in accordance with Public Utility Code ("Code") Section 1312. Section 1312 of the Code grants the Commission authority to require public utilities to refund the amount of any excess paid by a customer together with interest at the legal rate:

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<sup>32</sup> Duquesne Light Corrective Action Plan, p. 5.

<sup>33</sup> Duquesne Light Corrective Action Plan, p. 5.

<sup>34</sup> Duquesne Light Corrective Action Plan, p. 5-6.

<sup>35</sup> Duquesne Light Corrective Action Plan, p. 6.

<sup>36</sup> Duquesne Light Corrective Action Plan, p. 6.

## **Refunds.**

**(a) General rule.**--If, in any proceeding involving rates, the commission shall determine that any rate received by a public utility was unjust or unreasonable, or was in violation of any regulation or order of the commission, or was in excess of the applicable rate contained in an existing and effective tariff of such public utility, the commission shall have the power and authority to make an order requiring the public utility to refund the amount of any excess paid by any patron, in consequence of such unlawful collection, within four years prior to the date of the filing of the complaint, together with interest at the legal rate from the date of each such excessive payment. In making a determination under this section, the commission need not find that the rate complained of was extortionate or oppressive. Any order of the commission awarding a refund shall be made for and on behalf of all patrons subject to the same rate of the public utility. The commission shall state in any refund order the exact amount to be paid, the reasonable time within which payment shall be made, and shall make findings upon pertinent questions of fact.<sup>37</sup>

The affected customer group is comprised of elderly and low-income customers. It would be in the public interest to not only refund these customers' excess payments but also to add interest. It is I&E's understanding that the Company is in agreement to refund with interest at the legal rate. Accordingly, I&E recommends that the Commission add interest to the customer refunds pursuant to Section 1312 of the Code.

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<sup>37</sup> 66 Pa. C.S. 1312(a).

#### IV. CONCLUSION

I&E does not oppose the Duquesne Light's corrective action plan given its intentions to not only remedy the problem but also mitigate the possibility of future errors. However, I&E recommends that the Company add interest onto the one-time, lump sum credit the customers are to receive.

Respectfully submitted,



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Dated: September 20, 2017