

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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January 18, 2018

Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
Commonwealth Keystone Bldg.  
400 North Street  
Harrisburg, PA 17120

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

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Answer in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully Submitted,

/s/ Christy M. Appleby  
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Certificate of Service

\*243322

CERTIFICATE OF SERVICE

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

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Answer, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 18<sup>th</sup> day of January 2018.

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

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ANSWER  
OF THE  
OFFICE OF CONSUMER ADVOCATE

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On December 29, 2017, Duquesne Light Company (Duquesne or Company) filed its Petition for Approval of its New Customer Assistance Program Bill Design and Customer Communication Plan in response to the Commission’s directive in its March 2017 Order regarding the Company’s Universal Service and Energy Conservation Plan. In the Commission’s March 2017 Order regarding Duquesne’s Universal Service and Energy Conservation Plan for 2017-2019, the Commission ordered the Company to:

Work with stakeholders to modify CAP bills and other customer communications to ensure that CAP credits are applied correctly and to improve bill messaging and presentment, including budget bill calculations.

Duquesne Light Company 2017-2019 Universal Service and Energy Conservation Three Year Plan, Docket No. M-2016-2534323, Order at 60 (March 23, 2017); Petition at ¶ 11. Initially, the Commission requested that the CAP bill design changes and a Communications Plan on the CAP bill changes be filed on or about June 30, 2017. Petition at ¶ 11. The Commission’s March 2017 Order, however, also required that the Company make changes its CAP program design that would impact the CAP bill design changes. As a result, the Commission granted extensions on the CAP bill design changes pending resolution of CAP program design changes. Petition at ¶¶ 16-24. On

September 15, 2017, Duquesne filed a Joint Petition for Approval of Modifications to Duquesne Light Company's CAP Design in its Universal Service and Energy Conservation Plans, and the Joint Petition is currently pending before the Commission. Petition at ¶ 24. After the Joint Petition was filed, the Company engaged in multiple stakeholder meetings, including with the Office of Consumer Advocate, and hired a consulting firm to solicit customer feedback on proposed CAP bill designs. Petition at ¶ 25.

In its Petition, the Company states that the CAP bill design changes will: (1) improve billing clarity and comprehension for CAP customers and (2) comply with the Commission's regulations and orders. Petition at ¶ 25. The Company states:

[i]n summary, significant changes to the proposed CAP bill include: 1) enhanced clarity in the presentation of the CAP credits used to date and remaining in the program year, 2) a more prominent display of the amount due, 3) an enhanced usage comparison chart to more clearly state the applicable timeframe, 4) greater transparency related to the amount of debt forgiveness and the impact of defaulting from CAP prior to earning total debt forgiveness, and 5) greater transparency related to disputed dollars.

Petition at ¶ 26; see also, Petition at ¶¶ 27-31. The Company also presents a proposed Communications Plan to educate the Call Center/Customer Service, Stakeholders/Community Based Organizations, the Income Eligible Advisory Group, Current CAP Customers, and Customers Eligible for CAP. Petition at ¶ 32. The OCA had the opportunity to present feedback on the proposed CAP bill design, and the OCA does not object to Duquesne's proposed CAP bill design changes or its proposed Communications Plan.

In addition to the proposed CAP design changes and the Communications Plan, however, the Company has requested a permanent waiver of Sections 54.4(b)(3)(i)(B) and 54.4(b)(7) of the Commission's regulations. Petition at ¶ 39; 52 Pa. Code 54.4(b)(3)(i)(B), 54.4(b)(7). The OCA submits that Duquesne's request for a permanent waiver should not be granted. Instead, a

temporary waiver may be appropriate, and if a temporary waiver is granted at this time, the OCA submits that the Commission should include reporting requirements at the end of the waiver period in order to appropriately evaluate the impact of the waiver of the Commission's regulations on CAP customers.

The OCA submits that a permanent waiver is not in the public interest at this time. The Commission's regulations create consistency in bill design across distribution companies. The Commission's regulations specifically require that the customer bill include information in a designated order, and Section 54.4(b)(7) requires a particular label for contact information. Sections 54.4(b)(3)(i)(B) and 54.4(b)(7) state:

(b) The following requirements apply only to the extent to which an entity has responsibility for billing customers, to the extent that the charges are applicable. The default service provider will be considered to be an EGS for the purposes of this section. Duplication of billing for the same or identical charges by both the EDC and EGS is not permitted...

(3) Customer bills must contain the following charges, if these charges are applicable, and these charges must appear in a distinct section of the bill. The designation or label of each charge as either a charge or nonbasic charge appears in parenthesis following the name of the charge. This label of either basic or nonbasic is not required to accompany the name of the charge on the bill.

(i) Generation charges (basic)...

(B) Generation charges shall appear first among the basic charges with one exception. EDCs may place the customer charge first among the basic charges...

(7) "General Information" is the required title for customer contact information in a customer's bill.

(i) The name, address and telephone number for the EGS and EDC shall be included.

(ii) Both EDC and EGS information in subparagraph (i) is required on all customer bills with the billing entity's information first.

52 Pa. Code §§ 54.4(b)(3)(i)(B), 54.4(b)(7).

Section 54.4(b)(3)(i)(B) requires the Company to identify customer generation charges prior to the distribution charges, with the exception that the customer charge may be placed first among the basic charges. 52 Pa. Code § 54.4(b)(3)(i)(B). The Company's current CAP bill identifies the basic charges in the following order: (1) customer charge; (2) generation supply charge; (3) distribution charge; (4) transmission charge; and (5) PA Tax adjustment charge. Petition at Exh. A. In its Petition, Duquesne proposes to present the distribution charge immediately after the customer charge instead of after the generation charges as required by Section 54.4(b)(3)(i)(B). Petition at ¶ 40, Exh. B. The Company requests to order the charges under the label basic charges as follows: (1) customer charge; (2) distribution charge; (3) generation supply charge; (4) transmission charge; and (5) PA Tax adjustment. Petition at Exh. B. In its Petition, the Company states that "Duquesne Light believes that the proposed grouping of related charges (delivery, supply and taxes) is reasonable and will be clearer to customers." Petition at ¶ 40.

Duquesne also proposes to change the required label of "General Information" to "How to Reach Us." Petition at ¶ 41; see also, 52 Pa. Code § 54.4(b)(7). The Company does not propose to change any of the other information required under Section 54.4(b)(7). Id. Section 54.4(b)(7) requires that the contact information for both the distribution company and the electric generation supplier be provided under the label "General Information." Under the Company's current Default Service Plan, CAP shopping has been postponed until June 1, 2021, the commencement of DSP IX, so at this time, only Duquesne's information would appear under the label "How to Reach Us." See, Petition of Duquesne Light Company For Approval of Default Service Plan For The Period June 1, 2017 Through May 31, 2021, Docket No. P-2016-2543140, Settlement at 5 (September 23, 2016).

While the OCA does not object to the changes, a temporary waiver, not a permanent waiver, should be granted at this time. The proposed changes to the CAP customer bill are new, and combined with the proposed CAP program design changes, CAP customers may be confused by these changes. Reporting requirements on the customer impact will help to better understand the impact of changes on CAP customers, and the Commission should better understand the CAP customer impact of the bill and program design changes prior to any consideration of a permanent waiver. In addition, while CAP shopping has been postponed until after June 1, 2021, the bill may need to be revisited when CAP shopping begins.

The Commission has shown a general reluctance to grant permanent waivers from its regulations, rules or Orders. See, In re Petition of Full Service Network, L.P., 2012 PUC LEXIS 784, \*1-4 (Pa. PUC 2012)(the Commission extended a temporary two year waiver to a five year temporary waiver rather than make the waiver permanent so that it could monitor the operation of service.); see also, In re Petition of MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services, 2012 Pa. PUC LEXIS 628, \*1 (Pa. PUC 2012)(The Commission declined to grant a permanent waiver of a tariff requirement even though the waiver request was uncontested, granting instead an extension of the temporary waiver for an additional four years). In those cases where a permanent waiver was granted, the Commission found that there was a unique circumstance that permitted it. See, UGI Utilities, Inc. – Electric Division v. Pa PUC, 2010 Pa PUC LEXIS 1316, \*11 (Pa. PUC 2010)(The Commission granted a permanent waiver of a supplier diversity rule upon a showing that it was harming default service RFP participants more than the protection that was afforded.); see also, In re Petition of Duquesne Light Co. for Permanent Waiver of EDI 508 Obligation for POR Customers, 2011 Pa. PUC LEXIS 1345, \*7 (Pa. PUC 2011)(Under the rules, Duquesne was essentially required to issue a notice to itself, and

the Commission granted a permanent waiver of an Electronic Data Exchange requirement to avoid a costly and unnecessary administrative requirement for as long as the identified program was in place and did not change.).

WHEREFORE, the Office of Consumer Advocate respectfully requests that the Commission deny Duquesne's request for a permanent waiver and that the Commission approve a waiver on a temporary basis to allow the Company to implement its proposed CAP bill design changes. The OCA requests that the Commission place reporting conditions on the temporary waiver to ensure that the Commission is able to monitor impacts of the waiver on CAP customers.

Respectfully Submitted,

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DATE: January 18, 2018  
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