



Lindsay A. Baxter  
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412-393-6224

April 8, 2019

**VIA ELECTRONIC FILING**

Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
2<sup>nd</sup> Floor, Room-N201  
400 North Street  
Harrisburg, PA 17120

**Re: Energy Affordability for Low-Income Customers  
M-2017-2587711**

Dear Secretary Chiavetta:

Enclosed please find Duquesne Light Company's response to the data request in the Order dated January 17, 2019, and further clarified by Secretarial letter dated March 7, 2019, in the above referenced docket, requesting supplemental information in regards to Energy Affordability for Low-Income Customers.

Upon receipt, if you have any questions regarding the information contained in this filing, please feel free to contact me or Audrey Waldock at 412-393-6334 or [awaldock@duqlight.com](mailto:awaldock@duqlight.com)

Sincerely,

A handwritten signature in blue ink, appearing to read "L.A. Baxter", with a long horizontal flourish extending to the right.

Lindsay A. Baxter  
Manager, State Regulatory Strategy

Enclosures

**Duquesne Light Company Response to  
Request for Supplemental Information  
Docket M-2017-2587711**

The January 17, 2019 Order requested that natural gas distribution companies (NGDCs) and electric distribution companies (EDCs) review the 10% energy burden projections enclosed in the report and provide any corrected or updated data for 2012-2016.

**DLC Response: DLC does not have any updates or corrections.**

The Order further directed NGDCs and EDCs to provide a cost forecast based on a 10% maximum energy burden [*i.e.*, 4% for electric non-heating, 6% for gas heating, and 10% for electric heating] for the years 2017 through 2021. Pursuant to the Secretarial Letter of March 7, 2019, NGDCs and EDCs should each provide two separate cost estimates to compare to the Report's PIP CAP model:

- The first cost estimate should be based only on charging all CAP customers the lesser of an average bill or 4, 6, or 10%<sup>1</sup> of the household's income for the yearly periods **from 2016 through 2021**.<sup>2</sup> This estimate should not take into consideration system change costs, additional CAP charges, CAP credit limits, minimum payment/bill requirements,<sup>3</sup> or other costs not related to charging the CAP customer the lesser of an average bill or the designated percent of income.
- The second cost estimate should also be based on the average bill or the PIP CAP model **from 2016 through 2021** but include all other costs/savings related to this change. This includes utility CAP charges, minimum payment restrictions, CAP credit limits, and other CAP costs/savings described in the January 2019 Order. NGDCs and EDCs should identify all costs/savings related to this estimate separately.<sup>4</sup>

**DLC Response: The Company's data is provided in Attachment A to this response.**

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<sup>1</sup> 10% for electric heating customers, 6% for gas heating customers, and 4% for electric non-heating customers.

<sup>2</sup> Stakeholders suggested using 2016 as a base year, instead of 2017, because this is the last year of the Energy Affordability Study.

<sup>3</sup> Excluding minimum bill requirements means that customers reporting zero income, for example, would receive a \$0 bill.

<sup>4</sup> Customers reporting zero income, for example, would receive a minimum bill if the utility currently requires minimum bill payments.

NGDCs and EDCs were also asked to provide estimates of the impact on enrollments and to customer assistance programs if restrictions other than “low income” are eliminated for the years 2017 through 2021, such as requiring “low-income customers to be payment-troubled to qualify for” CAP.

**DLC Response: Duquesne Light Company’s Customer Assistance Program is open to all customers who are low-income and does not require customers to be payment-troubled to qualify for enrollment.**

Finally, NGDCs and EDCs were directed to provide monthly customer tallies for all CAP customers claiming zero income, broken out by heating type if possible, as part of each utility’s 2018 Universal Service Reporting in a separate spreadsheet.

**DLC Response: The Company provided this information in its Universal Services Report filed with the Commission on April 1, 2019. For convenience, it is summarized in the table below:**

<b>Year/Month</b>	<b>Heat</b>	<b>Non Heat</b>	<b>Total</b>
<b>2016</b>			
Jan	43	321	364
Feb	54	363	417
Mar	62	372	434
Apr	50	356	406
May	56	415	471
Jun	75	439	514
Jul	54	381	435
Aug	61	433	494
Sep	53	393	446
Oct	60	420	480
Nov	59	415	474
Dec	62	401	463
<b>2017</b>			
Jan	65	475	540
Feb	56	447	503
Mar	66	464	530
Apr	59	415	474
May	66	485	551
Jun	64	479	543
Jul	69	457	526
Aug	64	499	563
Sep	59	421	480
Oct	72	534	606
Nov	63	491	554
Dec	58	442	500

ATTACHMENT A

**DUQUESNE LIGHT COMPANY**

**METHOD 1:**

The cost estimate should be based on only charging all CAP customers the lesser of an average bill or 4, 6, or 10% of the household's income for the yearly periods from 2016-2021. This estimate should not take into consideration system change costs, additional CAP charges, CAP credit limits, minimum payment/bill requirements, or other costs not related to charging the CAP customer the lesser of an average bill or the designated percent of income.

2016	Non-Electric Heating					Electric Heating					TOTAL CAP
	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RS	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RH	
CAP Credits	842,499	6,662,836	12,346,651	4,893,771	24,745,757	162,297	690,286	1,234,584	411,000	2,498,167	27,243,924
Pre-Program Arrearage	116,865	843,615	1,619,812	1,022,152	3,602,444	18,938	74,603	192,260	140,048	425,849	4,028,293
<b>TOTAL<sup>(1)</sup></b>	<b>959,364</b>	<b>7,506,451</b>	<b>13,966,463</b>	<b>5,915,923</b>	<b>28,348,201</b>	<b>181,235</b>	<b>764,889</b>	<b>1,426,844</b>	<b>551,048</b>	<b>2,924,016</b>	<b>31,272,217</b>

**METHOD 2:**

The cost estimate should also be based on the average bill for the PIPP CAP model from 2016-2021 but include all other costs/savings related to this change. This includes utility CAP charges, minimum payment restrictions, CAP credit limits, and other CAP costs/savings described in the January 2019 Order. NGDCs and EDCs should identify all costs/savings related to this estimate separately.

2016	Non-Electric Heating					Electric Heating					TOTAL CAP
	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RS	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RH	
CAP Credits	613,638	6,211,723	11,973,328	4,659,376	23,458,065	101,435	614,115	1,173,354	387,080	2,275,984	25,734,049
Pre-Program Arrearage	116,865	843,615	1,619,812	1,022,152	3,602,444	18,938	74,603	192,260	140,048	425,849	4,028,293
<b>TOTAL<sup>(1)</sup></b>	<b>730,503</b>	<b>7,055,338</b>	<b>13,593,140</b>	<b>5,681,528</b>	<b>27,060,509</b>	<b>120,373</b>	<b>688,718</b>	<b>1,365,614</b>	<b>527,128</b>	<b>2,701,833</b>	<b>29,762,342</b>

<b>Difference: Method 1 vs Method 2:</b>	228,861	451,113	373,323	234,395	1,287,692	60,862	76,171	61,230	23,920	222,183	1,509,875
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<sup>(1)</sup> Excludes administrative costs of ~\$1.7 million/year, regardless of program type

\*indicate potential impact to uncollectible balances and collection costs.

ATTACHMENT A

**DUQUESNE LIGHT COMPANY**

**METHOD 1:**

The cost estimate should be based on only charging all CAP customers the lesser of an average bill or 4, 6, or 10% of the household's income for the yearly periods from 2016-2021. This estimate should not take into consideration system change costs, additional CAP charges, CAP credit limits, minimum payment/bill requirements, or other costs not related to charging the CAP customer the lesser of an average bill or the designated percent of income.

2017	Non-Electric Heating					Electric Heating					TOTAL CAP
	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RS	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RH	
CAP Credits	752,721	6,128,945	10,821,838	4,410,968	22,114,472	147,404	649,699	1,122,241	446,057	2,365,401	24,479,873
Pre-Program Arrearage	130,216	974,808	1,900,608	1,374,885	4,380,517	21,727	83,968	202,783	174,680	483,158	4,863,675
<b>TOTAL<sup>(1)</sup></b>	<b>882,937</b>	<b>7,103,753</b>	<b>12,722,446</b>	<b>5,785,853</b>	<b>26,494,989</b>	<b>169,131</b>	<b>733,667</b>	<b>1,325,024</b>	<b>620,737</b>	<b>2,848,559</b>	<b>29,343,548</b>

**METHOD 2:**

The cost estimate should also be based on the average bill for the PIPP CAP model from 2016-2021 but include all other costs/savings related to this change. This includes utility CAP charges, minimum payment restrictions, CAP credit limits, and other CAP costs/savings described in the January 2019 Order. NGDCs and EDCs should identify all costs/savings related to this estimate separately.

2017	Non-Electric Heating					Electric Heating					TOTAL CAP
	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RS	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RH	
CAP Credits	540,855	5,687,920	10,549,387	4,260,188	21,038,350	96,326	579,524	1,072,780	418,667	2,167,297	23,205,647
Pre-Program Arrearage	130,216	974,808	1,900,608	1,374,885	4,380,517	21,727	83,968	202,783	174,680	483,158	4,863,675
<b>TOTAL<sup>(1)</sup></b>	<b>671,071</b>	<b>6,662,728</b>	<b>12,449,995</b>	<b>5,635,073</b>	<b>25,418,867</b>	<b>118,053</b>	<b>663,492</b>	<b>1,275,563</b>	<b>593,347</b>	<b>2,650,455</b>	<b>28,069,322</b>

<b>Difference: Method 1 vs Method 2:</b>	211,866	441,025	272,451	150,780	1,076,122	51,078	70,175	49,461	27,390	198,104	1,274,226
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<sup>(1)</sup> Excludes administrative costs of ~\$1.7 million/year, regardless of program type

\*indicate potential impact to uncollectible balances and collection costs.

Costs for 2017 are lower than 2016 because of a 2016 issue with defaulting that was resolved in 2017, resulting in smaller CAP customer base

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2018	Non-Electric Heating					Electric Heating					TOTAL CAP
	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RS	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RH	
CAP Credits	558,022	6,425,626	11,338,966	4,827,524	23,150,138	117,814	761,532	1,399,959	575,953	2,855,258	26,005,396
Pre-Program Arrearage	96,963	1,271,216	2,398,546	1,577,931	5,344,656	12,417	145,912	293,014	205,544	656,887	6,001,543
<b>TOTAL<sup>(1)</sup></b>	<b>654,985</b>	<b>7,696,842</b>	<b>13,737,512</b>	<b>6,405,455</b>	<b>28,494,794</b>	<b>130,231</b>	<b>907,444</b>	<b>1,692,973</b>	<b>781,497</b>	<b>3,512,145</b>	<b>32,006,939</b>

**METHOD 2:**

The cost estimate should also be based on the average bill for the PIPP CAP model from 2016-2021 but include all other costs/savings related to this change. This includes utility CAP charges, minimum payment restrictions, CAP credit limits, and other CAP costs/savings described in the January 2019 Order. NGDCs and EDCs should identify all costs/savings related to this estimate separately.

2018	Non-Electric Heating					Electric Heating					TOTAL CAP
	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RS	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RH	
CAP Credits	425,412	5,964,798	10,933,192	4,572,622	21,896,024	79,231	685,653	1,326,814	536,182	2,627,880	24,523,904
Pre-Program Arrearage	96,963	1,271,216	2,398,546	1,577,931	5,344,656	12,417	145,912	293,014	205,544	656,887	6,001,543
<b>TOTAL<sup>(1)</sup></b>	<b>522,375</b>	<b>7,236,014</b>	<b>13,331,738</b>	<b>6,150,553</b>	<b>27,240,680</b>	<b>91,648</b>	<b>831,565</b>	<b>1,619,828</b>	<b>741,726</b>	<b>3,284,767</b>	<b>30,525,447</b>

<b>Difference: Method 1 vs Method 2:</b>	132,610	460,828	405,774	254,902	1,254,114	38,583	75,879	73,145	39,771	227,378	1,481,492
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<sup>(1)</sup> Excludes administrative costs of ~\$1.7 million/year, regardless of program type

\*indicate potential impact to uncollectible balances and collection costs.

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2019	Non-Electric Heating					Electric Heating					TOTAL CAP
	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RS	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RH	
CAP Credits	566,392	6,522,010	11,509,050	4,899,937	23,497,390	119,581	772,955	1,420,958	584,592	2,898,087	26,395,477
Pre-Program Arrearage	98,417	1,290,284	2,434,524	1,601,600	5,424,826	12,603	148,101	297,409	208,627	666,740	6,091,566
<b>TOTAL<sup>(1)</sup></b>	<b>664,810</b>	<b>7,812,295</b>	<b>13,943,575</b>	<b>6,501,537</b>	<b>28,922,216</b>	<b>132,184</b>	<b>921,056</b>	<b>1,718,368</b>	<b>793,219</b>	<b>3,564,827</b>	<b>32,487,043</b>

**METHOD 2:**

The cost estimate should also be based on the average bill for the PIPP CAP model from 2016-2021 but include all other costs/savings related to this change. This includes utility CAP charges, minimum payment restrictions, CAP credit limits, and other CAP costs/savings described in the January 2019 Order. NGDCs and EDCs should identify all costs/savings related to this estimate separately.

2019	Non-Electric Heating					Electric Heating					TOTAL CAP
	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RS	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RH	
CAP Credits	431,793	6,054,270	11,097,190	4,641,211	22,224,464	80,419	695,938	1,346,716	544,225	2,667,298	24,891,763
Pre-Program Arrearage	98,417	1,290,284	2,434,524	1,601,600	5,424,826	12,603	148,101	297,409	208,627	666,740	6,091,566
<b>TOTAL<sup>(1)</sup></b>	<b>530,211</b>	<b>7,344,554</b>	<b>13,531,714</b>	<b>6,242,811</b>	<b>27,649,290</b>	<b>93,023</b>	<b>844,038</b>	<b>1,644,125</b>	<b>752,852</b>	<b>3,334,039</b>	<b>30,983,329</b>

<b>Difference: Method 1 vs Method 2:</b>	134,599	467,740	411,861	258,726	1,272,926	39,162	77,017	74,242	40,368	230,789	1,503,714
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<sup>(1)</sup> Excludes administrative costs of ~\$1.7 million/year, regardless of program type

\*indicate potential impact to uncollectible balances and collection costs.

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The cost estimate should be based on only charging all CAP customers the lesser of an average bill or 4, 6, or 10% of the household's income for the yearly periods from 2016-2021. This estimate should not take into consideration system change costs, additional CAP charges, CAP credit limits, minimum payment/bill requirements, or other costs not related to charging the CAP customer the lesser of an average bill or the designated percent of income.

2020	Non-Electric Heating					Electric Heating					TOTAL CAP
	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RS	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RH	
CAP Credits	574,888	6,619,841	11,681,686	4,973,436	23,849,851	121,375	784,549	1,442,273	593,361	2,941,558	26,791,409
Pre-Program Arrearage	99,894	1,309,639	2,471,042	1,625,624	5,506,198	12,792	150,322	301,870	211,757	676,741	6,182,940
<b>TOTAL<sup>(1)</sup></b>	<b>674,782</b>	<b>7,929,479</b>	<b>14,152,728</b>	<b>6,599,060</b>	<b>29,356,049</b>	<b>134,167</b>	<b>934,871</b>	<b>1,744,143</b>	<b>805,118</b>	<b>3,618,300</b>	<b>32,974,349</b>

**METHOD 2:**

The cost estimate should also be based on the average bill for the PIPP CAP model from 2016-2021 but include all other costs/savings related to this change. This includes utility CAP charges, minimum payment restrictions, CAP credit limits, and other CAP costs/savings described in the January 2019 Order. NGDCs and EDCs should identify all costs/savings related to this estimate separately.

2020	Non-Electric Heating					Electric Heating					TOTAL CAP
	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RS	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RH	
CAP Credits	438,270	6,145,084	11,263,648	4,710,829	22,557,831	81,626	706,377	1,366,917	552,388	2,707,308	25,265,139
Pre-Program Arrearage	99,894	1,309,639	2,471,042	1,625,624	5,506,198	12,792	150,322	301,870	211,757	676,741	6,182,940
<b>TOTAL<sup>(1)</sup></b>	<b>538,164</b>	<b>7,454,723</b>	<b>13,734,690</b>	<b>6,336,453</b>	<b>28,064,030</b>	<b>94,418</b>	<b>856,699</b>	<b>1,668,787</b>	<b>764,145</b>	<b>3,384,049</b>	<b>31,448,079</b>

<b>Difference: Method 1 vs Method 2:</b>	136,618	474,757	418,039	262,606	1,292,020	39,749	78,172	75,356	40,973	234,251	1,526,270
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<sup>(1)</sup> Excludes administrative costs of ~\$1.7 million/year, regardless of program type

\*indicate potential impact to uncollectible balances and collection costs.



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2021	Non-Electric Heating					Electric Heating					TOTAL CAP
	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RS	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RH	
CAP Credits	583,512	6,719,138	11,856,912	5,048,037	24,207,599	123,196	796,318	1,463,907	602,262	2,985,682	27,193,280
Pre-Program Arrearage	101,392	1,329,283	2,508,108	1,650,008	5,588,791	12,984	152,577	306,398	214,933	686,893	6,275,684
<b>TOTAL<sup>(1)</sup></b>	<b>684,904</b>	<b>8,048,421</b>	<b>14,365,019</b>	<b>6,698,046</b>	<b>29,796,390</b>	<b>136,180</b>	<b>948,895</b>	<b>1,770,305</b>	<b>817,195</b>	<b>3,672,574</b>	<b>33,468,964</b>

**METHOD 2:**

The cost estimate should also be based on the average bill for the PIPP CAP model from 2016-2021 but include all other costs/savings related to this change. This includes utility CAP charges, minimum payment restrictions, CAP credit limits, and other CAP costs/savings described in the January 2019 Order. NGDCs and EDCs should identify all costs/savings related to this estimate separately.

2021	Non-Electric Heating					Electric Heating					TOTAL CAP
	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RS	Zero Income	up to 50% FPL	50%-100% FPL	100%-150% FPL	TOTAL RH	
CAP Credits	444,844	6,237,260	11,432,602	4,781,492	22,896,199	82,850	716,973	1,387,421	560,674	2,747,917	25,644,116
Pre-Program Arrearage	101,392	1,329,283	2,508,108	1,650,008	5,588,791	12,984	152,577	306,398	214,933	686,893	6,275,684
<b>TOTAL<sup>(1)</sup></b>	<b>546,236</b>	<b>7,566,543</b>	<b>13,940,710</b>	<b>6,431,500</b>	<b>28,484,990</b>	<b>95,834</b>	<b>869,550</b>	<b>1,693,819</b>	<b>775,607</b>	<b>3,434,810</b>	<b>31,919,800</b>

<b>Difference: Method 1 vs Method 2:</b>	138,667	481,878	424,309	266,546	1,311,400	40,345	79,345	76,486	41,588	237,764	1,549,164
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<sup>(1)</sup> Excludes administrative costs of ~\$1.7 million/year, regardless of program type

\*indicate potential impact to uncollectible balances and collection costs.