



411 Seventh Avenue, 16-1  
Pittsburgh, PA 15219  
[kmcintyre@duqlight.com](mailto:kmcintyre@duqlight.com)

**Kristen R. McIntyre**  
Senior Counsel, Compliance

---

September 1, 2021

**ELECTRONIC FILING**

Rosemary Chiavetta  
Secretary's Bureau  
Pennsylvania Public Utility Commission  
400 North Street  
Harrisburg, PA 17120  
[rchiavetta@pa.gov](mailto:rchiavetta@pa.gov)

**Re: Management and Operations Audit of Duquesne Light Company  
(D-2018-3000838)**

---

Dear Ms. Chiavetta:

Enclosed for filing on behalf of Duquesne Light Company, please find the second annual Implementation Plan Progress Report required by the Pennsylvania Public Commission's Secretarial Letter issued August 8, 2019 related to the Bureau of Audit's Management and Operations Audit.

If you have any questions regarding the enclosed Progress Report, or if I may be of further assistance, please contact me at [kmcintyre@duqlight.com](mailto:kmcintyre@duqlight.com).

Respectfully Submitted,

Kristen R. McIntyre  
Senior Counsel, Compliance

Enclosure

cc: George Dorow, Bureau of Audits ([gdorow@pa.gov](mailto:gdorow@pa.gov))



---

# Implementation Plan Progress Report

---

Prepared in Response to the July 2019  
Management and Operations Audit Report of  
Duquesne Light Company  
Issued by the Pennsylvania Public Utility Commission  
Docket Number D-2018-3000838



## EXECUTIVE SUMMARY

Duquesne Light Company (“DLC”) accepted each of the 18 recommendations set forth in the July 2019 Management and Operations Audit Report (“Audit Report”) issued by the Pennsylvania Public Utility Commission (the “Commission”), and on July 22, 2019, submitted an Implementation Plan to address each recommendation. The Commission accepted the Audit Report and Implementation Plan by Secretarial Letter issued August 8, 2019. Contained herein is the second of three annual progress reports as required by the Commission’s August 8, 2019 Secretarial Letter.

A status of Duquesne Light Company’s implementation steps for each of the Commission’s recommendations are shown in detail below.

Rec ID	Implementation Steps	Anticipated Date of Completion	Status
III-1	Establish and implement a process for conducting self-evaluations on an annual basis of members of each management committee in order to evaluate the performance and effectiveness of each committee.	Q1 2020	Completed
III-2	Following the completion of the Company's current reorganization, the Company will perform an analysis of the overall management structure of DLC to review overall spans of control. The Company will identify spans of control outside the range of 1:4 to 1:9 and will evaluate and document the rationale for each such span to exist.	Q4 2021	Ongoing
III-3	Communicate the recommendation to the Compensation Committee of the DLC Board of Directors to enable the Committee to consider the recommendation that the CEO goals and objectives be specific, measurable, attainable, relevant, and time-based in the Committee's preparation and recommendation to the Board of Directors of the CEO's goals for 2020.	Q4 2019	Completed
IV-1	Communicate the recommendation to the Governance Committee of the DLC Board of Directors for consideration by the Board to include among the criteria for consideration that a candidate may qualify as an SEC-defined AC financial expert in the event a search is conducted for a second independent director, or if a search for a second independent director is not conducted, for similar consideration when the Governance Committee and Board conduct a search for a successor to the current independent director.	Q4 2019	Completed
IV-2	Draft a policies and procedures document (Manual) that aligns with the guidance provided by the IIA Standard 2040 and obtain approval of such Manual by the Company's Senior Management. Included in the Manual will be a section detailing a quality assurance and	Q1 2020	Completed



	improvement program (Program) to be established by the IAD. The Program will satisfy the guidance provided by IIA Standard 1300.		
IV-2	Conduct a documented Program assessment after the Manual has been in place for at least 12 months.	Q4 2021	Ongoing
VI-1	Review and revise the Finance Policy and Procedures Manual to specify responsible parties and scope of each policy as part of the next annual update.	Q1 2020	Completed
VI-2	Create a formal variance policy to be included within the Finance Policy and Procedures Manual as part of the next annual update. The policy will provide in part that variances greater than an established dollar amount or percentage by VP/ functional area will be formally documented and centrally located to ensure documentation is maintained for future use.	Q4 2019	Completed
VII-1	Establish overtime level goals for each functional group with a goal not to exceed 20% in the aggregate.	Q4 2019	Completed
VII-1	Continue the Senior Operator Apprentice Program, comprising a multi-year training regime, to create a pipeline of qualified Troubleshooters.	Ongoing	Ongoing
VII-1	Increase utilization of skilled and qualified Journey Lineworker personnel as Troubleshooters, until there is increased availability of otherwise-qualified Troubleshooters.	Q4 2020	Completed
VII-1	With respect to the Overhead and Underground job classification, continue to hold the Company's Electrical Distribution Technology program, in partnership with CCAC, for a period of three years.	Q4 2022	Ongoing
VII-2	Implement improved overtime exception reporting to actively review employees incurring excessive amounts of overtime.	Q4 2020	Completed
VII-3	Include additional descriptors to outage causes and report tree-related causes as being either Vegetation Inside ROW or Vegetation Outside ROW for a more effective analysis of possible remedial actions to outage causes for the Annual and Quarterly Electric Reliability Reports to the PUC.	Q4 2019	Completed
VII-4	Create a summary report for all inspection and maintenance programs, including annual transmission and distribution line repairs, to trend inspection and maintenance activities.	Q3 2020	Completed
VIII-1	Execute an extensive testing phase for July 2019 through May 2020 with a tiered checkpoint structure intended to examine the integrity of all processes that will be affected by the update.	Q2 2020	Completed
VIII-1	Execute an extensive training phase for July 2019 through July 2020 including both online and instructor led training activities.	Q3 2020	Completed
VIII-2	Evaluate available third-party collection agency data and establish measureable key performance indicators for third-party collection agencies.	Q4 2019	Completed



VIII-2	Develop reports for monthly monitoring of key performance indicators.	Q1 2020	Completed
VIII-2	Evaluate direct relationships with current third-party collections agencies and consider streamlining collections with a single managed collection agency to allow a more focused debt collection strategy.	Q3 2020	Completed
IX-1	Implement Maximo to replace the current enterprise application used as the system of record for purchasing and materials management functions.	Q3 2019	Completed
IX-1	Implement routine monthly reporting on inventory values and turns for each warehouse.	Q3 2020	Completed
IX-1	Establish 3-year inventory value and inventory turn goals for each warehouse.	Q4 2020	Completed
XI-1	Revise terms and conditions governing contractors to state that contractors are required to comply with OSHA standards and remove language that requires contractors to comply with undefined safety directors of DLC representatives.	Q1 2020	Completed
XII-1	Create an action plan to identify and resolve root causes of erroneous data to ensure fleet utilization reports are accurate. The Company anticipates that the action plan will include working with IT and appropriate third-party application vendors to evaluate root causes of erroneous data in Q1 2020 and implementing corrections in relevant applications beginning Q2 2020.	Q2 2020	Completed
XII-2	Review and update DLC's Transportation and Vehicle Use Procedure to formalize processes for disposal, retirement, and transfer of DLC fleet vehicles.	Q1 2020	Completed
XIII-1	Continue to progress DLC's IT Capability Maturity level with a projected overall increase of 10%.	Q4 2020	Completed
XIII-1	Develop a plan for periodic internal review and evaluation of DLC's IT Capability Maturity level.	Q1 2021	Completed



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Focused Management and Operations Audit

July 2019

**Recommendation III-1:** Establish an annual management committee self-evaluation and/or survey to assess the efficiency and effectiveness of each management committee.

**Audit Report Reference:** Chapter III, Page 23

**Company Response:** Accepted.

**Responsible Individual(s):** Elisa Labriola  
Managing Director and Chief Compliance Officer  
Office of General Counsel

#### Description of Implementation Steps/Anticipated Date of Completion:

1. Establish and implement a process for conducting self-evaluations on an annual basis of members of each management committee in order to evaluate the performance and effectiveness of each committee.

Anticipated Date of Completion: Q1 2020

#### **2021 Implementation Status Update: Completed**

As indicated in the 2020 Implementation Plan Progress Report, a formalized self-evaluation process was developed and implemented to solicit feedback from members of the following management committees/teams in order to assess the efficiency and effectiveness of such committees and teams:

Corporate Policy Committee



Conflict of Interest Committee  
Executive Reliability Steering Committee  
Threat Assessment Team

Self-evaluations for 2020 were sent to members of the Corporate Policy Committee and Conflict of Interest Committee on June 22, 2020. Self-evaluations were sent to members of the Executive Reliability Steering Committee on June 29, 2020 and to members of the Threat Assessment Team on August 13, 2020. Self-evaluations were completed by December 31, 2020 for each committee/team.

For 2021, annual self-evaluations were sent to members of the Corporate Policy Committee, Conflict of Interest Committee, Executive Reliability Steering Committee and Threat Assessment Team on August 23, 2021.

As indicated in the 2020 Implementation Plan Progress Report, self-evaluations were not administered to members of the Charitable and Community Giving Committee in 2020 as that Committee's purpose and structure was under review by a newly appointed Vice President of External Affairs at that time. The Committee was reconstituted as Q1 2021 and has met two times to date in 2021. As a result, administration of the self-evaluations to the reconstituted Committee will begin in 2022 after the new Committee members have had an opportunity to observe the Committee's functions.



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Focused Management and Operations Audit

July 2019

**Recommendation III-2:** Perform a follow-up to the Span of Control Assessment after completing the current reorganization.

**Audit Report Reference:** Chapter III, Page 23

**Company Response:** Accepted.

**Responsible Individual(s):** Todd Faulk  
Vice President  
Human Resources

### Description of Implementation Steps/Anticipated Date of Completion:

1. Following completion of the Company's current reorganization, the Company will perform an analysis of the overall management structure of Duquesne Light Company to review overall spans of control. The Company will identify spans of control outside the range of 1:4 to 1:9 and will evaluate and document the rationale for each such span to exist.

Anticipated Date of Completion: Q4 2021

### **2021 Implementation Status Update: Ongoing**

A new President and Chief Executive Officer of DLC was named, effective June 1, 2021. As a result, DLC is currently undergoing numerous organizational changes and conducting a Span of Control analysis prior to the completion of the current reorganization is not practical. The current reorganization is expected to be completed by December 31, 2021. A Span of Control analysis will thereafter be conducted to identify



and evaluate spans of control outside of the range of 1:4 to 1:9, with such spans to be evaluated and documented by June 30, 2022.



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Focused Management and Operations Audit

July 2019

**Recommendation III-3:** Establish individual goals for the CEO that are specific, measurable, attainable, relevant and time-based, and linked specifically to corporate goals and objectives similar to what existed in 2014.

**Audit Report Reference:** Chapter III, Page 23

**Company Response:** Accepted.

**Responsible Individual(s):** David Fisfis  
General Counsel, Vice President and Corporate Secretary  
Office of General Counsel

#### Description of Implementation Steps/Anticipated Date of Completion:

1. Communicate the recommendation to the Compensation Committee of the DLC Board of Directors to enable the Committee to consider the recommendation that the CEO goals and objectives be specific, measurable, attainable, relevant and time-based in the Committee's preparation and recommendation to the Board of Directors of the CEO's goals for 2020.

Anticipated Date of Completion: Q4 2019

#### **2021 Implementation Status Update: Completed**

As reflected in the 2020 Implementation Plan Progress Report, pursuant to the PUC recommendation, proposed 2020 CEO "SMART" goals were presented and discussed at the Compensation Committee meeting on December 12, 2019. Additionally, the Compensation Committee discussed 2020 officer goals, including CEO goals, at its



meeting on March 4, 2020, with an emphasis on ensuring 2020 goals meet SMART goal criteria.



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Focused Management and Operations Audit

July 2019

**Recommendation IV-1:** Include within the profile currently being developed to hire an independent director the consideration criterion that a candidate may qualify as an SEC-defined AC financial expert.

**Audit Report Reference:** Chapter IV, Page 28

**Company Response:** Accepted.

**Responsible Individual(s):** David Fisfis  
General Counsel, Vice President and Corporate Secretary  
Office of General Counsel

#### Description of Implementation Steps/Anticipated Date of Completion:

1. Communicate the recommendation to the Governance Committee of the DLC Board of Directors for consideration by the Board to include among the criteria for consideration that a candidate may qualify as an SEC-defined AC financial expert in the event a search is conducted for a second independent director, or if a search for a second independent director is not conducted, for similar consideration when the Governance Committee and Board conduct a search for a successor to the current independent director.

Anticipated Date of Completion: Q4 2019

#### **2021 Implementation Status Update: Completed**

As reflected in the 2020 Implementation Plan Progress Report, the PUC recommendation was communicated to the Governance & Regulatory/Public Affairs Committee at it Q3



quarterly meeting on August 14, 2019. As of March 6, 2020, a new director was appointed to the DLC Board of Directors that qualifies as an SEC-defined financial expert.



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Management and Operations Audit

July 2019

**Recommendation IV-2:** Implement a quality assurance and improvement program that meets IIA Standard 1300 and its subcategories as well as prepare written policies and procedures for the Internal Audit Department (IAD) that provide guidance on internal audit activity that meets IIA Standard 2040.

**Audit Report Reference:** Chapter IV, Page 28

**Company Response:** Accepted.

**Responsible Individual(s):** Christian Wilson  
Senior Manager, Internal Audit  
Office of General Counsel

#### Description of Implementation Steps/Anticipated Date of Completion:

1. Draft a policies and procedures document (Manual) that aligns with the guidance provided by the Institute of Internal Auditors (IIA) Standard 2040 and obtain approval of such Manual by the Company's Senior Management. Included in the Manual will be a section detailing a quality assurance and improvement program (Program) to be established by the IAD. The Program will satisfy the guidance provided by IIA Standard 1300.

Anticipated Date of Completion: Q1 2020

#### **2021 Implementation Status Update: Completed**

As reflected in the 2020 Implementation Plan Progress Report, a policies and procedures document (Manual) was drafted that aligns with the guidance provided by the Institute of Internal Auditors (IIA) Standard 2040. The Manual includes a section detailing a quality



assurance and improvement program (Program) to be established by Internal Audit that satisfies the guidance provided by IIA Standard 1300. Due to COVID-19 impacts, senior management approval was delayed until May 18, 2020.

2. Conduct a documented Program assessment after the Manual has been in place for at least 12 months.

Anticipated Date of Completion: Q4 2021

**2021 Implementation Status Update: Ongoing**

The Program assessment will be completed by December 31, 2021 in compliance with the Manual's guidelines.



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Focused Management and Operations Audit

July 2019

**Recommendation VI-1:** Conduct a review of all finance and accounting policies and procedures to ensure administrative controls are standardized and applied uniformly.

**Audit Report Reference:** Chapter VI, Page 47

**Company Response:** Accepted.

**Responsible Individual(s):** Jaime Bachota  
Assistant Controller  
Finance

#### Description of Implementation Steps/Anticipated Date of Completion:

1. Review and revise the Finance Policy and Procedures Manual to specify responsible parties and scope of each policy as part of the next annual update.

Anticipated Date of Completion: Q1 2020

#### **2021 Implementation Status Update: Completed**

As reflected in the 2020 Implementation Plan Progress Report, the Finance Policy and Procedures Manual was reviewed and revised to specify responsible parties and scope of each policy. The updated Manual was effective December 31, 2019.



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Focused Management and Operations Audit

July 2019

**Recommendation VI-2:** Create a formal variance policy that includes a threshold (percentage and/or amount) for variances to be tracked and explained through documentation.

**Audit Report Reference:** Chapter VI, Page 47

**Company Response:** Accepted.

**Responsible Individual(s):** Jaime Bachota  
Assistant Controller  
Finance

#### Description of Implementation Steps/Anticipated Date of Completion:

1. Create a formal variance policy to be included within the Finance Policy and Procedures Manual as part of the next annual update. The policy will provide in part that variances greater than an established dollar amount or percentage by VP / functional area will be formally documented and centrally located to ensure documentation is maintained for future use.

Anticipated Date of Completion: Q4 2019

#### **2021 Implementation Status Update: Completed**

As reflected in the 2020 Implementation Plan Progress Report, a formal variance policy was developed and included as part of the Finance Policy and Procedures Manual, effective December 31, 2019. The policy provides that variances greater than a specific



dollar amount and percentage will be documented and maintained in a central repository for future reference.



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Focused Management and Operations Audit

July 2019

**Recommendation VII-1:** Establish overtime level goals for each functional group with a goal not to exceed 20% and develop craftworker staffing levels and contractor resources to address the future workload, including work related to the Long-Term Infrastructure Improvement Plan.

**Audit Report Reference:** Chapter VII, Page 58

**Company Response:** Accepted.

**Responsible Individual(s):** John Hilderbrand II  
Vice President  
Operations  
  
Todd Faulk  
Vice President  
Human Resources

#### Description of Implementation Steps/Anticipated Date of Completion:

The Company acknowledges its field operations departments incur high levels of overtime and will continue to take action within its control in order to reduce aggregate overtime levels for its craftworkers toward the goal of 20%. The Company notes, however, that its ability to control overtime levels is significantly limited by several factors, including provisions of its current labor agreement, restoration efforts, and labor availability.

1. Establish overtime level goals for each functional group with a goal not to exceed 20% in the aggregate.

Anticipated Date of Completion: Q4 2019



### **2021 Implementation Status Update: Completed**

As reflected in the 2020 Implementation Plan Progress Report, overtime level goals not exceeding 20% in the aggregate were established for the craftworker functional groups and reflected in the 2020 performance goals for the Chief Operating Officer. For 2021, the performance goals for the Vice President of Operations include building on the 2020 solution and continuing to use a blend of externally hired talent, in addition to the EDT partnership with the Community College of Allegheny County, to further meet DLC's overtime level commitment to the PUC in the most cost-effective manner.

2. Continue the Senior Operator Apprentice Program, comprising a multi-year training regime, to create a pipeline of qualified Troubleshooters.

Anticipated Date of Completion: Ongoing

### **2021 Implementation Status Update: Ongoing**

DLC is continuing the Senior Operator Apprentice Program. A total of 26 Senior Operating Apprentices graduated from the 2019-2020 class. A total of 26 Senior Operating Apprentices also graduated from the 2020-2021 class.

3. Increase utilization of skilled and qualified Journey Lineworker personnel as Troubleshooters, until there is increased availability of otherwise-qualified Troubleshooters (e.g., as a result of the Senior Operator Apprentice Program and/or changes in the labor market).

Anticipated Date of Completion: Q4 2020

### **2021 Implementation Status Update: Completed and Ongoing**

As reflected in the 2020 Implementation Plan Progress Report, DLC and the IBEW entered into a Memorandum of Understanding ("MOU") with provisions intended to implement the PUC recommendation and increase DLC's internal troubleshooter capacity. As of December 31, 2020, DLC had a total of 20 additional personnel hired into Senior Operator Apprentice, Underground Splicer Apprentice or Lineworker Apprentice job classifications and a total of 5 vacancies in such positions out of a staffing target of 55.

4. With respect to the Overhead and Underground job classification, continue to hold the Company's Electrical Distribution Technology ("EDT") program, in partnership with the Community College of Allegheny County ("CCAC"), for a period of three years.

Anticipated Date of Completion: Q4 2022



### **2020 Implementation Status Update: Ongoing**

DLC is continuing the Electricity Distribution Technology (“EDT”) program in partnership with the Community College of Allegheny County. The most recent 2020-2021 class graduated in July 2021 and the 2021-2022 class commenced in August 2021.



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Focused Management and Operations Audit

July 2019

**Recommendation VII-2:** Monitor and control individual employee overtime levels by using overtime exception reports to actively review employees incurring excessive amounts of overtime.

**Audit Report Reference:** Chapter VII, Page 58

**Company Response:** Accepted.

**Responsible Individual(s):** John Hilderbrand II  
Vice President  
Operations  
  
Todd Faulk  
Vice President  
Human Resources

#### Description of Implementation Steps/Anticipated Date of Completion:

The Company accepts this recommendation with the understanding that individual employee overtime levels may not be entirely within the Company's control. Factors outside the Company's exclusive control that affect individual employee overtime include provisions of the Company's current labor agreement, restoration efforts, and labor availability.

1. Implement improved overtime exception reporting to actively review employees incurring excessive amounts of overtime.

Anticipated Date of Completion: Q4 2020

**2021 Implementation Status Update: Completed**



Improved overtime exception reporting was implemented in December 2020 to actively review employees incurring excessive amounts of overtime. DLC's improved reporting tracks individual OT levels by week, Last 4 Weeks, YTD, and Last 52 Weeks in order to provide visibility into individual overtime levels over different periods of time to allow DLC to identify excessive overtime levels sooner than waiting for a full 52-week period. The new exception report is distributed on a weekly basis to all Cost Center owners in Field Operations and the Operations Center, in order for them to utilize the report as a management tool to monitor individual overtime levels.



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Focused Management and Operations Audit

July 2019

**Recommendation VII-3:** Include additional descriptors to outage causes and report tree-related causes as being either Vegetation Inside ROW or Vegetation Outside ROW for a more effective analysis of possible remedial actions to outage causes in future Annual and Quarterly Electric Reliability Reports to the PUC.

**Audit Report Reference:** Chapter VII, Page 58

**Company Response:** Accepted.

**Responsible Individual(s):** Russell Profazer  
Director, Asset Management and Engineering  
Operations

#### Description of Implementation Steps/Anticipated Date of Completion:

1. Include additional descriptors to outage causes and report tree-related causes as being either Vegetation Inside ROW or Vegetation Outside ROW for a more effective analysis of possible remedial actions to outage causes for the Annual and Quarterly Electric Reliability Reports to the PUC.

Anticipated Date of Completion: Q4 2019

#### **2021 Implementation Status Update: Completed**

As reflected in the 2020 Implementation Plan Progress Report, beginning with its Q4 2019 Quarterly Electric Reliability Report, DLC's reported categories of outage causes were expanded to provide more useful information to the Commission and interested



parties. The expanded list of categories reflected additional categories for Inside ROW and Outside ROW with respect to tree-related outages. DLC's Annual Electric Reliability Report now also includes the additional outage categories.



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Focused Management and Operations Audit

July 2019

**Recommendation VII-4:** Create a summary report of annual transmission and distribution line repairs to trend inspection and maintenance activities.

**Audit Report Reference:** Chapter VII, Page 58

**Company Response:** Accepted.

**Responsible Individual(s):** Russell Profaizer  
Director, Asset Management and Engineering  
Operations

#### Description of Implementation Steps/Anticipated Date of Completion:

1. Create a summary report for all inspection and maintenance programs, including annual transmission and distribution line repairs, to trend inspection and maintenance activities.

Anticipated Date of Completion: Q3 2020

#### **2021 Implementation Status Update: Completed**

A weekly summary report for all inspection and maintenance programs, including annual transmission and distribution line repairs, to trend inspection and maintenance activities, was created and implemented September 2020. Weekly meetings are held to review and plan the execution of outstanding corrective maintenance work for each craft as well as to appropriately prioritize any new work that is identified through our inspection and maintenance programs.



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Focused Management and Operations Audit

July 2019

**Recommendation VIII-1:** Implement the extensive testing phase and training phase currently planned to prepare for the December 2019 customer care system update.

**Audit Report Reference:** Chapter VIII, Page 65

**Company Response:** Accepted.

**Responsible Individual(s):** EJ Schuck  
Director, Customer Affordability and Innovation  
Customer Service

#### Description of Implementation Steps/Anticipated Date of Completion:

The Company accepts this recommendation but notes that the December 2019 implementation date for the customer care system update has been moved to allow for an extensive testing and training program. The Company is now preparing for a customer care system upgrade with an expected July 2020 implementation.

1. Execute an extensive testing phase for July 2019 through May 2020 with a tiered checkpoint structure intended to examine the integrity of all processes that will be affected by the update.

Anticipated Date of Completion: Q2 2020

#### **2021 Implementation Status Update: Completed**

Consistent with the Company's periodic updates filed at Docket Nos. M-2019-3008227 et. al, due to COVID-19 impacts, the testing phase of the customer care system update



was extended to and completed in January 2021. The customer care system update was implemented as of January 19, 2021.

2. Execute an extensive training phase for July 2019 through July 2020 including both online and instructor-led training activities.

Anticipated Date of Completion: Q3 2020

**2021 Implementation Status Update: Completed**

Due to COVID-19 impacts, the training phase of the customer care system update was extended to and completed in January 2021. The customer care system update was implemented as of January 19, 2021.



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Focused Management and Operations Audit

July 2019

<b>Recommendation VIII-2:</b>	Establish, implement, and monitor key performance indicators of third-party collection agency net recovery performance goals.
<b>Audit Report Reference:</b>	Chapter VIII, Page 65
<b>Company Response:</b>	Accepted.
<b>Responsible Individual(s):</b>	Marie Tamilya General Manager, Credit and Collections Customer Service

#### Description of Implementation Steps/Anticipated Date of Completion:

1. Evaluate available third-party collection agency data and establish measurable key performance indicators for third-party collection agencies.

Anticipated Date of Completion: Q4 2019

#### **2021 Implementation Status Update: Completed**

As reflected in the 2020 Implementation Plan Progress Report, third-party collection agency data was reviewed and DLC established the following key performance indicators for third-party collection agencies:

1. Gross recovery rate (by agency)
2. Referral and recovery amounts (by original month of placement and agency)



2. Develop reports for monthly monitoring of key performance indicators.

Anticipated Date of Completion: Q1 2020

**2021 Implementation Status Update: Completed**

As reflected in the 2020 Implementation Plan Progress Report, DLC implemented the following monthly reports beginning February 2019:

1. Gross Recoveries By Year
  2. Gross Recoveries Historical Trends
  3. Referral and Recovery Trend by Initial Placement
  4. Detail
  5. Recovery Buckets
  6. Recovery Buckets Detail
3. Evaluate direct relationships with current third-party collections agencies and consider streamlining collections with a single managed collection agency to allow a more focused debt collection strategy.

Anticipated Date of Completion: Q3 2020

**2021 Implementation Status Update: Completed**

As reflected in the 2020 Implementation Plan Progress Report, DLC evaluated its direct relationships with third-party collections agencies and made a decision to move to a consolidated agency as part of the customer care system update, with a target date for completion of Q4 2020. Due to COVID-19 impacts, the customer care system update was delayed to January 2021, at which time the transition to the consolidated collection agency was completed.



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Focused Management and Operations Audit

July 2019

**Recommendation IX-1:** Implement Maximo for enhanced inventory tracking and reporting, and establish inventory turnover goals based on optimal usage patterns.

**Audit Report Reference:** Chapter IX-1, Page 68

**Company Response:** Accepted.

**Responsible Individual(s):** Shon Yates  
Chief Procurement Officer  
Supply Chain

#### Description of Implementation Steps/Anticipated Date of Completion:

1. Implement Maximo to replace the current enterprise application used as the system of record for purchasing and materials management functions.

Anticipated Date of Completion: Q3 2019

#### **2021 Implementation Status Update: Completed**

As reflected in the 2020 Implementation Plan Progress Report, Maximo was implemented on September 5, 2019.

2. Implement routine monthly reporting on inventory values and turns for each warehouse.

Anticipate Date of Completion: Q3 2020



### **2021 Implementation Status Update: Completed**

As reflected in the 2020 Implementation Plan Progress Report, DLC implemented monthly reporting on inventory values and turns for each warehouse beginning January 2020. Such reporting includes the following data points:

- Inventory by storeroom
- Inventory by commodity group
- Monthly comparison
- Monthly receipts
- Monthly issues
- Monthly issues and turns
- Inventory adjustments

3. Establish 3-year inventory value and inventory turn goals for each warehouse.

Anticipated Date of Completion: Q4 2020

### **2021 Implementation Status Update: Completed**

DLC established appropriate 3-year inventory value and inventory turn goals for each warehouse as of November 2020. The established goals are monitored and tracked monthly using month-end results.



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Focused Management and Operations Audit

July 2019

**Recommendation XI-1:** Revise written documents used to engage contractors to include consistent language requiring contractors to comply with all OSHA standards and to remove any language directing contractors to comply with undefined safety directives of representatives of DLC.

**Audit Report Reference:** Chapter XI-1, Page 77

**Company Response:** Accepted.

**Responsible Individual(s):** Michael Formaini  
Director, Safety and Workforce Development  
Operations

#### Description of Implementation Steps/Anticipated Date of Completion:

1. Revise terms and conditions governing contractors to state that contractors are required to comply with OSHA standards and remove language that requires contractors to comply with undefined safety directives of DLC representatives.

Anticipated Date of Completion: Q1 2020

#### **2021 Implementation Status Update: Completed**

As reflected in the 2020 Implementation Plan Progress Report, DLC revised its written documents used to engage contractors to consistently define contractor safety requirements. Specifically, DLC revised its Supplier Code of Conduct to require contractors to comply with all applicable occupational health and safety laws, regulations, standards, policies, procedures and rules. Due to COVID-19 impacts, the



effective date of the updated Supplier Code of Conduct was delayed until June 30, 2020. DLC also revised its contractor agreements and terms and conditions to require DLC contractors to comply with applicable federal, state and local laws, statutes, ordinances, codes, rules and regulations relating to the performance of their work.



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Focused Management and Operations Audit

July 2019

**Recommendation XII-1:** Create an action plan to identify and resolve root causes of erroneous data to ensure fleet utilization reports are accurate.

**Audit Report Reference:** Chapter XII, Page 81

**Company Response:** Accepted.

**Responsible Individual(s):** Charles O'Neill  
Manager, Transportation  
Operations

#### Description of Implementation Steps/Anticipated Date of Completion:

1. Create an action plan to identify and resolve root causes of erroneous data to ensure fleet utilization reports are accurate. The Company anticipates that the action plan will include working with Information Technology and appropriate third-party application vendors to evaluate root causes of erroneous data in Q1 2020 and implementing corrections in relevant applications beginning in Q2 2020.

Anticipated Date of Completion: Q2 2020

#### **2021 Implementation Status Update: Completed**

As reflected in the 2020 Implementation Plan Progress Report, DLC developed an action plan, which included working with Information Technology and appropriate third-party application vendors, to identify and resolve root causes of erroneous data to ensure fleet utilization reports are accurate. DLC began implementing corrections in 2019, including



conducting periodic meetings with vendor support teams and modifying data contained in its vehicle maintenance management system.



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Focused Management and Operations Audit

July 2019

**Recommendation XII-2:** Establish a formal procedure for the disposal, retirement and transfer of Duquesne Light Company fleet vehicles.

**Audit Report Reference:** Chapter XII, Page 81

**Company Response:** Accepted.

**Responsible Individual(s):** Charles O'Neill  
Manager, Transportation  
Operations

#### Description of Implementation Steps/Anticipated Date of Completion:

1. Review and update DLC's Transportation and Vehicle Use Procedure to formalize processes for disposal, retirement, and transfer of DLC fleet vehicles.

Anticipated Date of Completion: Q1 2020

#### **2021 Implementation Status Update: Completed**

As reflected in the 2020 Implementation Plan Progress Report, DLC's Transportation and Vehicle Use Procedure was updated to include revisions to reflect a formalized process for disposal, retirement, and transfer of DLC fleet vehicles. Due to COVID-19 impacts, final approval of the revised Procedure was delayed. The Procedure became effective July 31, 2020.



## IMPLEMENTATION PLAN

### Duquesne Light Company Response to Focused Management and Operations Audit

July 2019

**Recommendation XIII-1:** Continue to improve the information technology score via enhanced information technology capabilities, internal controls and governance, and coordination with internal business partners; furthermore, periodically reevaluate the information technology maturity rating.

**Audit Report Reference:** Chapter XII, Page 84

**Company Response:** Accepted.

**Responsible Individual(s):** Mark Miko  
Vice President and Chief Information Officer  
Information Technology

#### Description of Implementation Steps/Anticipated Date of Completion:

1. Continue to progress DLC's IT Capability Maturity level with a projected overall increase of 10% (as defined by the current IT Capability Maturity Model).

Anticipated Date of Completion: Q4 2020

#### **2021 Implementation Status Update: Completed**

DLC has developed an IT Capability Maturity Dashboard and Progress Tracker to monitor and measure its IT Capability Maturity level in alignment with the current IT Capability Maturity Model and has established specific goals in order to progress its IT Capability Maturity level. In accordance with the IT Capability Maturity Dashboard and Progress Tracker, DLC achieved an overall increase of 10.3% as of December 31, 2020.



2. Develop a plan for periodic internal review and evaluation of DLC's IT Capability Maturity level.

Anticipated Date of Completion: Q1 2021

**2021 Implementation Status Update: Completed**

DLC has established and implemented a plan for periodic internal review and evaluation of its IT Capability Maturity level. Beginning Q2 2021, the periodic internal review schedule includes monthly in-depth score change and evidence review meetings between IT and Internal Audit, as well as mid-year and end of year meetings.