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November 5, 2021

**Via Electronic Filing**

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

**Re: Duquesne Light Company Universal Service and Energy Conservation Plan for  
2020-2025 Submitted in Compliance with 52 Pa. Code. § 54.74  
Docket No. M-2019-3008227**

Dear Secretary Chiavetta:

On October 26, 2021 the Pennsylvania Public Utility Commission (“Commission”) issued a Secretarial Letter in the above referenced docket directing Duquesne Light Company (“DLC” or “Company”) to provide additional information regarding its 2020-2025 Universal Service and Energy Conservation Plan (“USECP”). By this letter, the Company is providing the requested information.

**I. Designation of *Senior* in Universal Service Programs**

The term *senior* refers to customers over the age of 62 at the time of enrollment for all programs in DLCs universal service plan. The *senior* designation in the Customer Assistance Program (“CAP”) is limited to customers over the age of 62 at time of enrollment whose income is between 150% and 200% of the federal poverty income guidelines. These customers are grandfathered in the CAP as the program is no longer open to individuals whose income is above 150% of the federal poverty level.

The senior designation in the Hardship Fund applies to customers over 62 years at the time of grant application. Generally, residential customers are eligible for a Hardship grant if they have paid \$150, or made three consecutive CAP payments for customers enrolled in CAP. DLC accepts a reduced \$100 payment for residential customers aged 62 and over, or three consecutive CAP payments or \$100, whichever is less, if the senior customer is enrolled in CAP. DLC also waives the minimum balance criteria of \$100 during DEF open status season (beginning March 1<sup>st</sup>.)



With respect to the Low-Income Usage Reduction Program (“LIURP”) the senior designation increases the income eligibility requirement to 200% instead of the standard 150% of the federal poverty income guidelines for customers 62 and over.

Finally, the CARES program also includes the senior designation to refer to any customer over the age of 62; however, there are no eligibility or enrollment criteria specific to that term for CARES.

## II. Updated program enrollment and budget estimates

### a. LIURP/Smart Comfort

The Company agreed to carry over unspent Smart Comfort funds on a going forward basis,<sup>1</sup> increase its health and safety measures and expand the number of customers who may qualify. Presently, the Company’s total Commission-approved LIURP budget is \$2,441,000. In the January 2020 filing, the Company’s proposed LIURP budget was \$3,053,500. At this time, the Company does not anticipate a significant change to its overall LIURP budget and enrollment based on the Joint Settlement filed on August 13, 2021.

The below chart provides DLCs LIURP actual enrollment and costs for 2020 and 2021.

LIURP visits and spend Comparison			
		Total Visits	Actual Spend
As of December 31, 2020		1,654	\$ 1,566,479
As of October 31, 2021		2,104	\$ 1,625,587

The chart below provides the Company’s projected enrollment and budget based on the August 13th Joint Petition for Settlement.

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<sup>1</sup> The Company will begin to carry over unspent LIURP funds upon final approval of the Joint Petition for Settlement. Given the uncertainty of timing, the budget does not include any carry over of unspent dollars from 2021.



	Electric Heat (\$3,866 aver job cost)		Baseload (\$665 aver job cost)		Total	
	Visits	Budget	Visits	Budget	Visits	Budget
2022	310	\$ 1,198,500	2790	\$ 1,855,000	3100	\$ 3,053,500
2023	310	\$ 1,198,500	2780	\$ 1,855,000	3090	\$ 3,053,500
2024	310	\$ 1,198,500	2780	\$ 1,855,000	3090	\$ 3,053,500
2025	310	\$ 1,198,500	2780	\$ 1,855,000	3090	\$ 3,053,500

As additional information, on September 3, 2021 Duquesne Light filed a Joint Petition for Approval of Settlement in its distribution base rate case, Docket No. R-2021-3024750, which is pending issuance of a final Opinion and Order. In the September 3 Joint Petition for Approval of Settlement, Duquesne Light agreed to increase funding for its LIURP by \$400,000 per year beginning in 2022. The chart below provides the Company's projected enrollment and budget based on the September 3<sup>rd</sup> Joint Petition for Approval of Settlement.

	Electric Heat (\$3,995 aver job cost)		Baseload (\$794 aver job cost)		Total	
	Visits	Budget	Visits	Budget	Visits	Budget
2022	310	\$ 1,238,450	2790	\$ 2,215,050	3100	\$ 3,453,500
2023	310	\$ 1,238,450	2790	\$ 2,215,050	3100	\$ 3,453,500
2024	310	\$ 1,238,450	2790	\$ 2,215,050	3100	\$ 3,453,500
2025	310	\$ 1,238,450	2790	\$ 2,215,050	3100	\$ 3,453,500



b. CAP updated enrollment and budget projections

The Company’s proposed January 6, 2020, USECP filing included the following projected budget.

Program Budget:	Admin	CAP Credits	Traditional Frozen Arrearage	IPA converted to Frozen Arrearage: Ratepayer <sup>(1)</sup>	Total Cost to Ratepayers	IPA Converted to Frozen Arrearage: Shareholder <sup>(1)</sup>	TOTAL CAP Costs
2020	\$1,877,211	\$24,068,006	\$6,012,272	\$534,233	\$32,491,722	\$437,100	\$32,928,822
2021	\$1,933,527	\$24,549,366	\$6,132,517	\$534,233	\$33,149,644	\$437,100	\$33,586,744
2022	\$1,991,533	\$25,040,353	\$6,255,168	\$534,233	\$33,821,287	\$437,100	\$34,258,387
2023	\$2,112,817	\$26,051,984	\$6,507,876		\$34,672,677		\$34,672,677
2024	\$2,176,202	\$26,573,023	\$6,638,034		\$35,387,259		\$35,387,259
2025	\$2,241,488	\$27,104,484	\$6,770,795		\$36,116,766		\$36,116,766

(1) based on historical data, customers receive ~62% of the total annual frozen arrearage write-off opportunity due to inconsistent payment habits. The model distributes 62% of the IPA (est \$4.7 million) over three years.

Based on the August 13th Joint Petition for Settlement, DLCs proposed budget is projected to change as follows:

Nov 5 Response to 10/26 Secretarial Letter: Revised CAP Budget based on terms of Proposed USECP Settlement							
Energy Burden Tiers set to 2-4-4   6-10-10 per CAP Policy Statement; Frozen Arrearage Write-off shifts to 1/36th from 1/24th in 2023							
Year	CAP Participation	Admin	CAP Credits	Frozen Arrearage	TOTAL CAP Costs	IPA Converted to Frozen Arrearage: Shareholder(1)	TOTAL Cost to Surcharge
2020	33,592	\$1,877,211	\$24,068,006	\$5,779,964	\$31,725,180		\$31,725,180
2021	35,058	\$1,933,527	\$29,907,148	\$6,147,671	\$37,988,346	(\$1,539,253)	\$36,449,093
2022	35,258	\$1,991,533	\$30,077,763	\$6,182,743	\$38,252,038	(\$1,539,253)	\$36,712,785
2023	35,458	\$2,051,279	\$30,249,351	\$4,166,070	\$36,466,700		\$36,466,700
2024	35,658	\$2,112,817	\$30,421,919	\$4,189,836	\$36,724,572		\$36,724,572
2025	35,858	\$2,176,202	\$30,595,471	\$4,213,739	\$36,985,411		\$36,985,411

In, the Company’s Joint Petition for Approval of Settlement in its distribution base rate case includes changes to its CAP. Increases in the USECP resulting from that rate case settlement are projected as follows:



Further Revised Budget based on Proposed Rate Case Settlement							
Monthly CAP Credits, Frozen Arrearage, and Maximum Annual Credits Increased by amount of Rate Increase effective 2022							
Year	CAP Participation	Admin	CAP Credits	Frozen Arrearage	TOTAL CAP Costs	IPA Converted to Frozen Arrearage: Shareholder(1)	TOTAL Cost to Surcharge
2020	33,592	\$1,877,211	\$24,068,006	\$5,779,964	\$31,725,180		\$31,725,180
2021	35,058	\$1,933,527	\$29,907,148	\$6,147,671	\$37,988,346	(\$1,539,253)	\$36,449,093
2022	35,258	\$1,991,533	\$31,520,718	\$4,275,459	\$37,787,710	(\$1,539,253)	\$36,248,457
2023	35,458	\$2,051,279	\$31,698,827	\$4,437,927	\$38,188,032		\$38,188,032
2024	35,658	\$2,112,817	\$31,877,952	\$4,606,568	\$38,597,337		\$38,597,337
2025	35,858	\$2,176,202	\$32,058,099	\$4,781,618	\$39,015,918		\$39,015,918

Finally, the Company will continue to recover all USECP costs via Rider No.5. As indicated in the August 13<sup>th</sup> Joint Petition for Settlement, the Company will begin recovering the costs of CAP frozen arrears over a 36-month period in 2023. Otherwise, the Company’s cost recovery mechanism is unchanged.

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

Respectfully Submitted,

Tishekia E. Williams  
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Enclosures

- Cc: Certificate of Service
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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Duquesne Light Company Universal Service and Energy       :       Docket No. M-2019-3008227  
Conservation Plan for 2020-2025                                   :

**VERIFICATION**

I, Katherine M. Scholl, Director, Billing and Revenue Management, hereby state that the facts set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsifications to authorizes).

  
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Katherine M. Scholl  
Director, Billing and Revenue  
Management

Date: November 5, 2021

## **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):

### **Served via Electronic Mail Only**

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