



Emily M. Farah
Counsel, Regulatory

411 Seventh Avenue
Mail Drop 15-7
Pittsburgh, PA 15219

Tel: 412-393-6431
efarah@duqlight.com

September 29, 2023

VIA ELECTRONIC FILING

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

Re: Petition of Duquesne Light Company for Clarification of Interim Guidelines for Eligible Customer Lists Final Order entered October 23, 2014
Docket No. P-2023-_____
M-2010-2183412

Secretary Chiavetta:

Enclosed for filing, please find a copy of the Petition of Duquesne Light Company for Petition of Duquesne Light Company for Clarification of Interim Guidelines for Eligible Customer Lists Final Order entered October 23, 2014. Copies are being provided as indicated in the enclosed certificate of service. Please feel free to contact me with any questions, comments, or concerns.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Emily M. Farah", is written over a light blue rectangular background.

Emily M. Farah
Counsel, Regulatory

Enclosure

cc: Certificate of Service (w/ encl.)

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):

ELECTRONIC MAILING

Bureau of Investigation & Enforcement
Richard Kanaskie
Commonwealth Keystone Building
400 North Street, 2nd Floor West
PO Box 3265
Harrisburg, PA 17105-3265
rkanaskie@pa.gov

Office of Small Business Advocate
NazAarah Sabree
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
ra-sba@pa.gov

Office of Consumer Advocate
Patrick Cicero
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
ra-oca@paoca.org

Pennsylvania Utility Law Project
Elizabeth R. Marx
118 Locust Street
Harrisburg, PA 17101
pulp@pautilitylawproject.org

Karen O. Moury
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
kmoury@eckertseamans.com
Counsel for RESA



Emily M. Farah
Duquesne Light Company
411 Seventh Avenue, 15-7
Pittsburgh, PA 15219
Phone: 412-393-6431
Email: efarah@duqlight.com

Dated: September 29, 2023

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company for :
Clarification of Interim Guidelines for : Docket No. P-2023-
Eligible Customer Lists Final Order : M-2010-2183412
entered October 23, 2014 :
:
:
:

**PETITION FOR CLARIFICATION
OF DUQUESNE LIGHT COMPANY**

I. INTRODUCTION

Pursuant to 66 Pa.C.S. § 703, Duquesne Light Company (“Duquesne Light” or “Company”) hereby Petitions the Pennsylvania Public Utility Commission (“Commission”) for clarification of certain Eligible Customer List (“ECL”) solicitation requirements provided under *Interim Guidelines for Eligible Customer Lists*, Final Order entered October 23, 2014 at Docket No. M-2010-2183412 (“ECL Order”). Specifically, the Company requests Commission authorization to conduct its 2024 and subsequent triennial ECL solicitations via email to e-communication customers (as defined herein).

The ECL Order instructs Electric Distribution Companies (“EDCs”) to conduct triennial customer solicitations to update their ECLs, through which EDCs make customer information available to electric generation suppliers (“EGSs”). EDCs traditionally serve the solicitation on customers via a hard-copy mailing, except for those customers who have opted to receive their bills via electronic means (“e-Billing customers”), whom EDCs are permitted to serve

electronically.¹ EDCs allow customers to submit their responses to the ECL solicitation by U.S. Mail, the EDC’s website, electronic mail, or toll-free telephone calls.² The next triennial ECL solicitation will occur in the first quarter of 2024.

By this Petition, the Company seeks Commission authorization to extend the holdings of the Opinion and Order dated January 14, 2021, at Docket Nos. P-2020-3022674 and M-2010-2183412 (“January 14th Order”) through the 2024 ECL solicitation and subsequent ECL solicitations. Specifically, the Company proposes to serve the 2024 ECL solicitation, in addition to all ECL solicitations going forward, through electronic means for customers who have consented to receive e-communications from the Company.

Because the next ECL solicitation is scheduled for the first quarter of 2024, the Company respectfully asks that the Commission act on this Petition by January 18, 2024. In the alternative, the Company should be allowed to delay the 2024 ECL solicitation to the second quarter of 2024, to allow for further consideration of the Petition.

II. BACKGROUND

1. Duquesne Light Company is a public utility and electric distribution company (“EDC”) as defined in Sections 102 and 2803 of the Public Utility Code, 66 Pa.C.S. §§ 102, 2803. Duquesne Light provides electric supply service to more than 600,000 customers in its certified service territory, which includes portions of the Allegheny and Beaver Counties in southwestern Pennsylvania.

2. The name and address of Duquesne Light’s attorney for purposes of this filing is as follows:

Emily M. Farah (Pa. I.D. 322559)
Counsel, Regulatory

¹ ECL Order at 13.

² ECL Order at 17.

Duquesne Light Company
411 Seventh Avenue, Mail Drop 15-7
Pittsburgh, PA 15219
Phone: (412) 393-6431
Email: efarah@duqlight.com

Counsel consents to electronic service of any documents associated with this Petition.

3. The Commission implemented the ECL via Order entered November 12, 2010, at Docket No. M-2010-2183412, which outlined interim guidelines for EDCs' provision of ECLs. That Order provided for uniform categories of customer information to be made available to EGSs by EDCs and addressed customers' ability to restrict the inclusion of their information in the ECL.

4. On November 10, 2011, the Commission entered a Final Order on Reconsideration updating the interim ECL guidelines.

5. On October 23, 2014, following subsequent process including informal and formal comments, the Commission adopted final ECL guidelines through the ECL Order.

6. In relevant part, the ECL Order directs EDCs to conduct a solicitation every three years, beginning in the first quarter of 2015, to update their ECLs. These solicitations provide customers an opportunity to restrict the inclusion of their information in the ECL that is provided to EGSs. Customers who do not respond to a solicitation are automatically included in the ECL unless they otherwise request to be excluded.

7. On October 30, 2020, the Company filed a petition for a waiver³ ("2021 ECL Petition") with the Commission at Docket No. P-2020-3022674 to expand email ECL service to include "e-communication customers" in addition to e-Billing customers for its 2021 ECL solicitation. E-communication customers are those residential customers who have not registered

³ The 2021 ECL Petition sought waiver of a Commission regulation under 52 Pa. Code § 5.43. However, the Commission determined that the 2021 ECL Petition was more properly considered a petition for clarification under 66 Pa.C.S. § 703. See January 14th Order at 3.

for e-Billing but have provided their emails to the Company and consented to receive electronic communications. The 2021 ECL Petition pertained only to the 2021 triennial ECL solicitation.

8. In the January 14 Order granting the 2021 ECL Petition, the Commission determined that it was in the public interest to allow Duquesne Light to serve the 2021 ECL solicitation for e-communications customers, finding, in part, that doing so would “reduc[e] costs, will provide useful analytical information on the effectiveness of ECL solicitation by email, and is consistent with consumer preferences.”⁴

9. Pursuant to the January 14th Order, Duquesne Light conducted its 2021 triennial ECL solicitation electronically for customers who opted-in to electronic mailings of certain communications but have not opted for electronic mailings of bills. Subsequently, the Company provided a report to the Commission and stakeholders, as directed by the January 14th Order, with an evaluation of the electronic ECL solicitation and lessons learned on December 30, 2021 (“December 2021 Report”) at Docket No. P-2020-3022674.

III. LEGAL STANDARD

10. In Duick et al. v. Pennsylvania Gas and Water Company, 56 Pa. P.U.C. 553 (1982), the Commission explained the basis for rescinding or amending a prior order:

A petition for reconsideration, under the provisions of 66 Pa. C.S. § 703(g), may properly raise any matters designed to convince the Commission that it should exercise its discretion under this code section to rescind or amend a prior order in whole or in part.... What we expect to see raised in such petitions are new and novel arguments, not previously heard, or considerations which appear to have been overlooked or not addressed by the Commission.

Id. at 559.

⁴ January 14th Order, p. 7.

11. This Petition satisfies Duick, in that it raises issues not addressed by the Commission. Id. Specifically, the 2021 ECL Petition pertained only to the 2021 triennial ECL solicitation, but not the 2024 ECL solicitation or any ECL solicitation thereafter.

12. Because the 2021 Petition only pertained to the 2021 solicitation, additional clarification is warranted under Duick for the 2024 ECL and subsequent solicitations.

13. Given the successes experienced in the electronically-distributed 2021 ECL solicitation, as explained further herein, it is reasonable and in the public interest for the Commission to permit the Company to continue to deploy its ECL solicitations electronically.

IV. PROPOSED EMAIL SERVICE FOR ALL TRIENNIAL ECL SOLICITATIONS

14. The Company proposes to continue its ECL solicitations in the same manner as in 2021, as set forth above. Specifically, the Company proposes to electronically serve the 2024 ECL solicitation, and the triennial ECL solicitations going forward, through email to all “e-communication customers” in addition to e-Billing customers.

15. E-communication customers are those residential and small commercial customers who have not signed up for e-Billing, but who have otherwise provided their emails to the Company⁵ and have not opted-out of electronic marketing communications with the Company.

16. The Company has approximately 548,000 residential customers. Of these, approximately 250,000 (68%) are enrolled in electronic billing. An additional 122,990 are e-communication customers.

17. The Company uses email to communicate with e-communication customers for several service-related purposes, including but not limited to:

⁵ The Company only collects customer email addresses on a voluntary basis. The Company maintains several avenues by which customers can provide their email addresses, including but not limited to: electric service applications, program enrollment forms, and the Company call center.

- High usage alerts
- Weekly usage updates
- Energy efficiency tips
- Safety tips and storm preparedness
- Energy Assistance program information

18. All the Company's marketing emails to e-communication customers include a link by which customers can unsubscribe from future emails from the Company. In practice, customers seldom unsubscribe; the Company's customer email opt-out rate is currently only about 0.1%. Additionally, the Company receives an alert notification when a marketing email sent to an e-communication customer is returned as undeliverable. Upon receipt of the alert notification, the Company unsubscribes the customer from future marketing emails.

19. The Company proposes to employ the same process for electronically serving e-communication and e-Billing customers with future ECL solicitations, including the 2024 ECL solicitation. The Company will email the ECL solicitation to all e-communication and e-Billing customers with a subject line that includes "RESPONSE REQUESTED" in all-caps. Where an email was returned as undeliverable, or where the customer indicated a preference for hard-copy solicitation, the Company will provide a hard-copy solicitation by mail. Customers without email addresses will be mailed a hard copy of the ECL solicitation.

V. EFFORTS TO ENHANCE CUSTOMER ENGAGEMENT IN THE 2024 ECL

20. As indicated in the December 2021 Report, the 2021 ECL succeeded in two main ways.

21. First, the 2021 ECL solicitation had a high open rate – 73.45% of all customers who received emailed solicitations. The Company attributes the high open rate to customers’ increasing preference for, and ability to engage with, electronic communications.

22. Second, the Company’s electronic ECL solicitation actual cost savings exceeded expectations – saving \$121,895 in printing and postage costs. The Company expects the same or similar cost savings for each triennial ECL solicitations that are served on e-communications customers electronically.

23. Compared to 2018, the overall number and rate of opt-outs decreased slightly in 2021. Given that the content and approach of the Company’s hard-copy ECL mailings were substantially similar in both solicitations, the Company believes that this lower customer response rate may be attributable to other factors, which might include: changing customer preferences regarding ECL participation, changes in overall customer engagement patterns, and other issues competing for customers’ attention (e.g., the COVID-19 pandemic).

24. Considering the analytics associated with the 2021 electronic ECL service, including email open rates and customer response rates and methods, Duquesne Light intends to improve customer engagement in the 2024 ECL solicitation by:

- Updating ECL solicitation to be mobile friendly,⁶
- Transmitting the email ECL solicitation in several sequential batches,⁷
- Enabling a “one-click” email response option,⁸

⁶ “Mobile-friendly” emails adapt to the smaller screens of mobile devices by adjusting the layout, font sizes, and images to create a user-friendly experience for recipients who access the email on their mobile devices.

⁷ Based on the experience from the 2021 ECL solicitation, the Company believes that issuing the email ECL in several sequential batches will relieve traffic-related strain on the Company’s website.

⁸ A one-click option will streamline the ECL solicitation by allowing customers to record their response with one-click.

- Creating two more digital response options: a DLC Mobile App response option and a text-response option,⁹ and
- Increasing cross-promotion of ECL solicitations (e.g., by including bill messages and/or social media messaging).

25. The above-listed efforts are intended to engage customers and facilitate a more robust response from Duquesne Light's e-communication customers in the years to come.

26. The Company will continue to monitor and evaluate the effectiveness of the electronic ECL solicitation.

VI. GRANTING THE PETITION IS IN THE PUBLIC INTEREST.

27. In light of the successes of the 2021 ECL solicitation, including the high open rate for email solicitations and the Company's actual cost savings, and the Company's efforts to increase customer engagement in 2024, it is in the public interest to allow Duquesne Light to continue electronically distributing the ECL solicitations, including the upcoming 2024 ECL solicitation.

28. The Company's proposal to expand electronic service of the 2021 ECL solicitation advances the public interest because it will (1) better align the ECL solicitation and response methods with customer expectations and preferences; (2) enable enhanced solicitation tracking and messaging; and (3) substantially reduce the costs of the solicitation borne by customers.

29. Expanded e-service is consistent with evolving customer expectations, particularly for those customers who have already made the choice to engage with the Company via electronic

⁹ Adding two more digital response options is likely to increase customer interaction with the ECL solicitation and reduce Company call volumes.

communication. Ninety-nine percent of Americans check their email at least daily,¹⁰ and as noted above, more than two-thirds of the Company’s residential customers have already opted to receive email communications from the Company.

30. Additionally, the rates at which customers open and read electronic communications have accelerated since the COVID-19 pandemic. For example, the Company’s marketing partner, Questline, reports an 18.42% year-over-year increase in energy utility e-newsletter open rates from 2021 to 2022.¹¹

31. Electronic service of the ECL solicitation also facilitates customer engagement. All customers, regardless of how they are served the ECL solicitation, will have the option of responding via the Company’s website, mobile app, text message, telephone call, or mail.

32. For those customers who tend to prefer to engage electronically – such as e-communication customers – it is simpler to respond to the ECL solicitation by using a “one-click” option in an email, rather than typing a URL into their internet browser or being redirected to the DLC website, logging on and completing the task. The Company therefore expects that the above-listed improvements will increase overall customer engagement rates.

33. Electronic service yields distinct analytical benefits compared to hard-copy service. For example, the Company’s email platform provides real-time data when a customer opens an email. This data will help distinguish between those customers who choose not to respond to the ECL, and those who did not open the ECL solicitation. The data will also help the Company refine its electronic communications to improve customer understanding and engagement.

¹⁰Allison Hott, [40+ email marketing statistics you need to know for 2023](https://optinmonster.com/email-marketing-statistics/#:~:text=99%25%20of%20email%20users%20check,social%20media%20or%20the%20news), OptinMonster (January 4, 2023), <https://optinmonster.com/email-marketing-statistics/#:~:text=99%25%20of%20email%20users%20check,social%20media%20or%20the%20news>.

¹¹ See “Questline Digital’s 2022 Energy Utility Benchmarks Report and Questline Digital’s 2023 Energy Utility Benchmarks Report,” available at <https://www.questline.com/benchmarks>.

34. The Company's proposal will also produce operational efficiencies and customer savings. The Company estimates that serving e-communication customers via email instead of hard-copy mailing will save approximately \$120,000 in printing and postage costs, thereby reducing the Company's revenue requirement in future base rate proceedings.¹² Moreover, to the extent expanded electronic service leads to a corresponding shift in how customers respond to the solicitation, it may also reduce the Company's back-office costs of processing hard-copy customer responses.

VII. CONCLUSION

WHEREFORE, for all the foregoing reasons, Duquesne Light Company respectfully requests that the Pennsylvania Public Utility Commission approve the Company's request for a clarification of the ECL Order's triennial ECL solicitation service requirements, as set forth in this Petition; and to render a decision on this Petition no later than January 18, 2024, or in the alternative, delay the Company's 2024 ECL solicitation to the second quarter of 2024.

Respectfully submitted,



Emily M. Farah (Pa. I.D. 322559)
Counsel, Regulatory
Duquesne Light Company
411 Seventh Avenue, MD 15-7
Pittsburgh, PA 15219
Phone: (412) 393-6431
efarah@duqlight.com

DATE: September 29, 2023

¹² See ECL Order at 22.

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VERIFICATION

I, Colleen Mackin, hereby state that the facts set forth above are true and correct to the best of my knowledge, information and belief, and 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 falsification to authorities).

Colleen M. Mackin

Colleen Mackin

Dated: September 29, 2023