

COMMONWEALTH OF PENNSYLVANIA



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March 22, 2024

Via Electronic Mail Service Only

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

Re: Pennsylvania Public Utility Commission
v.
Duquesne Light Company
Docket No. R-2024-3046523

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Formal Complaint and Public Statement in the above-referenced proceeding.

Copies have been served as shown on the attached Certificate of Service.

Respectfully submitted,

/s/ Darryl Lawrence
Darryl Lawrence
Senior Assistant Consumer Advocate
PA Attorney I.D. # 93682
DLawrence@paoca.org

Enclosures:

cc: Office of Administrative Law Judge (**email only:** crainey@pa.gov)
Paul Diskin, TUS (**email only:** pdiskin@pa.gov)
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Certificate of Service
* 4862-1297-1440

CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission :
v : Docket No. R-2024-3046523
Duquesne Light Company :
:

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate’s Formal Complaint and Public Statement, 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. This document was filed electronically on the Commission’s electronic filing system.

Dated this 22nd day of March 2024.

SERVICE BY E-MAIL ONLY

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Dated: March 22, 2024
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PENNSYLVANIA PUBLIC UTILITY COMMISSION

FORMAL COMPLAINT

1. CUSTOMER NAME (COMPLAINANT)

Patrick Cicero, Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
(717) 783-5048

2. UTILITY NAME (RESPONDENT)

Duquesne Light Company
Docket No. R-2024-3046523

3. TYPE OF UTILITY

Electric

4. COMPLAINT

- A. On March 20, 2024, Duquesne Light Company (DLC or Company) filed Tariff Supplement No. 71 to Tariff Electric - Pa. P.U.C. No. 25 (Supplement No. 71) with the Pennsylvania Public Utility Commission (Commission), to become effective May 20, 2024.
- B. Through Supplement No. 71, DLC requests that the Commission approve a general increase in electric distribution rates of approximately \$101 million per year, or 16%, over the amount of annual distribution revenues at present rates. This net increase in base distribution revenues is calculated through an increase of approximately \$133 million in base rates, which is offset by reductions of \$32 million per year in other current charges, including the zeroing out of the Company's Distribution System Improvement Charge.
- C. DLC provides electric utility service to approximately 605,000 customers in the greater Pittsburgh region, specifically in Allegheny and Beaver Counties.
- D. According to the Company's proposal, the average residential customer using 600 kWh per month will see their total bill (distribution, surcharges, generation and transmission) increase from \$130.76 to \$139.19 per month, or 6.52% on a total bill basis. On a distribution only basis, the proposed increase to the residential class is 15.9%.
- E. In its base rate filing, the Company utilizes a fully projected future test year (FPFTY) ending December 31, 2025.

- F. DLC’s proposed rate increase, if approved, would produce an 8.34% overall rate of return, which is based in part on a common equity cost rate of 11.50%. Additionally, the Company proposes to increase its residential customer charge from \$12.50 to \$15.00.
- G. Supplement No. 71 also requests approval of the following Riders and Pilot Programs: 1) Community Development Rider; 2) Residential Managed Charging and Behavioral Load Management Pilots; and 3) Electric Vehicle Time of Use Distribution Rates. The Community Development Rider is intended to incentivize new commercial load in DLC’s service territory by providing a prescribed discount to demand charges. The Residential Managed Charging Pilot will be open to EV owners and lessees who will receive an incentive payment for reducing demand during called events. The Behavioral Load Management Pilot will be open to residential customers who will receive an incentive for choosing to reduce their demand during peak events. The EV Time of Use Rate Program would offer a special time of use rate for EV owners.
- H. The OCA requests that the Commission use the scheduled December 5, 2024, Public Meeting date to develop a procedural and litigation schedule in this matter so as to allow the parties a full and fair opportunity to develop the record.
- I. The Consumer Advocate is empowered to represent the interests of Pennsylvania consumers before the Pennsylvania Public Utility Commission, pursuant to an act of the General Assembly. 71 P.S. §§ 309-1, et seq., effective July 1, 1976.
- J. In reaching a decision on whether to grant DLC’s rate increase as well as its various rule and tariff changes, the Public Utility Commission must give “due consideration to the interests of consumers.” 71 Pa. Stat. Ann. §309-5(2).
- K. A preliminary examination of DLC’s proposed Supplement No. 71 indicates that the charges, increases and changes in rates, rules and programs are or may be unjust, unreasonable and in violation of law, will allow the Company an opportunity to recover an excessive rate of return on its utility property investment in violation of the Pennsylvania Public Utility Code, 66 Pa. C.S. Section 101 *et seq.*, and otherwise may be contrary to sound ratemaking principles and public policy. The OCA will thoroughly review each of DLC’s proposed allocation of increased costs to all customer classes to determine whether the proposals meet all legal requirements and sound ratemaking principles.
- L. Further, a preliminary examination of DLC’s existing rates, rules and regulations indicates that certain rates, rules and regulations are not just and reasonable or otherwise proper under the Pennsylvania Public Utility Code and applicable ratemaking principles.

5. RELIEF

The Consumer Advocate respectfully requests that the Commission take the following actions:

- A. Suspend and investigate the operation of the Company’s proposed Supplement No. 71, pursuant to Section 1308(d) of the Pennsylvania Public Utility Code, 66 Pa. C.S. Section 1308(d);
- B. Direct the Office of Administrative Law Judge to use the December 5, 2024, Public Meeting as the deadline for a final Commission determination in this matter and for purposes of setting a deadline for a Recommended Decision and developing a litigation schedule in this matter;
- C. Consolidate all complaints filed against DLC’s proposed Supplement No. 71;
- D. Hold full evidentiary hearings to examine the reasonableness and justness of the Company’s current rates and its proposed increase or changes in rates;
- E. After providing the public with adequate notice, hold public input hearings, in order to provide the Company’s customers with an opportunity to be heard on the record;
- F. Deny or modify any rate or tariff changes in Supplement No. 71 that DLC proposes, but cannot justify or that otherwise are contrary to the Pennsylvania Public Utility Code, sound ratemaking principles and public policy;
- G. Deny any program in Supplement No. 71 that DLC proposes, but is not in the public interest or that otherwise is contrary to the Pennsylvania Public Utility Code, sound ratemaking principles and public policy; and
- H. Grant such other relief that the Commission may deem to be necessary and proper.

6. VERIFICATION AND SIGNATURE

Verification: I, Patrick Cicero, Consumer Advocate, hereby state that the facts above 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 falsification to authorities).

/s/ Patrick Cicero
(Signature)

03/22/2024
(Date)

LEGAL REPRESENTATION

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PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)

Act 161 of the Pennsylvania General Assembly, 71 P.S. Section 309-2, enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the Consumer Advocate has determined to file a Formal Complaint against the proposed Supplement No. 71 filed by Duquesne Light Company (DLC or Company). DLC serves approximately 605,000 customers in the greater Pittsburgh region.

On March 20, 2024, DLC filed Supplement No. 71 with the Commission. DLC proposes to increase its total annual operating revenues by \$101 million, or 15.9%, over the amount of annual distribution revenues for residential customers at present rates. A preliminary examination of DLC's proposed Supplement No. 71 indicates that the charges, increases and changes in rates, rules and programs are or may be unjust, unreasonable and in violation of the Pennsylvania Public Utility Code. 66 Pa. C.S. § 101 *et seq.*

The OCA will fully examine and investigate DLC's claimed need for increased revenues, its claimed fair rate of return, and its existing rates. Additionally, the OCA will assess the quality of service received by customers and the fairness of the Company's revenue allocation and rate design. During the course of these proceedings, the OCA will fully participate in the evaluation of the justness and reasonableness of the Company's filing and will ask the Commission to deny all changes, increases, and charges that the Company cannot show to be reasonable, justified, not unduly discriminatory, or otherwise in accordance with the law and sound ratemaking principles.