



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

April 19, 2024

Via Electronic Filing

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
I&E Prehearing Memorandum

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Prehearing Memorandum of the Bureau of Investigation and Enforcement in the above-captioned proceeding.

Copies are being served on parties of record per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads 'Carrie B. Wright'.

Carrie B. Wright
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 208185
(717) 783-6156
carwright@pa.gov

CBW/ac
Enclosures

cc: Deputy Chief Administrative Law Judge Mark A. Hoyer (*via email* – mhoyer@pa.gov)
Per Certificate of Service

I. BACKGROUND

On March 20, 2024, the Duquesne Light Company (DLC or Company) filed with the Commission proposed Supplement No. 71 to Tariff Electric – Pa. P.U.C. No. 25 which contained rates rules and regulations designed to increase its annual distribution revenues by \$101 million per year, or 16%. The net increase in base distribution revenues is calculated through an increase of approximately \$133 million in base rates, offset by approximately \$32 million per year due to the zeroing out of the Company’s Distribution System Improvement Charge (DSIC). The tariff supplement has a proposed effective date of May 20, 2024.

At Public Meeting on April 4, 2024, the Commission stated that pursuant to 66 Pa. C.S. § 1308(d), the filing will be suspended by operation of law until December 20, 2024, unless permitted by Commission Order to become effective at an earlier date. The case was subsequently assigned to the Officer of Administrative Law Judge (OALJ) for the development of an evidentiary record including a Recommended Decision. The OALJ assigned the suspended proceeding to Administrative Law Judge Mark A. Hoyer (the ALJs) for investigation and scheduling of hearings to consider the lawfulness, justness and reasonableness of the Company’s Rate increase request. The Bureau of Investigation and Enforcement filed its Notice of Appearance on March 28, 2024. On March 22, 2024, a Notice of Appearance and formal Complaint was filed by the Office of Consumer Advocate (OCA). The Office of Small Business Advocated (OSBA) filed a Formal Complaint and its Notice of Appearance on April 5, 2024.

II. ISSUES

Based upon a preliminary review of the filing, I&E has identified certain areas of inquiry. The following statement of areas of inquiry represents the potential issues in this proceeding at this time. However, I&E specifically reserves the right to address such other issues when those issues arise:

- a) Overall Rate of Return:
 - Cost of Debt;
 - Cost of Common Equity;
 - Capital Structure;

- b) Rate Structure/Rate Design:
 - Cost of Service Allocation;
 - Proposed Rates;
 - Rate Design;
 - Scale Back of Rates;
 - Jurisdictional Separation Study;

- c) Rate Base:
 - Plant in Service;
 - Accrued Depreciation;
 - Net Plant;
 - Cash Working Capital;
 - FPFTY Reporting Requirements;

- d) Operation and Maintenance Expense Claims including:
 - Purchased Energy Expense;
 - Rate Case Expense;
 - Salaries & Wages;
 - Advertising Expense;
 - Membership Dues;

Uncollectible Accounts;
Other Post Employment Benefits;
EV Rebates Costs Recovery;
Fleet Vehicle Fuel and Maintenance Costs;
Eligible Customer Listing Regulatory Asset Recovery;

- e) Present Rate Revenue;
- f) Proposed Revenue;
- g) Building Electrification Programs;
- h) Transportation Electrification Programs;
- i) EV Time of Use Distribution Rate Pilot;
- j) Behavior Load Management Pilot Program;
- k) Transportation Electrification Portfolio Incremental Costs;
- l) Infrastructure Investment and Jobs Act Federal Grant Funding Recovery; and
- m) Electric Safety.

Most of the issues raised by I&E will be supported by the Direct Testimony of an I&E witness in his or her area of responsibility. However, there may be issues of Commission policy or legal interpretation that are not properly the subject of testimony; or there may be factual issues that are clear on the record and need not be supported by testimony. I&E reserves the right to dispense with testimony when, in its opinion, an issue can be adequately addressed in Brief.

III. WITNESSES

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

- Ethan Cline Fixed Utility Valuation Engineer
- Zachari Walker Fixed Utility Financial Analyst
- Christopher Keller Fixed Utility Financial Analyst
- James Campbell Gas Safety Engineer

I&E reserves the right to call additional witnesses and/or delete witnesses listed above. The above listing is provided without analysis of the positions of all parties to this proceeding and without the benefit of completed discovery. All active parties will be notified of any additions or deletions to the I&E witness list. The I&E witnesses may be contacted at the above contact information for the I&E prosecutor.

IV. SCHEDULE

I&E is committed to working with the parties and the ALJs to arrive at a procedural schedule. I&E requests that Evidentiary Hearings be held telephonically. If in person hearings are scheduled, I&E requests that they be held in Harrisburg.

V. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand service requirements for discovery responses, prepared testimony, briefs and other documents during this proceeding, I&E requests that electronic delivery of documents continue to satisfy the service requirements without the need to follow up with hardcopies.

VI. EVIDENCE

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the Company's filing, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports.

VII. DISCOVERY

Pursuant to 52 Pa. Code §§5.322 and 5.331(b), discovery has begun and is ongoing. I&E requests the Commission's Rules of Practice and Procedure for the conduct of discovery be modified as follows:

1. Answers to written interrogatories shall be served in-hand within ten (10) calendar days of service.
2. Objections to interrogatories shall be communicated orally within three (3) days of service; unresolved objections shall be served to the ALJs in writing within five (5) days of service of interrogatories.
3. Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) days of service of written objections.
4. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) days of service of such motions.

5. Discovery and discovery related pleadings served after 12:00 noon on a Friday or after 12:00 noon on any business day preceding a state holiday will be deemed to be served on the next business day.

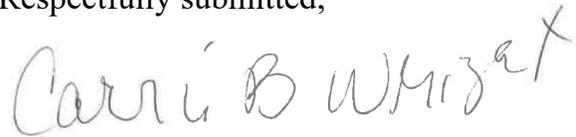
VIII. PUBLIC INPUT HEARINGS

To the extent that Public Input Hearings are deemed necessary in this proceeding I&E requests that where possible telephonic hearings be utilized.

IX. SETTLEMENT

I&E intends to participate in any settlement discussions and is willing to reach a resolution of any or all issues. However, a discussion of issues that may be settled is not possible until further discovery has been conducted and the positions of the other parties are known.

Respectfully submitted,



Carrie B. Wright
Prosecutor
PA Attorney ID No. 208185

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

Dated: April 19, 2024

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated April 19, 2024, in the manner and upon the persons listed below:

Served via Electronic Mail Only

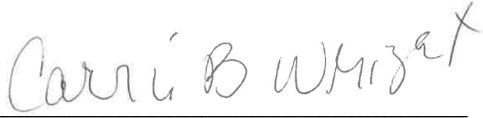
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