

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company for : P-2024-3048592
Approval of Its Default Service Plan for the :
Period from June 1, 2025, through May 31, 2029 :

RECOMMENDED DECISION

Before
Mary D. Long
John M. Coogan
Administrative Law Judges

INTRODUCTION

This decision recommends the approval of Duquesne Light's Default Service Plan, as modified by a Joint Petition for Approval of Settlement. Approval of the Joint Petition for Settlement is recommended because the Settlement meets the requirements of the Public Utility Code and the Commission regulations, is supported by substantial evidence and is in the public interest. Approval of the Company's Default Service Plan, as modified by the Settlement, resolves the litigated issues in this proceeding.

HISTORY OF THE PROCEEDING

On April 19, 2024, Duquesne Light Company (Duquesne Light or Company) filed a Petition for Approval of Default Service Plan (Petition or DSP X) pursuant to Section 2807(e) of the Public Utility Code. The Petition was assigned to me

and Administrative Law Judge John Coogan. A telephonic prehearing conference was scheduled for June 7, 2024, at 9:00 a.m. Notice of the petition and the prehearing conference was also published in the Pennsylvania Bulletin on May 11, 2024.¹

The Office of Consumer Advocate (OCA) filed an Answer to the Petition and Office of Small Business Advocate (OSBA) filed a notice of intervention. Petitions to intervene were also filed by Calpine Retail Holdings, LLC, Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), Constellation NewEnergy, Inc., Constellation Energy Generation, LLC (collectively, Constellation), NRG Energy Inc. (NRG) and Retail Energy Supply Association (RESA).

The prehearing conference convened as scheduled. Judge Coogan and I granted the petitions to intervene. The Parties agreed to a litigation schedule, which included the exchange of written direct, rebuttal and surrebuttal testimony. By email on August 23, 2024, the Parties reported that they had reached a settlement agreement.

An evidentiary hearing was held on August 28, 2024. The Parties confirmed that they had reached an agreement and that all Parties either agreed to the settlement terms or did not oppose the settlement terms. Each Party offered their written testimony and exhibits, which were admitted into the record. At the conclusion of the hearing, we issued an interim order which suspended the briefing schedule and directed the Parties to file their petition for settlement and statements in support on or before October 1, 2024.

Duquesne Light, OCA, OSBA and CAUSE-PA (Joint Petitioners) filed a Joint Petition for Approval of Settlement (Settlement) on October 1, 2024, which resolves all issues among the Joint Petitioners. Other parties in this proceeding, RESA, Calpine

¹ 54 Pa.B. 2611 (May 11, 2024).

Retail Holdings, LLC, Constellation and NRG have indicated that they do not oppose the Settlement. NRG specifically represents that it takes no position on the Settlement. None of the Parties in this proceeding oppose the Settlement.

The Joint Petition includes the terms of settlement, Pro Forma Retail Tariff (Appendix A), Pro Forma Supplier Tariff (Appendix B), Proposed Findings of Fact, Conclusions of Law and Ordering Paragraphs (Appendix C) and the Statements in Support by the Joint Petitioners (Appendices D-G).

LEGAL STANDARDS

In this proceeding, Duquesne Light seeks approval of its plan to procure default service supply and, as such, has the burden of proving that its proposed Default Service Plan for the period of June 1, 2025 through May 31, 2029 (DSP X, Default Service Plan, or Plan) complies with statutory and regulatory requirements.² Duquesne Light must establish its case by a preponderance of the evidence.³ To meet its burden of proof, Duquesne Light must present evidence more convincing, by even the smallest amount, than that presented by any opposing party.⁴

The Competition Act⁵ requires that default service providers acquire electric energy through a “prudent mix” of resources that are designed: (i) to provide

² Petition of PECO Energy Company for Approval of its Default Service Program for the Period from June 1, 2021, through May 31, 2025, Docket P-2020-3019290 (Opinion and Order entered Dec. 3, 2020) (PECO DSP V). See also 66 Pa.C.S. § 332(a).

³ Samuel J. Lansberry, Inc. v. Pa. Pub. Util. Comm’n, 578 A.2d 600 (Pa. Cmwlth. 1990).

⁴ *Se-Ling Hosiery v. Margulies*, 70 A.2d 854 (Pa. 1950).

⁵ Electricity Generation Customer Choice and Competition Act, Act 138 of 1996, as amended by Act 129 of 2008 (Act 129), codified at 66 Pa.C.S. §§ 2801–2815.

adequate and reliable service; (ii) to provide the least cost to customers over time; and (iii) to achieve these results through competitive processes that include auctions, requests for proposals and/or bilateral agreements.⁶ The Competition Act does not, however, require a specific default service rate design methodology.⁷

The Competition Act also mandates that customers have direct access to a competitive retail generation market.⁸ This mandate is based on the legislative finding that “competitive market forces are more effective than economic regulation in controlling the cost of generating electricity.”⁹ Thus, a fundamental policy underlying the Competition Act is the view that competition is more effective than economic regulation in controlling the costs of generating electricity.¹⁰

In addition to the foregoing statutory guidelines, the Commission has enacted default service regulations,¹¹ and a policy statement,¹² addressing default service plans. The regulations first became effective in 2007 and have been amended to incorporate the Act 129 amendments to the Competition Act.¹³

⁶ 66 Pa.C.S. § 2807(e)(3.1), (e)(3.4).

⁷ *Id.*

⁸ 66 Pa.C.S. § 2802(3).

⁹ 66 Pa.C.S. § 2802(5). *See Green Mountain Energy Co. v. Pa. Pub. Util. Comm’n*, 812 A.2d 740, 742 (Pa. Cmwlth. 2002).

¹⁰ 66 Pa.C.S. § 2802(5).

¹¹ 52 Pa. Code § 54.181-54.189.

¹² 52 Pa. Code § 69.1802-69.1817.

¹³ See Implementation of Act 129 of October 15, 2008; Default Service and Retail Electric Markets, Docket No. L-2009-2095604 (Final Rulemaking Order entered Oct. 4, 2011).

This Commission has a policy of encouraging settlements.¹⁴ This Commission has stated that results achieved through settlement are often preferable to those achieved at the conclusion of a fully litigated proceeding.¹⁵ Among other benefits, a full settlement of all the issues in a proceeding eliminates the time, effort and expense that otherwise would have been used in litigating the proceeding, while a partial settlement may significantly reduce the time, effort and expense of litigating a case. A settlement, whether whole or partial, benefits not only the named parties directly, but, indirectly, all customers of the public utility involved in the case.¹⁶

Despite the policy favoring settlements, the Commission does not simply rubber stamp settlements without further inquiry. In order to accept a settlement such as that proposed here, the Commission must determine that the proposed terms and conditions are in the public interest.¹⁷ The Joint Petitioners have the burden to prove that the Settlement is in the public interest.¹⁸

FINDINGS OF FACT

1. In DSP X Duquesne Light proposed four separate supply plans which were tailored to meet the specific needs of major customer groups—i.e. (1) Residential and Lighting, (2) Small Commercial and Industrial (Small C&I), (3) Medium

¹⁴ See 52 Pa. Code § 5.231(a); see also 52 Pa. Code §§ 69.401–69.406, relating to settlement guidelines for major rate cases, and our Statement of Policy relating to the Alternative Dispute Resolution Process, 52 Pa. Code §§ 69.391–69.397.

¹⁵ 52 Pa. Code § 69.401.

¹⁶ PECO DSP V.

¹⁷ PECO DSP V; Pa. Pub. Util. Comm'n v. York Water Co., Docket No. R-00049165 (Order entered Oct. 4, 2004); Pa. Pub. Util. Comm'n v. C. S. Water and Sewer Assoc., 74 Pa.P.U.C. 767 (1991).

¹⁸ 66 Pa.C.S. §§ 332(a), 1301(a), 2807(e).

Commercial and Industrial <200kW (Medium C&I), and (4) Hourly Priced Services (HPS) -Eligible. (Petition ¶¶ 7-49; *see also* Duquesne Light St. 2, Exhibit JP-1).

2. Residential and Lighting customers will continue to be offered default service supply rates that adjust every six months based on fixed-price full requirements contracts with twelve-month and twenty-four-month, overlapping delivery periods. (Duquesne Light St. 1 at 8).

3. The Residential and Lighting contracts will be procured within three months before the commencement of their delivery periods. (Duquesne Light St. 1 at 8).

4. Default supply for Residential and Lighting customers will be obtained through competitive auctions, with winning bidders selected on the basis of lowest price. (Duquesne Light St. 1 at 8).

5. Default service supply for Residential and Lighting customers will be split into 48 equal tranches, each representing approximately 2.08333% of the total Residential and Lighting class default service load each hour. (Duquesne Light St. 2 at 6).

6. The supply portfolio for the Residential and Lighting class procurement plan did not change from DSP IX to DSP X. (Duquesne Light St. 2 at 6).

7. The procurement plan for Residential and Lighting customers continues to include “overhang” products and continues the same supplier load cap approved by the Commission in DSP VIII and DSP IX. (*See* Duquesne Light St. 2 at 7-8).

8. Small C&I customers will continue to be offered default service supply rates that adjust every six months based on fixed-price full requirements contracts with twelve-month and twenty-four-month, overlapping delivery periods. (Duquesne Light St. 1 at 8).

9. The contracts will be procured within three months before the commencement of their periods. (Duquesne Light St. 1 at 8).

10. Default service supply for the Small C&I customers will be obtained through competitive auctions, with winning bidders selected on the basis of lowest price. (Duquesne Light St. 1 at 8).

11. Small C&I default service supply will be split into eight tranches consisting of twelve-month and twenty-four-month products, each representing 12.5% of the total Small C&I default service load in each hour. (Duquesne Light St. 2 at 6).

12. The delivery periods for Small C&I default service supply will overlap on a semiannual basis. (Duquesne Light St. 2 at 6).

13. The supply portfolio for the Small C&I class procurement plan did not change from DSP IX to DSP X. (Duquesne Light St. 2 at 6).

14. The procurement plan for Small C&I customers continues to include “overhang” products and continues the same supplier load cap approved by the Commission in DSP IX. (See Duquesne Light St. 2 at 7).

15. For Medium C&I customers, half of the default service supply will be procured in the form of 12-month fixed price full-requirements (FPFR) products and half will be procured in the form of six-month FPFR products with three-month pricing,

instead of procuring three-month FPFR contracts for these customers. (Duquesne Light St. 2 at 8-10)

16. HPS-Eligible customers, which consists of large commercial and industrial customers $\geq 220\text{kW}$ (Large C&I customers) and Medium C&I customers, will continue to be offered default service supply rates that are based on hourly spot market energy prices. (Duquesne Light St. 1 at 5).

17. HPS-Eligible customers also will continue to be charged a pass through of PJM capacity and ancillary services costs as well as the administrative costs of providing hourly price service. (Duquesne Light St. 1 at 7).

18. The Company will continue to procure the supply for this service through a competitive auction process. (Duquesne Light St. 1 at 7).

19. Duquesne Light will maintain the DSP IX procurement plan for the HPS-Eligible service product. (Duquesne Light St. 2 at 11).

20. The procurement plan will continue to exclude supplier load caps, consistent with the practice approved by the Commission in DSP IX. (*See* Duquesne Light St. 2 at 13).

21. Duquesne Light will continue to hire an independent Market Monitor to ensure the bid process is fair, and that all information is provided to bidders in a non-discriminatory fashion. (Duquesne Light St. 2 at 12).

22. This Market Monitor will continue to assist in the auction process for all classes in DSP X. (Duquesne Light St. 2 at 12).

23. Duquesne Light has also established a contingency plan to obtain supply for each of the classes if the Company receives bids for less than all tranches, the Commission does not approve the results for all tranches, or a supplier defaults. (Duquesne Light St. 2 at 13).

24. As part of the contingency plan, the Company will first ask other winning DS Suppliers whether they want to assume all or part of the delivery obligations on the same terms and price already established. (Duquesne Light St. 2 at 13).

25. If multiple Wholesale suppliers are willing to Step-Up, then the Auction Manager would allocate a pro-rata share of the unsubscribed tranche(s) to each supplier based upon the percentage of load that each supplier won in the initial auction. (Duquesne Light St. 2 at 13).

26. If the Wholesale supplier(s) are unwilling to “Step-Up” and fill the Unsubscribed Tranche(s) a separate procurement auction will be conducted by the Company’s independent third-party Auction Manager. (Duquesne Light St. 2 at 13).

27. The purpose of the separate procurement auction would be to solicit Wholesale suppliers and procure the supply deficiency. (Duquesne Light St. 2 at 13).

28. If these no Default Service Suppliers are willing to Step-Up and the separate procurement auction fails, the Company will procure default supply to fill the Unsubscribed Tranche(s) through purchases in the PJM spot markets until such time that a different contingency plan is approved by the Commission. (Duquesne Light St. 2 at 13).

29. The Company will continue to use the Supply Master Agreement (SMA) template that was developed by the Procurement Collaboration Working Group

with minor clarifications. (Duquesne Light St. 2 at 15-16; *see also* Duquesne Light Exhibit JP-3).

30. Neither Duquesne Light nor its affiliated interest has withheld or will withhold from the market any generation supply in a manner that violates Federal law. (*See* Duquesne Light St. 2 at 14).

SETTLEMENT TERMS

The Joint Petitioners agreed to the following terms and conditions which are set forth below verbatim:

19. Duquesne Light's DSP X filing is approved except as modified herein.

A. DSP X PROGRAM TERM

20. The DSP X program term will be the four-year period beginning June 1, 2025, through May 31, 2029.

B. PROCUREMENT ISSUES

21. The Company's proposed procurement plans for Residential & Lighting customers, Small Commercial & Industrial ("C&I") customers, Medium C&I customers under 200 kW, and Hourly Priced Service ("HPS") customers are approved as filed, except that the residential load cap of 50% for wholesale suppliers shall apply on the total supplier portfolio instead of applying on a per auction basis. The Company's procurement plans are set forth in Paragraph 7 – 49 of the DSP X Petition and supporting testimony.

22. The Company's default service cost recovery proposals are approved as filed. See Paragraphs 50 -51 of the DSP X Petition, supporting testimony and tariffs. Consistent with Duquesne Light St. No. 4, p. 24, lines 4-9,

the Company will update Exhibit DBO-4 to reflect updated default service costs with actual external legal and consulting service costs to prepare and obtain approval for the DSP X plan as part of the Company's DSP X Compliance filing that will be filed on or about April 2025, prior to the effective date of DSP X (i.e. June 1, 2025).

23. The Company's proposed Supply Master Agreement ("SMA") is approved.

C. EV TOU PILOT^[19]

24. The Company's EV TOU Pilot is modified to exclude the EV only option. The EV whole home option is approved as filed. See Paragraphs 52 – 63 of the DSP X Petition and supporting testimony.

D. GREEN TARIFF PILOT

25. The Company's Green Tariff Pilot Program is withdrawn without prejudice. See DSP X Petition Paragraphs 64 – 70 and supporting testimony.

E. SOLAR PPA

26. If the Company is not able to enter into a long-term Solar PPA during the DSP IX period, the Commission's approval of the Solar PPA in the DSP IX proceeding will extend through the DSP X period. See DSP X Petition Paragraphs 71 – 73.

F. STANDARD OFFER PROGRAM ("SOP")

27. The Company's SOP will end as of May 31, 2025, for the DSP X plan period. Customers that are enrolled prior to this date will continue to be supplied under the SOP terms and conditions until the end of their respective contracts. All parties reserve the right to make proposals regarding the SOP in a future default service proceeding.

¹⁹ Electric vehicle time of use (EV TOU).

G. BILL READY BILLING

28. The Company will continue to offer bill ready billing for EGSs.^[20]

H. CUSTOMER ASSISTANCE PROGRAM (“CAP”)

29. Duquesne Light will amend its CAP rules to prohibit suppliers from charging termination or cancellation fee(s) to CAP applicants who return to default service upon entry into CAP. Duquesne Light will provide notice to all suppliers of this CAP rule and will remind suppliers of this rule on at least an annual basis.

30. Beginning June 1, 2025, Duquesne Light will modify its CAP application to clearly indicate that CAP customers must be enrolled in default service and that, by applying for CAP, the applicant is affirmatively electing to return to default service if they are currently shopping with an EGS. As of the effective date of this provision, Duquesne Light will return CAP applicants to default service upon enrollment in the program, without further action by the CAP applicant. Duquesne Light will also amend its CAP information and/or welcome packet provided to new enrollees to indicate that suppliers are not permitted to charge a termination or cancellation fee.

31. Duquesne Light will not be responsible for ensuring EGS compliance with this CAP rule and will not be required to monitor compliance. Customers and/or other appropriate parties retain all rights to file a complaint with the Commission to address potential EGS compliance issues.

32. In order to implement the above provisions, Duquesne Light will add the following language to its Supplier Tariff:

²⁰ Electric Generation Supplier (EGS).

Beginning June 1, 2025, EGSs shall not charge any early termination, cancellation or other add-on fees to customers transitioning to CAP. Duquesne Light will not be responsible for ensuring EGS compliance with this CAP rule and will not be required to monitor compliance. Customers and/or other appropriate parties retain all rights to file a complaint with the Commission to address potential EGS compliance issues.

Settlement at 4-6.

The Joint Petitioners also agree to the usual terms and conditions preserving their rights to pursue any position in a future DSP proceeding. The Joint Petitioners waive their right to file exceptions if we recommend approval of the settlement without modification. As set forth and explained in more detail below, we agree with the Joint Petitioners that DSP X, as modified by the settlement, should be approved without modification.

DISCUSSION

Each of the Joint Petitioners filed Statements in Support which explained how the terms of the Settlement meet the public interest. In their supporting statements, Duquesne Light, OCA, OSBA and CAUSE-PA, conclude, after extensive discovery, the filing of testimony, and discussion, that this Settlement resolves all contested issues in this case and unanimously agree that the Settlement is in the public interest. Although not all of the Joint Petitioners took a position on every issue or addressed every issue in equal detail, generally they agreed that the Settlement was in the interests of the stakeholders whom they represent and represented a reasonable outcome of their various disputes. The Joint Petitioners claim that approval of the Settlement will avoid the necessity of further administrative and possibly appellate proceedings regarding the

settled issues at what would have been a substantial cost to the Joint Petitioners and the Company's customers.

A. Procurement Plan

In its Statement in Support, Duquesne Light summarized the Procurement Plan set forth in the Petition. The DSP X Program Term is for a four-year period commencing on June 1, 2025, and ending on May 31, 2029. Although prior Duquesne Light default service plans have run for two-year terms, in more recent plans the Company has adopted a four-year plan term. Duquesne Light observes that the current default service programs for all of the other major electric distribution companies (EDCs) are for a four-year period. According to Duquesne Light, in addition, the four-year term saves litigation time and cost for Duquesne Light, other parties that participate in DSP proceedings and the Commission, as compared to prior default service plans with two-year term periods. None of the parties contested the four-year program term for DSP X.

Duquesne Light proposed four separate supply plans as a part of DSP X. The plans were tailored to meet the specific needs of major customer groups—i.e. (1) Residential and Lighting, (2) Small C&I, (3) Medium C&I, and (4) HPS-Eligible.²¹ Duquesne Light's witness explained that tailoring separate default service supply portfolios for each class is consistent with Commission guidance regarding the “prudent mix” standard under Act 129 and provides other benefits to customers.²²

²¹ See Petition ¶¶ 7-49; see also Duquesne Light St. 1 at 7-8 (summarizing each of the supply plans)). Duquesne Light St. 2 at 5 and Exhibit JP-1 provide an overview of the supply portfolio for each customer class.

²² Duquesne Light St. 2 at 14.

More specifically, Duquesne Light explained that Residential and Lighting customers will continue to be offered default service supply rates that adjust every six months based on fixed-price full requirements contracts with twelve-month and twenty-four-month, overlapping delivery periods. The contracts will be procured within three months before the commencement of their delivery periods. Default supply for Residential and Lighting customers will be obtained through competitive auctions, with winning bidders selected on the basis of the lowest price.²³

Duquesne Light further explained that default service supply for Residential and Lighting customers will be split into 48 equal tranches, each representing approximately 2.08333% of the total Residential and Lighting class default service load each hour.²⁴

With respect to Small C&I customers, the Company explained that Small C&I customers will continue to be offered default service supply rates that adjust every six months based on fixed-price full requirements contracts with twelve-month and twenty-four-month, overlapping delivery periods. The contracts will be procured within three months before the commencement of their periods. Default service supply for the Small C&I customers will be obtained through competitive auctions, with winning bidders selected on the basis of the lowest price.²⁵

DSP X provides that Small C&I default service supply will be split into eight tranches consisting of twelve-month and twenty-four-month products, each

²³ Duquesne Light St. 1 at 8.

²⁴ Duquesne Light St. 2 at 6.

²⁵ Duquesne Light St. 1 at 8.

representing 12.5% of the total Small C&I default service load in each hour. These products' delivery periods will overlap on a semiannual basis.²⁶

No supply portfolio changes to the Residential and Lighting class or Small C&I class procurement plan were proposed in DSP X as compared to DSP IX. Therefore, the procurement plan for these customer classes continues to include “overhang” products and continues the same supplier load cap approved by the Commission in DSP IX.²⁷

DSP X proposes a new procurement approach for Medium C&I customers. Instead of procuring three-month FPFRR contracts for these customers, half of the default service supply for the Medium C&I customer class will be procured in the form of 12-month FPFRR products and half will be procured in the form of six-month FPFRR products with three-month pricing.²⁸ The primary purpose of this procurement change is to provide some rate stability for these customers.

For HPS-Eligible customers, which consists of Large C&I customers and Medium C&I customers, Duquesne Light explained that they will continue to be offered default service supply rates that are based on hourly spot market energy prices. Customers also will continue to be charged a pass through of PJM capacity and ancillary services costs as well as the administrative costs of providing hourly price service (HPS). The Company further proposed to continue to procure the supply for this service through a competitive auction process.²⁹

²⁶ Duquesne Light St. 2 at 6.

²⁷ Duquesne Light St. 2 at 6-8.

²⁸ Duquesne Light St. 2 at 8-10.

²⁹ Duquesne Light St. 1 at 5, 7.

Duquesne Light further explained that it was maintaining the DSP IX procurement plan for the HPS-Eligible service product.³⁰ The procurement plan will continue to not include supplier load caps, consistent with the practice approved by the Commission in DSP IX.³¹

With respect to each of the procurement plans proposed by the Company, Pursuant to DSP X, Duquesne Light will continue to hire an independent Market Monitor to ensure the bid process is fair, and that all information is provided to bidders in a non-discriminatory fashion. This Market Monitor will continue to assist in the auction process for all classes in DSP X.³²

Duquesne Light has also established a contingency plan to obtain supply for each of the classes if the Company receives bids for less than all tranches, the Commission does not approve the results for all tranches, or a supplier defaults.³³ In any such event, the Company will first ask other winning Default Service Suppliers whether they want to assume all or part of the delivery obligations on the same terms and price already established. If multiple wholesale suppliers are willing to “Step-Up,” then the Auction Manager would allocate a pro-rata share of the unsubscribed tranche(s) to each supplier based upon the percentage of load that each supplier won in the initial auction.

If the wholesale supplier(s) are unwilling to “Step-Up” and fill the Unsubscribed Tranche(s) a separate procurement auction will be conducted by the Company’s independent third-party Auction Manager. The purpose of this auction would

³⁰ Duquesne Light St. 2 at 11.

³¹ See Duquesne Light St. 2 at 13.

³² Duquesne Light St. 2 at 12.

³³ Duquesne Light St. 2 at 13.

be to solicit wholesale suppliers and procure the supply deficiency. If these two options fail, the Company will procure default supply to fill the Unsubscribed Tranche(s) through purchases in the PJM spot markets until such time that a different contingency plan is approved by the Commission.³⁴

Finally, Duquesne Light witness Mr. Peoples sponsored the Supply Master Agreement proposed by the Company.³⁵ The Company will continue to use the SMA template that was developed by the Procurement Collaboration Working Group with minor clarifications.³⁶

None of the parties opposed Duquesne Light's procurement plans or the SMA. The Settlement largely adopts the DSP X Procurement Plan. The Settlement provides for the approval of Duquesne Light's proposal to continue to fully recover the costs incurred from supply solicitations for Residential & Lighting, Small C&I, Medium C&I customers with demands less than 200 kW, and HPS-Eligible customers, gross receipts taxes, along with the costs of hiring the independent monitor, through fully reconcilable Section 1307(e)³⁷ cost recovery mechanisms for each class. According to the Company, Duquesne Light's DSP X Plan, as modified by the Settlement, meets the standards set forth in Act 129, and enables the Commission to make the necessary findings per Section 2807(e)(3.7). In addition, consistent with Duquesne Light's unrebutted testimony, neither Duquesne Light nor its affiliated interest has withheld or will withhold from the market any generation supply in a manner that violates Federal law. Duquesne Light submits that these provisions of the Settlement are reasonable, in the public interest, and should be approved without modification.

³⁴ *Id.*

³⁵ Duquesne Light St. 2 at 15-16; *see also* Duquesne Light Exhibit JP-3.

³⁶ Duquesne Light St. 2 at 15.

³⁷ 66 Pa.C.S. § 1307(e).

OCA specifically supports the proposed procurement plan as modified by the Settlement. OCA notes that the Settlement modifies the Company’s proposed plan by adopting OCA witness Dr. Ogur’s recommended modification to the load cap.³⁸ Dr. Ogur proposed a modest modification to the residential load cap mechanism offered by the Company. Duquesne Light’s proposal ensures that a wholesale FPFR supplier cannot supply more than 50% of the default service load for the residential class at any time. OCA witness Dr. Ogur raised a concern that Duquesne Light’s proposal achieved this “counterparty risk reduction by unnecessarily imposing a 50 percent load cap in each auction.” Dr. Ogur recommended “that a 50 percent single supplier load cap be imposed for FPFR contracts serving residential customers at any given time, but without imposing a 50 percent load cap for each auction.”³⁹

OCA takes the position that the benefits of the proposed modification are that it gives “more flexibility to each supplier [to] manage its 50 percent load cap for any given day over the four auctions which procure tranches for delivery on that given day.” The additional flexibility could encourage supplier participation and drive more competition. That could lead to lower prices for residential customers. Dr. Ogur testified that his proposal also “harmonizes Duquesne Light’s load cap procedures with those of some other Pennsylvania EDCs, which would facilitate wholesale supplier participation for all EDCs.”⁴⁰ The Settlement adopts this recommendation and provides that the residential load cap of 50% for wholesale suppliers shall apply on the total supplier portfolio instead of applying on a per auction basis.

³⁸ Settlement ¶ 21.

³⁹ OCA St. 1 at 21.

⁴⁰ OCA St. 1 at 22.

In its Statement in Support, OSBA states that it was generally supportive of the Company’s proposal to acquire default electricity service for Small and Medium C&I customers through FPFR, load-following contracts. The OSBA also supported Duquesne Light’s proposal to impose a cap on the load which can be awarded to a single supplier.⁴¹ Although OSBA’s witness voiced some areas of concern including the increased “risk premium” for FPFR for all rate class groups, and also the increase in the winning bid prices for Small C&I relative to those of Residential/Lighting customers, he noted that the shift could be attributed to a number of factors (e.g., perceived higher shopping risk or changes in customer load shape). However, since the issues are both relatively recent and not sustained, OSBA didn’t recommend any specific changes to Duquesne Light’s proposal.⁴² Specifically, in OSBA’s view, DSP X’s procurement strategy for Medium C&I customers is likely to produce price stability for that rate class.⁴³

B. EV TOU Pilot

In DSP IX, the Commission approved an Electric Vehicle Time of Use Pilot that was available to Residential, Small C&I and Medium C&I customers with demands less than 200 kW who owned or leased an EV or who operated EV charging infrastructure at the service location.⁴⁴ The EV TOU Pilot was a whole-home program such that the TOU rates applied to the entire usage at the premises.

⁴¹ OSBA St. 1 at 9-10.

⁴² OSBA St. 1 at 10.

⁴³ OSBA St. 1 at 11 (citing Duquesne Light St. 3 at 20-23).

⁴⁴ Petition of Duquesne Light Co. for Approval of its Default Serv. Plan for the Period from June 1, 2021, through May 31, 2025, Docket P-2020-3019522 (Opinion and Order entered Jan. 14, 2021) (Duquesne Light DSP IX).

In DSP X, the Company proposed to continue this program but to expand the rate offering to allow up to 500 residential customers to opt into an EV only rate option where the TOU rates would only apply to the EV usage. The Company proposed to obtain usage data from the vehicle or charging station to determine EV specific usage. The Company supported its EV TOU Pilot program, asserting that: (1) EGSs have shown limited interest in offering EV TOU options; and (2) that the Pilot provides environmental, economic and operation benefits for customers and the Company; and was supported by Commission Policy.⁴⁵

The Parties took varying positions with respect to the Company's EV TOU proposals. The OCA recommended that the Company's EV TOU rate design "should reflect the final decision in Duquesne [Light's] pending base rate case at Docket No. R-2024-3047523 on these rate design options[.]"⁴⁶ RESA opposed the Company's EV TOU Pilot program and asserted that: (1) the competitive market could respond more quickly than a utility as EV demand increases; (2) introduction of the program would create an unnecessary barrier to competitive market development by not sharing the EV-only usage data it plans to collect with EGSs.⁴⁷

The Company agreed to withdraw its EV TOU proposal primarily due to concerns about billing data collection from EVs and/or EV charging stations.⁴⁸ This also aligned with the Company's approach in its 2024 base rate proceeding at Docket No. R-

⁴⁵ Duquesne Light St. 5 at 5-6.

⁴⁶ See OCA St. 2 at 5.

⁴⁷ RESA St. 1 at 26-28.

⁴⁸ Duquesne Light St. 5-R at 3.

2024-3046523.⁴⁹ Paragraph 24 of the Settlement provides that the Company's Electric Vehicle EV TOU Pilot program is modified to exclude the EV option, with the EV whole home option being approved as filed. Duquesne Light supports this Settlement provision because it continues the Company's current default service EV TOU option. Duquesne Light asserts EVs bring substantial additional load to the system which benefits all customers. The EV TOU Pilot encourages participants with EVs to shift load to off-peak time periods, which reduces peak usage. Continuation of the Pilot will allow the Company to continue collecting data and evaluating the impacts of EVs on its system and ways to encourage customers to charge EVs at the most opportune times.

OCA supports this settlement provision because it is consistent with the recommendations offered by its witness, Barbara Alexander.⁵⁰ OCA states that the EV Settlement provision adopts OCA witness Alexander's recommendation that the final structure and approval of the EV rate options in the pending rate case proceeding be adopted for this proceeding. The proposed Settlement provision to adopt only the whole house EV option is consistent with the recommendation in the Settlement of the base rate proceeding and should be approved as in the public interest.

OSBA also supports the settlement term regarding the EV TOU Pilot. Although OSBA did not specifically oppose the EV TOU proposal, the OSBA examined

⁴⁹ In its base rate proceeding at Docket No. R-2024-3046523, Duquesne Light similarly proposed a companion distribution side EV only and a whole house EV TOU pilot. *Pa. Pub. Util. Comm'n v. Duquesne Light Co.*, Docket No. R-2024-304623, Settlement at ¶¶ (33)(b), (c). (Aug. 14, 2024) (Duquesne Base Rate Settlement). As of this writing, the Settlement in the Duquesne Light base rate proceeding that is currently pending before the Commission would eliminate the EV only option. Duquesne Base Rate Settlement at ¶ (33)(b).

⁵⁰ OCA St. 2 at 3-5.

EV TOU Pilot to ensure there is no cost shifting between procurement classes.⁵¹ Finding none, the OSBA did not oppose the proposed modification to the EV TOU Pilot.

C. Green Tariff

In this proceeding, Duquesne Light proposed a Green Tariff for residential customers who remain on default service and affirmatively elect to increase their carbon-free electricity (CFE) supply above the requirements under the Pennsylvania Alternative Energy Portfolio Standards (AEPS). If customers elected the Green Tariff program, 25% of a Green Tariff customer's annual consumption would be supplied by alternative energy and/or CFE. Duquesne Light proposed this pilot program partly in response to a customer survey conducted by the Company that indicated that 36% of residential customers were interested in procuring cleaner energy.⁵²

OCA opposed the Green Tariff Pilot Program, contending that: (1) the definition of CFE and the name of the program were potentially misleading; (2) the program costs were high relative to the projected cost of the energy attribute certificates to be acquired and delivered under the proposal; (3) there was a non-negligible likelihood that the proposal would fail due to lack of provider interest or customer enrollment; (4) the proposal was unnecessary; and (5) there were customer protection issues associated with the program.⁵³

⁵¹ OSBA St. 1 at 13.

⁵² Duquesne Light St. 1 at 12.

⁵³ *See* OCA St. 1 at 15-20; OCA St. 2 at 18; *see also* OCA Statement in Support at 7-11.

RESA also opposed the Green Tariff Pilot Program and contended that there was already a marketplace to deliver similar products to customers.⁵⁴

While the Company supported the Green Tariff Pilot Program, Duquesne Light agreed to withdraw the Pilot as a compromise to other Parties' positions in order to achieve the Settlement.⁵⁵ In the Settlement the Joint Petitioners have agreed that Duquesne Light withdraws its Green Tariff Pilot Program without prejudice.⁵⁶ Duquesne Light believes that withdrawal of the Pilot without prejudice is a reasonable compromise of parties' positions within the overall context of the Settlement.

OCA agrees. The elimination of the Green Tariff pilot program addresses OCA's concerns and the public interest is served.

D. Solar PPA (Purchase Power Agreement)

In DSP IX, the Commission granted approval for the Company to enter into a long-term Solar PPA (i.e. more than four years and less than twenty years) to support a utility-scale solar project (up to a total of 7 MW) in Pennsylvania, preferably in Duquesne Light's service area. In the DSP X Petition, Duquesne Light explained that it was in the process of negotiating a long-term solar contract with the developer and anticipated submitting the contract to the Commission for approval prior to the expiration of the DSP IX plan. However, in the event that the Company is not able to execute a contract prior to the expiration of the DSP IX plan, the Company requested that the

⁵⁴ RESA St. 1 at 22-23.

⁵⁵ *See* Duquesne Light St. 1 at 12.

⁵⁶ Settlement ¶ 25.

Commission's approval of the Solar PPA in the DSP IX proceeding extend through the DSP X program.⁵⁷ No party opposed this request in this proceeding.

The Settlement codifies this request for the Commission to extend this approval granted in DSP IX through DSP X to the extent that the Company is not able to enter into the long-term solar PPA during the DSP IX period. According to the Joint Petitioners, this Settlement provision is in the public interest because a long-term Solar PPA is consistent with Act 129's requirements for default service providers to consider long-term contracts in meeting the prudent mix standard. Second, a long-term solar contract may provide greater opportunity for cost-effective financing for the developer of a utility-scale solar project.

E. Standard Offer Program (SOP)

Duquesne Light currently offers a SOP to Residential and Small C&I customers who are not served by an EGS and who contact the Company to: 1) initiate or move service; 2) discuss choice questions; 3) resolve high bill concerns; or 4) inquire about the SOP. The Company relies upon a third-party vendor to market and enroll SOP customers. In the DSP X Petition, Duquesne Light proposed to continue its current SOP, as approved in DSP IX.

OCA advocated for the elimination of the SOP. According to OCA, the program provides for a discount of 7% off the Price to Compare at the time of enrollment for a 12-month period with no termination or cancellation fees.⁵⁸ OCA explained that the actual discount provided to the customer varies during the contract term because the Company's Price to Compare (PTC) is adjusted semi-annually. Therefore, if the PTC

⁵⁷ DSP X Petition ¶ 72.

⁵⁸ OCA St. 2 at 6.

decreases during the contract, the customer may lose the value of the promised discount or pay more than the default service.⁵⁹ As OCA witness Alexander testified, “their actual discount can change several times during the 12-month contract depending on the month in which the customer enrolls because of timing of the semi-annual PTC changes, thus contributing to confusion and a lack of understanding of these risks.”⁶⁰ She further observed that customers have access to robust information about the offers available to them with the upgraded and well-designed PaPowerSwitch web portal that includes many features that did not exist when the web portal was launched in 2010.⁶¹

CAUSE-PA also strongly opposed the SOP, arguing that program data clearly shows the program is not resulting in a positive customer experience, and is “likely contributing to the excessive supplier pricing.”⁶² CAUSE-PA witness Geller explained that Duquesne Light’s SOP provides an easy on-ramp into the market but does not protect inattentive consumers from financial harm when they are automatically rolled into volatile and more expensive rates after their contract expires. Mr. Geller presented evidence showing that 79% of SOP participants remained with their SOP supplier after their term ended, with 75% of these customers paying over 25% more than the PTC.⁶³ Nearly 1 in 5 customers paid rates more than double the PTC.⁶⁴ These financial impacts are particularly devastating for low-income households, who already face high energy burdens. For these families, higher rates following the SOP can lead to utility termination, triggering a cascade of consequences including eviction, bankruptcy, and

⁵⁹ OCA St. 2 at 6-7.

⁶⁰ OCA St. 2 at 7.

⁶¹ OCA St. 2 at 13.

⁶² CAUSE-PA St. 1 at 16-17.

⁶³ *Id.* at 20.

⁶⁴ *Id.*

long-term instability.⁶⁵ Given these documented harms, Mr. Geller concluded that the Commission should end Duquesne Light's SOP.⁶⁶ He argued that while suppliers can still offer discounted rates to attract customers, it is neither just nor reasonable for Duquesne Light to continue administering a program that consistently results in higher prices and financial harm to participants, particularly low-income families.⁶⁷

OSBA also expressed concerns regarding the SOP, for many of the same reasons set forth by OCA and CAUSE-PA. Specifically, customers who remain with their EGSs at the end of their 12-month SOP period often face prices that exceed or substantially exceed the default service price. While OSBA did not advocate specifically for the elimination of the program, OSBA witness Knecht recommended, at minimum, Duquesne Light be required to notify participating customers when their SOP period is about to expire and remind those customers about their shopping options.⁶⁸

The Company agreed to terminate the SOP. The Company completed an internal analysis to understand customer actions following the end of their 12-month fixed price contract with the EGS. Of the customers who remained with their standard offer supplier, but were no longer on SOP, a vast majority, or approximately 75%, were paying 25% or higher than PTC.⁶⁹

The Settlement provides that Duquesne Light's SOP will end as of May 31, 2025, coinciding with the end of Duquesne Light's DSP IX for any new enrollees. Any customers enrolled in the SOP as of May 31 will remain on the SOP term until their 12-

⁶⁵ CAUSE-PA St. 1 at 19.

⁶⁶ *Id.*

⁶⁷ *Id.*

⁶⁸ OSBA St. 1 at 17.

⁶⁹ Duquesne Light St. 6-R at 4.

month term expires. All parties retain the right to make proposals regarding the SOP in future default service proceedings.

Duquesne Light believes that terminating the SOP is in the public interest and should be approved. The SOP was initially implemented near the beginning of customer choice in order to encourage customers to shop with an EGS.⁷⁰ The SOP has been in effect for approximately 11 years and by now most customers are aware of or should be aware of their ability to shop.⁷¹ Unfortunately, the majority of customers that are on the SOP end up paying more than the PTC after the SOP period expires and some pay substantially more than the PTC.⁷² Given these factors, it is in the public interest to end the SOP.

OCA and CAUSE-PA agree and support the elimination of the program. CAUSE-PA specifically asserts that the elimination of the SOP is squarely in the public interest because of the higher prices typically paid by participants and has a particularly harsh impact on low-income families, who face acute affordability challenges at existing rates. Importantly, there are no other reasonable alternatives on the record that will prevent this identified financial harm to a majority of SOP participants. Discontinuation of the SOP will prevent further financial harm to participants of this Commission-sanctioned and utility-administered program.

⁷⁰ Duquesne Light St. 4 at 26; Duquesne Light St. 1 at 18.

⁷¹ Duquesne Light St. 1 at 18.

⁷² Duquesne Light St. 3-R at 5.

F. Bill Ready

Under Bill Ready Billing, EGSs present their total supplier charges to Duquesne Light to put on a customer's bill instead of providing a specific supply rate for Duquesne Light to calculate the supply charges. OCA and CAUSE-PA raised concerns about Bill Ready Billing and advocated ending the procedure.

Duquesne Light supported maintaining bill ready billing for EGSs, arguing that customers have the right to shop with the supplier of choice and that billing and collection activities should be directly addressed with the EGS.⁷³ Further, Duquesne Light pointed out that the Commission has specifically encouraged bill ready billing.⁷⁴

Under the Settlement, Duquesne Light will continue to offer bill ready billing for EGSs. According to Duquesne Light, the continuation of bill ready billing is in the public interest and should be approved. Multiple EGSs offering default supply in Duquesne Light's service territory utilize bill ready billing. It could cause significant disruption and inconvenience to EGSs if Duquesne Light were to stop offering this service.

CAUSE-PA supports the Settlement as a whole and has agreed to disagree on this issue. CAUSE-PA witness Geller raised concerns with the lack of visibility into bill ready billing charges, which could include optional non-basic service charges.⁷⁵ He explained that Commission regulations require that partial payments be applied first to basic services before non-basic services, and explicitly prohibit public utilities from

⁷³ Duquesne Light St. 6-R at 9.

⁷⁴ 52 Pa. Code § 69.1813.

⁷⁵ CAUSE-PA St. 1 at 32-35.

terminating service due to nonpayment of non-basic service charges.⁷⁶ The lack of visibility into bill ready billing can hinder Duquesne Light’s ability to apply payments properly and comply with various legal and regulatory requirements.⁷⁷ Despite modifications made in the Company’s last DSP proceeding to address these issues—such as requiring EGSs to provide electric supply charges in specific formats and certifying that only basic electric supply is provided through consolidated billing—Duquesne Light still claims it lacks sufficient visibility into supplier charges to verify that bill ready billing charges do not include non-basic service charges.⁷⁸ Mr. Geller recommended that Duquesne Light end its bill ready billing program because it cannot adequately ensure compliance with the Commission’s regulations governing billing, collections, and terminations.⁷⁹

Although the Settlement does not include CAUSE-PA’s recommendation, CAUSE-PA submits that the Settlement, as a whole, represents a reasonable balance of the interests represented by the stakeholders in this case and takes the position that the Commission should approve the Settlement.

Similarly, OCA raised concerns regarding bill ready billing, but also supports the Settlement as a whole. According to OCA, the Settlement maintains the status quo, and in the overall context of the full Settlement, the OCA agrees that the provision is in the public interest and should be approved.

⁷⁶ *Id.* at 31; *see also* 52 Pa. Code § 56.83(3).

⁷⁷ Appendix C, Low-Income Home Energy Assistance Program, 2023 Vendor Agreement – Utility.

⁷⁸ CAUSE-PA St. 1 at 31.; *Duquesne Light DSP IX* (Joint Petition for Unopposed Partial Settlement, at ¶¶ 50-51).

⁷⁹ CAUSE-PA St. 1 at 32.

G. Customer Assistance Program (CAP)

Duquesne Light's existing CAP policies prohibit CAP shopping, which CAUSE-PA avers helps to prevent substantial financial harm to low-income households.⁸⁰

However, according to CAUSE-PA, this prohibition makes it more difficult for low income shopping customers to timely enroll in CAP.⁸¹ CAUSE-PA explains that delayed CAP enrollment, and/or the imposition of early cancellation or termination fees, can and does have a deep and negative impact on low income customers and, in turn, inflates programmatic costs – in direct conflict with the Commission's statutory obligation to ensure CAP is both cost effective and accessible to those in need.⁸² As Mr. Geller explained, "low income customers are most likely to seek enrollment in CAP when they are in active crisis – often following receipt of a 10-day or 3-day termination notice."⁸³ Thus, timely enrollment in CAP "is of the essence ... to prevent the loss of electricity to the home and a host of other consequences to health, safety, and stability that follow."⁸⁴

From this point of view, CAUSE-PA made a series of recommendations related to the Company's CAP customers. Namely CAUSE-PA: (1) supported restricting CAP participants from shopping for service; (2) recommending prohibiting suppliers from charging cancellation or termination fees; (3) suggested the Company institute a process for low income shopping customers to return to default service and enroll in CAP

⁸⁰ CAUSE-PA St. 1 at 25-27.

⁸¹ *Id.* at 27-28.

⁸² 66 Pa.C.S. §§ 2802 (9)-(10), 2803, 2804(9).

⁸³ CAUSE-PA St. 1 at 26.

⁸⁴ *Id.* at 27.

by including a check box option on the Company's CAP application permitting shopping customers to elect to automatically return to default service upon enrollment in CAP; and (4) recommended that the Company provide a letter explaining the CAP shopping rules and providing detailed instructions on how to return to default service.⁸⁵

Duquesne Light agreed to amend its CAP rules to prohibit suppliers from charging termination or cancellation fees to CAP applicants who return to default service starting on June 1, 2025. CAP applicants will be automatically returned to default service upon enrollment, and the CAP application and welcome packet will clearly state that suppliers cannot charge such fees. While Duquesne Light will notify suppliers of this rule annually, it will not be responsible for ensuring compliance, leaving customers the right to file complaints with the Commission if necessary. On June 1, 2025, Duquesne Light will amend its Supplier Tariff and will implement revisions to its CAP application to facilitate streamlined enrollment for low-income shopping customers – allowing applicants to elect to return to default service by completing the CAP application process.

Duquesne Light supports these settlement terms because the amendment will allow eligible shopping customers quicker access to CAP. The Settlement provides for a streamlined enrollment process for eligible shopping customers to enroll in CAP and provides notice that when they enroll in CAP, EGSs are not permitted to charge a termination or enrollment fee. According to Duquesne Light, Paragraphs 31 and 32 are important because they clarify that Duquesne Light is not responsible for enforcing these EGS obligations and that customers and other interested parties are able to file a complaint with the Commission to address potential EGS compliance issues. Duquesne Light was willing to adopt the CAP provisions requested by CAUSE-PA above under these conditions in order to avoid being required to enforce contract terms between EGSs and customers. Duquesne Light believes that these Settlement provisions are a

⁸⁵ CAUSE-PA St. 1 at 27, 30-31.

reasonable compromise to address the Company's and CAUSE-PA's concerns regarding shopping customer enrollment into CAP.

CAUSE-PA and OCA strongly support the CAP revisions in the Settlement and assert that there is substantial evidence in this proceeding indicating a compelling and urgent need for low-income shopping customers to enroll in CAP.

H. Recommendation

As explained above, the Commission encourages parties in contested proceedings to resolve their disputes through compromise and settlement. Resolution of contested issues by negotiated settlement removes the uncertainties of litigation and may result in better solutions to problems identified by the parties in the testimony of the expert witnesses. In addition, all parties obviously benefit by the reduction in expense and the conservation of resources made possible by adoption of the proposed settlement in lieu of litigation. Such savings benefit not only the individual parties, but also the Commission and all ratepayers of a utility, who otherwise may have to bear the financial burden such litigation necessarily entails.

In addition to informal discovery, Duquesne Light responded to more than 160 interrogatories and requests for production of documents, many of which included multiple subparts. The active parties filed four rounds of testimony, including Duquesne Light's direct testimony, other Parties' direct testimony, rebuttal testimony and surrebuttal testimony. Further, the Parties engaged in numerous settlement discussions and formal negotiations which ultimately led to the Settlement.

In this case, no Party achieved all of their goals. Each party had to make compromises in order to reach an agreement that benefits the public as a whole. The Settlement reflects a carefully balanced compromise of the competing and broad array of

interests of the Joint Petitioners in this proceeding. The Parties, their counsel, and their expert consultants have considerable experience in default service proceedings. Their knowledge, experience, and ability to evaluate the strengths and weaknesses of their litigation positions provided a strong base upon which to attempt to build a consensus in this proceeding. The fact that the Settlement is supported by parties representing a diversity of constituents and interests, favors the approval of the Settlement without modification. Of particular importance are the Settlement provisions meant to protect customers, particularly small business and low-income customers.

We recommend that the Commission approve Duquesne Light's DSP X as modified by the Settlement. The plan for the procurement of energy supply meets the requirements of the Public Utility Code. The modifications provided in the Settlement fairly balance the interests of the Company and its customers. Therefore, we find that the Settlement is in the public interest.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter and the parties to this proceeding. 66 Pa.C.S. § 2801 *et seq.*
2. The settlement rates, terms and conditions contained in the Joint Petition for Settlement are just, reasonable and in the public interest. *Petition of PECO Energy Co. for Approval of its Default Serv. Program for the Period from June 1, through May 31, 2025*, Docket P-2020-3019290 (Opinion and Order entered Dec. 3, 2020); *Pa. Pub. Util. Comm'n v. York Water Co.*, Docket No. R 00049165 (Order entered Oct. 4, 2004); *Pa. Pub. Util. Comm'n v. C. S. Water and Sewer Assoc.*, 74 Pa.P.U.C. 767 (1991).

3. Duquesne Light's default service plan, as modified by the Joint Petition for Settlement, includes prudent steps necessary to negotiate favorable generation supply contracts, as required by Section 2807(e)(3.7)(i) of the Public Utility Code, 66 Pa.C.S. § 2807(e)(3.7)(i).

4. Duquesne Light's default service plan, as modified by the Joint Petition for Settlement of All Issues, includes prudent steps necessary to obtain least cost generation supply contracts on a long-term, short-term and spot market basis, as required by Section 2807(e)(3.7)(ii) of the Public Utility Code, 66 Pa.C.S. § 2807(e)(3.7)(ii).

5. Neither Duquesne Light nor its affiliated interests have withheld from the market any generation supply in a manner that violates Federal law in compliance with Section 2807(e)(3.7)(iii) of the Public Utility Code, 66 Pa.C.S. § 2807(e)(3.7)(iii).

6. The Joint Petition for Settlement submitted by Duquesne Light Company, OCA, OSBA and CAUSE-PA is in the public interest.

ORDER

THEREFORE,

IT IS RECOMMENDED:

1. That the Joint Petition for Approval of Settlement filed on October 1, 2024, as submitted by Duquesne Light Company, the Office of Consumer Advocate, the Office of Small Business Advocate, and the Coalition for Affordable

Utility Services and Energy Efficiency in Pennsylvania be approved without modification.

2. That the Petition for Approval of its Default Service Plan for the period from June 1, 2025 through May 31, 2029 filed on April 19, 2024, by Duquesne Light Company at Docket No. P-2024-3048592, be approved as modified by the Joint Petition for Approval of Settlement filed on October 1, 2024.

3. That Duquesne Light be authorized to file tariffs attached to the Joint Petition for Settlement as Appendices A and B to become effective for service rendered on or after June 1, 2025.

4. That upon acceptance and approval by the Commission of the tariffs filed by Duquesne Light consistent with this Recommended Decision and Order, this proceeding at Docket No. P-2024-3048592 shall be marked closed.

Date: October 31, 2024

/s/
Mary D. Long
Administrative Law Judge

/s/
John M. Coogan
Administrative Law Judge