

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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IRWINA. POPOWSKY
Consumer Advocate

July 27, 2009

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RE: Petition of Duquesne Light Company for
Approval of its Energy Efficiency and
Conservation and Demand Response Plan
Docket No. M-2009-2093217

Dear Secretary McNulty:

Enclosed for filing is the Prehearing Memorandum of the Office of Consumer Advocate,
in the above referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully Submitted,

A handwritten signature in cursive script that reads "David T. Evrard".

David T. Evrard
Assistant Consumer Advocate
PA Attorney I.D. # 33870

Enclosures

cc: Honorable Fred R. Nene

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company	:	
for Approval of its Energy Efficiency	:	Docket No. M-2009-2093217
and Conservation and Demand	:	
Response Plan	:	

PREHEARING MEMORANDUM
OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. § 333 (providing, *inter alia*, for prehearing conferences), the Office of Consumer Advocate (OCA) provides the following information:

I. INTRODUCTION AND PROCEDURAL HISTORY

On July 1, 2009, Duquesne Light Company (Duquesne or Company) filed its Petition for Approval of its Energy Efficiency and Conservation Plan (Plan) with the Pennsylvania Public Utility Commission (Commission) pursuant to Section 2806.1 of the Public Utility Code and the Implementation Order entered by the Commission at Docket No. M-2008-2069887 on January 16, 2009. Duquesne requests that the Commission approve its Plan, its proposed four-year plan budget of \$78.2 million, and the recovery via a surcharge of its costs to implement the Plan. Duquesne's Plan proposes to address the requirements of Section 2806.1 for electricity consumption and peak load reductions through a variety of programs for residential, commercial and industrial customers. With respect to residential customers,

Duquesne has proposed the following: (1) a Residential Energy Efficiency Rebate Program; (2) a Residential Refrigerator Recycling Program; (3) a Residential Low Income Energy Efficiency Program; (4) a Residential Direct Load Control for Air Conditioners and Electric Water Heaters Program; and (5) a Residential School Energy Pledge Program.

The Company's filing was assigned to the Office of Administrative Law Judge and further assigned to Administrative Law Judge Fred R. Nene for investigation. On July 28, 2009, a prehearing conference will be held in Harrisburg. As required by Act 129, public input hearings will be held in the Company's service territory on August 5, 2009. Technical evidentiary hearings will be held on August 19 and 20.

On July 7, 2009, the Office of Consumer Advocate filed its Notice of Intervention and Public Statement in this matter.

On August 7, 2009, the OCA will file direct testimony and Comments which will set forth the specific issues the OCA has identified.

II. ISSUES AND SUB-ISSUES

Based upon a preliminary analysis of Duquesne's filing and participation in stakeholder meetings, the OCA has compiled a list of issues and sub-issues which it anticipates will be included in its investigation of Duquesne's filing. It is anticipated that other issues may arise and may be pursued during the course of this proceeding.

The following list sets forth the issues that the OCA anticipates it will examine:

- (1) Reasonableness of the Company's proposed energy conservation and demand response plan and the individual program design for meeting the requirements of Section 2806.1 of the Code;

- (2) Reasonableness of the balance of the portfolio of programs proposed and whether the programs are equitably distributed across rate classes;
- (3) Whether the Company's Plan meets the requirements of Section 2806.1 for low-income and non-profit customers;
- (4) Reasonableness of the Company's proposed program costs, including the proposed budgets;
- (5) Reasonableness of the Company's proposed cost recovery mechanisms and the allocation of overhead and common costs;
- (6) Reasonableness and cost effectiveness of the proposed programs, including whether the Plan meets the requirements of the Total Resource Cost (TRC) test;
- (7) Reasonableness of the Company's proposed measurement and verification and evaluation plans; and
- (8) The need for an on-going stakeholder group.

The OCA specifically reserves the right to raise additional issues as may be necessary.

III. WITNESSES

The OCA intends to present the direct testimony of the following witness in this proceeding to accompany the OCA's Comments. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, comments, and answers to interrogatories be mailed directly to the expert witness as well to counsel for the OCA.

EE&C Plan and Cost Recovery

David G. Hill, Ph.D.
Senior Project Manager
Vermont Energy Investment Corporation
255 South Champlain Street, Suite 7
Burlington, VT 05401-4894
(802) 658-6060, Ext. 1034
dhill@veic.org

The OCA specifically reserves the right to call additional witnesses, as necessary.

If the OCA determines that an additional witness or witnesses will be necessary for any portion of its case, all parties of record will be notified.

IV. SERVICE ON OCA

The OCA will be represented in this case by Assistant Consumer Advocate David T. Evrard and Senior Assistant Consumer Advocate Tanya J. McCloskey. Two copies of all documents should be served on the OCA as follows:

Tanya J. McCloskey
Senior Assistant Consumer Advocate
David T. Evrard
Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut St., 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Telephone: (717) 783-5048
Fax: (717) 783-7152
Email: tmccloskey@paoca.org
devrard@paoca.org

As a courtesy, the OCA requests that all electronic correspondence be copied to Jessica J. Horner (jhorner@paoca.org).

V. PROPOSED DISCOVERY RULES

Given the expedited nature of the schedule in this proceeding and in order to effectively investigate and adequately develop a record on the issues, the OCA requests a modification of the Commission's discovery rules, as set forth below:

(1) Answers to written interrogatories shall be served in-hand within seven (7) calendar days of service.

(2) Objections to interrogatories shall be communicated orally within three (3) calendar days of the service of interrogatories; unresolved objections shall be served to the ALJ in writing within five (5) days of service of the interrogatories.

(3) Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of the written objections.

(4) Answers to motions to dismiss objections and/or answering of interrogatories shall be filed within three (3) calendar days of service of such motions.

(5) Rulings on such motions shall be issued, if possible, within seven (7) calendar days of the filing of the motion.

(6) Responses to requests for document production, entry for inspection, or other purposes must be served in-hand within seven (7) calendar days.

(7) Requests for admissions will be deemed admitted unless answered within seven (7) calendar days or objected to within five (5) calendar days of service.

The OCA reiterates that all time periods established in the foregoing discovery schedule should be calculated using calendar days.

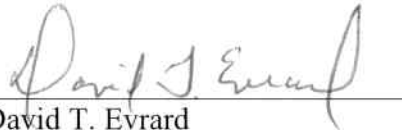
VI. SCHEDULE

The OCA will work with the parties to address any witness scheduling issues.

VII. PUBLIC INPUT HEARINGS

Public input hearings have been scheduled for Wednesday, August 5, 2009, at 2 p.m. and 6 p.m. at the Allegheny County Courthouse in Pittsburgh. In the event the OCA receives additional requests for a public input hearing, the OCA will notify the ALJ and the parties immediately. Given the expedited nature of this proceeding, the OCA requests that consideration be given to alternative means of receiving input from those members of the public who cannot attend the public input hearings. The OCA recommends telephonic public input hearings along with written comments.

Respectfully Submitted,



David T. Evrard
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Dated: July 24, 2009
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CERTIFICATE OF SERVICE

Petition of Duquesne Light Company :
for Approval of its Energy Efficiency : Docket No. M-2009-2093217
and Conservation and Demand :
Response Plan :

I hereby certify that I have this day served a true copy of the foregoing document, Prehearing Memorandum of the Office of Consumer Advocate, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 27th day of July 2009.

SERVICE BY E-MAIL and INTEROFFICE MAIL

Charles Daniel Shields, Esquire
Adeolu Bakare, Esquire
Office of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

SERVICE BY E-MAIL and FIRST CLASS MAIL

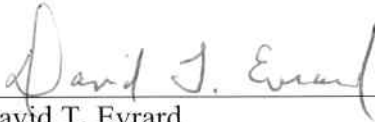
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