

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

Executive Summary

Duquesne Light Company's Time-of-Use and Real Time Pricing Plan ("Plan") was approved by the Commission in June 2010. The goal of the Plan is to evaluate customer interest in and response to rate options and programs that encourage customers to shift or reduce electricity usage during peak periods of use.

In 2010, the Company created the *Smart Sense* residential pilot program to implement its Plan. Approximately 1,400 customers enrolled in the program in April 2011. Baseline electric usage data was collected from these participants during the months of June 2011 through September 2011.

Two residential pilot programs were proposed in the Plan from which customer response would be evaluated. Approximately 1,300 customers participated in the Time-of-Week program in which customers were incentivized to reduce their monthly electricity usage. Participants who reduced their June 2012 through September 2012 electricity usage by 10% or more below their equivalent monthly 2011 baseline electricity usage would receive an additional 10% incentive credit on the default service supply charge portion on their bill. As an added incentive, participants who reduced their monthly consumption 10% or more for all four months – June 2012 through September 2012 — would receive an additional 10% off of their September 2012 default service supply charge.

Approximately 100 customers participated in the Time-of-Day program, in which participants were encouraged to change behavior through on- and off-peak pricing. The Time-of-Day program offered two time-of-use ("TOU") rate options — 1 p.m. to 6 p.m. weekdays or 4 p.m. to 6 p.m. weekdays. These two rate options provided participants choice depending on their level of risk and perceived opportunity to modify behavior to save.

The first progress report was submitted to the Commission on November 30, 2011. That report summarized the activities to implement the *Smart Sense* pilot program and collect baseline period data. This second report assesses participant response during the effective date of the programs, June 1, 2012, through September 30, 2012. This report also provides participant feedback about the *Smart Sense* program as well as small commercial and industrial ("C&I") customer research in regard to their interest in TOU rates.

Regarding the Time-of-Week program, on a monthly average, 45% of participant bills were lower than they were during the baseline period, and 24% of participant bills met the 10% target kWh usage reduction target. These results suggest that participants were aware of their electricity usage and did respond to communication materials, demonstrating they were engaged in the program.

Regarding the Time-of-Day program, participants responded favorably to both rate options. This suggests participants responded to communication materials, shifted usage to the off-peak period, or simply curtailed during the on-peak period. Participant response was more favorable

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

(provided greater participant benefits) for the TOU program with the shorter (4 p.m. to 6 p.m. weekdays) on-peak period. The percentage of on-peak kWh usage was 2-3% less for TOD-2 than the baseline period. This suggests that the noticeably higher on-peak price (4 times the flat rate), and shorter on-peak (2 hours versus 5 hours for TOD-1 participants) provided a greater and more meaningful incentive to shift or curtail usage during the on-peak period.

Regarding the two TOU rate options, overall, 80 out of 101 participants paid less for electricity than they would have paid on the flat, standard residential rate. These results suggest that communications were effective, that participants reviewed website data, and that participants did respond to and were aware of the on-peak pricing.

Customer research verified that participants were satisfied with the *Smart Sense* program and most would participate again. Most participants also were satisfied with the communication messages and channels, and are more aware of energy usage after participating in the Smart Sense program. In addition, monitoring electric usage was found to be important to participants, a need that can be satisfied with smart meter deployment.

Similar to the results of residential research, small C&I customer research indicated these customers are interested in monitoring their electricity usage. However, few small C&I customers were interested in a TOU rate with an on-peak period between 1 p.m. and 6 p.m. weekdays. The large majority of customers would find it difficult to shift their business operation on weekdays and remained hesitant about implementing schedule changes to save electricity. Most felt they could not change business hours to accommodate pricing.

Based on the Smart Sense pilot results and the customer research findings, Duquesne Light proposes the following next step in regard to TOU rates. The Company plans to submit a TOU plan in 2014 for Commission approval that aligns with smart meter deployment at that time and that aligns with the Company's then pending default service plan as well as other Commission requirements. The Company also hopes to conduct additional small C&I customer research regarding TOU rates and to propose a TOU program for small C&I customers at that time.

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

Background

Act 129 of 2008 (“Act”) required electric distribution companies (“EDC’s”) with at least 100,000 customers to implement time of use (“TOU”) and real time pricing (“RTP”) plans, among other requirements, and to evaluate these pricing plans as an option for customers to manage their electricity costs. Specifically, with respect to TOU and RTP plans, the Act states:

2807(f)(5) By January 1, 2010, or at the end of the applicable generation rate cap period, whichever is later, a default service provider shall submit to the commission one or more proposed time-of-use rates and real-time price plans. The commission shall approve or modify the time-of-use rates and real-time price plan within six months of submittal. The default service provider shall offer the time-of-use rates and real-time price plan to all customers that have been provided with smart meter technology under paragraph (2)(iii). Residential or commercial customers may elect to participate in time-of-use rates or real-time pricing. The default service provider shall submit an annual report to the price programs and the efficacy of the programs in affecting energy demand and consumption and the effect on wholesale market prices.

On December 28, 2009, Duquesne Light Company (“Duquesne” or “Company”) submitted its petition for approval of its TOU and RTP Plan (“Plan”). The purpose of the proposed four-step plan was to integrate TOU rates into practice and to complement both the Company’s Energy Efficiency and Conservation and Demand Response Plans (“EECDR”) and Smart Meter Implementation Plan.

- Step 1 - (2010) Conduct Market Analysis
- Step 2 - (2011) Implement Residential Pilot Program Infrastructure
- Step 3 - (2012) Implement Residential Pilot Programs
- Step 4 - (2013) Implement TOU Pricing Programs to Smart Meter Customers

The Plan proposed three TOU alternatives to evaluate. The Time-of-Week program (TOU-1) was designed around the limited capabilities of the Company’s existing residential meter infrastructure. TOU-1 was designed to provide approximately 1,000 residential customers with an incentive to reduce their usage during certain summer months measured against a baseline consumption mark set during those months in the previous year.

The Time-of-Day program (TOU-2) was a summertime plan in which customer’s rates varied between on-peak and off-peak usage. It was designed to encourage approximately 100 residential customers to shift their summer usage from on-peak to off-peak hours. Due to limitations of the current metering and billing system, new meters were installed on these customer’s homes capable of collecting and storing hourly usage data.

TOU-3 was an expanded TOU plan proposed to coincide with the deployment of smart meters. The parameters of TOU-3 would be based on information learned from TOU-1 and TOU-2 and

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

customer research. Evaluation of small commercial and industrial (“C&I”) customer interest in TOU rates also was to be considered. Participation in TOU-3 would be strictly voluntary.

On June 23, 2010, at Docket No. P-2009-2149807, the Pennsylvania Public Utility Commission (“Commission”) approved the Company’s Plan, requiring, among other items, supplemental reports addressing Plan progress on September 30 each year.

In October 2010, a Company team was formed for program development and to implement the Plan. The team worked together to define objectives and key communication messages; define customer participation criteria; create program materials; install hourly-read meters for TOU-2; implement process changes and work with outside consultants for customer research in a collaborative effort to achieve Plan goals. This collaborative process led to the creation of Duquesne’s *Smart Sense* pilot program, the formation of a *Smart Sense* website and a *Smart Sense* email mailbox for customer communication.

In April 2011, the team successfully enrolled 1341 residential customers in the Time-of-Week program and 111 residential customers in the Time-of-Day (TOU-2) program. The team engaged customers in the pilot through surveys and communication materials. Electric usage data (kilowatt-hours or “kWh”) collected from participants during the months of June 2011 through September 2011 was used as baseline data to develop the program design and to measure program success.

On August 2, 2011, recognizing detailed data necessary to support its first supplemental report would not be available until after September 30, 2011, the Company submitted a petition to the Commission to extend the filing date of all supplemental reports to November 30 each year. On September 27, 2011, the Commission approved the Company’s request to submit the supplemental reports by November 30 each year.

On November 30, 2011, the Company filed its first progress report. The report summarized the results of analysis of customer usage data and the results from on-line web surveys and customer focus groups to form the final design and pricing of the two *Smart Sense* pilot programs. Customer preference was clear in wanting programs that are simple in structure, easy to understand and offer meaningful opportunities to reduce energy costs with options that accommodate various levels of risk. Following is a description of each *Smart Sense* pilot program.

Time-of-Week Program: Customers who reduce their June 2012 through September 2012 electricity use by 10% or more below their 2011 baseline kilowatt-hour usage would receive a 10% incentive credit on the default service supply charge portion on their bill. As an added incentive, customers who reduce their monthly consumption 10% for all four 2012 months — June 2012 through September 2012 — would receive an additional 10% off of their September 2012 default service supply charge. Credits to the customer would be provided in the following month’s bill.

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

Time-of-Day Programs: The Company proposed two rate options in response to customer input. These two options provided the customer choice depending on their level of risk and perceived opportunity to modify behavior to save. The proposed rates for the two Time-of-Day programs were based on the Company's existing default service rates for residential customers.¹ There is no guarantee of savings to the customer from these two programs.

Table 1: Smart Sense TOU Rates for the Time-of-Day Programs

	Time-of-Day 1	Time-of-Day 2
On-Peak Period	Weekdays 1 p.m. to 6 p.m.	Weekdays 4 p.m. to 6 p.m.
Off-Peak Period	6 p.m. to 1 p.m. weekdays and all weekend hours	6 p.m. to 4 p.m. weekdays and all weekend hours
On-Peak Rate	15.72 cents/kWh	31.44 cents/kWh
Off-Peak Rate	6.13 cents/kWh	5.86 cents/kWh

In addition to receiving communication materials on energy saving tips, energy efficient products, and opportunities to provide feedback through on-line surveys and focus groups, participants who remained in the program through September 30, 2012, would receive a \$100 pre-paid debit card as appreciation for their input.

On March 20, 2012, the Company filed Supplement No. 57 to Tariff Electric, Pa. P.U.C. No. 24 with an issued date of March 20, 2012, and an effective date of May 19, 2012, in compliance with the Commission's Order dated June 23, 2010, at Docket No. P-2009-2149807. Supplement No. 57 implemented the two TOU rate options for the Time-of-Day pilot programs. Duquesne Light filed concurrently on March 20, 2012, a Petition for special permission to file a tariff supplement to become effective on less than 60 days notice. The proposed effective date was on or before April 27, 2012, to allow time for the Company to communicate approved details of the programs to the *Smart Sense* pilot participants. On April 26, 2012, at Dockets No. R-2012-2294694 and P-2012-2295300, the Commission approved the Company's request.

After the April 26, 2012, Commission approval of Supplement No. 57, the Company requested Time-of-Day (TOU-2) participants select one of the two TOU rate options from Table 1 above. Those who did not respond to the request would be placed on the TOD-1 rate. When solicited, 16 participants chose TOD-1 and 55 chose TOD-2. The remaining 30 participants who did not reply were placed on TOD-1, which balanced the number of participants between TOD programs.

This second progress report evaluates customer response during the effective period June 1, 2012, through September 30, 2012, and compares that response to baseline data. This report focuses on customer response and customer feedback during this period, and identifies customer interests that could benefit design and implementation of future TOU programs. This report does

¹ Since these were pilot programs, the Time-of-Day rates proposed in Supplement No. 57 were only available to the 111 eligible participants for a four month period beginning June 1, 2012, through September 30, 2012.

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

not analyze system impacts because of the changes in customer participation levels throughout the period, gaps in data, and the limited number of participants in the Time-of-Day pricing program. Instead, it concentrates on customer participation and feedback. The following sections summarize program activity and results, followed by customer feedback and response to the *Smart Sense* program design. The Company deemed customer interest and feedback in the program as the primary driver to determine the next steps for TOU rate programs and rate design.

Customer Communications

Initial communications to participants involved basic administrative tasks, like filling out a required demographic survey and selecting a program option. During collection of baseline data, from June 2011 through September 2011, communication was limited to avoid customers impacting baseline data by prematurely implementing conservation steps. In the fourth quarter of 2011, the Company began providing participants a regular flow of educational materials to increase their awareness about usage/conservation, and to keep them engaged in the pilot. Care was taken to provide concise, informative communications rather than voluminous information that might overwhelm or irritate customers. *Smart Sense* communications also featured links to Act 129 programs, especially the many *Watt Choices* initiatives, so that customers could save through those various product offerings and the Smart Sense program at the same time. Customer feedback via surveys and focus groups was supportive of our overall communication approach, especially with the Time-of-Day participants, who were more involved in the program on a day-to-day basis because of the choices they needed to make in using power off-peak versus on-peak each weekday.

Table 2 summarizes some of the key messages of communication pieces. The Company used a steady stream of email messages, in addition to a website section dedicated to *Smart Sense*, to communicate with participants. Attachment 1 is a copy of communication pieces sent to participants.

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

Table 2: Communication Materials Sent to Smart Sense Participants

	Subject	Sent
		2011
1.	Duquesne Light Smart Sense Update	December
		2012
2.	New Username Needed to Access Duquesne Light Websites	January
3.	Free Energy-Efficiency Kit Includes Phantom-Energy Beating Surge Strip	February
4.	Optional AC Cycle Team Helps Protect Environment and Earns You Cash	February
5.	Watt Choices Rebate Can Save You Up to \$50 on New Programmable Thermostat	March
6.	Turn That Old Fridge or Freezer into Cold Cash	March
7.	Double Your Savings With Compact Fluorescent Light Bulbs	April
8.	Select Your Smart Sense Time-of-Day Rates by May 18	May
9.	Time-of-Day Rate Selection Confirmation E-Mail TOD-1	May
10.	Time-of-Day Rate Selection Confirmation E-Mail TOD-2	May
11.	Begin Earning 10 Percent Supply Credit Through Smart Sense Program How the Program Will Work – TOW Participants	May
12.	REMINDER Select Your Smart Sense Time-of-Day Rates by May 18	May
13.	FINAL REMINDER Select Your Smart Sense Time-of-Day Rates Today	May
14.	Since You Did Not Make A Selection By May 18, You Have Been Placed in the TOD-1 Rate Plan Option	May
15.	Smart Sense Supply Rates Now in Effect Through Sept. 30	June
16.	Bill Cycle Adjusted to Reflect New Supply Rates	June
17.	First Month's Results Will Soon Be Available – TOD Participants	June
18.	First Month's Results Will Soon Be Available – TOW Participants	June
19.	June Results Now Available on Smart Sense Website – TOD Participants	July
20.	June Results Now Available on Smart Sense Website – TOW Participants	July
21.	July Results Now Available on Smart Sense Website – TOD Participants	August
22.	July Results Now Available on Smart Sense Website – TOW Participants	August
23.	Smart Sense We Value Your Opinion	September
24.	August Results Now Available on Smart Sense Website – TOD Participants	September
25.	August Results Now Available on Smart Sense Website – TOW Participants	September
26.	Smart Sense Program Is Over. Thanks for Participating! – TOD Participants	October
27.	Smart Sense Program Is Over. Thanks for Participating! – TOW Participants	October
28.	Smart Sense Appreciation Payment Is On the Way	November
29.	Reminder – Switching to An EGS – TOD Participants	Throughout Program
30.	Reminder – Switching to An EGS – TOW Participants	Throughout Program
31.	No Longer Taking Electric Service from DLCo.	Throughout Program
32.	Must Remain Current on Account	Throughout Program

As detailed in the research section below that provides feedback on the *Smart Sense* program, customer response to communications was favorable.

In addition to e-mail communications, bill messages were used to inform the participants. Attachment 2 is a copy of the various bill messages for Time-of-Week (TOU-1) and Time-of-Day (TOU-2) participants. The TOU-1 participants could receive one of three messages: 1.) “Congratulations! - Met Goal – Received 10% reduction credit;” 2.) “Did not meet goal;” or 3.) “Monthly result not available due to timing of billing date.” If a TOU-1 participant received the reduction credit, they would see it listed under the “Basic Service Charges” section of their bill.

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

TOU-2 participants received a monthly message directing them to look under the “Basic Service Charges” section of their bill for a breakdown of their on- and off-peak default service supply charge for the month. For comparison purposes, they also were directed to the *Smart Sense* website to see what their supply charge would have been using the standard residential default service supply rate.

Smart Sense Website and Mailbox

The *Smart Sense* website proved to be an effective means to communicate results as well as general messages to participants. The *Smart Sense* section of the Company’s website was designed for all participants. Within this section there were subsets of the website that featured program-specific information for Time-of-Week (TOU-1) and Time-of-Day (TOU-2) participants. Attachment 3 is a copy of website screen shots for the Time-of-Week program and Attachment 4 are website screen shots for the Time-of-Day program.

Time-of-Week participants were able to view daily usage information from the existing automated meter reading system. The daily usage page is a direct link to the main www.duquesnelight.com’s meter usage information (Electriweb) page that all customers with an online account can see. Since hourly interval meters were installed for Time-of-Day participants, these customers were able to see data on a page showing their daily usage data and a page showing their hourly usage data.

The Time-of-Week website section was designed to explain to customers whether or not they were successful in reaching their monthly 10% kWh reduction goal. Since the capabilities of the Company’s current metering system are limited, the website focused on communicating messages detailing their previous month results.

The Time-of-Day website section was designed to show customers their on-peak and off-peak electricity usage and whether or not they were able to save money versus being on the standard fixed monthly rate. Since hourly meter data was available for these customers, more detailed website information was presented as shown in the attachment.

Smart Sense E-Mail Box – A dedicated e-mail address and e-mail box were created for the program. This e-mail box was monitored daily and responses were typically provided within 24 hours for routine questions. The *Smart Sense* team responded to more than 336 emails sent to its *Smart Sense* mail box. As discussed below, the customer research confirmed the majority of the participants didn’t mind having the e-mail address as their main means of contact for the *Smart Sense* program. Most indicated the process was efficient and those that did send an e-mail received a response in a timely and thorough manner. A relatively small number of participants who emailed the *Smart Sense* team said they would have liked to have had a telephone contact option as well.

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

Enrollment

One of the eligibility criteria of the *Smart Sense* pilot was for the customer to remain on default service for the duration of the program. This criteria was established for all participants to ensure they had consistent messages, to test messages and incentives at the same (supply price) signal, and to ensure consistent incentive payments for participants. For Time-of-Day (TOU-2) customers, this criteria was established since the TOU rates were based on default service rates.

Enrollment began in April 2011 in order to begin collecting kWh data for the June through September 2011 baseline period. The Company's default service plan currently in effect began January 1, 2011. Throughout the baseline period, as well as the entire *Smart Sense* pilot period, Electric Generation Suppliers ("EGSs") were soliciting customers to switch from default service supply, several offering significant discounts on Duquesne Light's default service rate. While there were no switching restrictions applicable to *Smart Sense* customers (i.e., participants were free to switch), they did need to evaluate the potential savings from EGS offers compared to their incentives to remain in the *Smart Sense* program through October 2012. *Smart Sense* customers who switched to an EGS forfeited their participation incentive that they otherwise would have received if they would have remained in the program. Therefore, the *Smart Sense* program inherently required customers to evaluate not only the pilot program requirements but also the details of the offers from EGS's. Table 3 shows the number of active participants in the *Smart Sense* pilot program.

Table 3: Smart Sense Month-End Active Participants

	May <u>2011</u>	May <u>2012</u>	Jun <u>2012</u>	Jul <u>2012</u>	Aug <u>2012</u>	Sep <u>2012</u>
Week	1,203	1,153	1,130	1,115	1,091	1,088
Day	104	101	101	101	101	98
Total Active	1,307	1,254	1,231	1,216	1,192	1,186
Monthly Drop		53	23	15	24	6
Cumulative		53	76	91	115	121
EGS Switch		50	19	9	20	3
Close Account		3	4	6	4	3

EGSs were actively marketing residential default service customers in the spring of 2011, at the same time the Company was enrolling customers in the *Smart Sense* pilot, just before the baseline period for data collection began. Over the course of 12 months, 50 of 1,307 customers who had enrolled in *Smart Sense* had switched to an EGS. At the end of the *Smart Sense* pilot, nearly 10% of customers had switched to an EGS. This change in enrollment implies customers weighed the projected savings offered by EGSs versus the *Smart Sense* target reduction incentive and participation incentive. It could be further implied customers weighed projected savings

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

from an EGS that did not require changes in behavior to reduce consumption versus incentives offered by the Company which required behavioral change.

The TOD participants were asked to select one of the two TOU rate design programs. Those who did not respond to the request would be placed on the TOD-1 rate. When solicited, 16 participants chose TOD-1 and 55 chose TOD-2. The remaining 30 participants who did not reply were placed on TOD-1 which balanced the number of participants between programs.

Weather

The electricity usage data was weather normalized for an equivalent comparison between baseline usage data versus usage data during the rate effective period. Table 4 summarizes the weather adjustment factor applied to the monthly consumption data. A multiplier greater than one indicates cooling degree days greater than an average historic year.

Table 4: Weather Adjustment Multiplier

	June	July	August	September
2011	1.0258	1.2042	1.0342	1.0524
2012	1.0549	1.1810	0.9634	1.0222

Time-of-Week Program Analysis

A total of 1,203 customers were initially enrolled in the Time-of-Week (TOU-1) program. The Company collected daily meter read information to establish calendar month kWh usage for each participant for June 2011 through September 2011. If daily meter read data was not available, billing data and extrapolation of data between meter read dates was used to fill-in data gaps. This usage data was weather normalized to establish the baseline monthly kWh data base for each participant.

The effective period to measure participant reductions in consumption began June 1, 2012, and ended September 30, 2012. The Company collected customer meter read data on a daily and monthly basis. Similarly, data gaps were filled and the data was weather normalized to ensure an equivalent comparison to baseline data. As described above, weather normalized data was posted on the website for each customer's account to present the results.

Table 5 below provides a summary of customer response in the TOU-1 program.

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

Table 5: Time-of-Week Program Results

kWh Consumption		June	July	August	Sept	
Compared to						
<u>2011 Baseline Period</u>		<u>2012</u>	<u>2012</u>	<u>2012</u>	<u>2012</u>	
1	Greater than 100%	6	5	9	6	Did Not Meet 10% kWh Reduction Target
2	50% to 100% more	22	23	31	32	
3	20% to 50% more	161	75	174	190	
4	10% to 20% more	176	119	201	179	
5	0% to 10% more	249	273	250	233	
6	Up to 10% less	224	305	213	225	
7	10% to 20% less	164	195	105	127	Met 10% kWh Reduction Target
8	20% to 50% less	115	108	93	80	
9	50% to 100% less	13	12	15	16	
10	Total	1,130	1,115	1,091	1,088	
<u>Average</u>						
11	Customers Using More	614	495	665	640	
12	Customers Using Less	516	620	426	448	
13	% Customers Using Less	46%	56%	39%	41%	45%
14	Did Not Meet Target	838	800	878	865	
15	Met Reduction Target	292	315	213	223	
16	% Met Reduction Target	26%	28%	20%	20%	24%
17	<u>Total Incentive Payment</u>	<u>\$2,264</u>	<u>\$3,249</u>	<u>\$1,571</u>	<u>\$1,313</u>	
18	Average Incentive Payment	\$7.75	\$10.31	\$7.38	\$5.89	\$7.83

The following observations may be drawn from the data in Table 5:

1. On a monthly average, 45% of customer bills were lower than they were during the prior year (line 13). While not achieving the target electricity usage reduction, this result does suggest that participants were aware of their electricity usage and did respond to communication materials. While not receiving an incentive payment, these participants did lower their electric bill relative to 2011 thereby lowering the default service supply charges as well as transmission and distribution charges.
2. On a monthly average, 24% of participant bills met the 10% target reduction (line 16). This suggests that a 10% target is reasonable given participant ability to conserve other than air conditioning usage.
3. A small number of participant bills were +/- 50% more than the baseline period (lines 1, 2 and 9). Although individual participant behavior was not analyzed, this suggests significant household changes year to year (e.g. fewer residents living in their household, long vacation).

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

4. July was the month in which the highest number of usage reductions and target reductions were achieved (line 13 and line 16). This was also the warmest of the four months and though usage was higher, suggests participants may also have been more aware of electricity consumption at that time.
5. The average incentive payment of \$7.83 is approximately equivalent to 100 kWh of electricity reduction (default service rate of \$0.0786/kWh) (line 18). This modest incentive is consistent with the time-of-use savings discussed in the following Time-of-Day Program Analysis. A 10% reduction is considered a slightly challenging but reasonable target reduction.

Participants had an additional incentive to reduce consumption. Participants who were able to reduce kWh usage 10% or more in all four months, June 2012 through September 2012, compared to their baseline period received an additional 10% off of their September 2012 default service supply charges. Table 6 is a distribution of the number of times participating customers were able to reduce their consumption.

Table 6: Number of Months Participants Reduced Consumption 10% or More

	Customer Count
0 Months (1)	657
1 Month	254
2 Months	145
3 Months	89
4 Months	58
Total	1,203

1/ Includes count of customers who dropped from the program.

From an analytical perspective, the Time-of-Week (TOU-1) program provided participants the opportunity to receive a variety of incentives — energy reduction, the 10% target reduction for an additional incentive, a four month reduction and a participation incentive. It is unlikely such a program would provide the EDC the benefit of peak load reduction since the incentive was not based on a reduction during a specific period of time. Though 24% of participant bills on average did meet the 10% kWh usage reduction target, it is doubtful that an additional participation incentive is necessary for a non-pilot program or would have produced greater results.

Time-of-Day Program Analysis

Meters capable of hourly readings were installed on the premise of TOD customers in April 2011. For evaluation purposes, data was collected from participants during two distinct time periods. The Company collected hourly baseline data from these participants from June 1, 2011,

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

through September 30, 2011. TOU default service rates were in effect from June 1, 2012, to September 30, 2012, the effective period of the rates. The Company then compared customer usage during these two periods and assessed the impacts of TOU pricing. Attachment 5 summarizes the data from these two data collection periods.

Baseline data for 2011 is summarized on pages 1 and 2 of Attachment 5. For 2011, the revenue shown and the potential savings are calculated assuming the participants were on their respective TOU rate during this period. Note that limited participant communications occurred during the baseline period to minimize behavioral changes so as to not affect the baseline data. The following observations may be drawn from the baseline data.

RE: Attachment 5, page 1 and 2:

1. Whether on TOD-1 or TOD-2, participants on each rate averaged about the same kWh usage (1,500kWh) per month (page 1, line 7). This suggests a reasonable population for each program for comparison purposes.
2. Electricity usage by month was consistent between TOD-1 and TOD-2 participants (page 1, line 7). Average kWh usage was highest in July and lowest in September, both attributable to the weather. The high July usage was attributable to the warmer than average temperature for the month. The low September usage suggests less air conditioning load during the month and raises the question whether a TOU rate is an effective means for reducing on-peak load in September.
3. Assuming the participants were on TOU rates during this baseline period, total revenue if the participant had been on the TOU rates (page 1, line 12) versus total revenue on the flat, standard residential default service rate (page 1, line 15) are essentially identical. This is also evident in the average supply charge per kWh (\$0.0782/kWh TOD-1 and \$0.0782/kWh TOD-2, page 1, line 14). These figures suggest the on- and off-peak periods and rate design achieved the goal of revenue neutrality as desired.
4. The on-peak share of kWh usage whether TOD-1 (1 p.m. to 6 p.m.) or TOD-2 (4 p.m. to 6 p.m.) is consistent between each option (page 1, lines 17 and 18). This is important to evaluate participant response to communications and TOU rates during the rate effective period.
5. Assuming the participants were on TOU rates during this baseline period, the impact to the majority of participant bills would have been +/- \$5.00 per month (page 2, shaded boxes). This is a modest impact for participants considering they are paying an average of \$118/month for default service charges (1,500 kWh times \$0.0786/kWh).
6. Assuming the participants were on TOU rates during this baseline period, customer cost/savings is equitably distributed between those who would have paid more versus those who would have saved during the months of June through August (page 2, lines 19-20). The high savings that would have been achieved in September suggests less air conditioner operation during on-peak periods.

Attachment 5, pages 3-5, summarizes the data for the rate effective period June 1, 2012, to September 30, 2012. These pages show the actual impacts associated while participants were on

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

their applicable TOU rate. There are similarities to monthly usage in aggregate to the baseline period. For example, whether on TOD-1 or TOD-2, participants on average used about 1,500 kWh (page 3, line 7). Similarly, the low September usage suggests low air conditioner usage during the month (page 3, line 7). The following observations may be drawn from the rate effective period data in comparison to the baseline period data.

RE: Attachment 5, pages 3, 4 and 5:

1. Participants paid an average rate noticeably less than the baseline period. The average rate for participants was TOD-1 \$0.0775/kWh and TOD-2 \$0.0723/kWh, noticeably lower compared to the baseline period and to the flat default service supply rate (\$0.786/kWh) (page 3, line 14). This suggests participants responded to communication materials, shifted usage to the off-peak period, or simply curtailed during the on-peak period.
2. Percentage of on-peak kWh usage is about a percentage point lower for TOD-1 participants than during the baseline period (page 3, line 17). This suggests participants responded to communication materials and on-peak rates.
3. Percentage of on-peak kWh usage is 2-3% less for TOD-2 than the baseline period (page 3, line 17). This suggests that the noticeably higher on-peak price (4 times the flat rate), and shorter on-peak period (2 hours versus 5 hours for TOD-1 participants), provided a greater and more meaningful opportunity to shift or curtail usage during the on-peak period.
4. Total revenue for the TOD-2 participants compared to what they would have paid under the flat default service rate is noticeably lower (page 3, lines 12, 15 and 16). For the four month period, total revenue \$23,357 on the TOD-2 rate (line 12) versus \$25,409 if the participants were on the flat default service rate (line 15), a \$2,052 difference (line 16). This is noticeably different than page 1, line 16, where the revenue difference was minimal. This is attributable to the TOD rate differential and the ability of the participant to shift usage away from a short on-peak period.
5. Savings were achieved on more participant bills during the rate effective period compared to the baseline data (page 4 versus page 2, line 17). This suggests positive participant response to communications.
6. There was a greater opportunity to save with the shorter on peak period (page 4, line 20). This is a function of rate design (\$0.3144/kWh on-peak versus \$0.0586/kWh off-peak) and the narrower on-peak period. For the residential customer class, this suggests a shorter, targeted on-peak period may have more potential to reduce the utility's load during highest periods of load.
7. For those who paid more on TOU rates, the majority paid less than \$5 more (page 4, shaded boxes) than they would have otherwise paid on the flat default service rate. This was a modest bill impact on a percentage basis (page 5, line 1). Similar to the baseline data analysis, this is a modest impact for participants averaging 1,500 kWh/month.
8. For those who saved on TOU rates, there was opportunity for meaningful savings on TOD-2 (page 5, lines 6-9). This suggests participant behavior changes proved very beneficial.

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

9. Nearly all TOD-2 participants saved during the month of September (page 4, line 28 and page 5, line 10). This suggests TOU rates produced savings because of less air conditioning load.

Two broader observations can be made from the data in Attachment 5.

First, the analysis in Attachment 5 is shown on participant bill basis and in aggregate. The results are successful from a program perspective. Additional investigation from participants individually could provide insight into the reasons for behavior changes. For instance, variables at the participant level such as vacations, change in appliances, change in air conditioning, more or less household members were not evaluated in this pilot.

Second, overall, 30 out of 46 participants paid less for electricity on the TOD-1 rate during the June 2012 through September 2012 period than they would have paid on the flat, standard residential rate. In the TOD-2 program, 50 out of 55 participants paid less for electricity than they would have paid on the flat, standard residential rate. This suggests that communications were effective, that participants reviewed website data, and that participants did respond to and were aware of the on-peak pricing.

Customer Research

In 2011, the Company conducted web surveys and focus groups to develop and design the *Smart Sense* pilot programs that would be in effect from June 1, 2012, through September 30, 2012. The primary objective of that customer research was to obtain customer input into program design to develop programs that interested customers and that provided an opportunity for customer benefit. The primary objectives of the 2012 *Smart Sense* participant research were to continue to gather information about participant awareness of energy consumption and conservation; assess customer reaction to program results; assess reaction to program design; and gauge overall satisfaction with the *Smart Sense* pilot program.

Specifically, the *Smart Sense* participant research involved:

- Evaluating participant satisfaction and gathering feedback on program design;
- Evaluating specific aspects of the program (e.g., on-peak periods, rates);
- Determining impression of website interactions;
- Measuring participant satisfaction with communications, communication methods and messages;
- Determining if participants would be likely to enroll in similar programs in the future;

In addition to residential customer research from *Smart Sense* participants, the Company conducted phone surveys and focus groups among small C&I customers to initiate a starting

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

point to explore their interest in potential TOU pricing. This research was tailored to complement ongoing customer satisfaction surveys that are conducted with small C&I customers. Similar to the residential customer research conducted in 2011, the primary goal of small C&I customer research was to gather information to assess small C&I customer interest in potential TOU pricing and customer preferences.

As in 2011, the Company engaged Market Strategies International (“MSI”) to conduct customer research involving both residential customers in the *Smart Sense* program and a cross-section of the Company’s small C&I customers. The results of customer research are provided in Attachments 6 through 10. Attachments 6, 7, 9 and 10 also include an executive summary followed by the customer research report. Following is a summary discussion of the research, research findings and considerations for future programs.

Smart Sense Program Research

In reviewing the findings, it is important to remember that the Time-of-Week (TOW) participants did not have access to hourly usage data, as did the Time-of-Day (TOD) participants. With respect to data, TOD participants had more detailed information, which is reflective in the results in Attachments 6 and 7 in regard to data.

MSI conducted the web survey, which included both TOW and TOD participants, with nearly all participants responding². MSI conducted two focus group sessions involving TOW participants and two focus group sessions with TOD participants. In general, the results from the web survey and focus groups produced similar results.

Overall, participants were satisfied with the *Smart Sense* program, the program design, and the educational materials provided. Most said they were satisfied (56% TOW and 80% TOD), said they likely would participate again (75% TOW and 69% TOD), and would recommend the *Smart Sense* program to others (62% TOW and 63% TOD).

Participants expected more savings and desired more usage information. Fewer than 20% responding to the survey were able to achieve the 10% reduction. This is consistent with the results in Table 5. The financial incentive was not a key driver, but the expected savings they could achieve was lower than anticipated. Fewer than half felt the financial incentives to shift or reduce usage were adequate. However, this was not a key factor in the expected savings by participating in the program. Some participants admittedly did not take specific actions to conserve because of comfort, equipment replacement, or lack of cooperation from all household members.

² As part of the enrollment agreement, participants were required to complete surveys and participate in focus groups, if selected, in order to receive the program’s final appreciation payment.

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

The *Smart Sense* program did increase participant awareness of electricity usage. More attention to and awareness of energy was a common response. This is a key finding because, in general, more awareness and information should allow customers to make informed decisions. This is important in that customers will pay attention to electric usage, not just when they use a particular appliance or electric-powered device, but also when evaluating the types of products they purchase, and when considering opportunities presented by EGSs.

Most participants were satisfied with communications. Most found the data and communication topics valuable, and the quantity of email to be the right amount. Participants responded favorably to the website, email communications and topics. This suggests that participants valued the information and were satisfied with electronic communications. Participants did want more data on the website, not only specific to their home, but about specific appliances. This suggests opportunities to provide additional data once smart meters are available. Web and email worked, were not overwhelming, provided good reminders and participants were satisfied with and preferred the email channel.

Monitoring electric usage was an important consideration, and some participants would like to have more information on how much electricity specific appliances use in order to prioritize opportunities to save. While data was updated daily, some participants responded that they would have liked to have had more data throughout the month to help them meet their 10% reduction goal. Many participants said they wanted more information beyond the basics. Participants did like being able to access varying levels of usage information.

The following considerations for future residential program design were identified from this research:

1. Manage expectations – Define up front opportunities and expected outcomes. Customers need to understand the results of their actions, both the magnitude and the potential risks and benefits.
2. Options – Pricing options, the flexibility to switch back to a flat rate, and the opportunities with energy efficiency products and services are examples of options that make customers feel in control. Focus group research did identify some customer interest in a bill protection program. It is unlikely that a higher incentive (i.e., a higher participation incentive) would have produced different customer outcomes.
3. Data - Access to data eventually provided through smart meters will be valuable for the customer.
4. Communications – Web and email received positive customer feedback and should be continued.

Small C&I Customer Research

Investigation into small C&I customer interest in TOU rates was part of the Company's overall Plan submitted in 2009. Unlike the residential customer class, which is somewhat homogenous,

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

the small C&I customer class represents a diverse group of customers and diverse characteristics. Aside from specific demographics, residential customers have somewhat common electric usage and load profile patterns, and end-use equipment (e.g., air conditioning, television, appliances) is common throughout many households. Electricity is one of several utility bills, not necessarily a priority. Customer interest in saving on their electric bill is prioritized among other family activities.

Small C&I customers have more diverse hours (e.g., evenings, weekends), more diverse end-use equipment depending on the specific business (e.g., office, retail, healthcare, manufacturing, service) and more priorities other than electricity (e.g., employees, safety, payroll). Part of the scope of the Company's TOU Plan was to obtain small C&I customer interest in dynamic pricing to determine if this was an alternative for these customers and the obstacles that may exist because of the diversity of this customer class. Attachment 8 is a summary of the firmographics of the 400 small C&I customers surveyed as part of this research and their interest in energy management.

The Company encountered several obstacles to begin small C&I customer research. These obstacles highlighted the issues the Company would need to overcome to offer an effective TOU pricing program. The first obstacle was how to contact the decision maker of the business. Unlike the residential customer class, the contact identified with the small business was not necessarily a decision maker, owner, or the individual responsible for utility bills or financial matters.

The second obstacle was how best to contact the customer. In *Smart Sense*, and for many residential accounts, the Company had a valid email address to contact the residential customer. Such direct contact was typically not available with small C&I customers, with only generic access through the customers website, if available.

Finally, actually contacting the decision maker was challenging. Unlike residential customers, small C&I customers have priorities to run their business during business hours. Many contacts had to be made after business hours. Ultimately, contact through a mix of both landline phones and cell phones proved to be the best means to contact and conduct the telephone research with the decision maker.

MSI conducted a telephone survey of small C&I customers, which was followed by two focus groups. Attachments 9 and 10 provide an executive summary and the detailed results of the research. The telephone survey was conducted to complement the Company's ongoing customer satisfaction research. The focus groups were conducted with two groups of small C&I customers. The objectives of the research were as follows:

- Explore awareness of TOU pricing
- Obtain a better understanding of the potential market for TOU pricing among small C&I customers

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

- Obtain customer reaction to dynamic pricing
- Collect positive and negative aspects related to their perceptions and how TOU pricing would affect their businesses.

Monitoring electricity usage was common among most small C&I customers. While most small C&I customers consider electricity a minor to moderate cost of their business, and most were aware of the Company's *Watt Choices* program, few understood a lot about the actions they could take to manage their costs and become more energy efficient. Customers did express an interest in becoming more efficient, though some expressed concern about balancing energy cost savings with operating their business effectively.

Unaided, about half of small C&I customers were aware of TOU pricing concept. This suggests small C&I customers are focused more on operating their business than about energy prices, but also that an opportunity exists to educate these customers about the potential benefits from dynamic pricing.

Unlike residential customers, few small C&I customers were interested in a TOU rate with an on-peak period of 1 p.m. to 6 p.m. Shifting usage seemed impractical for many, and some suggested a TOU rate option structured to fit the user. Many felt TOU was a good idea to save money, but difficult or impractical to implement for their specific business. The large majority of small C&I customers would find it difficult to shift their business operation on weekdays and remained hesitant about implementing schedule changes to save electricity. Most felt they could not change business hours to accommodate pricing.

Small C&I customers suggested one alternative may be to offer a financial incentive to reduce electricity during a pre-determined time period. Small C&I customers liked the idea of being able to save, but the preference to do so would be an incentive to save versus a penalty for usage (at a higher price) during on-peak hours.

The following considerations for implementing TOU pricing for small C&I customers can be drawn from this research:

1. Data - Like *Smart Sense* residential customers, small C&I customers are interested in monitoring usage and cost data. Future opportunities exist to satisfy this need by providing data through smart meter technology.
2. TOU design – Traditional TOU pricing designed around the utility on-peak period does not necessarily align with small C&I customer needs. A utility-based TOU structure likely would have limited success only with the small group of small C&I customers able to shift from a utility on-peak period. One option could be to design TOU programs specific to a business segment (e.g., manufacturing).
3. Energy efficiency – Reduced electricity consumption translates to lower costs. Small C&I customers are interested in ways to reduce consumption without changing the operation of their business to accommodate a TOU pricing structure. Communication about the Company's energy efficiency products and services should be continued.

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

4. Trade-off – For residential customers, the trade-off of consuming less electricity during on-peak hours for savings is typically inconvenience (e.g., operating appliances at a later hour) and comfort (e.g., less air conditioning). For small C&I customers, and depending on the business, the trade-off of realigning work force and hours of operation is inconvenience (e.g., work force alignment) and profit. Small C&I customers cannot compromise the values their customers want from their business for the sake of TOU pricing.

Conclusions

The evaluation of the *Smart Sense* pilot during and after program completion provided the Company the opportunity to understand residential customer levels of energy awareness, interest in and response to non-traditional pricing, and communication preferences. It also provided insight into small C&I customer understanding and desire for TOU rates. The following broad conclusions may be drawn from the analysis of results and from the customer research that was conducted.

Program Communications

1. Customer communications are essential. Communications increase awareness. Awareness increases program success. Based on the results of the Time-of-Week and two Time-of-Day programs, participants responded to the messages during the effective rate period. From customer research, customers want information.
2. Communication means are changing. Customers preferred email and the ability to view data on-line. Website access provided opportunity to view results and measure their performance. Cell phone proved to be the most efficient means of contact with small C&I customers. These alternatives to traditional phone contact reflect the need for deployment of resources to support these alternative means and to maintain additional sources of data.
3. Manage customer expectations. It is important up front in program implementation to define expected savings/opportunities for the customer. This can be accomplished through communications before, during and after programs are implemented and to mitigate any potential negative reactions after results are received.
4. The frequency and effectiveness of messages are important for communication to the customer. Concise messages aligned with timely emails were effective for the pilot.
5. Data is important. Customers responded favorably to being able to view data on-line. Smart meters will satisfy this need.
6. Specific results are important. Understanding progress to achieving the program goal and their reward are important to customers.

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

Program Design

1. Customers want options and the ability to switch between programs. TOU rates provide an option to customers to manage their electric costs. Additional options require additional education, whether offered by an EGS or by EDC obligation.
2. Customers must take action to save. Customers need to understand and expect that savings are not automatic — they must understand they need to put forth effort. Even with a participation incentive, some took no action.
3. A participation incentive may not necessary for TOU programs. Participants were provided an opportunity to save in the Smart Sense pilot program. The participation incentive was just that — a means to retain customers in the program over an 18-month period to respond to surveys and to provide the Company baseline and rate program data. The potential savings through the customers' actions should be sufficient for the program.
4. Small C&I customers concentrate on operating their business and most would not be willing to adopt TOU rates without more specific information.. More research is required into TOU options, or plans that focus on specific segments, before widespread TOU plans are deployed to these customers.

Rate Design

1. A TOU rate is not necessary in September. The September usage data suggests much lower on-peak usage for this region that may not prove beneficial for a TOU rate. During September, customers may save on a TOU rate without any behavioral changes.
2. One size does not fit all. While the majority of participants saved, particularly on TOD-2, the ability to save and the magnitude saved is up to the customer.
3. A shorter on-peak period is more effective. A narrow on-peak window provides a manageable period for customers to focus on energy management. The duration of the on-peak period should be aligned with the EDCs top 2-3 peak hours of load to maximize benefits to the customer and the EDC.
4. TOD rate design can achieve on-peak reduction, but the off-peak design must provide a benefit and opportunity for savings to encourage customer participation.

Next Steps

The *Smart Sense* pilot program was implemented as a result of Act 129 to align with the Company's energy efficiency programs, default service plans and smart meter deployment. The *Smart Sense* pilot provided insight into residential customer needs for these items.

The key to successful implementation of TOU and RTP is data for the EDC to implement programs and for the customer to understand results and understand the benefits of their actions. This is true regardless of whether the TOU offer is from the EDC to comply with Act 129 or from an EGS. Smart meters and their supporting database systems will be the key to successful

Duquesne Light Company Time-of-Use and Real Time Pricing Plan

Second Progress Report – November 30, 2012

implementation of TOU rates. Further, a meaningful number of customers must have a smart meter installed and related back-office systems must be fully functional in order for TOU rate options to be available in the market, either through the EDC or EGSs.

The Company's Final Smart Meter Implementation Plan is pending Commission approval. The smart meter plan projects limited smart meter installation in new construction and customer requests through 2015. Full smart meter deployment is scheduled to begin in the fourth quarter of 2015.

Default service plans are evolving to an end-state design over the next two to three years. The end-state design is not yet finalized and consideration must be given to the eventual obligations. For example, more small and medium C&I customers may be served through hourly price default service rates, minimizing the impact and effects of traditional TOU rate structures. TOU rates must align with the eventual end-state design. Regardless of the final end-state default service design, the Company will need to submit a default service plan in mid-2014 to become effective June 1, 2015.

For these reasons, the Company proposes the next step is to submit a TOU plan in 2014 for Commission approval that aligns with smart meter deployment at that time and that aligns with its then pending default service plan as well as end-state default service requirements, to the extent defined. Depending on the timing outcome of these matters, the Company may include its TOU plan in its next default service plan filing.

The Company hopes to conduct additional small C&I customer research regarding TOU rates and options prior to its next default service filing. The Company seeks to effectively present data and options to small C&I customers for evaluation and feedback once a meaningful number (e.g., 5,000) of small C&I customers have smart meters. The next TOU plan also will propose a TOU program for small C&I customers.

TAB

1

ATTACHMENT 1

“Duquesne Light Smart Sense Update”

SmartSense E-Mail Sent to All Participants
December 2, 2011



Dear Smart Sense Participant:

Thank you for being part of a very successful first year of the program. Your active participation in the online survey and (for some of you) focus groups provided a wealth of information we are using to develop the final design and pricing of the two Smart Sense pilot programs, which will go into full operation beginning June 1, 2012.

Your preference was clear in wanting programs that are simple in structure, easy to understand and offer meaningful opportunities to reduce energy costs. For example, those of you in the Time-of-Day pilot thought the on-peak period should end by 6 p.m. to allow sufficient time for evening activities. You also do not want a weekday/weekend price differential because many of your electricity-based chores, such as clothes washing/drying, take place then or you use the weekend to enjoy family activities. And you would like to have information on the Smart Sense website that will help you to better understand your electricity usage.

We presented a proposal to the Public Utility Commission in late November that reflected your sincere, well-thought-out responses. Once reviewed and approved by the PUC, we will share plan specifics with you.

Take Online Home Energy Audit – Receive Energy-Efficiency Kit!

As a kick-off to your more involved participation in the program next summer, we encourage you to take advantage of the free online energy audit available through Duquesne Light's Watt Choices program. In addition – in appreciation for your participation in the Smart Sense pilots – when you enter your “active” account number as part of the online home energy audit, you will be sent a complimentary energy-efficiency kit that contains four compact fluorescent lights (CFLs), two nightlights and a Smart Strip surge protector with power controls. The kit will be delivered to your Duquesne Light service address.

To begin, click on “Online Energy Audit” on the left-hand side of the wattchoices.com homepage. Then click on “Energy Insights” and begin entering information about your home, including type and size, year built, average heating and cooling settings, and type of windows. This information is combined with your actual electric use history to produce an in-depth report detailing ways you can save energy and money.

Where appropriate, the customized audit summary will tell you which of our Watt Choices rebate items will best help reduce your home energy use. These include rebates on the purchase of energy-efficient appliances, including Energy Star refrigerators, freezers and dehumidifiers, as well as a wide range of energy-saving devices, such as programmable thermostats. Visit wattchoices.com for more information.

As we move closer to your more active participation in the Smart Sense pilots, look for more frequent communications from us. If you have questions, be sure to contact us at the email address below. Thanks, again, for being part of this important program.

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Duquesne Light Smart Sense Team
smartsense@duqlight.com
www.duquesnelight.com/smartsense

“New Username Needed to Access Duquesne Light Websites”

Smart Sense E-Mail Sent to All Participants
January 23, 2012



Dear Smart Sense Participant,

Late last year, Duquesne Light unveiled a new look for our corporate website, www.duquesnelight.com. In doing so we attempted to combine the best elements of the old website – such as online bill payment, the ability to review usage online and the ability to stop, start or transfer service – with a fresh, new, more user-friendly look.

In conjunction with this change, to help enhance security for customers, email addresses no longer will be accepted as a username when signing into our corporate or Smart Sense websites. If you haven't already done so, we encourage you to create a new username. It takes just a few seconds to make this change. You will not have to re-register your account.

If this will be your first time logging onto the Smart Sense website (www.duquesnelight.com/smartsense) since the change, start by entering your previously registered email address in the username field in the upper right corner of the page and click "Login." On the next screen enter your password and click "Login." Next you will come to a "Create My Username" screen. There, you will see a message that says "Email addresses are no longer allowed for logging in. Use this form to create a new user name. We appreciate your cooperation." Follow the instructions on this page to create a username you can use with your existing password to sign-in on either website.

Please contact us at smartsense@duqlight.com if you encounter any problems making this change. We apologize for any inconvenience this may have caused.

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smartsense@duqlight.com
www.duquesnelight.com/smartsense

“Free Energy-Efficiency Kit Includes Phantom-Energy Beating Surge Strip”

Smart Sense E-Mail Sent to All Participants
February 9, 2012



Dear Smart Sense Participant,

Approximately 30 percent of Smart Sense participants have taken advantage of the free home energy audit option available at wattchoices.com.

In December, we invited all Smart Sense participants to complete the customized energy audit to help kick-off your more involved participation in the program this summer. The audit provides a number of ways to help you use energy more efficiently in your home and save money on your monthly utility bills. And when you enter your account number as part of the online home energy audit, you will be sent a complimentary energy-efficiency kit that contains four compact fluorescent lights (CFLs), two nightlights and a Smart Strip surge protector with power controls.

The offer is still available. To begin, click on "Online Energy Audit" on the left-hand side of the wattchoices.com homepage. Then click on "Energy Insights" and follow the directions. The kit will be delivered to your Duquesne Light service address.

A special feature of the kit is an eight-outlet surge protector that helps reduce "phantom" power use in your home. Every appliance, when plugged in, draws power – whether it's in use or not. And when you consider the number of televisions, computers, video game consoles and various charging devices plugged in throughout most American's homes, "phantom" power use certainly can add up over the course of a month. The Globe enersaver surge protector helps you minimize phantom power use – and save money – by cutting the power supply to connected devices you currently aren't using.

Just plug your computer or TV into the primary outlet, and all of your related accessories (printer, speakers, DVD player, video game console, etc.) into the secondary outlets. The enersaver will automatically disable power to these items when your computer or TV is turned off – a simple way to eliminate the phantom energy users in your home. When you turn your computer or TV back on the next time you need it, your accessories will turn back on too.

Need to maintain power to a DVR or modem? The enersaver has this covered too. Just plug these items into the "always on" outlets at the top of the strip and they'll receive a constant supply of power – just like your computer or TV.

February is the perfect time to evaluate your energy use with the Duquesne Light Watt Choices home audit and to begin to track down and eliminate "phantom" power use with the enersaver. If you haven't already done so, we encourage you to take advantage of these free offers.

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Duquesne Light Smart Sense Team
smartsense@duqlight.com
www.duquesnelight.com/smartsense

*As info, % of participants who performed audit increased from 30% to 41% after this email.

“Optional AC Cycle Team Helps Protect Environment and Earns You Cash”

Smart Sense E-Mail Sent to All Participants
February 23, 2012



Dear Smart Sense Participant

Duquesne Light's Watt Choices program helps customers conserve energy and reduce demand while lowering their electricity costs. As we move closer to the start of the final phase of the Smart Sense program in June, we'll be pointing out various Watt Choices programs that could complement your participation in the pilot.

Use of your air conditioner will be a major component of your monthly electric bill during the Smart Sense pilot months of June through September. The Watt Choices Air Conditioner Cycle Team can help you reduce your energy use and earn some cash at the same time.

Those who participate in this optional program give Duquesne Light permission to remotely reduce the operation of their air conditioners for a few minutes each hour for a few hours during a total of 10 to 15 days over the entire summer. Participants will be paid \$32 – \$8 per month from June through September – in addition to savings they should experience because of reduced electric use (as well as your \$100 appreciation payment for successfully completing the Smart Sense program).

Here's how the Cycling Team works. On select days during periods of peak usage, participants' air conditioners will run for 15 minutes and then cycle off for 15 minutes before starting again. This cycling will take place in three- to five-hour periods, and only on weekday afternoons and early evenings. Total cycling will not exceed a combined 48 hours throughout the summer.

As you may remember from reading the original Smart Sense brochure we mailed to your home early last year, periods with heavier electric usage, like during hot, humid summer afternoons, are called "peak hours." During these peak hours, utilities must use higher-cost, less-efficient generation facilities to meet the increased customer demand.

Reducing energy use during these peak usage hours will reduce the need for these inefficient plants to be brought online. In addition to helping protect the environment, doing this ultimately will help utilities and energy suppliers pass on long-term cost savings to customers.

To learn more about the Watt Choices Air Conditioner Cycling Team, or to sign up, call 1-877-302-2233. Duquesne Light is partnering with Converge to administer the program. Limited spots are available.

Once participants are enrolled, they will be contacted about the installation of a switching device. This switch is a small box that will be installed next to the air conditioner's outdoor compressor. The customer does not need to be home during the installation.

In closing, we want to emphasize that the Cycling Team is an optional program. You do not need to participate to remain part of the Smart Sense pilot program. We just thought it might be the type of program some of you might be interested in being part of.

We'll be back to you in a couple of weeks with other energy-saving ideas.

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Duquesne Light Smart Sense Team
smartsense@duqlight.com
www.duquesnelight.com/smartsense

“Watt Choices Rebate Can Save You Up to \$50 on New Programmable Thermostat”

Smart Sense E-Mail to All Participants
March 5, 2012



Dear Smart Sense Participant:

Adjusting your thermostat is one of the most effective ways to cut your energy consumption. Although it is March, and the heating season is coming to an end, the air conditioning season is just around the corner. Programmable thermostats offer a convenient way for you to manage both heating and cooling costs. A programmable thermostat allows you to automatically set your thermostat at your comfort level when you are at home, and adjust the temperature for those times when you are away from home, while you're at work during the day, or while sleeping at night.

As we move closer to the final phase of the Smart Sense program, beginning June 1, we're pointing out various Duquesne Light programs that complement your participation in the Smart Sense pilot program. For example, our Watt Choices program is offering a rebate of up to \$50 for customers who purchase a new programmable thermostat. A programmable thermostat is one alternative to help you to reduce summer air conditioning usage and improve your opportunity to achieve Smart Sense program reduction targets. After purchasing and installing the equipment, you must complete and send the [rebate application](#) to the address located on the form.

For a complete list of eligible rebates, visit WattChoices.com and click on "Rebates." While on the Watt Choices website, consider completing the free on-line home energy audit mentioned in previous emails. Those who do receive a complementary energy-efficiency kit containing compact fluorescent lamps (CFLs) and a surge strip.

You can find out more about the Watt Choices program at our Electric Lane area at the Duquesne Light Home & Garden Show, March 2-11 at the Convention Center in downtown Pittsburgh. A \$3 discount for weekday admission is included in the January-February edition of our customer newsletter, [Service Line](#), which is inserted with your Duquesne Light bill each month.

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“Turn That Old Fridge or Freezer into Cold Cash”

SmartSense E-Mail Sent to All Participants
March 29, 2012



Do you have an old refrigerator in the basement or an outdated freezer in the garage?

While they may be convenient for storing leftovers, soda pop and a six-pack, these appliances usually are older models that use up to four times the electricity of newer, energy-efficient ones. And because they typically are not fully stocked, they use a lot of electricity to keep just a few items cold. This can add up to \$150 per year to your electric bill.

By taking part in Duquesne Light's Watt Choices refrigerator/freezer recycling program, you can turn those old appliances into cold cash – and get another great headstart on the final phase of the Smart Sense program, set to begin June 1.

By participating in the program, we not only will haul away the old refrigerator or freezer for free, we will pay you \$35 for recycling that outdated appliance. That \$35 rebate is in addition to cost savings you should expect to see on your electric bill.

Appliance recycling helps the environment, too. In addition to coming out to your home to pick up the refrigerator or freezer, our partner, JACO Environmental, will then recycle 95 percent of the components in an environmentally-safe way.

To schedule a pickup, call 1-877-270-3521 or visit WattChoices.com. Refrigerators and freezers must be in working condition and must be a minimum of 10 cubic feet in size. You will receive your rebate check within six weeks of pickup.

As we move closer to the final phase of the Smart Sense program, we will continue to point out various Duquesne Light programs that complement your participation in the Smart Sense pilot program.

One last thing. Please note that we've updated the FAQ section on the Smart Sense website. Look for yellow flags identifying the new or updated material.

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“Double Your Savings With Compact Fluorescent Light Bulbs”

SmartSense E-Mail Sent to All Participants

April 25, 2012



Dear Smart Sense Participant:

Consider these three quick facts about compact fluorescent (CFL) light bulbs. They:

- Save up to \$30 in lighting costs during each bulb's lifetime, compared to traditional incandescent bulbs.
- Use up to 75 percent less energy
- Last about 10 times longer

And when purchasing CFLs, Duquesne Light customers can double their savings – getting major instant discounts at the register and then seeing a reduction in their electricity bill – through our Watt Choices light bulb discount program.

Through a partnership with local retailers in Duquesne Light's service territory, you can get major discounts – 50 percent, on average – on many types of CFL bulbs, including three-way, reflector, dimmable, soft white, bright white and daylight bulbs. Look for special in-store displays. No rebate forms are needed, as the discounted price will be charged at the register.

The current roster of participating retailers includes ACE and True Value hardware stores, Lowe's, Costco, The Home Depot, Sam's Club, Walmart, Cardello Lighting Supply, Family Dollar, Dollar Tree, Dollar General, Goodwill Industries locations, Do It Best Hardware, and many independent hardware stores.

To find the nearest participating retailer, click on the "CFL Instant Savings!" link at www.wattchoices.com. Also available on the "Be a Power Saver" page is information about various CFL bulb types, how and where to recycle used CFLs, and an energy-savings comparison of CFL and incandescent bulbs.

In addition to the CFL program, Watt Choices is offering instant discounts on select LED light bulbs at Costco, Home Depot, Lowe's and Sam's Club locations.

As you get ready for the final phase of the Smart Sense program to begin June 1, consider making the switch to more energy-efficient light bulbs.

The Smart Sense Team

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“Select Your Smart Sense Time-of-Day Rates by May 18”

SmartSense E-Mail Sent to TOD Participants
May 10, 2012



Dear Smart Sense Participant,

We first want to thank you for your continued participation in our Smart Sense pilot program. It has been more than a year since you enrolled in the program, and we appreciate your continued commitment. We hope the energy-saving tips sent this year have been helpful, and that you have had the opportunity to take advantage of some of the Watt Choices programs.

The start of the final phase of the Smart Sense pilot program is just around the corner. As participants in the Time-of-Day segment of the Smart Sense program, you will have the opportunity to reduce your electric bill by shifting part of your electric use away from on-peak periods, when power demand and prices are higher, to off-peak periods, when demands and prices are lower. Starting June 1, you will be able to directly impact your monthly electric bill by the choices you make concerning your electric use.

How the Program Will Work

Your current Duquesne Light supply charge is 7.86 cents per kilowatt-hour. As you can see in the chart below, we are offering you two rate options as part of the Smart Sense Time-of-Day pilot program. **We need you to select the option you prefer by May 18, 2012.** You then will be on the Smart Sense supply rates you have chosen from June 1 until Sept. 30, 2012. Remember, none of the other charges on your bill will change because of your selection.

	<u>Time of Day 1</u>	<u>Time of Day 2</u>
On-Peak Period	Weekdays 1 p.m. to 6 p.m.	Weekdays 4 p.m. to 6 p.m.
Off-Peak Period	All other weekday hours and all weekend hours*	All other weekday hours and all weekend hours*
On-Peak Rate	15.72 cents per kilowatt-hour	31.44 cents per kilowatt-hour
Off-Peak Rate	6.13 cents per kilowatt-hour	5.86 cents per kilowatt-hour

**Independence Day (Wednesday, July 4, 2012) and Labor Day (Monday, Sept. 3, 2012) will be considered off-peak all day*

Which Option Is Best for Me?

That depends on how you use electricity. Even more important, it depends on how likely you think you will be able to shift your electricity usage to off-peak periods.

From the chart above, you can see that summer-time afternoons are the on-peak periods for electricity consumption. That said, it is interesting to note that most residential customers use 85 percent of their electricity during off-peak hours. Time of Day 1 features a longer on-peak period

yet it is a more conservative option than Time of Day 2 because of the pricing differences. Time of Day 2 provides a greater opportunity for savings for customers who can significantly cut back on electricity consumption from 4 p.m. to 6 p.m.

While there is no guarantee of savings, the opportunity for you to save depends on your ability to shift your electric use away from those few peak weekday hours. At the same time, it's important to keep in mind – whichever option you select – that you may pay a little more if you don't take any steps to shift your electric usage.

Make Your Choice by May 18

Please use this link, to the "What We Need from You" section of the Smart Sense website, to make your choice. *If we do not receive a reply from you by May 18, 2012, you will be assigned to the Time of Day 1 rate option.*

Keep Track of Your Progress

Each month, you'll be able to compare your on- and off-peak electric use by checking the "Current Charges" listing on page three of your Duquesne Light bill. You also will be able to see what your supply charge would have been using the standard residential customer rate (7.86 cents per kilowatt-hour) by going to our website, www.duquesnelight.com/smartsense.

Again, thank you for participating in Duquesne Light's Smart Sense pilot program. Continue to check your email and your account on the website for information about ways to control your electricity usage. We look forward to continuing to work with you as we develop a smart-meter system with time-of-day rates that will benefit all customers.



Duquesne Light Smart Sense Team
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“Time of Day Rate Selection Confirmation Email TOD-1”

**SmartSense E-Mail Sent to TOD Participants
May 11, 2012**



Dear Smart Sense Participant:

Thank you for selecting a Time of Day rate as part of Duquesne Light's Smart Sense Program.

Based on your response, you have been enrolled in Time of Day 1. This program offers a great opportunity to learn more about how you use electricity and save money at the same time. Your Smart Sense supply rate will be in effect from June 1, 2012, to September 30, 2012.

As a reminder, you will receive a \$100 gift card as appreciation for completion of the pilot. To receive your gift card, you must continue to receive your electric supply from Duquesne Light Company through the end of the Smart Sense program in October.

Look for additional e-mail communications throughout the spring and summer as we work together to develop a smart-meter system with time-of-day rates that will benefit all customers.



Duquesne Light Smart Sense Team
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“Time of Day Rate Selection Confirmation Email TOD-2”

SmartSense E-Mail Sent to TOD Participants
May 11, 2012



Dear Smart Sense Participant:

Thank you for selecting a Time of Day rate as part of Duquesne Light's Smart Sense Program.

Based on your response, you have been enrolled in Time of Day 2. This program offers a great opportunity to learn more about how you use electricity and save money at the same time. Your Smart Sense supply rate will be in effect from June 1, 2012, to September 30, 2012.

As a reminder, you will receive a \$100 gift card as appreciation for completion of the pilot. To receive your gift card, you must continue to receive your electric supply from Duquesne Light Company through the end of the Smart Sense program in October.

Look for additional e-mail communications throughout the spring and summer as we work together to develop a smart-meter system with time-of-day rates that will benefit all customers.

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**“Begin Earning 10 Percent Supply Credit Through Smart Sense Program”
“How the Program Will Work”**

**SmartSense E-Mail to TOW Participants
May 16, 2012**



Dear Smart Sense Participant,

We first want to thank you for your continued participation in our Smart Sense pilot program. It has been more than a year since you enrolled in the program, and we appreciate your continued commitment. We hope the energy-saving tips sent this year have been helpful, and that you have had the opportunity to take advantage of some of the Watt Choices programs.

The start of the final phase of the Smart Sense pilot program is just around the corner. Recall when you enrolled in the Smart Sense program that one of the key goals of the pilot is to help you manage your electricity costs. In addition to encouraging you to try to shift a portion of your electric usage to weekends or evenings, we set 10 percent as a monthly target for reducing your electricity consumption during the summer of 2012. Beginning June 1, 2012, through Sept. 30, 2012, for each month you achieve a 10-percent reduction in your electricity consumption, compared to 2011, you'll receive a 10-percent supply charge credit in the next month's bill.

How the Program Will Work

Usage data we collected last summer, from June 1, 2011, through Sept. 30, 2011, will be used as a baseline for comparison with your 2012 usage. However, to be fair to you, we also will need to consider the effects of weather on your usage in both 2011 and 2012.

Most of us can remember how hot last summer was. And while this past winter also was warmer than normal, we cannot predict what this summer will be like. As a result, we will take extra precautions to make sure we are making an "apples-to-apples" comparison of your usage for this summer versus last summer.

Here's how we will do that. First, we'll compile your actual usage for the month, beginning in June. Then we'll adjust that usage – up or down – to ensure we have that apples-to-apples comparison. This adjustment to your actual usage will be made using a factor based on how warm – or cool – the summer months were in 2011 and 2012 compared to a typical Pittsburgh-region summer. By making this adjustment, we will ensure you are treated fairly.

Let's take a look at how that could work in June. Last year was a warmer-than-average summer. Assuming 2012 is a little cooler than last year, here's an example of how we would determine the adjustment.

	2011	2012	Difference	Reduction
Actual June Usage	1200 kilowatt-hours	1000 kilowatt-hours	200 kilowatt-hours	17% – Goal Met!
Weather Adjustment Factor	5%	2%		
Adjustment to Actual Usage	-60 kWh	-20 kWh		
Weather Adjusted June Usage	1140 kWh	980 kWh	160 kWh	14% Goal Met!

Now let's look at an example of how that adjustment would be determined if June 2012 is warmer than June 2011. Let's assume you've taken advantage of energy saving tips we have provided and your usage is the same as last year. Here's how that could look.

	2011	2012	Difference	Reduction
Actual June Usage	1200 kilowatt-hours	1200 kilowatt-hours	0 kilowatt-hours	Goal Not Met!
Weather Adjustment Factor	5%	15%		
Adjustment to Actual Usage	-60 kWh	-180 kWh		
Weather Adjusted June Usage	1140 kWh	1020 kWh	120 kWh	11% Goal Met!

While this gives you a sense of how we will apply the adjustment, obviously the actual temperature and your actual usage are large variables in calculating the adjustment. Again, our goal with the adjustment is to treat you fairly.

During the first week following the end of each month, we will post this summary for your account on our website, www.duquesnelight.com/smartsense. You will be able to see how you did. And if you were successful, meeting or exceeding the 10-percent reduction target (in adjusted usage), you can look for the credit in the following month's bill.

Again, thank you for participating in Duquesne Light's Smart Sense pilot program. Continue to check your email and your account on the website for information about ways to control your electricity usage. We look forward to continuing to work with you as we develop a smart-meter system with time-of-day rates that will benefit all customers.



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www.duquesnelight.com/smartsense

“REMINDER Select Your Smart Sense Time-of-Day Rates by May 18”

SmartSense E-Mail Sent to TOD Participants
May 16, 2012



Dear Smart Sense Participant,

We're following up on last week's email asking you to select a Time of Day supply rate option as we get closer to the June 1 start of the final phase of the Smart Sense pilot program.

How the Program Will Work

Your current Duquesne Light supply charge is 7.86 cents per kilowatt-hour. As you can see in the chart below, we are offering you two rate options as part of the Smart Sense Time-of-Day pilot program. We need you to select the option you prefer by May 18, 2012. You then will be on the Smart Sense supply rates you have chosen from June 1 until Sept. 30, 2012. Remember, none of the other charges on your bill will change because of your selection.

	<u>Time of Day 1</u>	<u>Time of Day 2</u>
On-Peak Period	Weekdays 1 p.m. to 6 p.m.	Weekdays 4 p.m. to 6 p.m.
Off-Peak Period	All other weekday hours and all weekend hours*	All other weekday hours and all weekend hours*
On-Peak Rate	15.72 cents per kilowatt-hour	31.44 cents per kilowatt-hour
Off-Peak Rate	6.13 cents per kilowatt-hour	5.86 cents per kilowatt-hour

**Independence Day (Wednesday, July 4, 2012) and Labor Day (Monday, Sept. 3, 2012) will be considered off-peak all day*

Which Option Is Best for Me?

That depends on how you use electricity. Even more important, it depends on how likely you think you will be able to shift your electricity usage to off-peak periods

From the chart above, you can see that summer-time afternoons are the on-peak periods for electricity consumption. That said, it is interesting to note that most residential customers use 85 percent of their electricity during off-peak hours. Time of Day 1 features a longer on-peak period yet it is a more conservative option than Time of Day 2 because of the pricing differences. Time of Day 2 provides a greater opportunity for savings for customers who can significantly cut back on electricity consumption from 4 p.m. to 6 p.m.

While there is no guarantee of savings, the opportunity for you to save depends on your ability to shift your electric use away from those few peak weekday hours. At the same time, it's important to keep in mind – whichever option you select – that you may pay a little more if you don't take any steps to shift your electric usage.

Make Your Choice by May 18

Please use [this link](#), to the "What We Need from You" section of the Smart Sense website, to make your choice. *If we do not receive a reply from you by May 18, 2012, you will be assigned to the Time of Day 1 rate option.*

If you cannot access the Smart Sense website through the links in this e-mail, please log into www.duquesnelight.com and click on the following on the "Manage My Account" drop-down menu on the "For Your Home" landing page: "Smart Sense Pilot Program," "What We Need from You," and, lastly, "Select Your Smart Sense Time of Day Rates." Then choose the rate option from the popup box and click on the "Submit" button.



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“FINAL REMINDER Select Your Smart Sense Time-of-Day Rates Today”

SmartSense E-Mail Sent to TOD Participants
May 18, 2012



Dear Smart Sense Participant,

One last reminder that today is the deadline for selecting a Time of Day supply rate option for the final phase of the Smart Sense pilot program. As detailed below, if you do not make a selection today, you will be assigned the Time of Day 1 rate option.

How the Program Will Work

Your current Duquesne Light supply charge is 7.86 cents per kilowatt-hour. As you can see in the chart below, we are offering you two rate options as part of the Smart Sense Time-of-Day pilot program. We need you to select the option you prefer by May 18, 2012. You then will be on the Smart Sense supply rates you have chosen from June 1 until Sept. 30, 2012. Remember, none of the other charges on your bill will change because of your selection.

	<u>Time of Day 1</u>	<u>Time of Day 2</u>
On-Peak Period	Weekdays 1 p.m. to 6 p.m.	Weekdays 4 p.m. to 6 p.m.
Off-Peak Period	All other weekday hours and all weekend hours*	All other weekday hours and all weekend hours*
On-Peak Rate	15.72 cents per kilowatt-hour	31.44 cents per kilowatt-hour
Off-Peak Rate	6.13 cents per kilowatt-hour	5.86 cents per kilowatt-hour

*Independence Day (Wednesday, July 4, 2012) and Labor Day (Monday, Sept. 3, 2012) will be considered off-peak all day

Which Option is Best for Me?

That depends on how you use electricity. Even more important, it depends on how likely you think you will be able to shift your electricity usage to off-peak periods

From the chart above, you can see that summer-time afternoons are the on-peak periods for electricity consumption. That said, it is interesting to note that most residential customers use 85 percent of their electricity during off-peak hours. Time of Day 1 features a longer on-peak period yet it is a more conservative option than Time of Day 2 because of the pricing differences. Time of Day 2 provides a greater opportunity for savings for customers who can significantly cut back on electricity consumption from 4 p.m. to 6 p.m.

While there is no guarantee of savings, the opportunity for you to save depends on your ability to shift your electric use away from those few peak weekday hours. At the same time, it's important to keep in mind – whichever option you select – that you may pay a little more if you don't take any steps to shift your electric usage.

Make Your Choice by May 18

Please use this link, to the "What We Need from You" section of the Smart Sense website, to make your choice. *If we do not receive a reply from you by May 18, 2012, you will be assigned the Time of Day 1 rate option.*

If you cannot access the Smart Sense website through the links in this e-mail, please log into www.duquesnelight.com and click on the following on the "Manage My Account" drop-down menu on the "For Your Home" landing page: "Smart Sense Pilot Program," "What We Need from You," and, lastly, "Select Your Smart Sense Time of Day Rates." Then choose the rate option from the popup box and click on the "Submit" button.

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“Since You Did Not Make A Selection By May 18, You Have Been Placed in the TOD-1 Rate Plan Option”

SmartSense E-Mail Sent to TOD Participants



Dear Smart Sense Participant,

Since you did not make a selection by May 18, you have been placed in the Time of Day 1 rate option as part of Duquesne Light's Smart Sense Program.

This program offers a great opportunity to learn more about how you use electricity and save money at the same time. Your Smart Sense supply rate will be in effect from June 1, 2012, to September 30, 2012.

How the Program Will Work

	<u>Time of Day 1</u>
On-Peak Period	Weekdays 1 p.m. to 6 p.m.
Off-Peak Period	All other weekday hours and all weekend hours*
On-Peak Rate	15.72 cents per kilowatt-hour
Off-Peak Rate	6.13 cents per kilowatt-hour

**Independence Day (Wednesday, July 4, 2012) and Labor Day (Monday, Sept. 3, 2012) will be considered off-peak all day*

Remember, none of the other charges on your bill will change because of your selection. Your current Duquesne Light supply charge is 7.86 cents per kilowatt-hour.

While there is no guarantee of savings, the opportunity for you to save depends on your ability to shift your electric use away from those few peak weekday hours. At the same time, it's important to keep in mind that you may pay a little more if you don't take any steps to shift your electric usage.

As a reminder, you will receive a \$100 gift card as appreciation for completion of the pilot. To receive your gift card, you must continue to receive your electric supply from Duquesne Light Company through the end of the Smart Sense program in October.

Look for additional e-mail communications throughout the spring and summer as we work together to develop a smart-meter system with time-of-day rates that will benefit all customers.



Duquesne Light Smart Sense Team
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“Smart Sense Supply Rates Now in Effect Through Sept. 30”

**SmartSense E-Mail Sent to TOD Participants
June 1, 2012**



Dear Smart Sense Participant,

Your new Smart Sense supply rates went into effect today and will continue through Sept. 30.

To help you better track and evaluate your electric use, we've added several new features to your "Hourly Usage Profile" on the Smart Sense website. You now can track your actual daily on- and off-peak usage, as well as view a daily weather history comparison.

We're working on other ways to help you evaluate how you can reduce electric usage during on-peak hours and/or switch more of your usage to off-peak hours. Watch for a future email with more details.

Thanks for being part of the Smart Sense pilot.

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“Bill Cycle Adjusted to Reflect New Supply Rates”

**SmartSense E-Mail Sent to TOD Participants
June 14, 2012**



Dear Smart Sense Participant,

Most Smart Sense Time-of-Day participants will receive two Duquesne Light bills in May and October. This is due to the switchover from the regular Duquesne Light supply rate to Smart Sense on- and off-peak supply rates on June 1 and the return to regular rates on Oct. 1. We apologize for any confusion this may cause.

Most Duquesne Light billing cycles cover a period spanning parts of two months. May-June, for example. The additional bills are needed so only Smart Sense supply rates will be displayed on your bills from June through September. Again, we apologize for any inconvenience. We appreciate your being part of the Smart Sense pilot.

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“First Month’s Results Will Soon Be Available”

**SmartSense E-Mail Sent to TOD Participants
June 29, 2012**



Dear Smart Sense Participant,

We hope you had success in switching a portion of your electric use to off-peak hours during the first month of the Smart Sense pilot program.

On or about July 11, you will be able to track your progress on the Smart Sense website. By clicking on the “Monthly Results/Comparison to Standard Rate” heading in the left-hand column of the Smart Sense homepage, you will see a breakdown of how much electricity you used on-peak and off-peak in June. You also will be able to compare the price you were charged for your energy supply on the Smart Sense rates compared with what you would have been charged if you remained on the current Duquesne Light supply rate.

We plan to send a reminder out to you when that information becomes available on the website in July. Thanks again for being part of the Smart Sense pilot program.

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“First Month's Results Will Soon Be Available”

**SmartSense E-Mail Sent to TOW Participants
June 29, 2012**



Dear Smart Sense Participant,

We hope you had success in reducing your electricity use and switching a portion of that usage to weekend hours during the first month of the Smart Sense pilot program.

On or about July 11, you will be able to track your progress on the Smart Sense website. By clicking on the "Monthly Results" heading in the left-hand column of the Smart Sense homepage, you will see if you were able to earn a 10% credit on your supply charge by reducing your electricity use by 10% in June.

The "Monthly Results" listing on the Smart Sense website will show how we calculated whether or not you reached the 10% savings goal for June. Those who successfully reached that goal will see a 10% supply credit on an upcoming bill.

As noted in our May 16 email to you, the website summary also will show how, to be fair to program participants, we are taking into consideration the effects of weather on your electric use in both 2011 and 2012.

We plan to send a reminder out to you when your June summary information is available on the website. Thanks again for being part of the Smart Sense pilot program.

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“June Results Now Available on Smart Sense Website”

**SmartSense E-Mail Sent to TOD Participants
July 16, 2012**



Dear Smart Sense Participant,

You can go to the Smart Sense website now to view your June results.

Just click on the "Monthly Results/Comparison to Standard Rate" heading in the left-hand column of the Smart Sense homepage. There you will see a breakdown of how much electricity you used on-peak and off-peak in June. You will also be able to compare the price you were charged for your energy supply on the Smart Sense rates compared with what you would have been charged if you remained on the current Duquesne Light supply rate.

Go the "Save Energy & Save Money" section of the duquesnelight.com website for a wide range of options that can help you use energy wisely. Thanks for being part of the Smart Sense pilot program.



Duquesne Light Smart Sense Team
smartsense@duqlight.com
www.duquesnelight.com/smartsense

“June Results Now Available on Smart Sense Website”

**SmartSense E-Mail to TOW Participants
July 16, 2012**



Dear Smart Sense Participant,

You can go to the Smart Sense website now to view your June results.

Just click on the "Monthly Results" heading in the left-hand column of the Smart Sense homepage. There you will see if you were able to earn a 10% credit on your supply charge by reducing your electricity use by 10% in June. Those who successfully reached that goal will see a 10% supply credit on an upcoming bill.

Go to the "Save Energy & Save Money" section of the duquesnelight.com website for a wide range of options that can help you use energy wisely throughout the rest of the summer. Thanks for being part of the Smart Sense pilot program.



Duquesne Light Smart Sense Team
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“July Results Now Available on Smart Sense Website”

**SmartSense E-Mail Sent to TOD Participants
August 10, 2012**



Dear Smart Sense Participant,

You can go to the Smart Sense website now to view your July results.

Just click on the “Monthly Results/Comparison to Standard Rate” heading in the left-hand column of your Smart Sense homepage. There you will see a breakdown of how much electricity you used on-peak and off-peak in July. You also will be able to compare the price you were charged for your energy supply on the Smart Sense rates with what you would have been charged if you remained on the current Duquesne Light supply rate.

Go to the “Save Energy & Save Money” section of the duquesnelight.com website for a wide range of options that can help you use energy wisely. Thanks for being part of the Smart Sense pilot program.

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“July Results Now Available on Smart Sense Website”

**SmartSense E-Mail Sent to TOW Participants
August 16, 2012**



Dear Smart Sense Participant,

You can go to the Smart Sense website now to view your July results.

Just click on the “Monthly Target/Results” heading in the left-hand column of your Smart Sense homepage. There you will see if you were able to earn a 10 percent credit on your supply charge by reducing your electricity use by 10 percent in July.

For the second month in a row, almost 30 percent of Smart Sense Time of Week participants successfully met their savings targets. Those who successfully reached their goals will see a 10 percent supply credit on an upcoming bill. Congratulations to everyone who met the target!

There still are two months for you to save energy and money through the Smart Sense program. We encourage you to visit the “Save Energy & Save Money” section of the duquesnelight.com website for a wide range of options that can help you use energy wisely throughout the rest of the summer.

Plus, don't forget, if you achieved your 10 percent reduction goal in both June and July and continue to achieve your goal in each of the two remaining months of the program, you will receive an additional 10 percent credit.

Thanks for being part of this pilot program.

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“Smart Sense We Value Your Opinion”

**SmartSense E-Mail Sent to All Participants
September 5, 2012**



Dear Smart Sense Participant,

As we move into September, we're rapidly nearing the end of the Smart Sense program. We really appreciate your being part of this pilot project.

As you may recall, all Smart Sense participants are required to complete periodic surveys in order to receive a \$100 appreciation payment at the end of the program. Market Strategies, an independent public opinion research company, soon will be sending you a secure link to an online survey.

We value your opinion. Your participation in this survey is very important and we encourage you to complete it. We will share the results with you later this year.

Thanks again for being part of the Smart Sense program.

Smart Sense
SAVE ENERGY. SMART!

Duquesne Light Smart Sense Team
smartsense@duqlight.com
www.duquesnelight.com/smartsense

“August Results Now Available on Smart Sense Website”

**Smart Sense E-Mail Sent to TOD Participants
September 17, 2012**



Dear Smart Sense Participant,

You can go to the Smart Sense website now to view your August results.

Just click on the "Monthly Results/Comparison to Standard Rate" heading in the left-hand column of your Smart Sense homepage. There you will see a breakdown of how much electricity you used on-peak and off-peak in August. You also will be able to compare the price you were charged for your energy supply on the Smart Sense rates with what you would have been charged if you remained on the current Duquesne Light supply rate.

Go to the "Save Energy & Save Money" section of the duquesnelight.com website for a wide range of options that can help you use energy wisely. Thanks for being part of the Smart Sense pilot program.



Duquesne Light Smart Sense Team
smartsense@duqlight.com
www.duquesnelight.com/smartsense

“August Results Now Available on Smart Sense Website”

**SmartSense E-Mail Sent to TOW Participants
September 19, 2012**



Dear Smart Sense Participant,

You can go to the Smart Sense website now to view your August results.

Unlike June and July, August 2012 was cooler than usual. Approximately 20 percent of Smart Sense Time of Week participants successfully met their savings targets. Those who successfully reached their goals will see a 10 percent supply credit on an upcoming bill. Congratulations to everyone who met the target!

Only one month remains for you to save energy and money through the Smart Sense program. We encourage you to visit the "Save Energy & Save Money" section of the duquesnelight.com website for a wide range of options that can help you use energy wisely throughout the rest of the summer.

Plus, don't forget, if you achieved your 10 percent reduction goal during the first three months of the program and continue to achieve your goal in September, you will receive an additional 10 percent credit.

Thanks for being part of this pilot program.

Smart Sense
SAVE ENERGY. SMART!

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smartsense@duqlight.com
www.duquesnelight.com/smartsense

Smart Sense Program Is Over. Thanks for Participating!

SmartSense E-Mail Sent to TOD Participants
October 2, 2012



Dear Smart Sense Participant,

The Smart Sense Time of Day pilot program ended this past weekend. We sincerely appreciate your participation in this important project. The information you provided through your participation, as well as your candid, constructive responses during our online surveys and focus groups, will help us develop Time of Day rate options when the rollout of advanced meters throughout the Duquesne Light system takes place in the future.

Please note that you returned to the regular Duquesne Light generation supply rate on Oct. 1. As a result of that switchover, you also will return to your previous billing cycle. Consequently, you may receive two bills in October. We apologize for any confusion this may cause.

We also would like to remind you that with the Smart Sense program now officially over, you are free to select another generation supplier. The Pennsylvania Public Utility Commission website, PaPowerSwitch.com, is a great source of information if you are interested in shopping for an alternative energy supplier.

Look for a few more emails from us in October. We will be in contact to share results of the surveys and focus groups. In addition, we will provide various administrative information related to the end of the pilot, including the appreciation payment for those who completed the program requirements.

Again, we really appreciate your input during the two-year pilot. We hope you also got something out of the experience. Thanks for taking part.

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smartsense@duqlight.com
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October 2, 2012



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Again, we really appreciate your input during the two-year pilot. We hope you also got something out of the experience. Thanks for taking part.

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smartsense@duqlight.com
www.duquesnelight.com/smartsense

“Smart Sense Appreciation Payment Is On the Way”

**SmartSense E-Mail to All Participants Meeting Program Requirements
November 6, 2012**



Dear Smart Sense Participant,

Thanks again for being part of Duquesne Light's Smart Sense pilot program. In appreciation, your \$100 pre-paid debit card has been sent for processing. You should receive it by the end of November.

Later this month we will be filing a final report on the Smart Sense pilot with the Pennsylvania Public Utility Commission (PUC). We plan to share the PUC's findings with you after the Commission issues a final order, sometime in 2013.

As noted in a previous email, with the Smart Sense program now officially over, you are free to select another generation supplier. The Pennsylvania Public Utility Commission website, PaPowerSwitch.com, is a great source of information if you are interested in shopping for an alternative energy supplier.

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“Reminder — Switching to An EGS”

2012 SmartSense E-Mail Sent to TOD Participants



Dear Smart Sense Participant,

Thank you for participating in Duquesne Light's Smart Sense pilot program.

Our records indicate you are switching from our default service supply to an electric generation supplier. Please recall that in both the invitation letter you received and the enrollment agreement, Smart Sense pilot program participants are required to continue to receive electric supply from Duquesne Light throughout the entire pilot period (through November 2012) in order to receive a \$100 gift card as appreciation for completion of the program. We respect your right to switch, and encourage you to seek alternatives to reduce your electricity costs. Please understand that unless you keep Duquesne Light as your electric supplier through the entire pilot period, we will remove you from the Smart Sense program and you no longer will be eligible to receive the \$100 gift card.

Please contact us at smartsense@duqlight.com if you have any questions. Please know that whatever your decision concerning your electric supply, we value you as a customer and will continue to safely and efficiently deliver power to you.

Smart Sense
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Reminder — Switching to An EGS

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Dear Smart Sense Participant,

Thank you for participating in Duquesne Light's Smart Sense pilot program.

As noted in both the invitation letter and the enrollment agreement, you were required to continue to receive your electric supply from Duquesne Light throughout the entire pilot period (through November 2012) in order to receive a \$100 gift card as appreciation for completion of the program. Our records indicate you have switched from our default service to an electric generation supplier. We respect your right to switch. However, we have removed you from the pilot program and you no longer will be eligible to receive the \$100 gift card.

We value you as a customer and will continue to safely and efficiently deliver power to you. Please contact us if you have any questions.

Smart Sense
SAVE ENERGY. SMART!

Duquesne Light Smart Sense Team
smartsense@duqlight.com
www.duquesnelight.com/smartsense

“No Longer Taking Electric Service from DLCo.”

SmartSense E-Mail Sent to All Qualifying Participants



Dear Smart Sense Participant,

Thank you for participating in Duquesne Light's Smart Sense pilot program.

One of the requirements for participation in the Smart Sense program is to remain a customer with Duquesne Light through the entire program period, which ends in November 2012, in order to receive a \$100 gift card as appreciation for completion of the program. Our records indicate you no longer have electric service with us. As a result, we have removed you from the pilot program and you no longer will be eligible to receive the \$100 card.

Please contact us if you have any questions.

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www.duquesnelight.com/smartsense

“Must Remain Current on Account”

SmartSense E-Mail Sent to All Qualifying Participants



Dear Smart Sense Participant,

Thank you for participating in Duquesne Light's Smart Sense pilot program.

One of the requirements for participation in the program is that your electric service account must remain current, with no outstanding balance, through the entire program period, which ends in November 2012, in order to receive a \$100 gift card as appreciation for completion of the program. Since you were not able to meet that requirement, we have removed you from the pilot program and you no longer will be eligible to receive the \$100 card.

We value you as a customer and will continue to safely and efficiently deliver power to you. Please contact us if you have any questions.



Duquesne Light Smart Sense Team
smartsense@duqlight.com
www.duquesnelight.com/smartsense

TAB

2

ATTACHMENT 2

TOD-1 SAMPLE BILLS WITH BILL MESSAGES

Duquesne Light Company Information	Duquesne Light Company Basic Service Charges																																
<p>Smart Sense Update: Are you ready to start saving energy and money through the Smart Sense pilot program? Be sure to check your Smart Sense emails and the program website, www.duquesnelight.com/smartsense, as we get closer to the June 1 start date.</p> <p>Watt Choices: Duquesne Light's WATT CHOICES offers a variety of energy efficiency programs to help customers save money by conserving energy and reducing demand. To participate or to learn more about these programs, visit www.wattchoices.com or call 1-888-WATTLEY.</p> <p>Need to call us? Moving? Billing Questions? For quicker access, call us Tuesday, Wednesday or Thursday afternoons.</p> <p>Budget Payer. Each month, we review your electric usage history to calculate your budget amount. On the Budget Plan, you will pay a budget amount for 11 months. The 12th budget bill will show the difference between your actual monthly charges and the budget amounts you paid. This is Budget Payment Plan Bill No. 11. Please pay the "Budget Payment Plan Amount".</p>	<table border="0"> <tr> <td colspan="3">Current Charges</td> <td></td> </tr> <tr> <td>Customer Charge</td> <td></td> <td></td> <td>7.88</td> </tr> <tr> <td>Supply</td> <td>1380 kWh@ 7.8600'</td> <td></td> <td>108.47</td> </tr> <tr> <td>Transmission</td> <td>1380 kWh@ 1.4583'</td> <td></td> <td>20.12</td> </tr> <tr> <td>Distribution</td> <td>1380 kWh@ 4.8467'</td> <td></td> <td>66.88</td> </tr> <tr> <td>Pennsylvania Tax Adjustment</td> <td></td> <td></td> <td>-0.42</td> </tr> <tr> <td>Total Current Charges</td> <td></td> <td></td> <td>202.93</td> </tr> <tr> <td>DLC Basic Service Charges</td> <td></td> <td></td> <td>\$202.93</td> </tr> </table>	Current Charges				Customer Charge			7.88	Supply	1380 kWh@ 7.8600'		108.47	Transmission	1380 kWh@ 1.4583'		20.12	Distribution	1380 kWh@ 4.8467'		66.88	Pennsylvania Tax Adjustment			-0.42	Total Current Charges			202.93	DLC Basic Service Charges			\$202.93
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Duquesne Light Company Information

Smart Sense Update: Thank you for participating in the Smart Sense pilot. Check the "Current Charges" listing on the "Basic Service Charges" in the next column to compare your on- and off-peak electric use for the month. You can see what your supply charge would have been using the standard residential rate by going to the Smart Sense website. That info typically will be available by the 10th day of the month.

Important Information: A change in the Transmission rate and the Customer Charge (reflecting Consumer Education expenses) that went into effect 6/1, will increase the overall monthly bill of an average residential customer (using 600 kWh) who purchases electric generation from DLC by about \$3 or 3%.

Important Information: A change in the Customer Charge (reflecting Smart Meter expenses) that went into effect 7/1, will increase the overall monthly bill of an average residential customer (using 600 kWh) by an additional \$0.14 or .1%.

Watt Choices: Duquesne Light's WATT CHOICES offers a variety of energy efficiency programs to help customers save money by conserving energy and reducing demand. To participate or to learn more about these programs, visit www.wattchoices.com or call 1-888-WATTLEY.

Need to call us? Moving? Billing Questions? For quicker access, call us Tuesday, Wednesday or Thursday afternoons.

SEE ADDITIONAL MESSAGES ON PAGE 4.

Duquesne Light Company Basic Service Charges

Current Charges

Customer Charge			7.96
Supply On-Peak	307 kWh@	15.7200'	48.26
Supply Off-Peak	1232 kWh@	6.1300'	75.52
Transmission	1539 kWh@	2.0332'	31.29
Distribution	1539 kWh@	4.8467'	74.59
Pennsylvania Tax Adjustment			-0.46
Total Current Charges			237.16

DLC Basic Service Charges

\$237.16

General & Supplier Information

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Supplier Charges

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Account Number

Rate: RS-Residential Service

Duquesne Light Company Information	Duquesne Light Company Basic Service Charges																											
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Duquesne Light Company Information

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Duquesne Light Company Basic Service Charges

Current Charges

Customer Charge			8.03
Supply On-Peak	312 kWh@	15.7200'	49.05
Supply Off-Peak	1377 kWh@	6.1300'	84.41
Transmission	1689 kWh@	2.0332'	34.34
Distribution	1689 kWh@	4.8467'	81.86
Pennsylvania Tax Adjustment			-0.50
Total Current Charges			257.19

DLC Basic Service Charges

\$257.19

General & Supplier Information

- Generation/Supply prices and charges are set by the electric generation supplier you have chosen.
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Supplier Charges

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Duquesne Light Company Information

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Duquesne Light Company Basic Service Charges

<u>Current Charges</u>			
Customer Charge			8.03
Supply On-Peak	184 kWh@ 15.7200'		28.92
Supply Off-Peak	860 kWh@ 6.1300'		52.72
Transmission	1044 kWh@ 2.0332'		21.23
Distribution	1044 kWh@ 4.9628'		51.81
Pennsylvania Tax Adjustment			-0.33
Total Current Charges			162.38
DLC Basic Service Charges			\$162.38

General & Supplier Information

- Generation/Supply prices and charges are set by the electric generation supplier you have chosen.
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Supplier Charges

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TOD-2 SAMPLE BILLS WITH BILL MESSAGES

Duquesne Light Company Information	Duquesne Light Company Basic Service Charges																								
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Duquesne Light Company Information

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SEE ADDITIONAL MESSAGES ON PAGE 4.

Duquesne Light Company Basic Service Charges

Current Charges

Customer Charge		7.96	
Supply On-Peak	49 kWh@ 31.4400'	15.41	
Supply Off-Peak	2338 kWh@ 5.8600'	137.01	
Transmission	2387 kWh@ 2.0332'	48.53	
Distribution	2387 kWh@ 4.8467'	115.69	
Pennsylvania Tax Adjustment		-0.69	
Total Current Charges			323.91

DLC Basic Service Charges

\$323.91

General & Supplier Information

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Supplier Charges

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Duquesne Light Company Information

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Duquesne Light Company Basic Service Charges

Current Charges

Customer Charge			8.03
Supply On-Peak	44 kWh@ 31.4400'		13.83
Supply Off-Peak	2327 kWh@ 5.8600'		136.36
Transmission	2371 kWh@ 2.0332'		48.21
Distribution	2371 kWh@ 4.8467'		114.92
Pennsylvania Tax Adjustment			-0.69
Total Current Charges			320.66

DLC Basic Service Charges

\$320.66

General & Supplier Information

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Supplier Charges

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TOW SAMPLE BILLS WITH BILL MESSAGES

MET GOAL – RECEIVED 10% REDUCTION CREDIT

Duquesne Light Company Information	Duquesne Light Company Basic Service Charges																																												
<p>Smart Sense Update: Are you ready to start saving energy and money through the Smart Sense pilot program? Be sure to check your Smart Sense emails and the program website, www.duquesnellight.com/smartsense, as we get closer to the June 1 start date.</p> <p>Watt Choices: Duquesne Light's WATT CHOICES offers a variety of energy efficiency programs to help customers save money by conserving energy and reducing demand. To participate or to learn more about these programs, visit www.wattchoices.com or call 1-888-WATTLEY.</p> <p>Need to call us? Moving? Billing Questions? For quicker access, call us Tuesday, Wednesday or Thursday afternoons.</p> <p>Budget Payer. This bill covers the difference between your budget billings and your total charges since Jul 01, 2011. Please pay the \$267.83 amount due. You can continue with our Budget Payment Plan by paying the "Budget Payment Plan Amount" on your next bill.</p>	<table border="0"> <tr> <td colspan="2">Adjustments</td> <td></td> <td></td> </tr> <tr> <td>Late Payment Charge on Bill Due 05/23/12</td> <td></td> <td style="text-align: right;">2.13</td> <td></td> </tr> <tr> <td>Total Adjustments</td> <td></td> <td></td> <td style="text-align: right;">\$2.13</td> </tr> <tr> <td colspan="2">Current Charges</td> <td></td> <td></td> </tr> <tr> <td>Customer Charge</td> <td></td> <td style="text-align: right;">7.88</td> <td></td> </tr> <tr> <td>Supply</td> <td>612 kWh@ 7.8600'</td> <td style="text-align: right;">48.10</td> <td></td> </tr> <tr> <td>Transmission</td> <td>612 kWh@ 1.4583'</td> <td style="text-align: right;">8.92</td> <td></td> </tr> <tr> <td>Distribution</td> <td>612 kWh@ 4.8467'</td> <td style="text-align: right;">29.66</td> <td></td> </tr> <tr> <td>Pennsylvania Tax Adjustment</td> <td></td> <td style="text-align: right;">-0.21</td> <td></td> </tr> <tr> <td>Total Current Charges</td> <td></td> <td></td> <td style="text-align: right;">94.35</td> </tr> <tr> <td>DLC Basic Service Charges</td> <td></td> <td></td> <td style="text-align: right;">\$96.48</td> </tr> </table>	Adjustments				Late Payment Charge on Bill Due 05/23/12		2.13		Total Adjustments			\$2.13	Current Charges				Customer Charge		7.88		Supply	612 kWh@ 7.8600'	48.10		Transmission	612 kWh@ 1.4583'	8.92		Distribution	612 kWh@ 4.8467'	29.66		Pennsylvania Tax Adjustment		-0.21		Total Current Charges			94.35	DLC Basic Service Charges			\$96.48
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<p>Smart Sense Update: The Smart Sense pilot program began full operation June 1. Make sure you're doing everything you can to save energy and money. For more information, go to www.duquesnelight.com/smartsense or check recent emails from the Smart Sense Team.</p> <p>Important Information: A change in the Transmission rate and the Customer Charge (reflecting Consumer Education expenses) that went into effect 6/1, will increase the overall monthly bill of an average residential customer (using 600 kWh) who purchases electric generation from DLC by about \$3 or 3%.</p> <p>Important Information: A change in the Customer Charge (reflecting Smart Meter expenses) that went into effect 7/1, will increase the overall monthly bill of an average residential customer (using 600 kWh) by an additional \$0.14 or .1%.</p> <p>Watt Choices: Duquesne Light's WATT CHOICES offers a variety of energy efficiency programs to help customers save money by conserving energy and reducing demand. To participate or to learn more about these programs, visit www.wattchoices.com or call 1-888-WATTLEY.</p> <p>Need to call us? Moving? Billing Questions? For quicker access, call us Tuesday, Wednesday or Thursday afternoons.</p> <p>SEE ADDITIONAL MESSAGES ON PAGE 4.</p>	<p>Adjustments</p> <table border="0"> <tr> <td>Late Payment Charge on Bill Due 06/25/12</td> <td style="text-align: right;">1.45</td> <td></td> </tr> <tr> <td>Total Adjustments</td> <td></td> <td style="text-align: right;">\$1.45</td> </tr> </table> <p>Current Charges</p> <table border="0"> <tr> <td>Customer Charge</td> <td></td> <td style="text-align: right;">7.96</td> </tr> <tr> <td>Supply</td> <td>660 kWh@ 7.8600'</td> <td style="text-align: right;">51.88</td> </tr> <tr> <td>Transmission</td> <td>660 kWh@ 2.0332'</td> <td style="text-align: right;">13.42</td> </tr> <tr> <td>Distribution</td> <td>660 kWh@ 4.8467'</td> <td style="text-align: right;">31.99</td> </tr> <tr> <td>Pennsylvania Tax Adjustment</td> <td></td> <td style="text-align: right;">-0.22</td> </tr> <tr> <td>Total Current Charges</td> <td></td> <td style="text-align: right;">105.03</td> </tr> </table> <p>DLC Basic Service Charges \$106.48</p>	Late Payment Charge on Bill Due 06/25/12	1.45		Total Adjustments		\$1.45	Customer Charge		7.96	Supply	660 kWh@ 7.8600'	51.88	Transmission	660 kWh@ 2.0332'	13.42	Distribution	660 kWh@ 4.8467'	31.99	Pennsylvania Tax Adjustment		-0.22	Total Current Charges		105.03
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Duquesne Light Company Information

Smart Sense Update: Congratulations! You reduced your electric usage by 10% or more, compared to the same month in 2011. As a result, the "Adjustments" listing on the "Basic Service Charges" in the next column includes a 10% credit to your supply charge, based on your June usage. For more info, go to www.duquesnelight.com/smartsense or check recent emails from the Smart Sense Team.

Important Information: A change in the Transmission rate and the Customer Charge (reflecting Consumer Education expenses) that went into effect 8/1, will increase the overall monthly bill of an average residential customer (using 600 kWh) who purchases electric generation from DLC by about \$3 or 3%.

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SEE ADDITIONAL MESSAGES ON PAGE 4.

Duquesne Light Company Basic Service Charges

Adjustments

Smart Sense - June 10% Supply Credit	-5.35	
Late Payment Charge on Bill Due 07/23/12	2.76	
Total Adjustments		\$-2.59

Current Charges

Customer Charge		8.03	
Supply	1068 kWh@ 7.8600'	83.94	
Transmission	1068 kWh@ 2.0332'	21.71	
Distribution	1068 kWh@ 4.8467'	51.76	
Pennsylvania Tax Adjustment		-0.33	
Total Current Charges			165.11

DLC Basic Service Charges **\$162.52**

General & Supplier Information

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Supplier Charges

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Account Number

Rate: RS-Residential Service

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General & Supplier Information	Supplier Charges																																																
<ul style="list-style-type: none"> ▪ Generation/Supply prices and charges are set by the electric generation supplier you have chosen. ▪ The Public Utility Commission regulates distribution prices and services. ▪ The Federal Energy Regulatory Commission regulates transmission prices and services. 	<p>Duquesne Light provides a dependable, reasonably priced source of energy through our agreements with regional electric generation suppliers. We also deliver that power, in a safe, reliable way.</p>																																																

Duquesne Light Company Information	Duquesne Light Company Basic Service Charges																																							
<p>Important Information: \$\$\$ Low Income Home Energy Assistance Program Funds are available. Please call (412)562-0330 for an application today! \$\$\$</p> <p>Smart Sense Update: Congratulations! You reduced your electric usage by 10% or more, compared to the same month in 2011. As a result, the "Adjustments" listing on the "Basic Service Charges" in the next column includes a 10% credit to your supply charge, based on your September usage. As a bonus for achieving a 10% reduction in all four months of the program, you earned an additional 10% supply charge credit.</p> <p>Important Information: A change in the Customer Charge (reflecting Smart Meter expenses) that went into effect October 1 will decrease the overall monthly bill of an average residential customer (using 600 kWh) by \$1.26 or 1.30%.</p> <p>Watt Choices: Duquesne Light's WATT CHOICES offers a variety of energy efficiency programs to help customers save money by conserving energy and reducing demand. To participate or to learn more about these programs, visit www.wattchoices.com or call 1-888-WATTLEY.</p> <p>Need to call us? Moving? Billing Questions? For quicker access, call us Tuesday, Wednesday or Thursday afternoons.</p> <p>SEE ADDITIONAL MESSAGES ON PAGE 4.</p>	<table border="0"> <tr> <td colspan="2">Adjustments</td> <td></td> </tr> <tr> <td>Smart Sense - September 10% Supply Credit</td> <td></td> <td align="right">-4.29</td> </tr> <tr> <td>Smart Sense - Bonus 10% Supply Credit</td> <td></td> <td align="right">-4.29</td> </tr> <tr> <td>Late Payment Charge on Bill Due 10/23/12</td> <td></td> <td align="right">1.60</td> </tr> <tr> <td>Total Adjustments</td> <td></td> <td align="right">\$-6.99</td> </tr> <tr> <td colspan="2">Current Charges</td> <td></td> </tr> <tr> <td>Customer Charge</td> <td></td> <td align="right">6.76</td> </tr> <tr> <td>Supply</td> <td>492 kWh@ 7.8600'</td> <td align="right">38.67</td> </tr> <tr> <td>Transmission</td> <td>492 kWh@ 2.0332'</td> <td align="right">10.00</td> </tr> <tr> <td>Distribution</td> <td>492 kWh@ 4.9667'</td> <td align="right">24.44</td> </tr> <tr> <td>Pennsylvania Tax Adjustment</td> <td></td> <td align="right">-0.17</td> </tr> <tr> <td>Total Current Charges</td> <td></td> <td align="right">79.70</td> </tr> <tr> <td>DLC Basic Service Charges</td> <td></td> <td align="right">\$72.71</td> </tr> </table>	Adjustments			Smart Sense - September 10% Supply Credit		-4.29	Smart Sense - Bonus 10% Supply Credit		-4.29	Late Payment Charge on Bill Due 10/23/12		1.60	Total Adjustments		\$-6.99	Current Charges			Customer Charge		6.76	Supply	492 kWh@ 7.8600'	38.67	Transmission	492 kWh@ 2.0332'	10.00	Distribution	492 kWh@ 4.9667'	24.44	Pennsylvania Tax Adjustment		-0.17	Total Current Charges		79.70	DLC Basic Service Charges		\$72.71
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TOW SAMPLE BILL WITH BILL MESSAGE

DID NOT MEET GOAL - DID NOT RECEIVE 10% REDUCTION CREDIT

Duquesne Light Company Information	Duquesne Light Company Basic Service Charges																																
<p>Smart Sense Update: Thank you for participating in Duquesne Light's Smart Sense pilot program. Unfortunately you did not meet the goal of reducing your electric usage by 10% or more, compared to the same month in 2011. For more information on how you can reduce your usage, go to www.duquesnelight.com/smartsense or check recent emails from the Smart Sense Team.</p> <p>Important Information: A change in the Transmission rate and the Customer Charge (reflecting Consumer Education expenses) that went into effect 6/1, will increase the overall monthly bill of an average residential customer (using 600 kWh) who purchases electric generation from DLC by about \$3 or 3%.</p> <p>Important Information: A change in the Customer Charge (reflecting Smart Meter expenses) that went into effect 7/1, will increase the overall monthly bill of an average residential customer (using 600 kWh) by an additional \$0.14 or .1%.</p> <p>Watt Choices: Duquesne Light's WATT CHOICES offers a variety of energy efficiency programs to help customers save money by conserving energy and reducing demand. To participate or to learn more about these programs, visit www.wattchoices.com or call 1-888-WATTLEY.</p> <p>Need to call us? Moving? Billing Questions? For quicker access, call us Tuesday, Wednesday or Thursday afternoons.</p> <p>SEE ADDITIONAL MESSAGES ON PAGE 4.</p>	<table border="0"> <tr> <td colspan="3">Current Charges</td> <td></td> </tr> <tr> <td>Customer Charge</td> <td></td> <td></td> <td>8.01</td> </tr> <tr> <td>Supply</td> <td>1416 kWh@ 7.8600'</td> <td></td> <td>111.30</td> </tr> <tr> <td>Transmission</td> <td>1416 kWh@ 2.0332'</td> <td></td> <td>28.79</td> </tr> <tr> <td>Distribution</td> <td>1416 kWh@ 4.8467'</td> <td></td> <td>68.63</td> </tr> <tr> <td>Pennsylvania Tax Adjustment</td> <td></td> <td></td> <td>-0.43</td> </tr> <tr> <td>Total Current Charges</td> <td></td> <td></td> <td>216.30</td> </tr> <tr> <td colspan="3">DLC Basic Service Charges</td> <td>\$216.30</td> </tr> </table>	Current Charges				Customer Charge			8.01	Supply	1416 kWh@ 7.8600'		111.30	Transmission	1416 kWh@ 2.0332'		28.79	Distribution	1416 kWh@ 4.8467'		68.63	Pennsylvania Tax Adjustment			-0.43	Total Current Charges			216.30	DLC Basic Service Charges			\$216.30
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TOW SAMPLE BILL WITH BILL MESSAGE

MONTHLY RESULT NOT AVAILABLE

DUE TO TIMING OF BILLING DATE

Duquesne Light Company Information

Smart Sense Update: Your monthly result was not available because of the timing of your billing date. Your monthly results typically will be available on the Smart Sense website by the tenth of the month.

Important Information: The Energy Efficiency and Conservation and Demand Response Surcharge, which includes costs related to the company's Watt Choices program, has been adjusted. The new rate that went into effect Sept. 1 will increase the overall monthly bill of a residential customer (using 600 kWh) by about \$0.70 or 0.7%.

Watt Choices: Duquesne Light's WATT CHOICES offers a variety of energy efficiency programs to help customers save money by conserving energy and reducing demand. To participate or to learn more about these programs, visit www.wattchoices.com or call 1-888-WATTLEY.

Need to call us? Moving? Billing Questions? For quicker access, call us Tuesday, Wednesday or Thursday afternoons.

Budget Payer. Each month, we review your electric usage history to calculate your budget amount. On the Budget Plan, you will pay a budget amount for 11 months. The 12th budget bill will show the difference between your actual monthly charges and the budget amounts you paid. This is Budget Payment Plan Bill No. 11. Please pay the "Budget Payment Plan Amount".

Duquesne Light Company Basic Service Charges

Current Charges

Customer Charge		8.03
Supply	492 kWh@ 7.8600'	38.67
Transmission	492 kWh@ 2.0332'	10.00
Distribution	492 kWh@ 4.8947'	24.08
Pennsylvania Tax Adjustment		-0.18
Total Current Charges		80.60

DLC Basic Service Charges

\$80.60

General & Supplier Information

- Generation/Supply prices and charges are set by the electric generation supplier you have chosen.
- The Public Utility Commission regulates distribution prices and services.
- The Federal Energy Regulatory Commission regulates transmission prices and services.

Supplier Charges

Duquesne Light provides a dependable, reasonably priced source of energy through our agreements with regional electric generation suppliers. We also deliver that power, in a safe, reliable way.

TAB

3

ATTACHMENT 3

Time-of-Week — Smart Sense Home Page



[Manage My Account](#)

[Customer Service](#)

[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule Of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)
- [Home](#)
- [What We Need from You](#)
- [Daily Meter Usage Profile](#)
- [Monthly Target/Results](#)
- [Frequently Asked Questions](#)
- [Contact Us](#)

Welcome to Duquesne Light's Smart Sense Pilot Program

You are enrolled in the Smart Sense Time-of-Week Pilot Program. As a reminder, and as noted in both the invitation letter and the enrollment agreement, participants are required to continue to receive their electric supply from Duquesne Light Company throughout the entire pilot period (through November 2012) in order to receive a \$100 gift card as appreciation for completion of the program. If you have any questions in regard to this requirement, please contact us at smartsense@duqlight.com. Thank you.

Thank you for enrolling in Duquesne Light's Smart Sense pilot program, designed to help customers better understand and manage their electricity costs by reducing or shifting their usage during days when demand is the highest.

The goal of the Smart Sense pilot program is to help us to develop a smart-meter system and time-of-day rates that will benefit all customers. By agreeing to participate for the full 18 months of the pilot program, you will receive:

- a total appreciation payment of \$120
- a variety of free energy-conservation information and products
- a better understanding of your electric usage

In addition, you may save money on your monthly bill as a result of changes you decide to make in how you use electricity in your home.

Thanks again for taking part in the Smart Sense Pilot Program. Your participation will help us develop a key component in the Pittsburgh region's energy future.

Learn More About the Program

- [Pilot program descriptions](#)
- [Frequently Asked Questions](#)
- [Watt Choices energy conservation program](#)
- [Energy saving tips brochure](#)
- [Invitation Letter](#)
- [Brochure](#)
- [Review our privacy policy](#)
- [Read our participation agreement](#)
- [Recent Emails](#)
- [Save Energy & Save Money](#)



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Time-of-Week — Daily Meter Usage Profile Page



[Manage My Account](#)

[Customer Service](#)

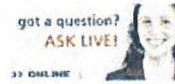
[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule Of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)
- [Home](#)
- [What We Need from You](#)
- [Daily Meter Usage Profile](#)
- [Monthly Target/Results](#)
- [Frequently Asked Questions](#)
- [Contact Us](#)

Duquesne Light's Smart Sense Pilot Program - Daily Meter Usage Profile

View a history of your daily electric usage for up to 45 days. You can change your chart by selecting from the options below.¹



Auto-Generate List:

- Most recent bill
- Usage since last bill
- 7 day history
- 14 day history
- 30 day history

Specific Days:

- 09/30 - Sunday
- 10/01 - Monday
- 10/02 - Tuesday
- 10/03 - Wednesday
- 10/04 - Thursday
- 10/05 - Friday

OR

Hold "Ctrl" and click additional days.

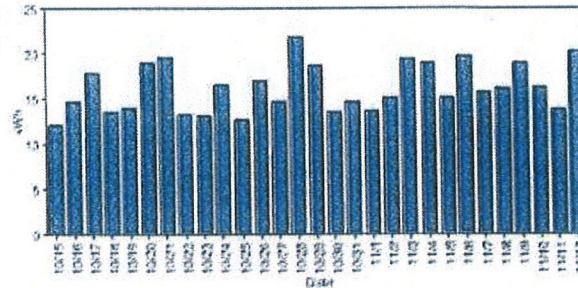
Usage Information

Currently viewing: 30 day history

- Max Usage:** 21.96 kWh on 10/28
- Min Usage:** 12.12 kWh on 10/15
- Total Usage:** 472.32 kWh
- Avg Usage:** 16.29 kWh *
* based on 29 days

[Learn about Energy Efficiency Tips](#) to help you!!

Usage History for Account #:

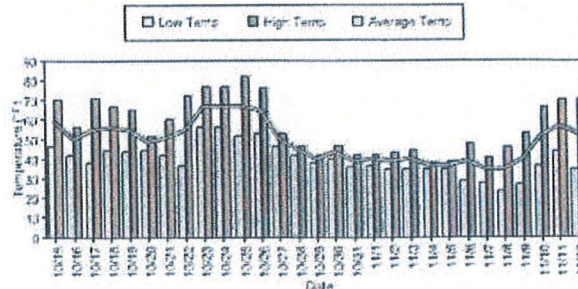


[Compare](#)
[- Show Tabular View](#)

Note: Daily reads are provided for informational purposes only and are not used for billing. Meter reads for billing purposes are obtained once each month. Your scheduled meter-reading date is noted on page 1 of your bill.

Weather History

- Warmest Temp:** 82 °F on 10/25
- Coldest Temp:** 24 °F on 11/8
- Average Daily Temp:** 50 °F

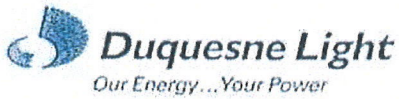


¹ Note: Information is only available for past 45 days.



Time-of-Week — Monthly Target/Results

June 2012



[Manage My Account](#)

[Customer Service](#)

[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule Of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)
- [Home](#)
- [What We Need from You](#)
- [Daily Meter Usage Profile](#)
- [Monthly Target/Results](#)
- [Frequently Asked Questions](#)
- [Contact Us](#)

Duquesne Light's Smart Sense Pilot Program - Monthly Results

June Results

	2011	2012	Difference	Reduction	Credit
Actual Usage	940 kWh	681kWh	-259 kWh	28%	
Weather Adjustment Factor	1.0258%	1.0549%			
Adjustment to Actual Usage	-24 kWh	-36 kWh			
Weather-Adjusted Usage	916 kWh	645 kWh	-271 kWh	30%	
10% kWh Reduction *	92 kWh				
June 2012 kWh Usage Target *	624 kWh				
June 2012 Supply Credit					\$ 5.35

* Weather Adjusted

July Results

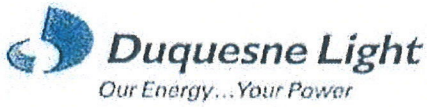
August Results

September Results



Time-of-Week — Monthly Target/Results

June 2012



[Manage My Account](#)

[Customer Service](#)

[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule Of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)
- [Home](#)
- [What We Need from You](#)
- [Daily Meter Usage Profile](#)
- [Monthly Target/Results](#)
- [Frequently Asked Questions](#)
- [Contact Us](#)

Duquesne Light's Smart Sense Pilot Program - Monthly Results

June Results

	2011	2012	Difference	Reduction	Credit
Actual Usage	1,168 kWh	1,443kWh	275 kWh	0%	
Weather Adjustment Factor	1.0258%	1.0549%			
Adjustment to Actual Usage	-30 kWh	-75 kWh			
Weather-Adjusted Usage	1,138 kWh	1,368 kWh	230 kWh	0%	
10% kWh Reduction *	114 kWh				
June 2012 kWh Usage Target *	1,025 kWh				
June 2012 Supply Credit					\$ 0.00

* Weather Adjusted

July Results

August Results

September Results



Time-of-Week — Monthly Target/Results July 2012



[Manage My Account](#)

[Customer Service](#)

[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule Of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)
- [Home](#)
- [What We Need from You](#)
- [Daily Meter Usage Profile](#)
- [Monthly Target/Results](#)
- [Frequently Asked Questions](#)
- [Contact Us](#)

Duquesne Light's Smart Sense Pilot Program - Monthly Results

June Results

July Results

	2011	2012	Difference	Reduction	Credit
Actual Usage	1,417 kWh	1,032kWh	-385 kWh	27%	
Weather Adjustment Factor	1.2042%	1.1810%			
Adjustment to Actual Usage	-240 kWh	-159 kWh			
Weather-Adjusted Usage	1,177 kWh	873 kWh	-304 kWh	26%	
10% kWh Reduction *	118 kWh				
July 2012 kWh Usage Target *	1,059 kWh				
July 2012 Supply Credit					\$ 8.11

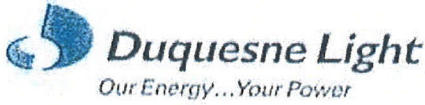
* Weather Adjusted

August Results

September Results



Time-of-Week — Monthly Target/Results July 2012



[Manage My Account](#)

[Customer Service](#)

[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule Of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)
- [Home](#)
- [What We Need from You](#)
- [Daily Meter Usage Profile](#)
- [Monthly Target/Results](#)
- [Frequently Asked Questions](#)
- [Contact Us](#)

Duquesne Light's Smart Sense Pilot Program - Monthly Results

June Results

July Results

	2011	2012	Difference	Reduction	Credit
Actual Usage	1,742 kWh	1,865kWh	123 kWh	0%	
Weather Adjustment Factor	1.2042%	1.1810%			
Adjustment to Actual Usage	-296 kWh	-286 kWh			
Weather-Adjusted Usage	1,446 kWh	1,579 kWh	133 kWh	0%	
10% kWh Reduction *	145 kWh				
July 2012 kWh Usage Target *	1,302 kWh				
July 2012 Supply Credit					\$ 0.00

* Weather Adjusted

August Results

September Results



Time-of-Week — Monthly Target/Results August 2012



[Manage My Account](#)

[Customer Service](#)

[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule Of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)**
- [Home](#)
- [What We Need from You](#)
- [Daily Meter Usage Profile](#)
- [Monthly Target/Results](#)**
- [Frequently Asked Questions](#)
- [Contact Us](#)

Duquesne Light's Smart Sense Pilot Program - Monthly Results

June Results

July Results

August Results

	2011	2012	Difference	Reduction	Credit
Actual Usage	967 kWh	711kWh	-256 kWh	26%	
Weather Adjustment Factor	1.0342%	0.9634%			
Adjustment to Actual Usage	-32 kWh	27 kWh			
Weather-Adjusted Usage	935 kWh	738 kWh	-197 kWh	21%	
10% kWh Reduction *	93 kWh				
August 2012 kWh Usage Target *	841 kWh				
August 2012 Supply Credit					\$ 5.59

* Weather Adjusted

September Results



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Time-of-Week — Monthly Target/Results August 2012



[Manage My Account](#)

[Customer Service](#)

[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule Of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)
- [Home](#)
- [What We Need from You](#)
- [Daily Meter Usage Profile](#)
- [Monthly Target/Results](#)
- [Frequently Asked Questions](#)
- [Contact Us](#)

Duquesne Light's Smart Sense Pilot Program - Monthly Results

June Results

July Results

August Results

	2011	2012	Difference	Reduction	Credit
Actual Usage	1,396 kWh	1,637kWh	241 kWh	0%	
Weather Adjustment Factor	1.0342%	0.9634%			
Adjustment to Actual Usage	-46 kWh	62 kWh			
Weather-Adjusted Usage	1,350 kWh	1,699 kWh	349 kWh	0%	
10% kWh Reduction *	135 kWh				
August 2012 kWh Usage Target *	1,215 kWh				
August 2012 Supply Credit					\$ 0.00

* Weather Adjusted

September Results



Time-of-Week — Monthly Target/Results September 2012



[Manage My Account](#)

[Customer Service](#)

[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule Of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)**
- [Home](#)
- [What We Need from You](#)
- [Daily Meter Usage Profile](#)
- [Monthly Target/Results](#)
- [Frequently Asked Questions](#)
- [Contact Us](#)

Duquesne Light's Smart Sense Pilot Program - Monthly Results

June Results

July Results

August Results

September Results

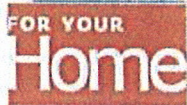
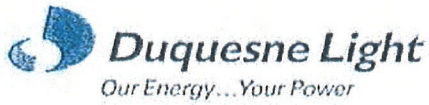
	2011	2012	Difference	Reduction	Credit
Actual Usage	743 kWh	547kWh	-196 kWh	26%	
Weather Adjustment Factor	1.0524%	1.0222%			
Adjustment to Actual Usage	-37 kWh	-12 kWh			
Weather-Adjusted Usage	706 kWh	535 kWh	-171 kWh	24%	
10% kWh Reduction *	71 kWh				
September 2012 kWh Usage Target *	635 kWh				
September 2012 Supply Credit					\$ 4.30

* Weather Adjusted



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Time-of-Week — Monthly Target/Results September 2012



[Manage My Account](#)

[Customer Service](#)

[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule Of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)
- [Home](#)
- [What We Need from You](#)
- [Daily Meter Usage Profile](#)
- [Monthly Target/Results](#)
- [Frequently Asked Questions](#)
- [Contact Us](#)

Duquesne Light's Smart Sense Pilot Program - Monthly Results

June Results

July Results

August Results

September Results

	2011	2012	Difference	Reduction	Credit
Actual Usage	891 kWh	980kWh	89 kWh	0%	
Weather Adjustment Factor	1.0524%	1.0222%			
Adjustment to Actual Usage	-44 kWh	-22 kWh			
Weather-Adjusted Usage	847 kWh	958 kWh	111 kWh	0%	
10% kWh Reduction *	85 kWh				
September 2012 kWh Usage Target *	762 kWh				
September 2012 Supply Credit					\$ 0.00

* Weather Adjusted



TAB

4

ATTACHMENT 4

Time-of-Day 1 — Smart Sense Home Page



[Manage My Account](#)

[Customer Service](#)

[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule Of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)
- [Home](#)
- [What We Need from You](#)
- [Hourly Meter Usage Profile](#)
- [Daily Meter Usage Profile](#)
- [Monthly Results/ Comparison to Standard Rate](#)
- [Switch and Save Rate Calculator](#)
- [Frequently Asked Questions](#)
- [Contact Us](#)

Welcome to Duquesne Light's Smart Sense Pilot Program

You are enrolled in the Smart Sense Time-of-Day Pilot Program.

Off Peak Rate \$0.0613 / kWh	On Peak Rate \$0.072 / kWh	Off Peak Rate \$0.0613 / kWh
---------------------------------	-------------------------------	---------------------------------

12 1 2 3 4 5 6 7 8 9 10 11 12 1 2 3 4 5 6 7 8 9 10 11
AM PM

As a reminder, and as noted in both the invitation letter and the enrollment agreement, participants are required to continue to receive their electric supply from Duquesne Light Company throughout the entire pilot period (through November 2012) in order to receive a \$100 gift card as appreciation for completion of the program. If you have any questions in regard to this requirement, please contact us at smartsense@duqlight.com. Thank you.

Thank you for enrolling in Duquesne Light's Smart Sense pilot program, designed to help customers better understand and manage their electricity costs by reducing or shifting their usage during days when demand is the highest.

The goal of the Smart Sense pilot program is to help us to develop a smart-meter system and time-of-day rates that will benefit all customers. By agreeing to participate for the full 18 months of the pilot program, you will receive:

- a total appreciation payment of \$120
- a variety of free energy-conservation information and products
- a better understanding of your electric usage

In addition, you may save money on your monthly bill as a result of changes you decide to make in how you use electricity in your home.

Thanks again for taking part in the Smart Sense Pilot Program. Your participation will help us develop a key component in the Pittsburgh region's energy future.

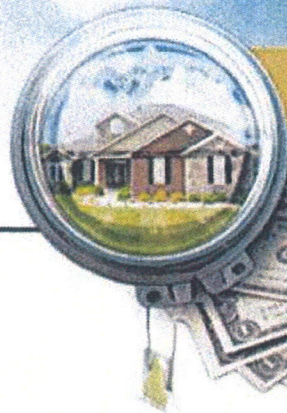
Learn More About the Program

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Time-of-Day 1 — Switch and Save Rate Calculator



Smart Sense

SAVE ENERGY. SMART!

a Duquesne Light Program

Time of Day "Switch and Save" Rate Calculator

Time-of-Day 1 Rate

On-Peak Rate *

Off-Peak Rate *

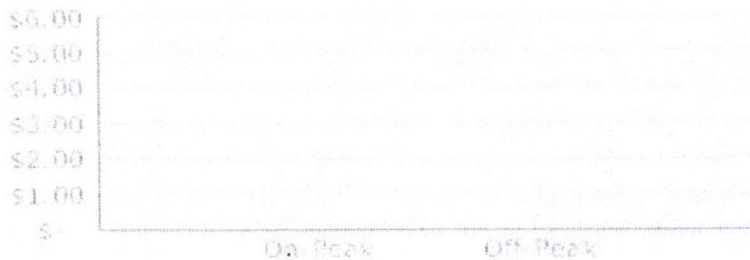
[Reset Calculator](#)

Electric Appliance Selector

Select the items you have in your home and then select whether you will use them during off-peak or on-peak times.

Select	On-Peak	Off-Peak	Select	On-Peak	Off-Peak
<input type="checkbox"/> Dishwasher			<input type="checkbox"/> Pool Pump (1.5 H.P.)		
<input type="checkbox"/> Washing Machine			<input type="checkbox"/> Cooking		
<input type="checkbox"/> Electric Dryer			<input type="checkbox"/> Central Air		
<input type="checkbox"/> Plasma TV			<input type="checkbox"/> Computer and Printer		

Comparison of Daily Costs for Selected Appliances



Monthly Savings Potential

Estimated Savings by Switching from On-Peak Use

\$-

*Savings are based on estimates, and will change depending on when and how you use your energy. On-peak times are weekdays from 1 p.m. to 6 p.m. Shifting your energy use during these hours increases your savings potential. All other hours, including Wednesday, July 4, and Monday, Sept. 3, are off-peak times. The more you can shift to off-peak times, the more you can save on your electricity bill.

Time-of-Day 1 — Hourly Meter Usage Profile Page



[Manage My Account](#)

[Customer Service](#)

[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule Of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)
- [Home](#)
- [What We Need from You](#)
- [Hourly Meter Usage Profile](#)
- [Daily Meter Usage Profile](#)
- [Monthly Results/ Comparison to Standard Rate](#)
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Duquesne Light's Smart Sense Pilot Program - Hourly Meter Usage Profile

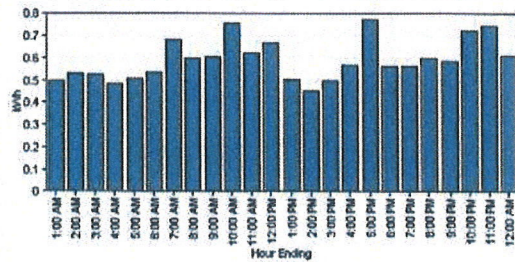
View a history of your daily electric usage by the hour each day.

Select a Date:

09/28/2012

Max Usage: 0.77 kWh at 5:00 PM
Min Usage: 0.45 kWh at 2:00 PM
Avg Usage: 0.59 kWh
On Peak Usage: 2.86 kWh
Off Peak Usage: 11.35 kWh
Total Usage: 14.21 kWh

Friday, September 28, 2012 Usage History - [Show Tabular View](#)

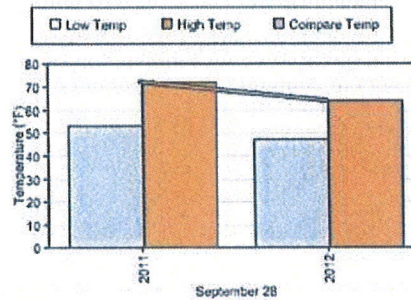


Note: For the purpose of this pilot, hourly reads are provided for informational purposes only and are not used for billing. Meter reads for billing purposes are obtained once each month. Your scheduled meter-reading date is noted on page 1 of your bill.

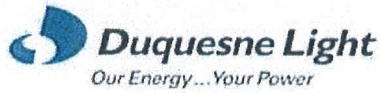
Daily Weather History Comparison

This year, 9/28 was 8° cooler than last year.

2012
High Temp: 64°F
Low Temp: 47°F
2011
High Temp: 72°F
Low Temp: 53°F



Time-of-Day 1 — Monthly Results/Comparison to Standard Rate June 2012 Results



[Manage My Account](#) [Customer Service](#) [Outages & Safety](#) [Save Energy & Save Money](#)

- Account Summary
- Billing Options
- Payment Options
- Understanding My Bill
- Schedule Of Rates
- Update My Account
- Smart Sense Pilot Program**
- Home
- What We Need from You
- Hourly Meter Usage Profile
- Daily Meter Usage Profile
- Monthly Results/Comparison to Standard Rate
- Switch and Save Rate Calculator
- Frequently Asked Questions
- Contact Us

Duquesne Light's Smart Sense Pilot Program - Monthly Results

June Results

Here is what you were billed for supply charges in June 2012.

Smart Sense Supply Charges

	kWh Usage	TOD Rate (cents per kWh)	\$
On Peak:	307 kWh	0.1572	\$48.26
Off Peak:	1232 kWh	0.0613	\$75.52
Total:	1539 kWh		\$123.78

Here is what your supply charge would have been if you weren't participating in the Smart Sense pilot program.

Supply Charge Under Current Duquesne Light Rate

	kWh Usage	Standard Rate (cents per kWh)	\$
Total:	1539 kWh	0.0786	\$120.97

July Results

August Results

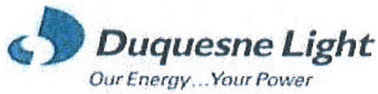
September Results



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Time-of-Day 1 — Monthly Results/Comparison to Standard Rate

July 2012 Results



[Manage My Account](#)

[Customer Service](#)

[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule Of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)
- [Home](#)
- [What We Need from You](#)
- [Hourly Meter Usage Profile](#)
- [Daily Meter Usage Profile](#)
- [Monthly Results/Comparison to Standard Rate](#)
- [Switch and Save Rate Calculator](#)
- [Frequently Asked Questions](#)
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Duquesne Light's Smart Sense Pilot Program - Monthly Results

June Results

July Results

Here is what you were billed for supply charges in July 2012.

Smart Sense Supply Charges

	kWh Usage	TOD Rate (cents per kWh)	\$
On Peak:	380 kWh	0.1572	\$59.74
Off Peak:	1839 kWh	0.0613	\$112.73
Total:	2219 kWh		\$172.47

Here is what your supply charge would have been if you weren't participating in the Smart Sense pilot program.

Supply Charge Under Current Duquesne Light Rate

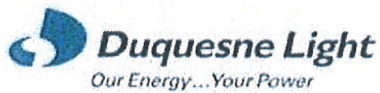
	kWh Usage	Standard Rate (cents per kWh)	\$
Total:	2219 kWh	0.0786	\$174.41

August Results

September Results



Time-of-Day 1 — Monthly Results/Comparison to Standard Rate August 2012 Results



[Manage My Account](#) [Customer Service](#) [Outages & Safety](#) [Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule Of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)
- [Home](#)
- [What We Need from You](#)
- [Hourly Meter Usage Profile](#)
- [Daily Meter Usage Profile](#)
- [Monthly Results/ Comparison to Standard Rate](#)
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Duquesne Light's Smart Sense Pilot Program - Monthly Results

June Results

July Results

August Results

Here is what you were billed for supply charges in August 2012.

Smart Sense Supply Charges

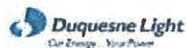
	kWh Usage	TOD Rate (cents per kWh)	\$
On Peak:	312 kWh	0.1572	\$49.05
Off Peak:	1377 kWh	0.0613	\$84.41
Total:	1689 kWh		\$133.46

Here is what your supply charge would have been if you weren't participating in the Smart Sense pilot program.

Supply Charge Under Current Duquesne Light Rate

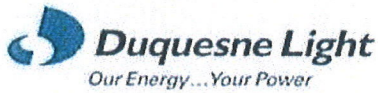
	kWh Usage	Standard Rate (cents per kWh)	\$
Total:	1689 kWh	0.0786	\$132.76

September Results



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Time-of-Day 1 — Monthly Results/Comparison to Standard Rate September 2012 Results



[Manage My Account](#) [Customer Service](#) [Outages & Safety](#) [Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule Of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)
- [Home](#)
- [What We Need from You](#)
- [Hourly Meter Usage Profile](#)
- [Daily Meter Usage Profile](#)
- [Monthly Results/Comparison to Standard Rate](#)
- [Switch and Save Rate Calculator](#)
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Duquesne Light's Smart Sense Pilot Program - Monthly Results

June Results

July Results

August Results

September Results

Here is what you were billed for supply charges in September 2012.

Smart Sense Supply Charges

	kWh Usage	TOD Rate (cents per kWh)	\$
On Peak:	184 kWh	0.1572	\$28.92
Off Peak:	860 kWh	0.0613	\$52.72
Total:	1044 kWh		\$81.64

Here is what your supply charge would have been if you weren't participating in the Smart Sense pilot program.

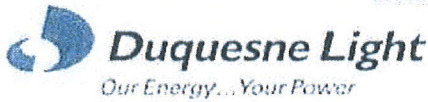
Supply Charge Under Current Duquesne Light Rate

	kWh Usage	Standard Rate (cents per kWh)	\$
Total:	1044 kWh	0.0786	\$82.06



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Time-of-Day 2 — Smart Sense Home Page



[Manage My Account](#)

[Customer Service](#)

[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Sorted by Rate](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)
- [Home](#)
- [What We Need from You](#)
- [Hourly Meter Usage Profile](#)
- [Daily Meter Usage Profile](#)
- [Monthly Results/ Comparison to Standard Rate](#)
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Welcome to Duquesne Light's Smart Sense Pilot Program

You are enrolled in the Smart Sense Time-of-Day Pilot Program.

As a reminder, and as noted in both the invitation letter and the enrollment agreement, participants are required to continue to receive their electric supply from Duquesne Light Company throughout the entire pilot period (through November 2012) in order to receive a \$100 gift card as appreciation for completion of the program. If you have any questions in regard to this requirement, please contact us at smartsense@duqlight.com. Thank you.

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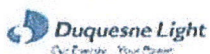
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Learn More About the Program

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- [Frequently Asked Questions](#)
- [Watt Choices energy conservation program](#)
- [Energy saving tips brochure](#)
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-4



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Time-of-Day 2 — Switch and Save Rate Calculator



Smart Sense

SAVE ENERGY. SMART!

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Time of Day "Switch and Save" Rate Calculator

Time-of-Day 2 Rate

\$0.31440

On-Peak Rate *

\$0.05860

Off-Peak Rate *

Reset Calculator

Electric Appliance Selector

Select the items you have in your home and then select whether you will use them during off-peak or on-peak times.

Select	On-Peak	Off-Peak	Select	On-Peak	Off-Peak
<input type="checkbox"/> Dishwasher			<input type="checkbox"/> Pool Pump (1.5 H.P.)		
<input type="checkbox"/> Washing Machine			<input type="checkbox"/> Cooking		
<input type="checkbox"/> Electric Dryer			<input type="checkbox"/> Central Air		
<input type="checkbox"/> Plasma TV			<input type="checkbox"/> Computer and Printer		

Comparison of Daily Costs for Selected Appliances



Monthly Savings Potential

Estimated Savings by Switching from On-Peak Use

\$-

* Savings are based on estimates, and will change depending on when and how you use your energy. On-peak times are weekdays from 4 p.m. to 6 p.m. Shifting your energy use during these hours increases your savings potential. All other hours, including Wednesday, July 4, and Monday, Sept. 3, are off-peak times. The more you can shift to off-peak times, the more you can save on your electricity bill.

Time-of-Day 2 — Hourly Meter Usage Profile Page



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[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Spendable Or Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)
- [Home](#)
- [What We Need from You](#)
- [Hourly Meter Usage Profile](#)
- [Daily Meter Usage Profile](#)
- [Monthly Results/ Comparison to Standard Rate](#)
- [Switch and Save Rate Calculator](#)
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Duquesne Light's Smart Sense Pilot Program - Hourly Meter Usage Profile

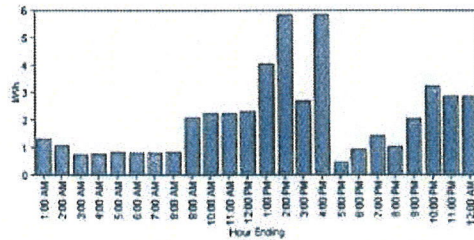
View a history of your daily electric usage by the hour each day.

Select a Date:

09/28/2012

Max Usage: 5.85 kWh at 2:00 PM
Min Usage: 0.48 kWh at 5:00 PM
Avg Usage: 2.07 kWh
On Peak Usage: 1.43 kWh
Off Peak Usage: 48.13 kWh
Total Usage: 49.56 kWh

Friday, September 28, 2012 Usage History - [Show Tabular View](#)

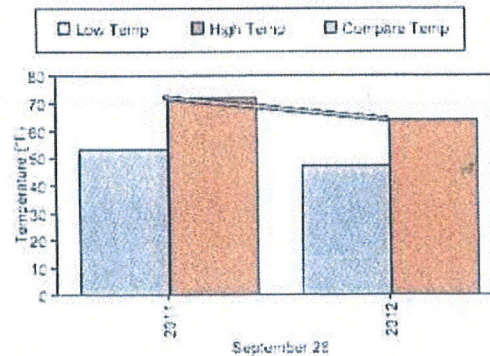


Note: For the purpose of this pilot, hourly reads are provided for informational purposes only and are not used for billing. Meter reads for billing purposes are obtained once each month. Your scheduled meter-reading date is noted on page 1 of your bill.

Daily Weather History Comparison

This year, 9/28 was 8° cooler than last year.

2012	
High Temp:	64°F
Low Temp:	47°F
2011	
High Temp:	72°F
Low Temp:	53°F



Time-of-Day 2 — Monthly Results/Comparison to Standard Rate June 2012 Results



[Manage My Account](#)

[Customer Service](#)

[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule Of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)**
- [Home](#)
- [What We Need from You](#)
- [Hourly Meter Usage Profile](#)
- [Daily Meter Usage Profile](#)
- [Monthly Results/Comparison to Standard Rate](#)**
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Duquesne Light's Smart Sense Pilot Program - Monthly Results

June Results

Here is what you were billed for supply charges in June 2012.

Smart Sense Supply Charges

	kWh Usage	TOD Rate (cents per kWh)	\$
On Peak:	49 kWh	0.3144	\$15.41
Off Peak:	2338 kWh	0.0586	\$137.01
Total:	2387 kWh		\$152.41

Here is what your supply charge would have been if you weren't participating in the Smart Sense pilot program.

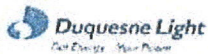
Supply Charge Under Current Duquesne Light Rate

	kWh Usage	Standard Rate (cents per kWh)	\$
Total:	2387 kWh	0.0786	\$187.62

July Results

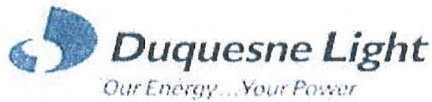
August Results

September Results



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Time-of-Day 2 — Monthly Results/Comparison to Standard Rate July 2012 Results



[Manage My Account](#)

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- [Account Summary](#)
- [Billing Options](#)
- [Payment Details](#)
- [Understanding my bill](#)
- [Schedule of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)**
- [Home](#)
- [What We Need from You](#)
- [Hourly Meter Usage Profile](#)
- [Daily Meter Usage Profile](#)
- [Monthly Results/ Comparison to Standard Rate](#)
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Duquesne Light's Smart Sense Pilot Program - Monthly Results

June Results

July Results

Here is what you were billed for supply charges in July 2012.

Smart Sense Supply Charges

	kWh Usage	TOD Rate (cents per kWh)	\$
On Peak:	48 kWh	0.3144	\$15.09
Off Peak:	2485 kWh	0.0586	\$145.62
Total:	2533 kWh		\$160.71

Here is what your supply charge would have been if you weren't participating in the Smart Sense pilot program.

Supply Charge Under Current Duquesne Light Rate

	kWh Usage	Standard Rate (cents per kWh)	\$
Total:	2533 kWh	0.0786	\$199.09

August Results

September Results



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Time-of-Day 2 — Monthly Results/Comparison to Standard Rate August 2012 Results



[Manage My Account](#)

[Customer Service](#)

[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule Of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)**
- [Home](#)
- [What We Need from You](#)
- [Hourly Meter Usage Profile](#)
- [Daily Meter Usage Profile](#)
- [Monthly Results/ Comparison to Standard Rate](#)**
- [Switch and Save Rate Calculator](#)
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Duquesne Light's Smart Sense Pilot Program - Monthly Results

June Results

July Results

August Results

Here is what you were billed for supply charges in August 2012.

Smart Sense Supply Charges

	kWh Usage	TOD Rate (cents per kWh)	\$
On Peak:	44 kWh	0.3144	\$13.83
Off Peak:	2327 kWh	0.0586	\$136.36
Total:	2371 kWh		\$150.20

Here is what your supply charge would have been if you weren't participating in the Smart Sense pilot program.

Supply Charge Under Current Duquesne Light Rate

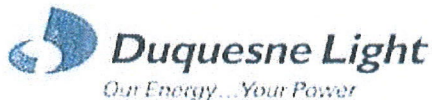
	kWh Usage	Standard Rate (cents per kWh)	\$
Total:	2371 kWh	0.0786	\$186.36

September Results



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[Customer Service](#)

[Outages & Safety](#)

[Save Energy & Save Money](#)

- [Account Summary](#)
- [Billing Options](#)
- [Payment Options](#)
- [Understanding My Bill](#)
- [Schedule of Rates](#)
- [Update My Account](#)
- [Smart Sense Pilot Program](#)**
- [Home](#)
- [What We Need from You](#)
- [Hourly Meter Usage Profile](#)
- [Daily Meter Usage Profile](#)
- [Monthly Results/Comparison to Standard Rate](#)**
- [Switch and Save Rate Calculator](#)
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Duquesne Light's Smart Sense Pilot Program - Monthly Results

June Results

July Results

August Results

September Results

Here is what you were billed for supply charges in September 2012.

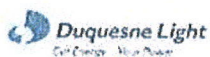
Smart Sense Supply Charges

	kWh Usage	TOD Rate (cents per kWh)	\$
On Peak:	39 kWh	0.3144	\$12.26
Off Peak:	2159 kWh	0.0586	\$126.52
Total:	2198 kWh		\$138.78

Here is what your supply charge would have been if you weren't participating in the Smart Sense pilot program.

Supply Charge Under Current Duquesne Light Rate

	kWh Usage	Standard Rate (cents per kWh)	\$
Total:	2198 kWh	0.0786	\$172.76



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TAB

5

Attachment 5

Attachment 5

2011

Page 1 of 5

Smart Sense Time-of-Day Baseline Data Analysis

		Time-of-Day 1				Time-of-Day 2						
		Jun 2011	Jul 2011	Aug 2011	Sep 2011	Total	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Total	
kWh Distribution												
1	Off Peak kWh	38,420	44,284	39,454	25,359	147,516	41,675	49,078	44,747	31,426	166,927	
2	1-4 PM kWh	7,407	9,078	7,782	4,247	28,513	8,350	10,296	9,072	5,622	33,340	
3	4-6 PM kWh	5,882	7,202	6,221	3,448	22,753	6,314	7,837	6,856	4,356	25,363	
4	Weekday Total kWh	51,708	60,563	53,457	33,054	198,782	56,338	67,211	60,676	41,405	225,630	
5	Weekend Total kWh	18,930	34,443	20,536	17,758	91,667	19,878	37,608	22,654	20,418	100,558	
6	Grand Total kWh	70,638	95,006	73,992	50,812	290,449	76,216	104,819	83,329	61,823	326,188	
Customers												
7	Average kWh/Customer	46	46	46	46	46	55	55	55	55	55	
		1,536	2,065	1,609	1,105	1,579	1,386	1,906	1,515	1,124	1,483	
Revenue												
8	On Peak kWh	13,288	16,279	14,002	7,696	51,266	6,314	7,837	6,856	4,356	25,363	
9	Off Peak kWh	57,350	78,727	59,990	43,116	239,183	69,903	96,982	76,473	57,467	300,825	
10	On-Peak Rate / Revenue	\$0.1572	\$2,089	\$2,559	\$2,201	\$8,059	\$0.3144	\$1,985	\$2,464	\$2,156	\$1,370	\$7,974
11	Off-Peak Rate / Revenue	\$0.0613	\$3,516	\$4,826	\$3,677	\$14,662	\$0.0586	\$4,096	\$5,683	\$4,481	\$3,368	\$17,628
12	Total Revenue IF on TOU Rate	\$5,604	\$7,385	\$5,879	\$3,853	\$22,721	\$6,081	\$8,147	\$6,637	\$4,737	\$25,602	
13	Average Supply Charge/Customer	\$122	\$161	\$128	\$84	\$84	\$111	\$148	\$121	\$86	\$86	
14	Average Rate \$/kWh	\$0.0793	\$0.0777	\$0.0794	\$0.0758	\$0.0782	\$0.0798	\$0.0777	\$0.0796	\$0.0766	\$0.0785	
15	Default Service Rate/Revenue	\$0.0786	\$5,552	\$7,467	\$5,816	\$22,829	\$0.0786	\$5,991	\$8,239	\$6,550	\$4,859	\$25,638
16	Savings/(Cost) IF on TOD Rate	(\$52)	\$82	(\$63)	\$141	\$108	(\$91)	\$92	(\$87)	\$122	\$36	
kWh Share												
17	On-Peak 4-6 Share kWh	8%	8%	8%	8%	8%	8%	7%	8%	7%	8%	
18	On-Peak 1-6 Share kWh	26%	27%	26%	23%	26%	26%	27%	26%	24%	26%	
19	Off Peak Share kWh	74%	73%	74%	77%	74%	74%	73%	74%	76%	74%	
20	Weekday Share of Total kWh	73%	64%	72%	65%	68%	74%	64%	73%	67%	69%	
21	Weekend Share of Total kWh	27%	36%	28%	35%	32%	26%	36%	27%	33%	31%	

Smart Sense Time-of-Day Baseline Data
Customer Bills of Cost/Savings **IF** on Time of Day Rates

Time-of-Day 1

Time-of-Day 2

Jun 2011 Jul 2011 Aug 2011 Sep 2011

Jun 2011 Jul 2011 Aug 2011 Sep 2011

Paid More	Jun 2011	Jul 2011	Aug 2011	Sep 2011
1 \$0 to \$0.50	1	1	3	2
2 \$0.51 to \$1	0	1	3	2
3 \$1.01 to \$2.50	5	5	6	2
4 \$2.51 to \$5.00	3	2	4	0
5 \$5.01 to \$7.50	9	5	4	0
6 \$7.51 to \$10.00	1	3	6	1
7 \$10.01 to \$15.00	4	1	2	0
8 >\$15.00	0	0	0	0
9 Total	23	18	28	7

2	2	1	1	5
0	1	1	2	
8	1	6	3	
13	8	6	4	
4	4	9	2	
3	1	5	0	
3	3	2	1	
0	0	1	0	
33	20	31	17	

Saved	Jun 2011	Jul 2011	Aug 2011	Sep 2011
10 (\$0.01) to (\$1.00)	3	3	1	2
11 (\$1.01) to (\$2.50)	10	2	5	11
12 (\$2.51) to (\$5.00)	4	6	8	15
13 (\$5.01) to (\$7.50)	4	7	2	7
14 (\$7.51) to (\$10.00)	1	6	2	2
15 (\$10.01) to (\$15.00)	1	4	0	2
16 >(\$15.00)	0	0	0	0
17 Total	23	28	18	39

5	5	4	5
10	8	7	6
4	5	8	14
2	6	3	7
0	6	2	4
1	4	0	2
0	1	0	0
22	35	24	38

18 Total	46	46	46	46
----------	----	----	----	----

55	55	55	55
----	----	----	----

19 Cost	50%	39%	61%	15%
20 Saved	50%	61%	39%	85%

60%	36%	56%	31%
40%	64%	44%	69%
46%	46%	54%	46%

Attachment 5

2012

Page 3 of 5

Smart Sense Time-of-Day Rate Effective Period Data Analysis

	Time-of-Day 1					Time-of-Day 2				
	Jun 2012	Jul 2012	Aug 2012	Sep 2012	Total	Jun 2012	Jul 2012	Aug 2012	Sep 2012	Total
kWh Distribution										
1	35,025	43,978	39,771	24,671	143,445	39,890	50,507	53,649	32,317	176,364
2	6,058	8,259	7,513	4,063	25,891	8,062	10,756	9,588	5,204	33,609
3	4,993	6,309	6,239	3,290	20,831	4,226	5,147	4,923	2,959	17,255
4	46,075	58,546	53,522	32,024	190,167	52,178	66,410	68,160	40,480	227,228
5	19,769	27,224	18,305	20,332	85,630	21,661	31,495	20,789	22,095	96,041
6	65,844	85,770	71,828	52,356	275,798	73,838	97,906	88,949	62,575	323,268
Customers										
7	46	46	46	46	46	55	55	55	55	52
Average kWh/Customer	1,431	1,865	1,561	1,138	1,499	1,343	1,780	1,617	1,203	1,490
Revenue										
8	11,050	14,568	13,751	7,353	46,723	4,226	5,147	4,923	2,959	17,255
9	54,794	71,202	58,076	45,003	229,075	69,613	92,759	84,026	59,616	306,013
10	\$0.1572	\$2,290	\$2,162	\$1,156	\$7,345	\$0.3144	\$1,329	\$1,618	\$930	\$5,425
11	\$0.0613	\$4,365	\$3,560	\$2,759	\$14,042	\$0.0586	\$4,079	\$5,436	\$3,494	\$17,932
12	\$5,096	\$6,655	\$5,722	\$3,915	\$21,387	\$5,408	\$7,054	\$6,472	\$4,424	\$23,357
13	\$111	\$145	\$124	\$85	\$85	\$98	\$128	\$118	\$85	\$85
14	\$0.0774	\$0.0776	\$0.0797	\$0.0748	\$0.0775	\$0.0732	\$0.0720	\$0.0728	\$0.0707	\$0.0723
15	\$0.0786	\$6,742	\$5,646	\$4,115	\$21,678	\$0.0786	\$7,695	\$6,991	\$4,918	\$25,409
16	\$79	\$87	-\$76	\$201	\$291	\$396	\$641	\$520	\$495	\$2,052
kWh Share										
17	8%	7%	9%	6%	8%	6%	5%	6%	5%	5%
18	24%	25%	26%	23%	25%	24%	24%	21%	20%	22%
19	76%	75%	74%	77%	75%	76%	76%	79%	80%	78%
20	70%	68%	75%	61%	69%	71%	68%	77%	65%	70%
21	30%	32%	25%	39%	31%	29%	32%	23%	35%	30%

Smart Sense Time-of-Day Rate Effective Period Data
Customer Bills - Percent of Cost/Savings While on Time-of-Use Rates

Time-of-Day 1

Time-of-Day 2

	Jun 2012	Jul 2012	Aug 2012	Sep 2012
<u>Paid More</u>				
1 0%-5.0%	10	18	19	2
2 5.0%-10%	3	3	10	0
3 10%-15%	1	0	1	1
4 Greater Than 15%	0	0	1	0
5 Total	14	21	31	3
				69

	Jun 2012	Jul 2012	Aug 2012	Sep 2012
	11	5	10	1
	0	1	2	0
	1	1	0	0
	0	0	0	0
	12	7	12	1
				32

<u>Saved</u>				
6 0%-5.0%	24	18	7	21
7 5.0%-10%	5	3	6	18
8 10%-15%	3	4	2	4
9 Greater Than 15%	0	0	0	0
10 Total	32	25	15	43
				115

	11	16	10	5
	10	5	11	21
	11	13	15	17
	11	14	7	8
	43	48	43	51
				185

11 Total	46	46	46	46
				184

	55	55	55	52
				217

TAB

6

ATTACHMENT 6

Duquesne Light Company
2012 Smart Sense Pilot Participant Web Survey Research
Final Report — October 2012

Executive Summary

Duquesne Light Company
2012 Smart Sense Pilot Participant Web Survey Research
Final Report — October 2012

Research Objectives

Duquesne Light (“DLC”) conducted research with participants in the Time-of-Week and Time-of Day Smart Sense pilot programs in order to address the following key objectives:

- Evaluate satisfaction with the Smart Sense pilot programs to-date
- Evaluate specific aspects of the Smart Sense program, such as frequency and methods used by DLC to communicate with participants, etc.
- Determine impressions of any website interactions that participants had with the Smart Sense program website and support team
- Determine if participants are likely to enroll in similar Time-of-Use (TOU) programs in the future
- Determine if customers feel that participation in the program affects their overall feelings about DLC

Research Methodology

- The survey population consisted of a total of n=954 completed surveys including n=863 Time-of-Week (“TOW”) participants and n=91 Time-of-Day (“TOD”) participants.
 - The surveys were completed by participants between September 6 and September 28, 2012.
- Customers were sent an original survey invite and up to three e-mail reminders requesting them to participate in the survey.
- The survey length averaged approximately 16 minutes.

	Original Sample Population	Completed Survey Population	Response Rate	Estimated Sampling Error (+/-)
Time-of-Week	1,082	863	80%	1.5%
Time-of-Day	101	91	90%	3.2%

Duquesne Light Company
2012 Smart Sense Pilot Participant Web Survey Research
Final Report — October 2012

Executive Summary

Impressions of DLC and Smart Sense Program — Pages No. 4 and 5

- When it comes to the Smart Sense Program, significantly more TOD participants were “satisfied” (%6-10 ratings) with their experience in the program than TOW participants (80% versus 56%). Approximately one in ten participants (9% per group) were “dissatisfied” with their Smart Sense experience.
 - Some of the best features of the program mentioned by participants include being able to “access usage/detailed information,” “the cost savings,” “gaining awareness of energy usage/costs” and “receiving educational materials about energy savings/conservation tips.” Conversely, when asked what they liked least about the Smart Sense Program, participants most prominently mention “not achieving savings/energy reduction,” “not able to shift or modify usage habits” and a “need for more usage information” as several key issues with their experience in the program.
- Three out of four (75%) TOW participants were “satisfied” with the financial incentive provided to reduce their electricity usage, while 72% of TOD participants were “satisfied” with the rate incentives provided to shift their electricity usage from on-peak hours to off-peak hours.
- Approximately three in five participants (63% of TOD and 62% of TOW) are likely to recommend the Smart Sense Program (%6-10 ratings). Six in ten (62%) TOD participants and 50% of TOW participants feel “more favorable” about DLC due to their Smart Sense participation. Just 3% of TOW participants and 1% of TOD participants feel “less favorable” due to their participation in the Program.
- Three-quarters (75%) of TOW participants and 69% of TOD participants would “definitely” or “probably” like to participate in a similar time-of-use program if offered to their household in the future.
- Fewer than half of participants (45% of TOD and 40% of TOW) feel that the Program “met or exceeded” their expectations. About one in five (23% of TOD and 17% of TOW) participants feel that the program “did not meet” their expectations (%0-4 ratings), largely due to their disappointment with the lack of savings provided by the programs.
- Similar to the results from the ongoing customer satisfaction tracking survey conducted with general Residential customers, satisfaction among Smart Sense participants is nearly universal – 95% of Time-of-Day (TOD) and 92% of Time-of-Week (TOW) participants are satisfied with Duquesne Light (DLC) overall.

Duquesne Light Company
2012 Smart Sense Pilot Participant Web Survey Research
Final Report — October 2012

Executive Summary — (Continued)

Actions Taken to Conserve Electricity — Page No. 5

- More than four out of five participants (87% of TOD and 82% of TOW) mention that as part of their participation they have taken specific actions to conserve/reduce electricity usage or improve their home's energy efficiency.
- Customers that did not take any specific actions mention the cost of replacing items, being unwilling to give up comfort, a lack of cooperation from others in the home, the age and condition of their residence/appliances and being too busy as the key obstacles they faced.
- More than half (53%) of TOD participants completed the free on-line home audit that DLC offered them, significantly higher than among TOW participants (39%).
- Half (52%) of TOD and 41% of TOW participants say the program prompted them to conserve or use less electricity. Two-thirds (67%) of TOD and 25% of TOW participants say it prompted them to change the times they used electricity. However, 42% of TOW and 20% of TOD participants say the program did not make much difference in their usage of electricity.

Program-Related Cost Savings — Page No. 6

- Fewer than one in five TOW participants were able to achieve the 10% reduction goal in either June or July. [Note: In order to gather the data for this Report, participants took the survey at the beginning of September before August TOW results were posted to the website.]
- One-third of participants (36% of TOD and 32% of TOW) overall say they did not save any money participating in the program. Additionally, more than one-half (54%) of TOW participants and 26% of TOD participants were not able to say if they did or did not save money.
- Among participants that say they saved money, TOW participants report higher levels of satisfaction with their savings (%6-10 ratings) than TOD participants (62% versus 50%). Concurrently, 35% of TOD participants and 21% of TOW participants are dissatisfied (%0-4 ratings) with the amount they saved.
- Fewer than one-half (45%) of TOD participants feel that the financial incentives offered to shift their usage are adequate, while (44%) do not feel the incentives offered were adequate.

Duquesne Light Company
2012 Smart Sense Pilot Participant Web Survey Research
Final Report — October 2012

Executive Summary — (Continued)

Smart Sense Team Communications — Pages No. 6 and 7

- Nearly all participants (97% of TOD and 91% of TOW) recall receiving e-mail communications from the Smart Sense Team.
- Overall, 82% of TOD participants and 73% of TOW participants are satisfied (%6-10 ratings) with the communications provided by the Smart Sense Team.
 - Nine in ten (89%) TOD participants overall feel that the communications were “understandable” (%6-10 ratings), significantly higher than among TOW participants (79%).
 - As it relates to the perceived value of the communications, 77% of TOD participants overall feel the communications were “valuable,” compared to 69% of TOW participants.
- Just under two-thirds (63%) of participants overall feel that the Smart Sense team sent them “just the right amount of e-mail contacts,” though about one in five (22%) say they received “too few contacts,” including significantly more TOW participants reporting this than TOD participants (23% versus 10%).
- When prompted with specific e-mail communications that the Smart Sense Team sent, recall levels varied, with significantly more TOD participants than TOW participants recalling two of the communications:
 - Information about accessing your daily energy usage results on the Smart Sense website; and,
 - A detailed overview of how the final phase of the Smart Sense program would work between June 1, 2012 and September 30, 2012.
- Two other e-mail communications were recalled by the majority of all program participants:
 - Information on the potential energy savings from using compact fluorescent light bulbs (CFL), and the partnership between DLC and local retailers to sell CFLs at a discount; and,
 - Information on the Watt Choices Refrigerator and Freezer Recycling programs.
- Participants that received information from the Smart Sense Team and participated in the Watt Choices-related programs [Rebates for Programmable Thermostats, Air Conditioner Cycle Team Program and Refrigerator and Freezer Recycling Programs] say that these programs had at least a minor role in their being more energy efficient. Additionally, a third of the participants that received information about CFLs from the Smart Sense Team say they purchased the light bulbs as a result.

Duquesne Light Company
2012 Smart Sense Pilot Participant Web Survey Research
Final Report — October 2012

Executive Summary — (Continued)

Smart Sense Team Communications — Pages No. 6 and 7 — (Continued)

- Significantly more participants that recall receiving the various e-mail communications from the Smart Sense Team were satisfied with the program, feel that it met or exceeded their expectations and are likely to recommend the program to others compared to those that do not recall receiving the communications.

Smart Sense Program Website — Page No. 8

- While the vast majority of program participants overall visited the Smart Sense website at some point (96% of TOD and 84% of TOW), the majority indicate visiting the website either once a month (28%) or every few months (46%). Just 2% of participants say they visited the website every day, a few times a week or once a week.
- More than 87% of TOD participants and 81% of TOW participants were satisfied with the information provided on the website. In contrast, 6% report being “dissatisfied” with the information on the website.
 - The majority of TOD customers accessed the Monthly Results/Comparison to Standard Rate (80%), the Hourly Meter Usage Profile (75%) and Daily Meter Usage Profile (72%) links. The other links measured were accessed by 40% or fewer TOD participants.
 - The top three links on the program website accessed by TOW participants include the Monthly Target/Results link (59% accessed), the Watt Choices program website link (51%) and the Daily Meter Usage Profile link (48%).
- Significantly more TOD participants than TOW participants that visited the website recall having problems when accessing the website (17% versus 8%).
- In addition, significantly more TOD than TOW participants mention having contact with the Smart Sense team (23% versus 7%).
 - Four out of five (80%) participants that had contact with the Smart Sense Team give positive ratings on the “overall handling of the request,” and 76% of the participants overall that had contact with the Smart Sense Team report positive ratings (%6-10) with the Team “responding to their request or issue in a timely manner.”

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Duquesne Light Company 2012 Smart Sense Pilot Participant Research

Final Report
October 2012

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Duquesne Light
Our Energy...Your Power®




Smart Sense
Smart Energy. Smart.

MARKET STRATEGIES

Report Contents

Background and Research Methodology	2
Executive Summary	4
Research Implications	9
Main Findings	10
– Impressions of Duquesne Light and the Smart Sense Program	11
– Time-of-Week Program Specifics	27
– Time-of-Day Program Specifics	30
– Smart Sense Program Savings	34
– Smart Sense Program Communications	37
– Smart Sense Program Website	47
– Survey Demographics	66
– Appendix	68



Smart Sense
Smart Energy. Smart.

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 - The surveys were completed by participants between September 6 and September 28, 2012.
- < Customers were sent an original survey invite and up to three e-mail reminders requesting them to participate in the survey.
- < The survey length averaged approximately 16 minutes.
- < Throughout this report Time-of-Week and Time-of-Day have been shortened to "TOW" and "TOD."
- < Survey respondents are referred to as "participants" throughout the remainder of this report.

	Original Sample Population	Completed Survey Population	Response Rate	Estimated Sampling Error (+/-)
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Executive Summary

Impressions of DLC and Smart Sense Program

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4

Executive Summary

Impressions of DLC and Smart Sense Program (cont.)

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5

Executive Summary

Program-Related Cost Savings

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6

Executive Summary

Smart Sense Team Communications (cont.)

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7

Executive Summary

Smart Sense Program Website

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Research Implications

- < Changing the electricity usage behaviors of average customers will consistently be a barrier to the success of Time-of-Use, conservation and energy efficiency-related programs. Even though many of the participants either did not save or saved less money during the pilot than was expected, one of the successes of the Smart Sense pilot program is that it offered customers an opportunity to engage directly with DLC to further their understanding of how their household uses electricity, and gain broader access to conservation and energy efficiency information in order to better control their usage and potentially reduce their bills.
- < The findings from the pilot suggest that there is an opportunity to build on the existing Watt Choices offerings by broadening access to the available information and programs to more customers. Raising awareness and customer participation in Watt Choices programs could increase the potential for DLC to reduce loads during peak periods, while also increasing customer engagement, loyalty and trust.
- < While participants generally had positive feedback about the ongoing program-related communications provided by the Smart Sense team, participants suggested that more personalized e-mail updates about their household's electricity usage would be more preferable than being provided a link to the program website to access the information.
- < The results from this research align with findings from qualitative research conducted with Smart Sense participants in late September 2012.

Summary of Selected Key Survey Metrics

	TOW	TOD
<i>(Overall Base)</i>	<i>n=863</i>	<i>n=31</i>
General DLC Satisfaction	92%	95%
Prefer a Deeper Engagement with DLC	94%	98%
Feel TOU Rates Are "Fair"	75	86 ↑
Have a "Fairly Complete Understanding" of TOU	46	87 ↑
Would Prefer TOU Rates Over Flat Rates	65	84 ↑
Overall Satisfaction with Smart Sense Program		
	Including Don't know responses	56% 80% ↑
	Excluding Don't know responses	69 80 ↑
Smart Sense Program "Meets/Exceeds Expectations"		
	Including Don't know responses	40 45
	Excluding Don't know responses	50 47
Would Recommend the Smart Sense Program		
	Including Don't know responses	62 63
	Excluding Don't know responses	71 67
More Favorable Impression of DLC Based on Participation		
		50 62 ↑
Likelihood to Participate in Future TOU Program		
		75 69
Satisfaction with Smart Sense Communications		
		73% 82%
Smart Sense Communications "Understandable"		
		79 89 ↑
Smart Sense Communications "Valuable"		
		69 77
Satisfaction with Information on Smart Sense Website		
		81 87

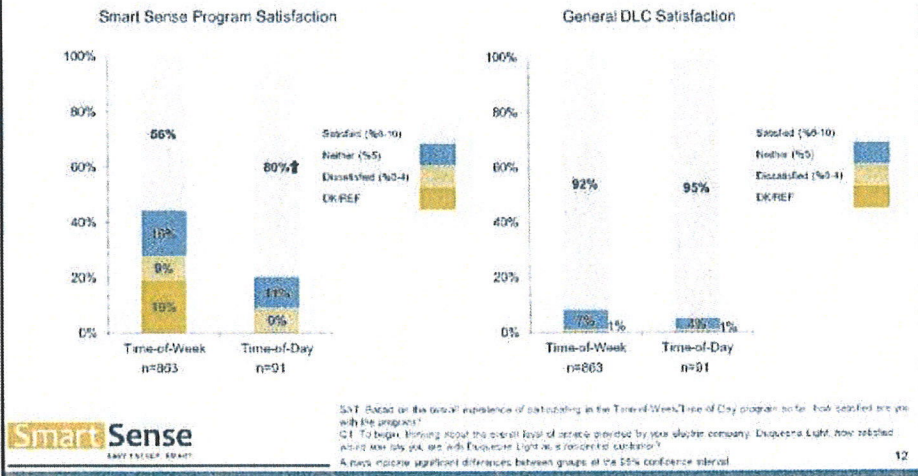


10

Impressions of Duquesne Light and the Smart Sense Program

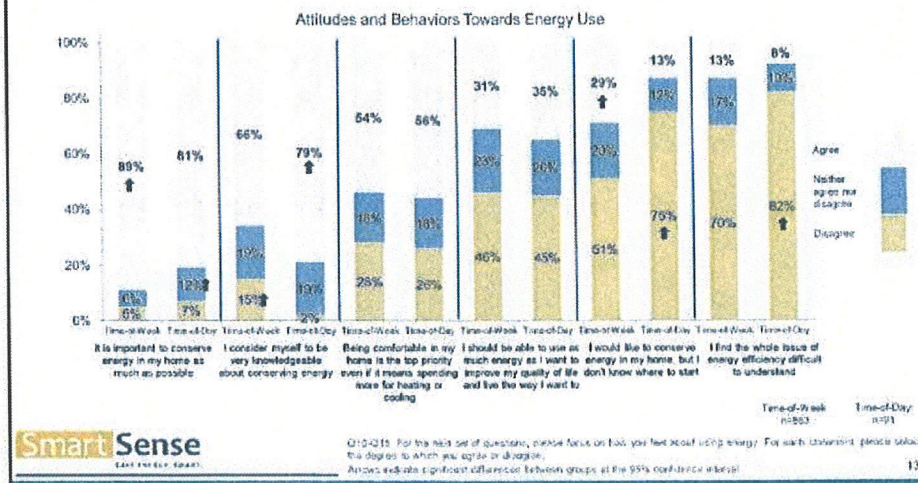
Four out of five TOD participants are satisfied with Smart Sense.

- > Two in five (19%) TOW participants did not provide a valid rating related to their experience with the Smart Sense program. If these responses are removed from the calculation, the %6-10 ratings for TOW participants increase by 13 points (from 56% to 69%).



Most feel it is important to "conserve energy as much as possible."

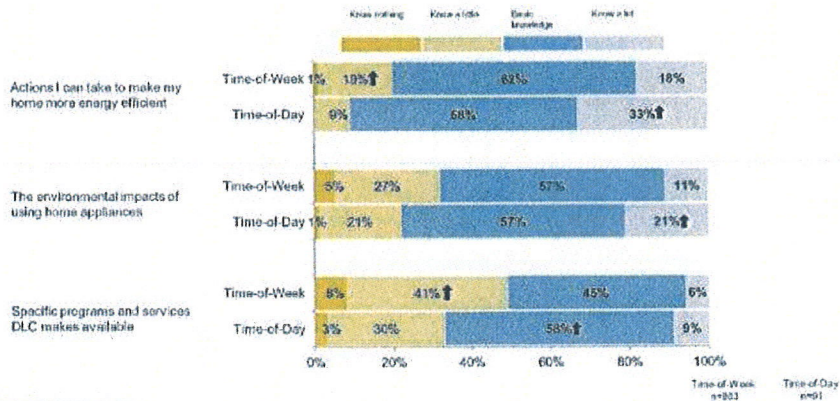
- > Significantly more TOD participants than TOW participants consider themselves to be knowledgeable about conserving energy. TOD participants also agree at a significantly higher level than TOW participants about their comfort level with being able to conserve energy in their home and feeling like energy efficiency is not a difficult concept to understand.



Smart Sense participants are knowledgeable about actions they can take to be more energy efficient.

- > Compared to 2011, when 21% to 24% of participants said they "knew nothing or almost nothing about" the specific programs and services that DLC makes available to help customers use energy efficiently, only 3% to 8% report this in 2012. However, there remains room for improvement as only 6% to 9% by participant group say they "know a lot" about the programs and services DLC offers.

Knowledge About Energy Efficiency/Conservation



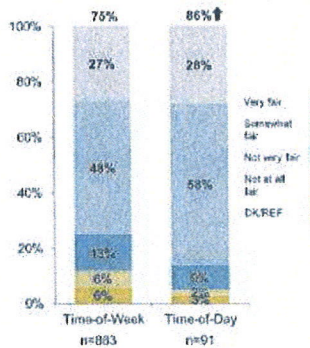
Q17-Q19 How knowledgeable do you feel you are about each of the following?
 Arrows indicate significant differences between groups at the 90% confidence interval.

14

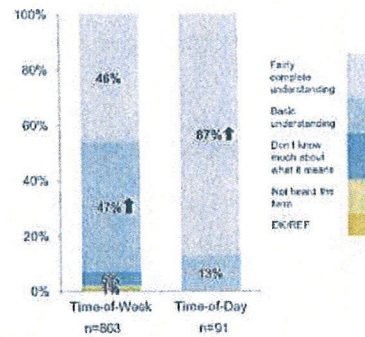
The majority feel that charging customers TOU rates would be fair.

- > Significantly more TOD participants than TOW participants feel that charging customers TOU rates is "fair" (86% versus 75%). These results are similar to the 2011 results (87% and 70%, respectively).
- > Nearly all TOD participants (87%) have a "fairly complete understanding of TOU," significantly higher than among TOW participants (46%).

Charging Rates Based on Energy Cost



Knowledge of Time-of-Use Pricing

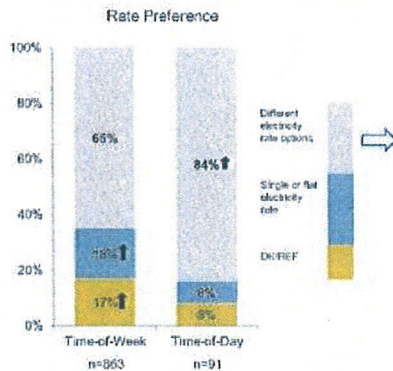


Q21. Do you think that charging customers rates that reflect what energy actually costs - with higher rates during high demand periods, and lower rates during low demand periods, is
 Q22. Which of the following statements comes closest to describing your current level of knowledge about "Time of Use" Pricing?
 Arrows indicate significant differences between groups at the 95% confidence interval.

15

TOU rates are preferred by all participants, but particularly by TOD.

- > The top mentioned reasons for preferring "time-of-use" relate to customers "wanting to save money," "being willing to adjust usage/habits," "wanting flexibility to choose/control usage," "being able to conserve energy/be energy conscious" and because "they already use electricity during off-peak hours" (particularly among TOW participants).



Why would you be interested in different rate options? (Top Mentions)	TOW	TOD
Base	882	77
Helps me save money	47%	36%
Willing to adjust usage/habits	21	27
Flexibility to choose/control my usage	20	20
To conserve energy/energy conscious	14	16
Typically use energy off-peak hours/night users	14↑	1
Accurate charges/pay for what is used	3	5
To save the environment	3	7



Q33. Would you prefer to have...
 Q23CE. Why would you be interested in a plan that offers different electricity rate options?
 Arrows indicate significant differences between groups at the 95% confidence interval.

Offering customers the ability to access usage information and providing education on energy conservation and efficiency are key to program satisfaction.

- > Conversely, "communication-related issues," "not achieving savings/energy reduction," "not being able to shift or modify usage habits" and a "need for more usage information" are some of the issues raised by participants about the program.

What do you like <u>best</u> about participating in the Smart Sense Program? (Top Mentions)	TOW	TOD	What did you like <u>least</u> about participating in the Smart Sense Program? (Top Mentions)	TOW	TOD
Base	891	91	Base	891	91
Access to usage	16%	30%↑	Lack of communication/follow up	11%↑	3%
Cost savings	14	28 ↓	Not receiving significant savings/energy reduction	6	15
Educational information	8	6	Not able to shift/modify usage	8	10
Energy savings/conservation tips	7	4	Need more usage information	5	3
Awareness of energy usage/costs	6	4	Completing surveys	3	1
Can modify/adjust usage	5	17 ↓	Lack of detailed information	3	0
Easy to understand/participate in	4	2	Difficult to schedule/shut down equipment	2	9 ↑
Comparing usage	3	2	Too time-consuming	2	0
Choice to use peak or off-peak	2	12 ↑	End up paying more	1	11 ↑
Conserving energy/helping the environment	2	4	Peak/off-peak times	1	9 ↑



SATA. What would you say you like best so far about participating in the program?
 SATB. What would you say you like least so far about participating in the program?
 Arrows indicate significant differences between groups at the 95% confidence interval.

What do you like best about participating in the Smart Sense Program?

"I have learned a lot about how I can save energy and money on my electricity bill. From switching what type of light bulbs I use and switching to energy-saving power strips. I did not realize how much phantom energy is drawn even when an appliance or TV is turned off. I have learned to notch up the thermostat two degrees and still be comfortable."

"I understand now that we can't just take energy for granted. I have learned to make a better effort to make a difference. I pay more attention to my usage and the ways to do so. Without this program I would still be doing the same old things of high usage and paying the higher bill. In my opinion, I would be wasting money and energy. Thanks to this program, I am so much more aware."

"I like the information that is provided. Specifically, I like the usage information compared to other households to help educate the other members of my home who are not energy-efficient and who are home more frequently than me."

"Being able to really use the tips from Duquesne Light to conserve energy. Things I didn't give much attention to. I was able to make adjustments to be more energy-efficient in how I used them. Sometimes we are oblivious to our inefficient use of energy."

"Getting the detailed usage information and having a goal that could save us money. But I also like that there isn't a penalty for not making the goal."

"It is very interesting to see the hourly reporting of our electricity usage. It looks like the electricity-using activities that we are able to reschedule to off-peak hours affect our usage very little."

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SATA: What would you say you like best so far about participating in the program?

18

What did you like least about participating in the Smart Sense Program?

"I felt that the transition from getting baseline measurements to the time to focus on saving energy was not clear. It was not clear to me when that transition occurred. Maybe a calendar would have been helpful."

"Some of the reports are not user-friendly. I had a difficult time trying to figure out what worked and what didn't without unplugging a lot of equipment to save energy."

"In my opinion, the consequence for using peak electricity was far more severe than the potential reward using off-peak electricity. My family was very diligent in not using electricity during the peak times and yet we paid more on the pilot program than we did when we were not on it. It was frustrating because we really did shift our electricity usage, but the financial reward for doing so was nonexistent."

"I thought there would be more communication and guidance from Duquesne Light."

"The communication, although clear, has been somewhat infrequent. I have forgotten a lot of the details from when I initially signed up."

"Despite our efforts to reschedule our usage, our electric bill has actually gone up from what we would have been charged under our previous flat rate plan. If it weren't for the incentive payments for participating in the program, I would have dropped out of the pilot already."

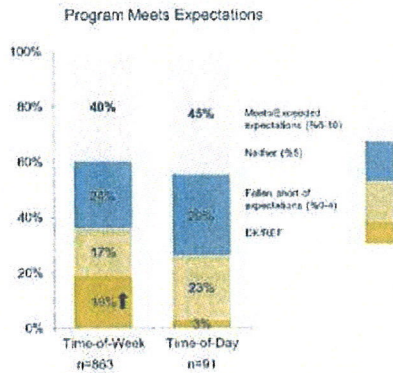
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SATA: What would you say you like least so far about participating in the program?

19

A modest proportion feel the program met or exceeded expectations.

- > Similar to satisfaction with the Smart Sense program, 19% of TOW participants were unable to provide a valid rating on the expectations measure. When those participants are removed from the calculation, the %6-10 ratings on this measure increase by 10 points (40% to 50%).



Why did you give that rating? (Top Mentions)	TOW	TOD
Base	695	88
Total Positive (Net)	24%	27%
Informative/learned a lot	8	9
Good program/idea	5	6
Total Neutral (Net)	33%	28%
Average/met expectations	13	17
Don't know enough about it/waiting to see results	6	0
Total Negative (Net)	42%	57%
No significant savings thought I'd save more	13	26
Not enough information/communication	14	3



EXP: To what extent does the program meet/exceed your expectations or exceeded your expectations on fair?
 EXP1: Why did you give a specific EXP rating? rating?
 *Significant differences between groups at the 95% confidence interval.

20

Why did the program meet/exceed your expectations?

"I think this is a very good way to understand electrical rates, usage and conservation. It has made me much more aware of our usage and how to conserve."

"When I signed up with the program, I really just expected them to send a flyer in with the bill that stated 'here is how you can reduce your energy usage.' Instead they did make a conscious effort to truly help reduce my cost and give some really good ideas on reducing my energy usage."

"I really like the ability to go online and view my usage for the previous month, week, day, and hour, to best determine if my usage is aligned with my peak rate."

"I have learned so much during this program. It is something I would not have paid much attention to until joining, and the steps of each phase have been well-explained. They have given me a chance to pay attention and to feel good about doing this. I now respect the need to conserve energy and I am so pleased with my ability to save me money. I feel I am making an important change for our future."

"We have found the program easier to use than we thought. We anticipated that shifting our usage would be more difficult than it has been. There are also collateral benefits of being in the program. It has made us more aware of energy usage in general."

"The program seems to have been very well organized. Communication has been consistent."



EXP1: Why did you give a specific EXP rating? rating?

21

Why did the program not meet/exceed your expectations?

"Although I got a rebate, this was 100-percent due to the fact that we were forced to get a new heating and air conditioning system last November. I expected more information. Perhaps a weekly e-mail with a summary of usage, totals, and a graph showing peaks and dips in our usage."

"The price for the non-peak kilowatt-hours was not low enough from the original flat rate to make an impact on the bill. Even though I tried to shift my electrical use to off-peak times, the bill was still more expensive than my original rate trend."

"I don't recall getting any information that told me the results of my participation in the program. When they send me an e-mail that requires me to take another step of going to a website, I'll set that e-mail aside for when I have more time. It will get buried and I won't get back to it."

"I have no knowledge of how I have participated in the program. Duquesne Light has not committed any resources to the program in the way of human beings to contact me to help me understand the program. Relying on the Internet for 100 percent of the contact with me about the program has been very ineffective."

"I really thought that we would have more control over our usage. I think we work really hard to shift our usage, and so far the best we have done is to save \$10 a month. Not that \$10 is nothing, but it is an awful lot of effort and inconvenience for \$10."

"I thought I would do better with the off-peak times and I thought we would save some money. My charges for the last three months are within a dollar or two of what the charge would have been without the program."

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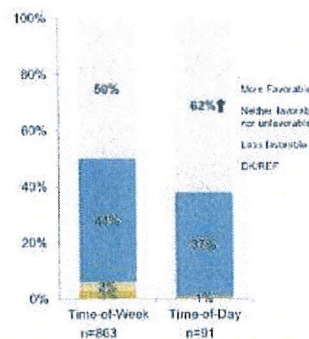
EXPI: Why did you give a nonzero EX? rating?

22

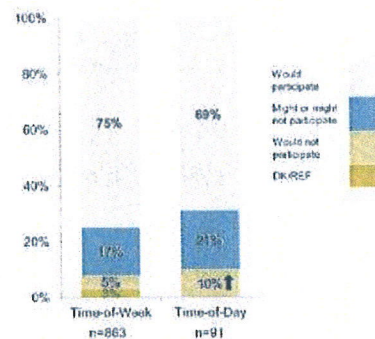
Smart Sense participation increased favorable impressions of DLC.

- > Three-quarters (75%) of TOW participants and 69% of TOD participants would "definitely" or "probably" like to participate in a similar time-of-use program if offered to their household in the future.

Program Participation Impact on Favorability of DLC



Likelihood to Participate in Similar TOU Program



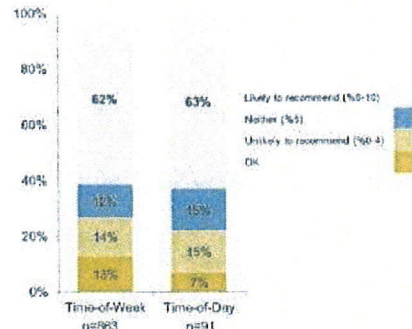
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EXPI: How has the experience of participating in this program affected your opinion of Duquesne Light? Are you SF/AV? Given your experience with Duquesne Light's Smart Sense program to date, how likely would you be to participate in a similar Time-of-Use rate program if offered to your household in the future? Always indicate significant differences between groups at the 95% confidence interval.

23

Three in five participants would likely recommend the Smart Sense programs to others.

Likelihood to Recommend Smart Sense Program

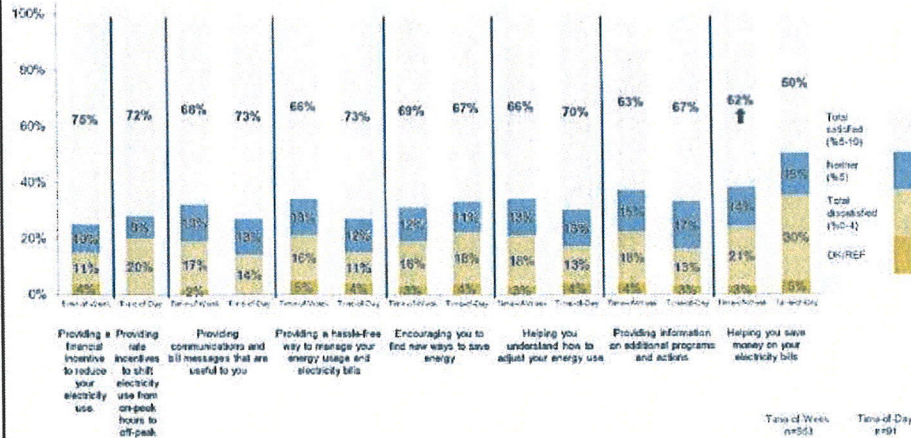


Q10: How likely would you be to recommend the program to a friend, co-worker or relative?
 Answer indicates significant differences between groups at the 95% confidence interval.

Participants report modest to high satisfaction on specific attributes associated with the program.

- > The %0-4 ratings on most of these attributes are typically in the mid to low teens, but up to 30% among TOD participants when it comes to "Helping you save money on your electricity bills."

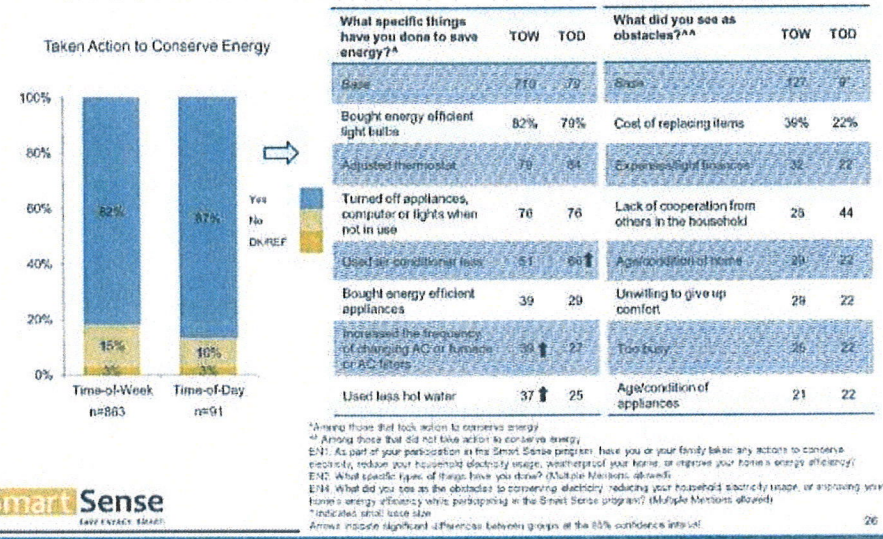
Smart Sense Program Satisfaction



Q11: Thinking about your experience so far with the Smart Sense program, how satisfied would you say you are with the program? Answer indicates significant differences between groups at the 95% confidence interval.

Four out of five participants took actions to conserve or reduce usage.

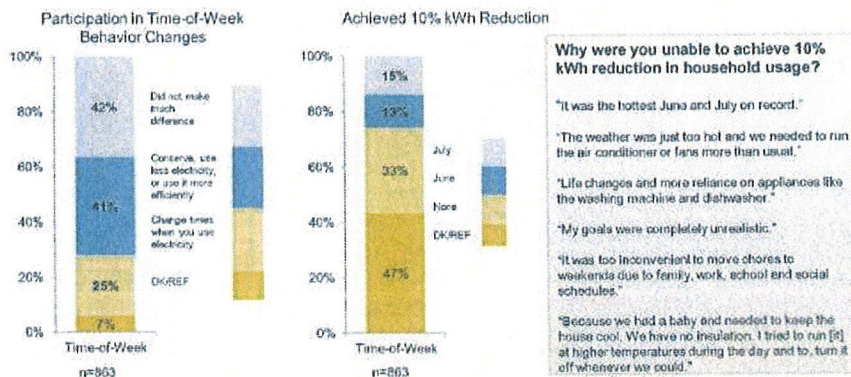
- > Customers that did not take any specific actions to conserve or reduce usage or increase their home's energy efficiency, mention the cost of replacing items, expenses/tight finances, lack of cooperation from others in the home and not being to give up comfort as the key obstacles they faced.



Time-of-Week Program Specifics

Most TOW participants did not achieve the reduction target, but did change behaviors due to the Smart Sense program.

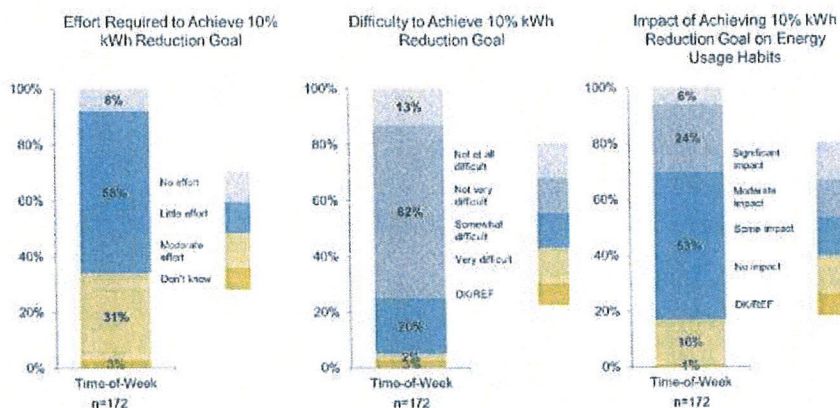
- > Two-thirds (66%) of TOW customers say their participation in the program prompted them to conserve electricity, use electricity more efficiently or change the times they used electricity.



TOW1: Would you say the Time-of-Week program has prompted you to... (Multiple responses allowed)
 TOW2: During which of the following months did you achieve a 10% kWh reduction in your household usage? (Multiple responses allowed)
 TOW2DE: Why do you think you were unable to achieve a 10% kWh reduction in your household usage? (Base: n=28) 28

Those that achieved the 10% reduction goal were generally able to do so with little to moderate effort or difficulty.

- > More than four out of five (83%) TOW participants say achieving the 10% reduction goal had at least "some impact" on their energy usage habits.



TOW3: How much effort was required by your household to achieve the monthly 10% kWh reduction goal?
 TOW4: How difficult was it for your household to achieve the monthly 10% kWh reduction goal?
 TOW5: What impact did achieving the monthly 10% reduction goal have on your energy usage habits? 29

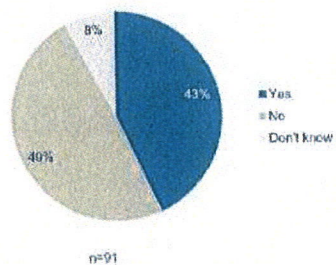
Time-of-Day Program Specifics



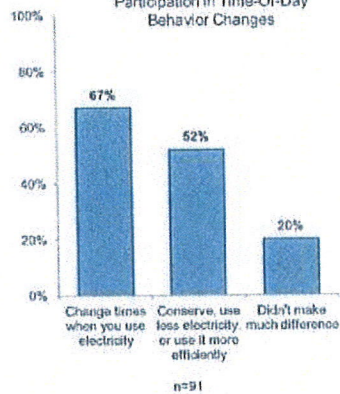
Most TOD participants were active in changing times of usage or attempting to conserve electricity.

- > Two-thirds (67%) of TOD participants say their participation in the program prompted them to change times when they used electricity, and 52% say it prompted them to conserve or use less electricity. One in five (20%) say the program did not make much difference in their usage of electricity.

Habit of Using Electricity During Times Other Than Weekday Afternoons



Participation in Time-Of-Day Behavior Changes

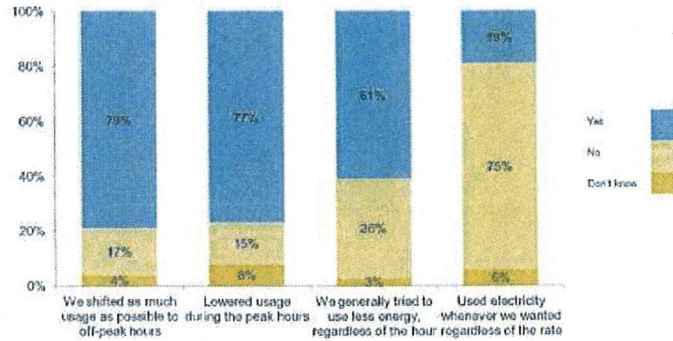


TOD1: Before joining the Time-of-Day program, were you in the habit of doing things that require electricity in the morning, late at night or on weekends, rather than during weekday afternoons?
 TOD2: Would you say the Time-of-Day program has prompted you to: (Multiple selections allowed)

Nearly four out of five TOD participants actively worked to save money on their energy bills.

- > Approximately four out of five TOD participants say they "shifted as much usage as possible to off-peak hours" (79%), "lowered usage during peak hours" (77%), while 75% say that they "did not use electricity whenever they wanted regardless of the rate." In addition, 61% say they "generally tried to use less energy, regardless of the hour."

Electricity Usage Habits During June and July



n=91



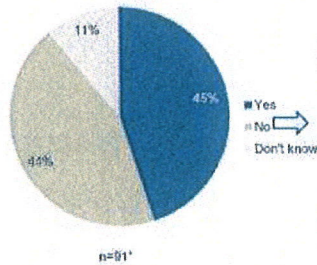
TOD2A.TOD2D: Which of the following describes your household's electricity usage habits during June and July?

32

The financial incentives offered were not considered to be enough by a sizeable proportion of TOD participants.

- > Fewer than one-half (45%) of TOD participants feel that the financial incentive offered to shift their usage was adequate, while 44% do not feel the incentive offered was adequate. Among those that do not feel the financial incentive was adequate, the majority (65%) indicate that "their bill was not lowered significantly," while another 20% say the "peak rate was too high."

Enough Financial Incentive to Switch Usage



Can you explain why there was not enough financial incentive?	TOD
None	40
Didn't lower my bill significantly	65
Peak rate was too high	20
Off-peak time is not convenient	8
Duplicate light raised their overall rates, transmission rates	5
Other	10

Verbatim Comments:

"I noticed some savings on the kilowatt hours, but they raised the transmission rate, so there was little actual savings on the bill."

"Too much work required in our old, leaky house to make a dent in usage. Shifting the time of use was an option, but not all inhabitants took part."

"We have not noticed enough of a saving for this program to make it worth our while to participate."

"I didn't save any money. The window was too tight and on-peak rate too high."

"I did not save enough money not to use air conditioning."

"I simply was not worth \$1 savings that I experienced to stop air conditioning, delay cooking, etc."

TOD3: Do you feel there was enough of a financial incentive offered to shift your electricity usage from the on-peak timeframe to off-peak timeframe?
 TOD3D: Can you please explain why you feel there was not enough financial incentive offered to shift usage from on-peak timeframe to off-peak timeframe?



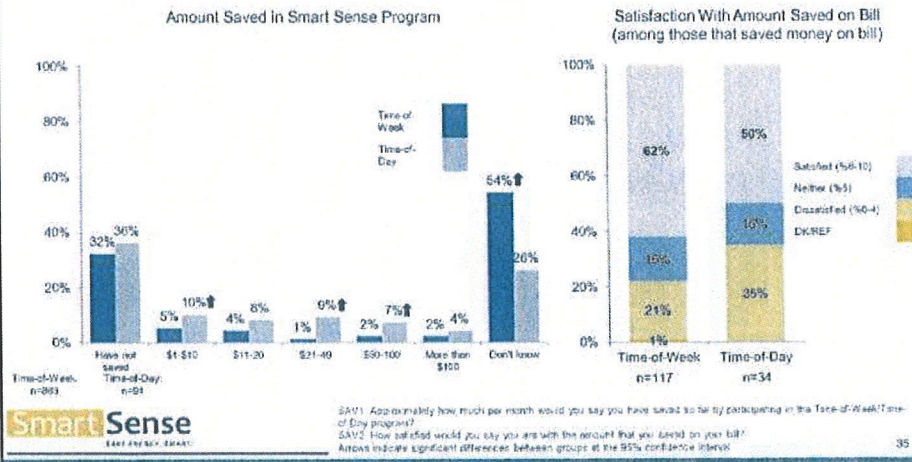
33

Smart Sense Program Savings



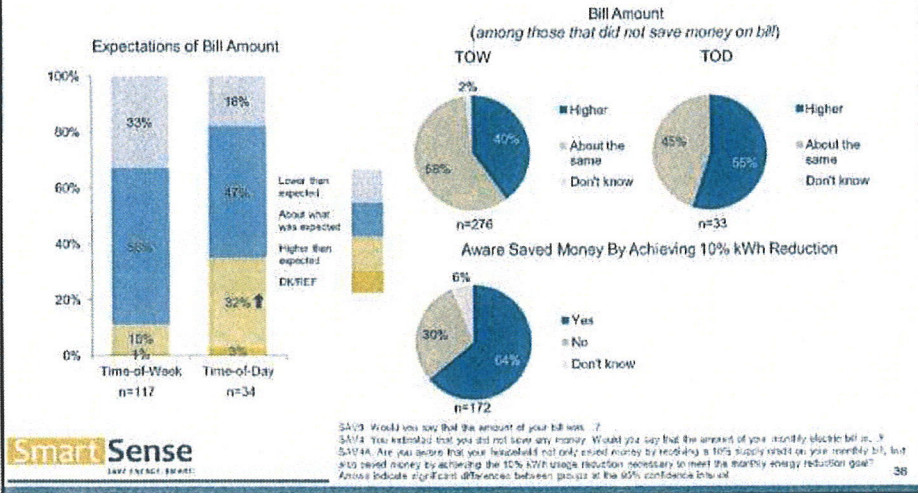
A third of participants say they did not save money in the Smart Sense program and is reflected in lower satisfaction with the amount saved.

- < Approximately a third of participants overall say they did not save any money participating in the program (36% of TOD and 32% of TOW). Additionally, more than one-half (54%) of TOW participants and 26% of TOD participants were not able to provide a valid answer to the question. Among participants providing a valid amount, TOD participants perceived they saved an average of approximately \$18 compared to \$10 among TOW participants.



Among customers that say they saved money, the highest proportion say their bills were about what was expected.

> More than one-half (56%) of TOW participants overall say their bill was "about what was expected" compared to 47% of TOD participants. Significantly more TOD participants than TOW participants say their bill was "higher than expected" (32% vs. 10%). Conversely, 33% of TOW participants say their bill was "lower than expected," compared to 18% of TOD participants.



Smart Sense Program Communications

Summary of Recall of Smart Sense E-mail Communications

- < Nearly all participants recall receiving e-mail communications from the Smart Sense team.
- < The summary table below provides recall of specific e-mail communications provided to participants during the pilot program.

%Recall receiving	TOW	TOD
<i>Base</i>	853	91
Recall receiving e-mail communications from the Smart Sense team	91%	97%
Information about accessing your daily energy usage results on the Smart Sense website.	71%	87% ↑
Information on the potential energy savings from using compact fluorescent light bulbs (CFL), and the partnership between DLC and local retailers to sell CFLs at a discount.	72	70
A detailed overview of how the final phase of the Smart Sense program would work between June 1, 2012 and September 30, 2012.	67	85% ↑
Information on the Watt Choices Refrigerator and Freezer Recycling program.	60	64
Information about the "Switch and Save" rate calculator on the DLC Smart Sense website.	—	53
Information on the Watt Choices Rebates for Programmable Thermostats program.	48	48
Information on the Watt Choices Air Conditioning Cycle Time program.	33	31

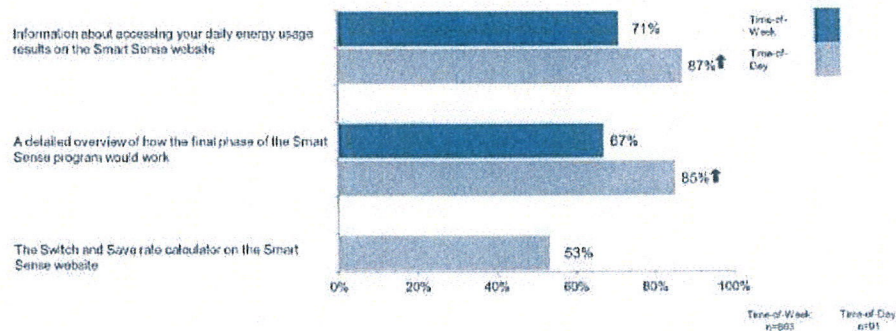


COMM Do you recall receiving e-mail communications from the Smart Sense team?
 USE1, CFL, FROG, REGY, SSC, REE, AIR Do you recall receiving any communications from the Smart Sense team on the following topics?
 Arrows indicate significant differences between groups at the 95% confidence interval.

38

TOD participants recall communications more than TOW participants

Recall of Communications from Smart Sense Team

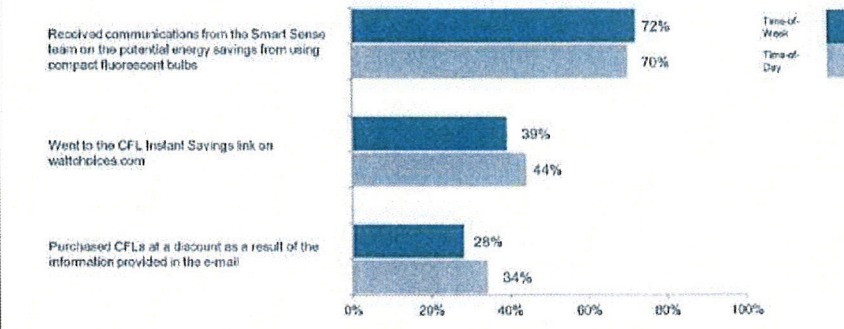


PRDG, USE1, SSC Do you recall receiving any communications from the Smart Sense team on the following topics?
 Arrows indicate significant differences between groups at the 95% confidence interval.

39

Seven in ten participants recall the communication about CFLs.

- Among those that recall the e-mail communication about CFLs, 39%-44% of participants went to the CFL Instant Savings link on the wattchoices.com website, and 28%-34% say they purchased discounted CFLs as a result of the information they received from DLC.

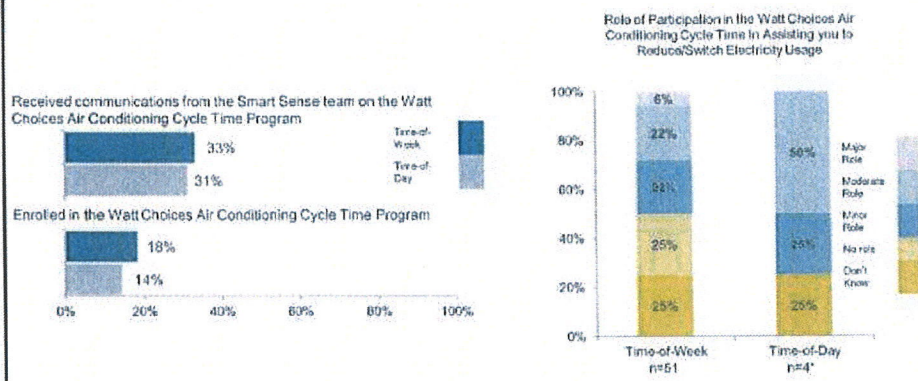


CFL: Do you recall receiving any communications from the Smart Sense team on the following topics?
 Base: n=603 TOW and n=611 TOD
 CFL1: Did you go to the CFL Instant Savings link on the wattchoices.com website that provided more information about CFL bulb types, how and where to recycle used CFLs, and about energy saving comparisons of CFL and incandescent light bulbs? Base: n=619 TOW and n=614 TOD
 CFL2: Did you purchase any CFLs at a discount as a result of the information provided in the e-mail?
 Base: n=619 TOW and n=614 TOD
 *Indicates significant differences between groups at the 95% confidence interval.



Approximately a third of participants recall the communications about the Air Conditioning Cycle Time Program.

- Approximately two in ten (14%-18%) participants that recall the e-mail communication about the Watt Choices Air Conditioning Cycle Team say they enrolled in the program, with 51% of those enrolled in total saying their participation had at least a "minor role" in being able to reduce or shift their usage.

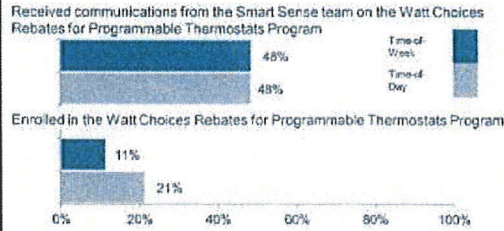


ACR: Do you recall receiving any communications from the Smart Sense team on the following topics?
 Base: n=603 TOW and n=611 TOD
 ACR1: Do you enroll in the Watt Choices Air Conditioning Cycle Time program? Base: n=203 TOW and n=201 TOD
 ACR2: What role did your participation in the Watt Choices Air Conditioning Cycle Time have on assisting you to reduce your electricity usage/switch your electricity usage to off-peak times?
 *Indicates small base size
 ACR2 indicates significant differences between groups at the 95% confidence interval.

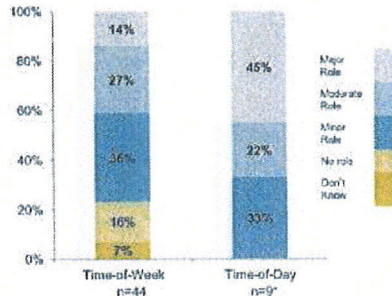


About half of customers recall the Rebates for Programmable Thermostats communication.

< A small portion of Smart Sense participants (11%-21%) that recall the e-mail about the programmable thermostat rebate program ended up participating in the program, with 81% of them in total saying it played at least a "minor role" in them being able to reduce or shift their usage.



Role of Participation in the Watt Choices Rebates for Programmable Thermostats Program in Assisting you to Reduce/Switch Electricity Usage

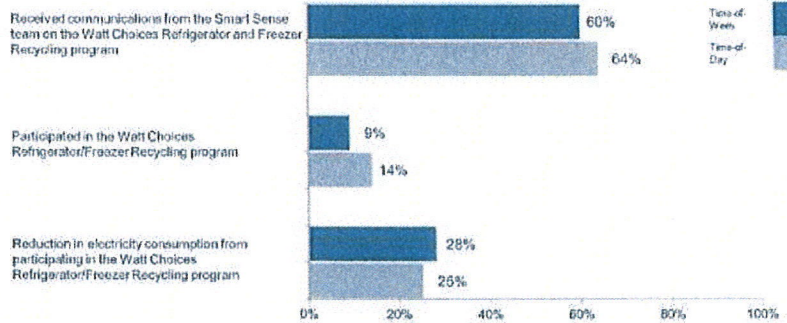


R2B: Do you recall receiving any communications from the Smart Sense team on the following topics?
 Base: n=981 TOW and n=91 TOD
 R2B1: Did you participate in the Watt Choices Rebates for Programmable Thermostats program?
 Base: n=418 TOW and n=44 TOD
 R2B2: What role did your participation in the Watt Choices Rebates for Programmable Thermostats have on assisting you to reduce your electricity usage/switch your electricity usage to off-peak times?
 * indicates small base size
 Asterisk indicate significant differences between groups at the 95% confidence interval



Three in five participants recall the communication about the Refrigerator and Freezer Recycling program.

< Approximately one in ten (9%-14%) participants that recall receiving the e-mail about the refrigerator and freezer recycling program report participating in the program. One-quarter (25%-28%) of those participating say they noticed a reduction in their electricity consumption due to participating in this program.

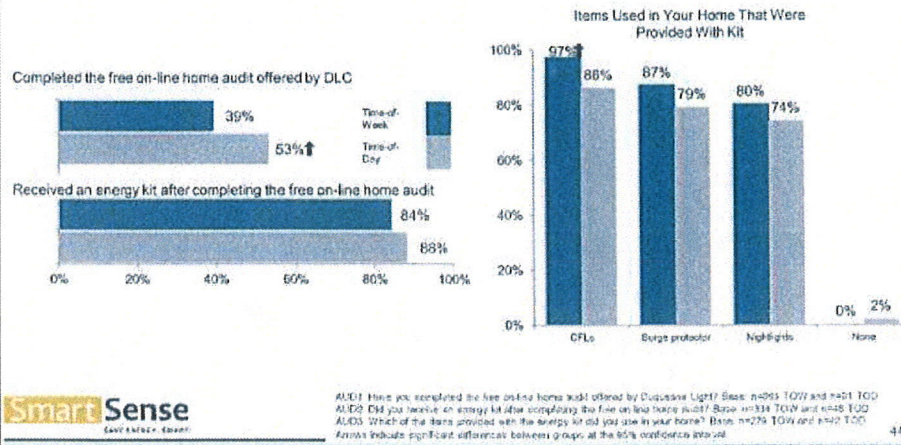


RECY: Do you recall receiving any communications from the Smart Sense team on the following topics?
 Base: n=60 TOW and n=51 TOD
 RECY1: Did you participate in the Watt Choices Refrigerator/Freezer Recycling program? Base: n=9 TOW and n=8 TOD
 RECY2: Did you notice a reduction in your electricity consumption from participating in the Watt Choices Refrigerator/Freezer Recycling program? Base: n=38 TOW and n=8 TOD
 * indicates small base size
 Asterisk indicate significant differences between groups at the 95% confidence interval



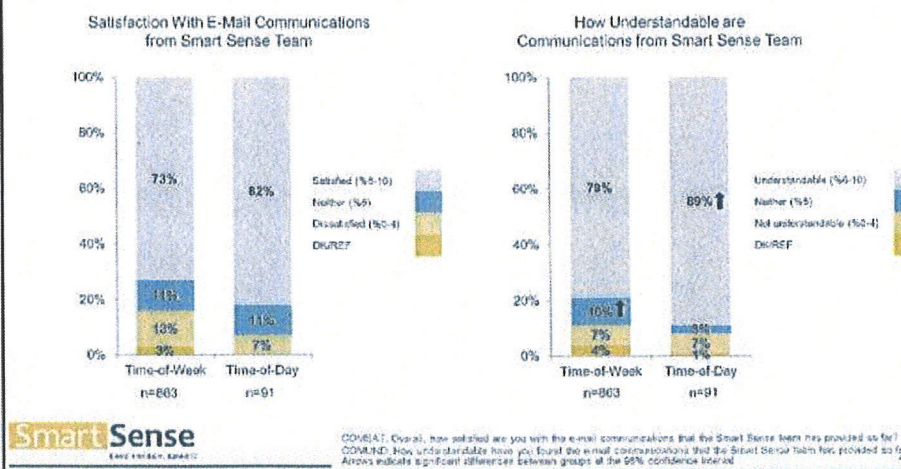
Significantly more TOD than TOW participants completed the free on-line home audit.

< The vast majority (84%-88%) of those completing the audit recall receiving an energy kit from DLC. Most customers that received the energy kit indicate using the items provided, particularly the CFLs (95% overall, including 97% of TOW participants). A high proportion also used the surge protector (86%) and the nightlights (79%) provided in the energy kit.



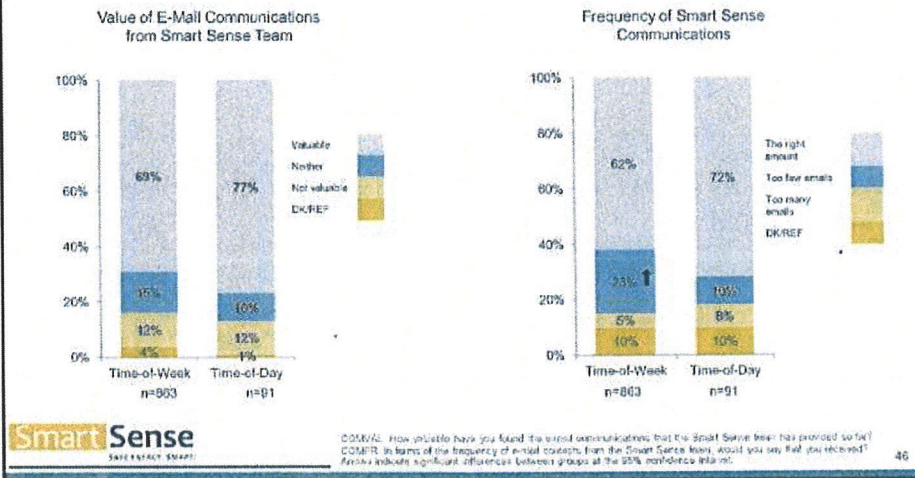
The majority of customers are satisfied with the communications received from the Smart Sense team and found the information understandable.

< Four out of five (80%) participants overall feel that the communications were "understandable." TOD participants report significantly higher "understandable" ratings than TOW participants (89% vs. 79%).



Seven in ten or more participants found the communications from the Smart Sense team to be "valuable."

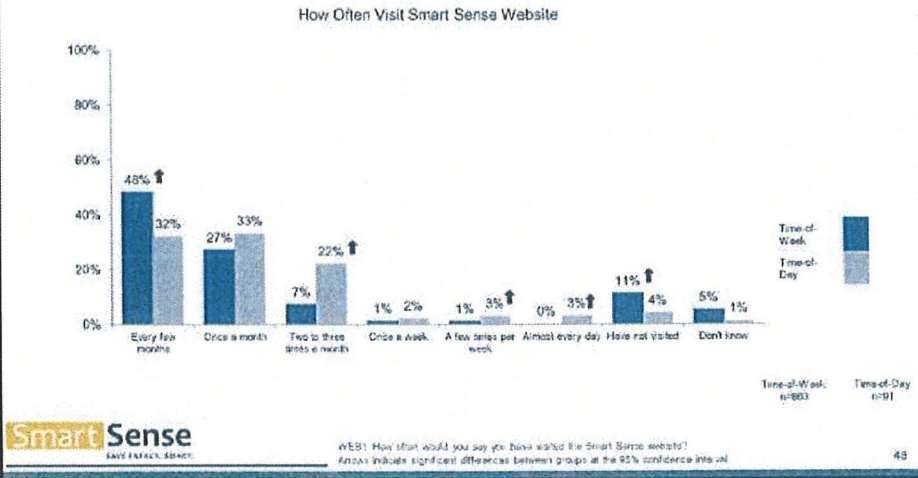
< Just under two-thirds (63%) of participants overall feel that the Smart Sense team sent them "just the right amount of e-mail contacts," though about one in five (22%) say they received "too few contacts," including TOW participants reporting this significantly more than TOD participants (23% vs. 10%).



Smart Sense Program Website

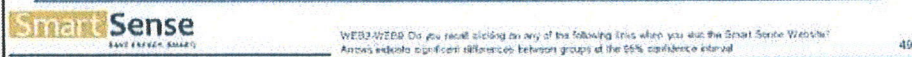
While most participants accessed the Smart Sense website, most visited the website infrequently.

< While the vast majority (85%) of program participants overall visited the Smart Sense website at some point, the majority indicate visiting the website either once a month (28%) or every few months (46%). Just 2% of participants say they visit the website every day, a few times a week or once a week.



Summary of Smart Sense Website Links Accessed

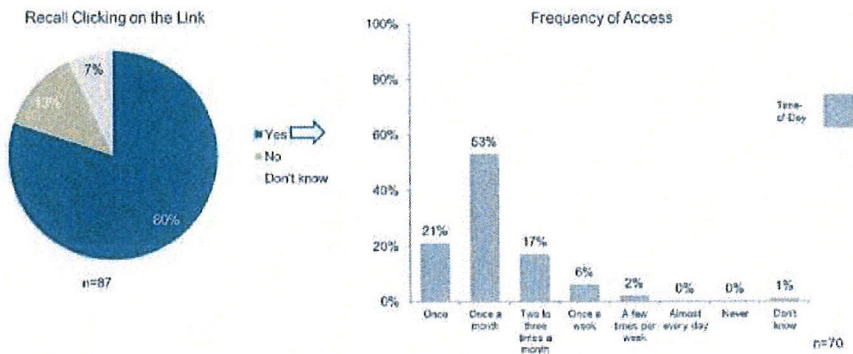
%Yes (Among those that accessed the Smart Sense website)	TOW	TOD
Base	723	87
The Monthly Results/Comparison to Standard Rate link	--	80%
The Hourly Meter Usage Profile link	--	75
The Monthly Target/Results link	59	--
The Daily Meter Usage Profile link	48	72 ↑
Link to the Watt Choices program website	51	40
The Save Energy & Save Money link	41	32
The "Switch and Save" rate calculator link	--	39
Link to energy savings tips brochures	40	32



Four out of five TOD participants accessed the monthly results link on the website.

< More than three-quarters (78%) accessed the link at least one per month.

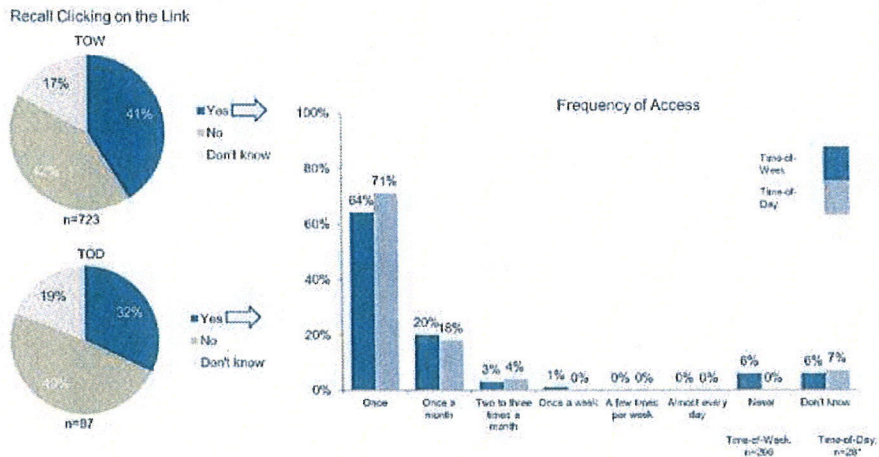
Monthly Results/Comparison to Standard Rate



WEBS: Do you recall clicking on any of the following links when you visited the Smart Sense website?
 WEBSA: How often would you say you accessed any of the following:
 * Indicates significant differences between groups at the 95% confidence interval

A modest proportion of participants accessed the Save Energy and Money link, with most accessing it once during the pilot.

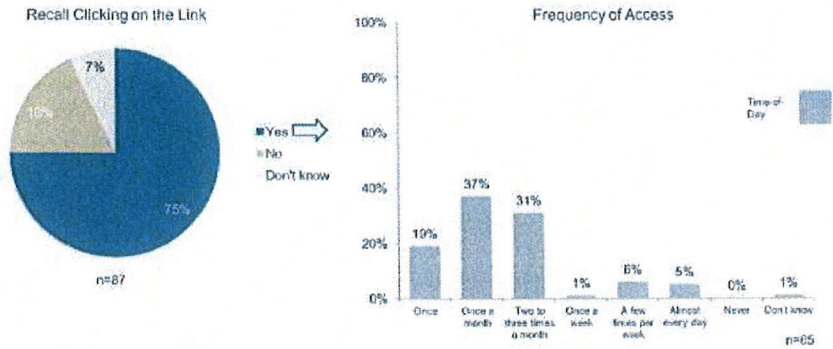
Save Energy and Money



WEBS: Do you recall clicking on any of the following links when you visited the Smart Sense website?
 WEBSA: How often would you say you accessed any of the following:
 * Indicates significant differences between groups at the 95% confidence interval

Three-quarters of TOD participants that visited the website accessed the hourly meter usage profile, with most looking at it monthly.

Hourly Meter Usage Profile

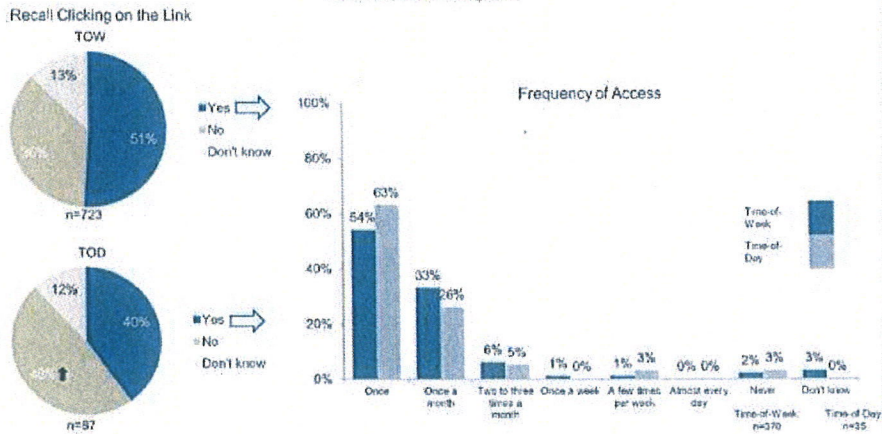


WEBA: Do you recall clicking on any of the following links when you visited the Smart Sense website?
 WEBSA: How often would you say you accessed any of the following.
 Arrows indicate significant differences between groups at the 95% confidence interval.

52

Half of TOD and two in five TOW participants recall clicking on the Watt Choices program link. While most accessed just once, a third or more of participants accessed the link monthly.

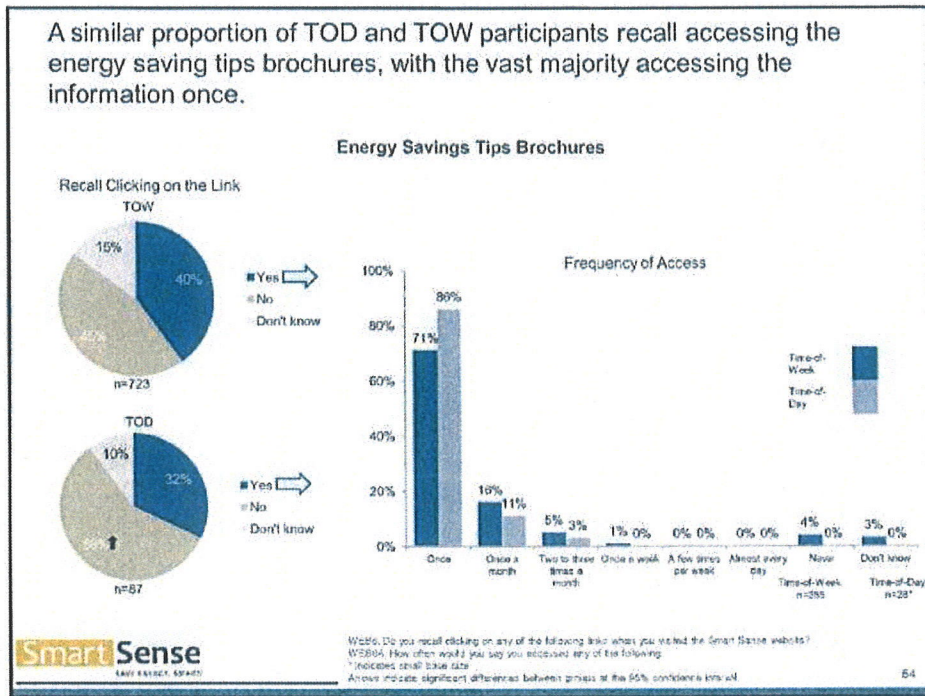
Watt Choices Program



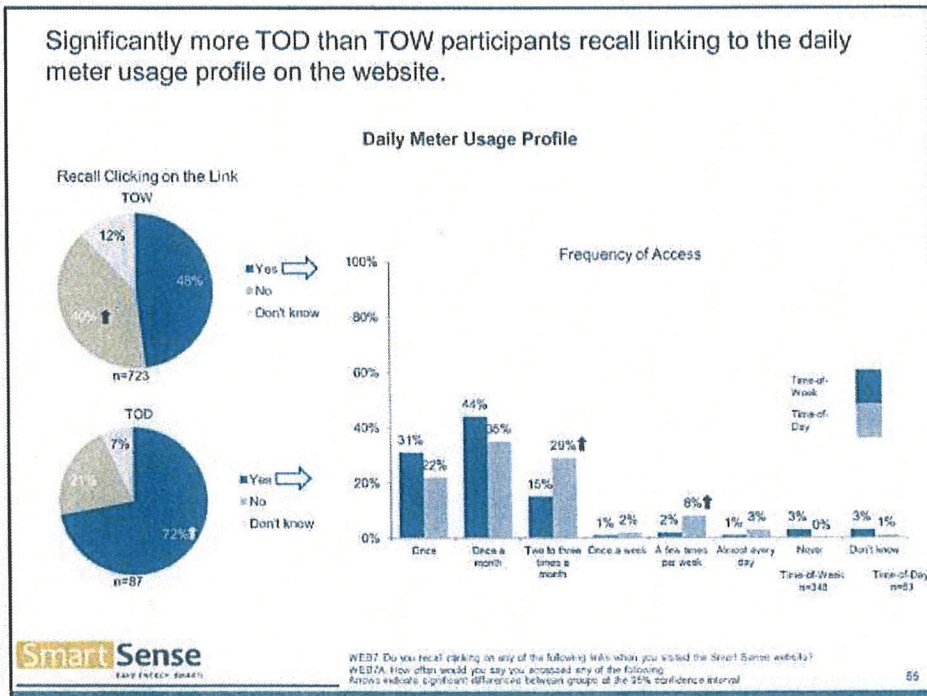
WEBA: Do you recall clicking on any of the following links when you visited the Smart Sense website?
 WEBSA: How often would you say you accessed any of the following.
 Arrows indicate significant differences between groups at the 95% confidence interval.

53

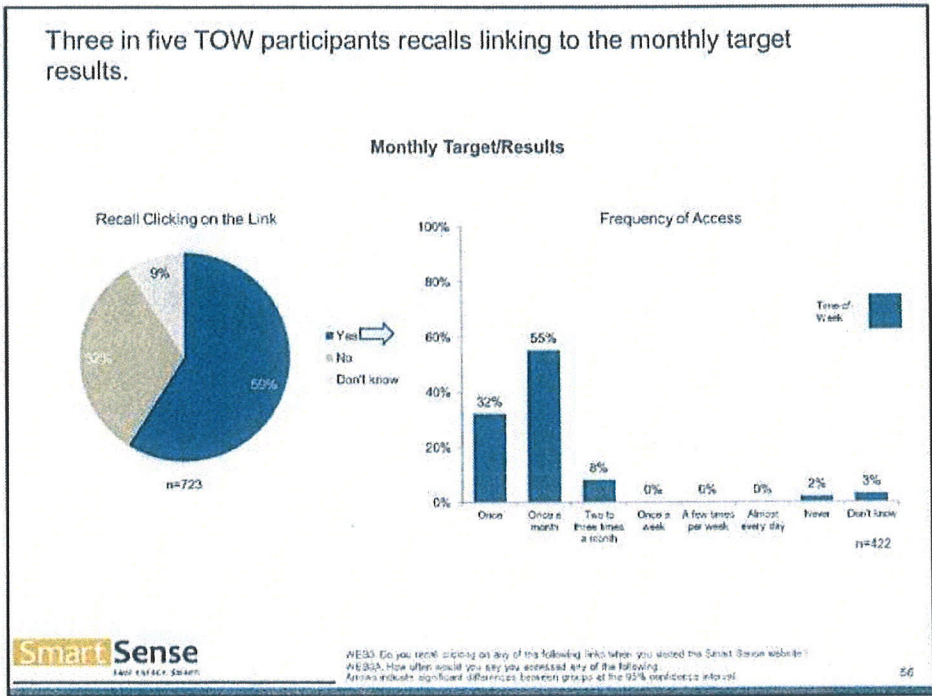
A similar proportion of TOD and TOW participants recall accessing the energy saving tips brochures, with the vast majority accessing the information once.



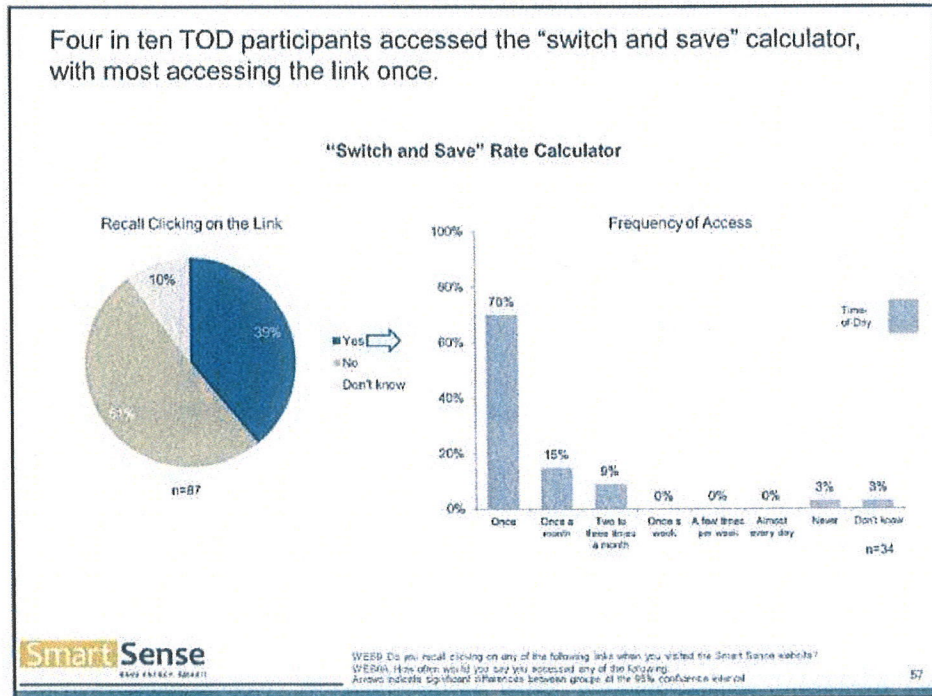
Significantly more TOD than TOW participants recall linking to the daily meter usage profile on the website.



Three in five TOW participants recalls linking to the monthly target results.

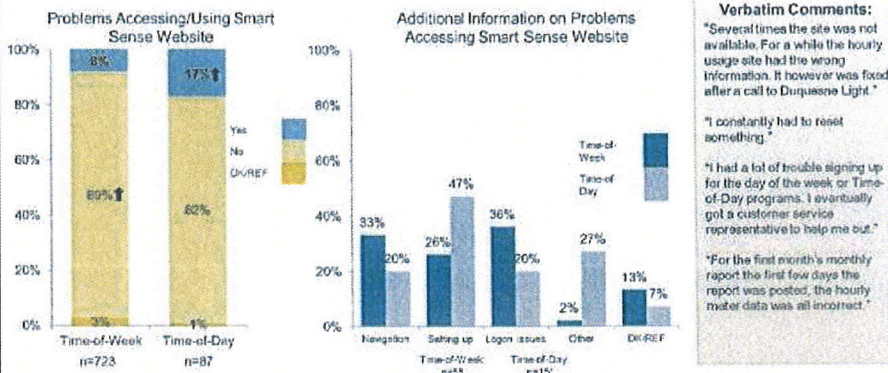


Four in ten TOD participants accessed the "switch and save" calculator, with most accessing the link once.



Significantly more TOD customers than TOW participants had issues accessing the Smart Sense website.

< Issues with the website were related to "issues logging in," "difficulty navigating the website" or "setting up and accessing the website."



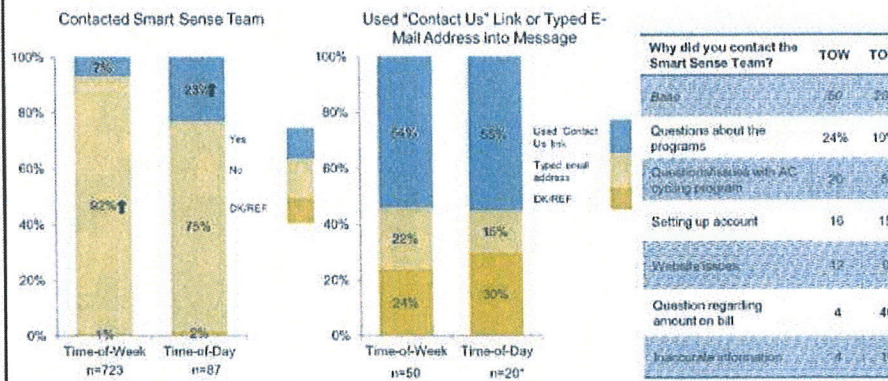
Verbatim Comments:
 "Several times the site was not available. For a while the hourly usage site had the wrong information. It however was fixed after a call to Duquesne Light."
 "I constantly had to reset something."
 "I had a lot of trouble signing up for the day of the week or Time-of-Day programs. I eventually got a customer service representative to help me out."
 "For the first month's monthly report the first few days the report was posted, the hourly meter data was all incorrect."



Q17. Did you have any problems accessing or using the Smart Sense website?
 DK/REF. Please provide additional information on the problems you had accessing or using the Smart Sense website.
 * Indicates small base size.
 Anxias indicate significant differences between groups at the 95% confidence interval.

Additionally, significantly more TOD than TOW participants also contacted the Smart Sense team.

< About one-half used the "Contact Us" button to make contact, while 20% directly e-mailed the Smart Sense team.



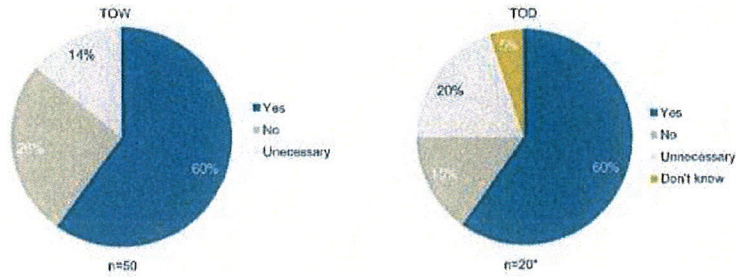
Why did you contact the Smart Sense Team?	TOW	TOD
None	50	20
Questions about the programs	24	10
Questions/issues with AC cycling program	20	5
Setting up account	16	15
Website issues	12	0
Question regarding amount on bill	4	40
Inaccurate information	4	10



Q18. Have you ever had to contact the Smart Sense team?
 Q19A. Do you use the "Contact Us" button located on the Smart Sense website or do you type the email address directly into your messages?
 Q19B. Why specifically did you contact the Smart Sense team?
 * Indicates small base size.
 Anxias indicate significant differences between groups at the 95% confidence interval.

Six in ten customers that contacted the Smart Sense team indicate that would like to have a telephone option to making contact.

Prefer a Telephone Option For Contacting Smart Sense Team



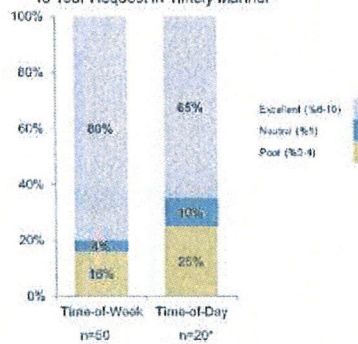
Smart Sense
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CONTACT: Would you prefer that there be a telephone option available for contacting the Smart Sense team?
* Indicates small base size.
Arrows indicate significant differences between groups at the 95% confidence interval.

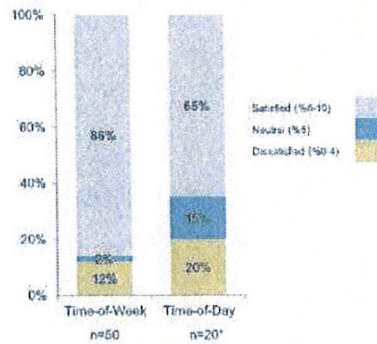
60

Among those contacting the Smart Sense team, more TOW than TOD participants are positive about the handling of the contact and about it occurring in a timely manner.

Rated Smart Sense Team at Responding To Your Request in Timely Manner



Satisfaction With Handling of Request

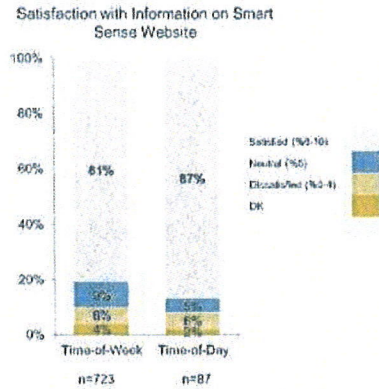


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Q50: How would you rate the Smart Sense team on responding to your request or issue in a timely manner?
Q51: How satisfied are you with the Smart Sense team's handling of your request or issue?
* Indicates small base size.
Arrows indicate significant differences between groups at the 95% confidence interval.

61

Eight in ten or more participants are satisfied with the Smart Sense website.



Q53 Overall, how would you rate your satisfaction with the information provided on the Smart Sense website?
Answers include significant differences between groups at the 90% confidence interval.

62

Additional Feedback About Smart Sense Program

"I think it was a good idea. I just wish there was more information. I seem to be missing things and I am not sure if I am not getting emails or I am going to the wrong sections of the website. I consider myself pretty computer literate, so I would think I could navigate through correctly, but obviously this is not in this case."

"My bill did not indicate at all that I was participating in this program. This should have been more obvious."

"There has to be a more consumer-friendly way of providing the information."

"Make it more user-friendly. Maybe sending emails specific to our household usage and recommendations tailored to us."

"What I want to see is better access to my data. I want better data available. What is the local weather and how does it correlate with my energy usage over the last year and I want better mechanisms for accessing the data. The website is not so hot. Please give me a call and I will send you a copy of a spreadsheet I put together that actually does these things."

"I do not feel enough training or information was provided to use the program adequately."



SSDP: Is there any additional feedback that you would like to provide to Customers Light about the Smart Sense program?
Base: n=82, TOW and n=11, TOO

63

Additional Feedback About Smart Sense Program

"I need to be contacted on a more personal level. I get too many junk emails to look at the one that is important."

"The information is very confusing and overwhelming. I've done a lot of the things suggested, but I still seem to have a high electric bill."

"Too few communications spaced too far apart. Too hard to find information on [the] Web page. The Web page design changed halfway through the program. I saw no savings due to the inconvenience of the weekend program, so I gave up as it was impossible to do for us."

"I think the emails tend to be too long and wordy. It's too hard to discern if they require me to take action."

"I appreciated the links to the programs and the information provided with each. It was a good reminder. Occasional reminders, especially about the fridge program, were helpful."

"This program has made me realize that I need to switch to an energy provider that provides lower rates. I still value energy conservation, but with many of the items the breakeven point was too far in the future. Getting electricity at a lower rate is my top priority."

Smart Sense
ELECTRICITY SAVING

SDGP is there any additional feedback that you would like to provide to Duquesne Light about the Smart Sense program?
Base: n=812 TOW and n=91 TOD 64

Additional Feedback About Smart Sense Program

"It would be nice if someone from Duquesne Light contacted me to review the program and ensure I understood what the program could really do for me."

"I feel it would be beneficial to have a conversation with someone from Duquesne Light about the whole program. There are so many other things going on in life with family, etc. that I would need more direct communication to fully understand the programs."

"This is way too much work and way too inconvenient to make it a good sell for me. I would rather go back to fixed electricity rates because this doesn't save me any money."

"Lower the peak rate costs or give a better selection for the number of hours we can conserve energy during the day. Also, have better programming for the site, so there are not so many times that errors and the links don't work."

"This program has great potential. However, I think people being held payable to these higher rates is a bit punitive. If my new bill is higher than last year's bill under regular rates then there should be some kind of cost adjustment made by Duquesne Light to offset the increase since we're basically guinea pigs in this trial."

"The program was very well set up, but I had very little time available to use it. They need an app to feed the information out or a way to monitor from the phone that is easy to use."

Smart Sense
ELECTRICITY SAVING

SDGP is there any additional feedback that you would like to provide to Duquesne Light about the Smart Sense program?
Base: n=812 TOW and n=91 TOD 65

Survey Participant Demographics



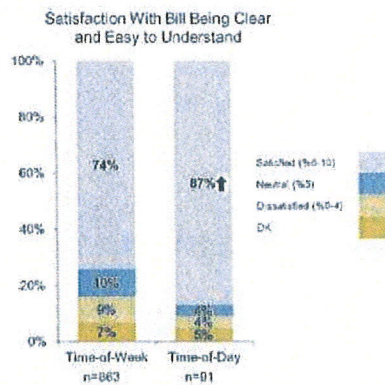
Survey Participant Demographics

	Total	TOW	TOD		Total	TOW	TOD
Gender				Race			
Male	48%	45%	64%↑	White/Caucasian	95%	95%	97%
Female	54	55↑	36	Black/African American	2	3	1
Age				Asian	1	1	0
18-25	0%	0%	0%	Hispanic/Latino	0	0	0
26-35	22	22	22	American Indian/Native American	0	0	0
36-45	28	28	25	Other	2	1	2
46-55	25	25	26	Education			
56-65	16	18	19	Completed high school	6%	6%	4%
Over 65	7	7	9	Trade/Technical/Business School	9	9	6
Income				Some college, but no degree	13	13	12
Less than \$50,000	16%	17%↑	8%	College degree	41	41	44
\$50,000-\$100,000	46	48↑	34	Graduate degree	30	20	34
\$100,000-\$200,000	32	30	44↑	Other	1	1	0
Over \$200,000	6	5	14↑	Own/Rent			
Base	954	863	91	Owner/Buying	100%	100%	100%
				Renter	0	0	0
				Base	954	863	91

Appendix



The majority of participants are satisfied with their bill being clear and easy to understand, with positive ratings being significantly higher among TOD participants.

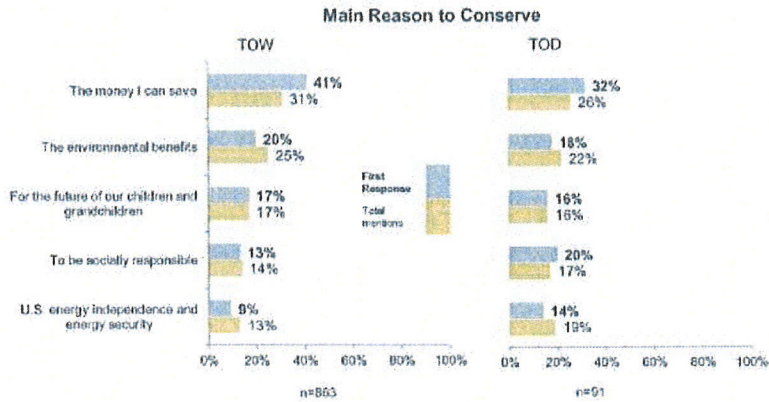


SmartSense
DATA FROM SMART

SAMS: Thinking about the most recent bill you received under the Smart Sense program, how satisfied were you with the bill in terms of being clear and easy to understand?
 *Arrows indicate significant differences between groups at the 95% confidence interval.

89

Saving money is the primary reason for wanting to conserve energy among all Smart Sense participants.



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Q16. In your personal opinion, which of the following is the most important reason to conserve energy?
 Q18A. Which of the following is the second most important reason to conserve energy?
 Arrows indicate significant differences between groups at the 95% confidence interval.

SMART SENSE WEB SURVEY
E-MAILS TO PARTICIPANTS FROM MSI

Subject: Duquesne Light would like your input



[[Restore full (customer) name from sample (if no name in sample, restore "Dear valued customer")]],

Thank you for being part of the Smart Sense program. Your participation will help us develop time of use rates – in conjunction with a smart-meter program – that will benefit all customers.

As you may recall, all pilot participants are required to complete surveys periodically in order to receive a \$100 appreciation payment at the end of the program in November 2012. Market Strategies International, an independent public opinion research company, has been retained by Duquesne Light to administer this survey. Your responses will be kept completely confidential. This survey is strictly for research purposes and is not connected with sales in any way. If you have any questions, please send an e-mail to smartsense@duqlight.com.

Please follow these simple steps to access your survey.

1. Take note of your unique survey ID: [[pin]]
2. Go to <http://www.msisurvey.com/E12204> and enter your survey ID in the space provided.

This survey is expected to close 7 days from the date this e-mail was sent. Thank you for your time and thoughtful responses. Please keep in mind that you will be removed from the Smart Sense program if you do not complete the survey.

NOTE: If you are unable to click on the link directly, please type the entire link into the Address or Location field at the top of your Web browser, and press the ENTER key on your keyboard to access the survey website.

If you require technical assistance with the survey, please access Market Strategies' [Frequently Asked Questions \(FAQ\)](#) page for answers to common questions or go to Market Strategies' [Contact Support](#).

****Please do not reply to this e-mail, as this mailbox is not monitored. If you need technical support, please use the Contact Support link listed above. ****

Smart Sense
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Subject: Thank you for survey participation



Thank you for recently participating in the Smart Sense survey. Your input is very valuable to us in our efforts to develop potential time-of-use programs and to improve our service to customers like you. If you have any further questions, please send an e-mail to smartsense@duqlight.com.

Sincerely,

The Smart Sense Team

****Please do not reply to this e-mail, as this mailbox is not monitored. ****



Subject: REMINDER: Don't forget to finish your survey!



[[Restore full (customer) name from sample (if no name in sample, restore "Dear valued customer")]],

Recently we sent you an email inviting you to participate in a survey as part of your enrollment in the Smart Sense Program. It appears that you started the survey but have not yet finished it. We value your answers and would like you to complete the survey by **September 17th**. We appreciate your time and value your thoughtful responses. Your participation will help us develop time-of-use rates – in conjunction with a smart-meter program – that will benefit all customers. Please keep in mind that you will be removed from the Smart Sense program if you do not complete the survey.

As you may recall, all pilot participants are required to complete surveys periodically in order to receive a \$100 appreciation payment at the end of the program in November 2012. Market Strategies International, an independent public opinion research company, has been retained by Duquesne Light to administer this survey. Your responses will be kept completely confidential. This survey is strictly for research purposes and is not connected with sales in any way. If you have any questions, please send an e-mail to smartsense@duqlight.com.

Please follow these simple steps to re-access your survey.

1. Take note of your unique survey ID: [[pin]]
2. Go to <http://www.msisurvey.com/E12204> and enter your survey ID in the space provided.

NOTE: If you are unable to click on the link directly, please type the entire link into the Address or Location field at the top of your Web browser, and press the ENTER key on your keyboard to access the survey website.

If you require technical assistance with the survey, please access Market Strategies' [Frequently Asked Questions \(FAQ\)](#) page for answers to common questions or go to Market Strategies' [Contact Support](#).

****Please do not reply to this e-mail, as this mailbox is not monitored. If you need technical support, please use the Contact Support link listed above. ****

Smart Sense
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Subject: FINAL REMINDER: Survey Participation and Smart Sense Program Appreciation Payment



[[Restore full (customer) name from sample (if no name in sample, restore "Dear Smart Sense Participant")]],

Recently we sent you several reminders inviting you to participate in a survey as part of your enrollment in the Smart Sense Program. As noted in the previous emails, you are required to complete annual surveys about your Smart Sense experience in order to receive the \$100 gift card as appreciation for completion of the program. **If you have not already done so, please take the time to complete the survey by Monday, September 24th. Please understand that if you do not complete the 2012 survey you will be removed from the Smart Sense program and will no longer be eligible to receive the \$100 gift card.** The Smart Sense team appreciates your time and values you as a customer. Market Strategies International, an independent public opinion research company, has been retained by Duquesne Light to administer this survey. Your responses will be kept completely confidential. This survey is strictly for research purposes and is not connected with sales in any way. If you have any questions, please send an e-mail to smartsense@duqlight.com.

Please follow these simple steps to access your survey.

3. Take note of your unique survey ID: [[pin]]

4. Go to <http://www.msisurvey.com/E12204> and enter your survey ID in the space provided.

NOTE: If you are unable to click on the link directly, please type the entire link into the Address or Location field at the top of your Web browser, and press the ENTER key on your keyboard to access the survey website.

If you require technical assistance with the survey, please access Market Strategies' [Frequently Asked Questions \(FAQ\)](#) page for answers to common questions or go to Market Strategies' [Contact Support](#).

****Please do not reply to this e-mail, as this mailbox is not monitored. If you need technical support, please use the Contact Support link listed above. ****



Subject: REMINDER: Survey Participation Necessary to Receive \$100 Appreciation Payment



[[Restore full (customer) name from sample (if no name in sample, restore "Dear Smart Sense Participant")]],

Recently we sent you an email inviting you to participate in a survey as part of your enrollment in the Smart Sense Program. **As you may recall, all pilot participants are required to complete surveys periodically in order to receive a \$100 appreciation payment at the end of the program in November 2012.** We are extending the deadline. If you have not already done so, please take the time to complete this survey by **September 24th**. We appreciate your time and value your thoughtful responses. **Please keep in mind that if you do not complete the survey, you will be removed from the Smart Sense program and you no longer will be eligible to receive the \$100 gift card.**

Market Strategies International, an independent public opinion research company, has been retained by Duquesne Light to administer this survey. Your responses will be kept completely confidential. This survey is strictly for research purposes and is not connected with sales in any way. If you have any questions, please send an e-mail to smartsense@duqlight.com.

Please follow these simple steps to access your survey.

5. Take note of your unique survey ID: [[pin]]
6. Go to <http://www.msisurvey.com/E12204> and enter your survey ID in the space provided.

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If you require technical assistance with the survey, please access Market Strategies' [Frequently Asked Questions \(FAQ\)](#) page for answers to common questions or go to Market Strategies' [Contact Support](#).

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Smart Sense
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TAB

7

ATTACHMENT 7

Duquesne Light Company
2012 Smart Sense Participant Focus Groups Research
Final Report — October 2012

Key Findings

Duquesne Light Company
2012 Smart Sense Participant Focus Groups Research
Final Report — October 2012

Research Objectives

- The specific objectives for Duquesne Light’s Residential Smart Sense in-depth focus group research, includes:
 - Evaluate satisfaction with the Smart Sense pilot program.
 - Determine if participants are likely to enroll in similar Time-of-Use (TOU) programs in the future.
 - Evaluate specific aspects of the Smart Sense program, such as frequency and methods used by DLC to communicate with participants, etc.
 - Evaluate interest in potential changes and refinements to the program.
 - Determine impressions of any website interactions that participants had with the Smart Sense program website and support team.
 - Determine if customers feel that participation in the program affects their overall feelings about DLC.

Research Methodology

- Market Strategies conducted a total of four focus groups with Duquesne Light Smart Sense Pilot participants on September 25, 26 and 27, 2012.

Location	Date	Time	Customer Type	# of Participants
	September 25, 2012	5:30pm	Time-of-Week	10
Campos Research, Pittsburgh, Pennsylvania	September 26, 2012	5:30pm	Time-of-Day	9
	September 27, 2012	5:30pm	Time-of-Week	10
	September 27, 2012	8:00pm	Time-of-Day	6

**Duquesne Light Company
2012 Smart Sense Participant Focus Groups Research
Final Report — October 2012**

Research Methodology — (Continued)

- All groups were moderated by Market Strategies International Senior Vice President, Jack Lloyd.
- Time-of-Week participants received a \$75 incentive, while the Time-of-Day participants received \$100.
- The groups averaged approximately two hours in length.
- The groups were audio and video taped and typed transcripts of each group were developed.
- Residential Duquesne Light customers who participated in the focus groups had the following specific characteristics:

Specific Participant Characteristics

Group 1
Time-of-Week
September 25; 5:30
(10 participants)

- One participant reached the 10% kWh reduction in June and July and one participant reached the goal in July only. The rest did not reach the goal, or did not know if they reached the goal.
- Four of the participants were “very satisfied” with the Smart Sense program, three were “somewhat satisfied,” two were “neither” and one was “somewhat dissatisfied.”
- More than half visited the Smart Sense website “once a month,” two visited “every few weeks” and one did not visit at all.
- Mix of ages (majority between 36-64 years old). Eight of the participants in this group were Caucasian, the other two were African-American.
- Income levels varied (half falling between \$50K-\$100K). All participants had a college degree or higher, and owned their home.

Group 3
Time-of-Day
September 26; 8:00
(9 participants)

- Nearly all participants were satisfied with the Smart Sense program, one was “very dissatisfied.”
- Website use varied between “two or three times a month,” “once a month” and “once every few months.”
- Mix of ages (majority falling between 36-55 years old).
- All of the participants in this group were Caucasian and owned their home.
- Income levels varied (majority over \$100K). Almost all participants had a college degree or higher.

Duquesne Light Company
2012 Smart Sense Participant Focus Groups Research
Final Report — October 2012

Research Methodology — (Continued)

Specific Participant Characteristics

Group 5
Time-of-Week
September 27; 5:30
(10 participants)

- Two participants achieved the 10% kWh reduction in June and July, one achieved the reduction in July only, and the rest did not achieve the reduction or did not know if they achieved the reduction.
- More than half of the participants were satisfied with the Smart Sense program. Two were “neither” and two were “somewhat dissatisfied.”
- Mix of ages (older than 26 years old). Eight of the participants in this group were Caucasian, the other two were African-American.
- Income levels varied (majority falling between \$50K-\$100K). Almost all participants had a college degree or higher, and all owned their home.

Group 6
Time-of-Day
September 27; 8:00
(6 participants)

- All participants were either “very satisfied” or “somewhat satisfied” with the Smart Sense program.
 - Website visits varied between “two to three times per month” to “once every few months.”
 - Mix of ages (majority between 36-55 years old). Income levels varied. Almost all participants had some college or higher
 - All of the participants in this group were Caucasian and owned their home.
-

Duquesne Light Company
2012 Smart Sense Participant Focus Groups Research
Final Report — October 2012

Key Findings — General Discussion

General Awareness of Duquesne Light — Page No. 6

- In all four participant groups, a key item mentioned was the phone calls or in-person visits being made by competitive suppliers asking customers to switch their electric supply from Duquesne Light (DLC). Many expressed skepticism and/or felt that this is becoming a nuisance. Several mentioned callers using what they called “deceptive” methods, implying they were from, or affiliated with, DLC.
- At least one person in each group specifically mentioned Watt Choices by name. All participants stated that they have heard of the program, though many only had a cursory knowledge of the program’s offerings. Customers did recall Watt Choices programs that offered light bulbs and energy audits, as well as a recycling program that offers rebates for retiring old refrigerators.

Monitoring Energy Usage — Page No. 6

- Some stated that monitoring electric usage was more important now than in previous years, while others said it has always been a priority.
- Some participants said they would like to have more information on how much electricity each appliance is using, in order to prioritize opportunities to conserve.

Energy Conservation — Page No. 7

- Some customers felt that no matter how much they tried to conserve electric usage, they did not see a decrease in the bill. These customers voiced concern that they did not know what more they could do to conserve.
- Customers said during the program they paid more attention to usage, and made an effort to turn off lights, computers and other appliances when not in use.
- Attention to conserving energy seemed to increase due to their involvement in the Smart Sense program.

Duquesne Light Company
2012 Smart Sense Participant Focus Groups Research
Final Report — October 2012

Key Findings — Smart Sense Participation

Overall Impression of the Smart Sense Program — Page No. 8

- Nearly all of the Smart Sense participants who took part in the groups were either “very satisfied” or “somewhat satisfied” with their experience in the program. A few key reasons for their satisfaction include:
 - Increased awareness of electricity usage and ways to increase energy efficiency.
 - Having the ability to adjust usage, which provided them with a sense of control.
 - Positive reaction to helping the environment by reducing electric use.
 - Became educated consumers by learning more about energy efficient appliances.
 - Some customers noted that they would have appreciated more up-front advice from DLC about which option would be best for them, and/or an opportunity to switch between the two options.
 - Most say they likely would participate in a similar program in the future, but would like more information on program options, and an ability to leave the program.

Energy Usage Behaviors — Page No. 9

- Most of the customers felt that the opportunity to save (not including the \$120 in incentive payments) was adequate to motivate program participation, despite the fact that the majority of the participants did not save money, and a few had higher bills during the pilot program.
- Customers welcome the general idea of being able to choose among different rate options, but also being able to choose a flat rate.

Time-of-Week Program Reactions — Pages No. 9 and 10

- Provided an opportunity to improve energy efficiency in their home.
- Several participants commented that they would have preferred that their usage information be provided at multiple points during the course of a month so that they could make necessary adjustments in order to achieve the 10% reduction goal.

Duquesne Light Company
2012 Smart Sense Participant Focus Groups Research
Final Report — October 2012

Key Findings — Smart Sense Participation — (Continued)

Time-of-Week Program Reactions — Pages No. 9 and 10 — (Continued)

- Several were disappointed that real-time usage information was not available.
- Some were confused about how the program was structured and whether they could save by switching usage to weekends.
- Those that say they achieved the 10% reduction did so by purchasing energy efficient appliances, turning off computers, power strips or simply not being home.
- Those who did not achieve the reduction wanted more information on how to reduce usage beyond the basics, such as changing light bulbs and turning off lights and computers. Some talked about conflicts with other family members who were not committed to managing usage.

Time-of-Day Program Reactions — Page No. 10

- Some mentioned that they worked hard to conserve energy, but did not see a savings on the bill.
- Some found the inconvenience of shifting daily tasks, such as laundry, was not worth the small savings on the bill.
- Some talked about conflicts with other family members who were not committed to managing usage.
- Positive reactions to having the ability to see daily usage.
- Most had a positive reaction to the idea of “Bill Protection” – Pay no more than the regular rate for the first three (3) months, but also wanted an opportunity to “opt-out” if their lifestyle changed.

Smart Sense Program Communications — Page No. 11

- Participants were asked to rate the effectiveness of the communications provided by the Smart Sense team. All of the participants in the Time-of-Day program rated the communications as either “very effective” or “somewhat effective,” while those in the Time-of-Week program were more mixed, with just over one-third rating the communications as “ineffective.”
 - E-mail was the preferred method of contact.

Duquesne Light Company
2012 Smart Sense Participant Focus Groups Research
Final Report — October 2012

Key Findings — Smart Sense Participation — (Continued)

Smart Sense Program Communications — Page No. 11 — (Continued)

- Most felt that the amount of communications sent was just enough to be useful, without feeling hassled.
- Many would have liked the e-mails to contain more personalized information, such as data on their own usage or how to improve efficiency, instead of being provided with links to the information on a website.
- Participants in the Time-of-Day program welcomed the communications as reminders to log into the website and monitor usage.

Smart Sense Program Website Interactions — Page No. 12

- Participants in the Time-of-Day program had strong positive reactions to the effectiveness of the website, and found the content valuable. Those in the Time-of-Week program were mixed, with just over half rating the website as effective and valuable.

Time-of-Week Reaction:

- Many found the website challenging to navigate.
- Content on the website was valuable and useful, but difficult to locate.
- Some had difficulty with log-in and passwords.
- Improvements could be made by increasing awareness of electric usage for different appliances.
- All recalled the website changing during the program; however, most did not mind the change.

Time-of-Day Reaction:


- Found the tips on the website valuable; however, some would have liked to see more of them.
- Positive reaction to graphics and charts.
- Ability to see daily usage was welcomed.

Duquesne Light Company
2012 Smart Sense Participant Focus Groups Research
Final Report — October 2012

Key Findings — Wrap-up Discussion


Wrap-up Discussion — Page No. 13

- Overall impressions of the Smart Sense pilot program were positive. Many would welcome the opportunity to participate again, as long as the risk of higher bills is low, or if they were provided an opportunity to change programs if needed. Some indicated that it was too difficult to change behaviors, but were glad to have the opportunity to try.
- The program clearly enhanced perceptions of DLC among participants. Many volunteered that they would keep them as their electric supplier, even if the cost is slightly higher, because they know that DLC is making an effort to conserve energy and help customers.



Duquesne Light
Our Energy...Your Power®

ISO 20257 Certified



Smart Sense
SAVE ENERGY. SMART!

MARKET STRATEGIES
BY CONSULTANTS

Report Contents	
Research Objectives	2
Research Methodology	3
Key Findings	5
Research Implications	14
Detailed Findings	
– General Awareness of DLC	16
– Smart Sense Program Participation – Overall Impressions	22
– Smart Sense Program Participation – Communications and Website	33
– Smart Sense Program Participation – Wrap-up Discussion	42
Appendix	45

Research Objectives

The specific objectives for Duquesne Light's Residential Smart Sense in-depth focus group research, includes:

- Evaluate satisfaction with the Smart Sense pilot program.
- Determine if participants are likely to enroll in similar Time-of-Use (TOU) programs in the future.
- Evaluate specific aspects of the Smart Sense program, such as frequency and methods used by DLC to communicate with participants, etc.
- Evaluate interest in potential changes and refinements to the program.
- Determine impressions of any website interactions that participants had with the Smart Sense program website and support team.
- Determine if customers feel that participation in the program affects their overall feelings about DLC.

2

Research Methodology

< Market Strategies conducted a total of four focus groups with Duquesne Light Smart Sense Pilot participants on September 25, 26 and 27, 2012.

Location	Date	Time	Customer Type	# of Participants
	September 25, 2012	5:30pm	Time-of-Week	10
Campos Research, Pittsburgh, Pennsylvania	September 26, 2012	5:30pm	Time-of-Day	9
	September 27, 2012	5:30pm	Time-of-Week	10
	September 27, 2012	8:00pm	Time-of-Day	6

- < All groups were moderated by Market Strategies International Senior Vice President, Jack Lloyd.
- < Time-of-Week participants received a \$75 incentive, while the Time-of-Day participants received \$100.
- < The groups averaged approximately two hours in length.
- < The groups were audio and video taped and typed transcripts of each group were developed.

3

Research Methodology (cont.)

Residential Duquesne Light customers who participated in the focus groups had the following specific characteristics:

Specific Participant Characteristics

<p>Group 1 Time-of-Week September 25, 4:00 (10 participants)</p>	<ul style="list-style-type: none"> - One participant reached the 10% kWh reduction in June and July and one participant reached the goal in July only. The rest did not reach the goal, or did not know if they reached the goal. - Four of the participants were "very satisfied" with the Smart Sense program, three were "somewhat satisfied," two were "neither" and one was "somewhat dissatisfied." - More than half visited the Smart Sense website "once a month," two visited "every few weeks," and one did not visit at all. - Mix of ages (majority between 30-54 years old). Eight of the participants in this group were Caucasian, the other two were African-American. - Income levels varied (half falling between \$50K-\$100K). All participants had a college degree or higher, and owned their home.
<p>Group 3 Time-of-Day September 26, 9:00 (9 participants)</p>	<ul style="list-style-type: none"> - Nearly all participants were satisfied with the Smart Sense program, one was "very dissatisfied." - Website use varied between "two or three times a month," "once a month" and "once every few months." - Mix of ages (majority falling between 30-55 years old). - All of the participants in this group were Caucasian and owned their home. - Income levels varied (majority over \$100K). Almost all participants had a college degree or higher.
<p>Group 5 Time-of-Week September 27, 5:30 (10 participants)</p>	<ul style="list-style-type: none"> - Two participants achieved the 10% kWh reduction in June and July, one achieved the reduction in July only, and the rest did not achieve the reduction or did not know if they achieved the reduction. - More than half of the participants were satisfied with the Smart Sense program. Two were "neither" and two were "somewhat dissatisfied." - Mix of ages (older than 26 years old). Eight of the participants in this group were Caucasian, the other two were African-American. - Income levels varied (majority falling between \$50K-\$100K). Almost all participants had a college degree or higher, and all owned their home.
<p>Group 6 Time-of-Day September 27, 8:00 (6 participants)</p>	<ul style="list-style-type: none"> - All participants were either "very satisfied" or "somewhat satisfied" with the Smart Sense program. - Website visits varied between "two to three times per month" to "once every few months." - Mix of ages (majority between 30-55 years old). Income levels varied. Almost all participants had some college or higher. - All of the participants in this group were Caucasian and owned their home.

4

Key Findings



Key Findings – General Discussion

General Awareness of Duquesne Light

- < In all four participant groups, a key item mentioned was the phone calls or in-person visits being made by competitive suppliers asking customers to switch their electric supply from Duquesne Light (DLC). Many expressed skepticism and/or felt that this is becoming a nuisance. Several mentioned callers using what they called “deceptive” methods, implying they were from, or affiliated with, DLC.
- < At least one person in each group specifically mentioned Watt Choices by name. All participants stated that they have heard of the program, though many only had a cursory knowledge of the program’s offerings. Customers did recall Watt Choices programs that offered light bulbs and energy audits, as well as a recycling program that offers rebates for retiring old refrigerators.

Monitoring Energy Usage

- < Some stated that monitoring electric usage was more important now than in previous years, while others said it has always been a priority.
- < Some participants said they would like to have more information on how much electricity each appliance is using, in order to prioritize opportunities to conserve.

6

Key Findings – General Discussion (cont.)

Energy Conservation

- < Some customers felt that no matter how much they tried to conserve electric usage, they did not see a decrease in the bill. These customers voiced concern that they did not know what more they could do to conserve.
- < Customers said during the program they paid more attention to usage, and made an effort to turn off lights, computers and other appliances when not in use.
- < Attention to conserving energy seemed to increase due to their involvement in the Smart Sense program.

7

Key Findings – Smart Sense Participation (cont.)

Overall Impression of the Smart Sense Program

- < Nearly all of the Smart Sense participants who took part in the groups were either "very satisfied" or "somewhat satisfied" with their experience in the program. A few key reasons for their satisfaction include:
 - Increased awareness of electricity usage and ways to increase energy efficiency.
 - Having the ability to adjust usage, which provided them with a sense of control.
 - Positive reaction to helping the environment by reducing electric use.
 - Became educated consumers by learning more about energy efficient appliances.
 - Some customers noted that they would have appreciated more up-front advice from DLC about which option would be best for them, and/or an opportunity to switch between the two options.
 - Most say they likely would participate in a similar program in the future, but would like more information on program options, and an ability to leave the program.

8

Key Findings – Smart Sense Participation (cont.)

Energy Usage Behaviors

- < Most of the customers felt that the opportunity to save (not including the \$120 in incentive payments) was adequate to motivate program participation, despite the fact that the majority of the participants did not save money, and a few had higher bills during the pilot program.
- < Customers welcome the general idea of being able to choose among different rate options, but also being able to choose a flat rate.

Time-of-Week Program Reactions

- < Provided an opportunity to improve energy efficiency in their home.
- < Several participants commented that they would have preferred that their usage information be provided at multiple points during the course of a month so that they could make necessary adjustments in order to achieve the 10% reduction goal.
 - Several were disappointed that real-time usage information was not available.
 - Some were confused about how the program was structured and whether they could save by switching usage to weekends.

9

Key Findings – Smart Sense Participation (cont.)

Time-of-Week Program Reactions (cont.)

- Those that say they achieved the 10% reduction did so by purchasing energy efficient appliances, turning off computers, power strips or simply not being home.
- Those who did not achieve the reduction wanted more information on how to reduce usage beyond the basics, such as changing light bulbs and turning off lights and computers. Some talked about conflicts with other family members who were not committed to managing usage.

Time-of-Day Program Reactions

- < Some mentioned that they worked hard to conserve energy, but did not see a savings on the bill.
- < Some found the inconvenience of shifting daily tasks, such as laundry, was not worth the small savings on the bill.
- < Some talked about conflicts with other family members who were not committed to managing usage.
- < Positive reactions to having the ability to see daily usage.
- < Most had a positive reaction to the idea of "Bill Protection" – *Pay no more than the regular rate for the first three (3) months*, but also wanted an opportunity to "opt-out" if their lifestyle changed.

10

Key Findings – Smart Sense Participation (cont.)

Smart Sense Program Communications

- < Participants were asked to rate the effectiveness of the communications provided by the Smart Sense team. All of the participants in the Time-of-Day program rated the communications as either "very effective" or "somewhat effective," while those in the Time-of-Week program were more mixed, with just over one-third rating the communications as "ineffective."
 - E-mail was the preferred method of contact.
 - Most felt that the amount of communications sent was just enough to be useful, without feeling hassled.
 - Many would have liked the e-mails to contain more personalized information, such as data on their own usage or how to improve efficiency, instead of being provided with links to the information on a website.
 - Participants in the Time-of-Day program welcomed the communications as reminders to log into the website and monitor usage.

11

Key Findings – Smart Sense Participation (cont.)

Smart Sense Program Website Interactions

< Participants in the Time-of-Day program had strong positive reactions to the effectiveness of the website, and found the content valuable. Those in the Time-of-Week program were mixed, with just over half rating the website as effective and valuable.

Time-of-Week Reaction:

- Many found the website challenging to navigate.
- Content on the website was valuable and useful, but difficult to locate.
- Some had difficulty with log-in and passwords.
- Improvements could be made by increasing awareness of electric usage for different appliances.
- All recalled the website changing during the program; however, most did not mind the change.

Time-of-Day Reaction:

- Found the tips on the website valuable; however, some would have liked to see more of them.
- Positive reaction to graphics and charts.
- Ability to see daily usage was welcomed.

12

Key Findings – Wrap-Up Discussion

Wrap-up Discussion

- < Overall impressions of the Smart Sense pilot program were positive. Many would welcome the opportunity to participate again, as long as the risk of higher bills is low, or if they were provided an opportunity to change programs if needed. Some indicated that it was too difficult to change behaviors, but were glad to have the opportunity to try.
- < The program clearly enhanced perceptions of DLC among participants. Many volunteered that they would keep them as their electric supplier, even if the cost is slightly higher, because they know that DLC is making an effort to conserve energy and help customers.

13

Research Implications



Research Implications

- < Even though many of the participants either did not save or saved very little money, the high levels of satisfaction with the program experience provides an indication of the appreciativeness that customers have that DLC wants to actively engage to make them more aware and educate them about energy efficiency and conservation.
- < While participants generally had positive feedback about the ongoing program-related communications provided by the Smart Sense team, participants suggested that more personalized e-mail updates about their household's electricity usage would be more preferable than being provided a link to the program website to access the information.
- < The findings from the pilot suggest that there is an opportunity to build on the existing Watt Choices offerings by broadening access to the available information and programs to more customers. Raising awareness and customer participation in Watt Choices programs could increase the potential for DLC to reduce loads during peak periods, while also increasing customer engagement, loyalty and trust.

15

General Awareness of Duquesne Light

Detailed Findings with Customer Comments



General Duquesne Light Discussion Awareness of Duquesne Light

Key Findings

The groups were asked what they have read, heard, or seen in the last few months regarding Duquesne Light (DLG).

- < In most groups, the first item mentioned was the phone calls or in-person visits by competitive supplier's asking the customers to switch their electric supply from DLG. Many expressed skepticism and/or felt that this is becoming a nuisance. Many mentioned callers used what they called "deceptive" methods, implying they were from, or affiliated with, Duquesne Light.
- < At least one person in each group specifically mentioned Watt Choices by name. All participants stated that they have heard of the program, though many only had a cursory knowledge of the program's offerings. Customers did recall Watt Choices programs that offered light bulbs and energy audits, as well as a recycling program that offers rebates for retiring old refrigerators.

Comments from Discussion

We've been getting a lot of robo-calls for the last two or three months. They start off implying that it's Duquesne Light Company, but they never say Duquesne Light Company. I hang up or delete the message. (Group 3, Time-of-Day, 5:30 pm)

We got a new phone number this year. And we're still not on the no-call list. I literally get three or four calls a day. This is about your energy bill. They make it sound like it's Duquesne Light, but it's not Duquesne Light. They want you to change. It's very deceptive. (Group 5, Time-of-Week, 5:30 pm)

I think it's very deceptive, to the point that they'll say, "well you don't want to save money then", and I said, that's right. Good bye! (Group 5, Time-of-Week, 5:30 pm)

They have rebates, for purchasing other appliances. (Group 1, Time-of-Week, 5:30 pm)

Something that I've seen is recycling your old refrigerator, perhaps. Maybe I've seen that in the paper or on television. (Group 5, Time-of-Week, 5:30 pm)

I did the energy audit online. Then they sent me some light bulbs, a power strip, two nightlights. (Group 5, Time-of-Week, 5:30 pm)

I know if you get a new appliance, they'll give you money for your old, less energy efficient appliances. (Group 3, Time-of-Day, 5:30 pm)

I've seen one billboard for Watt Choice. (Group 5, Time-of-Week, 5:30 pm)

General Duquesne Light Discussion Awareness of Duquesne Light

Comments from Discussion (Cont.)

Alternative Energy supplier comments

I almost got scammed into switching my electricity over because it was actually First Energy. They were trying to get me to switch the generator to First Energy. They actually implied that they were working on behalf of Duquesne Light. I almost went through with it, and then caught myself at the end. I actually filed a complaint with the PUC. (Group 3, Time-of-Day, 5:30 pm)

The main thing I'm hearing are people calling, every single minute saying you can switch to an alternative supplier. (Group 1, Time-of-Week, 5:30 pm)

I get people coming to my house, like twice a month. (Group 1, Time-of-Week, 5:30 pm)

They almost make it sound like they're Duquesne Light at first. And we're going to raise your rates. (Group 5, Time-of-Week, 5:30 pm)

Duquesne Light programs and services

On the website they have, I want to say about six months ago, where they sent out light bulbs, a power surge protector, a couple of other things I think. (Group 3, Time-of-Day, 5:30 pm)

I did something at Costco where I got a big rebate from them for buying specialty light bulbs. It was an instant rebate I think at Costco when I bought the special energy saving light bulbs. (Group 6, Time-of-Day, 8:00 pm)

18

General Duquesne Light Discussion Monitoring Energy Usage

Key Findings

Groups were asked if they felt that monitoring energy usage was currently more important or less important to them than one or two years ago.

- < Some stated that monitoring electric usage was more important now than in previous years, while others said it has always been a priority.
- < Some participants said they would like to have more information on how much electricity each appliance is using, in order to prioritize opportunities to conserve.

Comments from Discussion

It's more important to me because I moved into a house that is twice as big as our old house. So, just trying to manage, but it seems to be working out. Our bill is a lot less. And we had all Energy Star appliances in our old house. But now we have new Energy Star appliances and our bill is like a fraction. It's just amazing, how much more efficient appliances got in like six years. (Group 1, Time-of-Week, 5:30 pm)

I think it's always been important to me. So it's not a matter of cost for me. It's been a matter of being environmentally aware and the action if I turn a few light bulbs off. If a million people turned that light off, we're saving a lot of resources. (Group 5, Time-of-Week, 5:30 pm)

I've read a lot of ideas about how to be more energy efficient. But it didn't necessarily translate into me feeling like I can actually make a difference. (Group 1, Time-of-Week, 5:30 pm)

I think it's a green initiative. And I'm all in favor of that. I think we're wasteful of a lot of resources, energy being one, food being another. I just think wherever you can save and conserve, you should. (Group 3, Time-of-Day, 5:30 pm)

More important because I'm guessing rates are going to be going up for energy across the industry. We have more gadgets that take more electricity. So I'm guessing the trend will be towards higher prices. (Group 3, Time-of-Day, 5:30 pm)

I don't think it's that difficult to know the things that you should do. We've always, just financially tried to watch carefully. But going around and putting the draft things on in the winter and trying to conserve the heating... when you asked that, I'm thinking well, is there something I'm missing? Is there some big thing that I should know about that I don't? Maybe there is. I think I know as much as an average person. (Group 3, Time-of-Day, 5:30 pm)

19

General Duquesne Light Discussion Monitoring Energy Usage

Comments from Discussion (Cont.)

About the same but I've always been very conscious about trying to minimize it. Not to say that I could control everyone else in the household, but yes. (Group 6, Time-of-Day, 8:00 pm)

I've always been the light turner-offer going behind, around people. No matter how many lights I turn off, I seem to be able to impact my bill a couple of bucks. It's not too much a saving money thing. It's more about my thinking towards my future, my kids and environment kind of thing. Trying to make changes. (Group 6, Time-of-Day, 8:00 pm)

If they had, say an appliance, gas versus electric, stating how much it's going to cost to run this one for an hour as opposed to this one for an hour. (Group 1, Time-of-Week, 5:30 pm)

20

General Duquesne Light Discussion Energy Conservation

Key Findings

Attention to conserving energy seemed to increase by being involved with the Smart Sense program.

- < Customers said during the program they paid more attention to usage, and made an effort to turn off lights, computers and other appliances when not in use.
- < Some customers felt that no matter how much they tried to conserve electric usage, they did not see a decrease in the bill. These customers voiced concern that they did not know what more they could do to conserve.

Comments from Discussion

According to the printout on whether or not you've saved during the months, the most that we've saved was 4%. They wanted you to do 10%. (Group 1, Time-of-Week, 5:30 pm)

I know that I learned different things about our energy usage and then trying to determine, well, what's going on when that happens? As a result, I learned that my plasma TV really uses a lot of electricity. I mean just an astronomical amount of electricity. (Group 3, Time-of-Day, 5:30 pm)

The only thing that really changed for me was looking at the hard numbers with being in the Smart Sense program. It actually got me to look at my numbers, as opposed to just money going out. You could actually compare them. It didn't really change my habit so much, except for making me more aware. (Group 5, Time-of-Week, 5:30 pm)

I learned a lot. What I have to do to cut back. I think it helped me out a lot. (Group 6, Time-of-Day, 8:00 pm)

I've already been aware of my electricity usage. And I've done what I can to reduce it. Specifically to save money. Unfortunately, I don't think I benefited much from the time-of-day because, when we signed up for it, my wife worked Monday through Friday, some hours as me. Now she works just the weekends, so she's home. She cranks up the AC. (Group 6, Time-of-Day, 8:00 pm)

Before the program, I was already using CFLs and already bought high efficiency appliances and things. (Group 6, Time-of-Day, 8:00 pm)

21

Smart Sense Program Participation

Overall Impressions



Smart Sense Program Participation

Overall Impressions

Key Findings

Nearly all of the Smart Sense participants who took part in the groups were either "Very Satisfied" or "Somewhat Satisfied" with their experience in the program, as shown in the table below. A few key reasons for their satisfaction include:

- < Increased awareness of electricity usage and ways to increase energy efficiency.
- < Having the ability to adjust usage, which provided them with a sense of control.
- < Positive reaction to helping the environment by reducing electric use.
- < Became educated consumers by learning more about energy efficient appliances.
- < Some customers noted that they would have appreciated more upfront advice from DLC about which program would be best for them, and/or an opportunity to switch between the two programs.
- < Most say they would be likely to participate in a similar program in the future, but would like more information on program options and an ability to leave the program.

How satisfied are you with your experience participating in the Smart Sense Program?

	Time-of-Week	Time-of-Day
Total Satisfied	90%	94%
Very Satisfied	35	30
Somewhat Satisfied	55	64
Total Dissatisfied	5	6
Missing	5	0

How likely are you to participate in a similar time-of-use program as Smart Sense if offered?

	Time-of-Week	Time-of-Day
Total Likely	90%	86%
Very Likely	45	47
Somewhat Likely	45	39
Neutral	5	8
Total Not Likely	5	6
Missing	0	0
Base	20	15

23

Smart Sense Program Participation Overall Impressions

Comments from Discussion

Positive

They installed an electric meter, so they can drive by and read my meter. I prefer that than someone coming into my yard and having to read my meter all the time, for whatever reason. Well, it made me more aware of my electrical usage. (Group 1, Time-of-Week, 5:30 pm)

It just made us all really aware of our electric usage. (Group 1, Time-of-Week, 5:30 pm)

The opportunity to just know, look closer at what you're doing and what you're using. To me, it's really important because as my kids get older, they need more so I'm trying to see where I can budget better and just teaching them how to budget better. (Group 1, Time-of-Week, 5:30 pm)

I'd probably say that I'm very likely to participate in the future, except the only thing that would keep me hesitant, depending on what the program is, I don't think I'd like to be bothered a lot by it. I like the fact that there's really no downside to it, pretty much all benefits. Even if it is for the green planet, I support that to some extent. There's a lot more of an impact on saving the planet, when all of their subscribers are doing it as opposed to just one person trying to do something on their own. Not that one person can't make a difference, but definitely have a lot more of an impact when the entire spectrum of subscribers of Duquesne Light does something as a group. I'd be very likely to participate again, except I don't want to have to take that in a poll every week or daily. I just don't want to exert too much energy into it myself. I don't want it to be a problem or a burden on me. But the financial benefit is enough to get me to sign up next time. (Group 1, Time-of-Week, 5:30 pm)

As long as there are incentives to it, I'd be willing to do it. With uncooperative family members, as long as there's an incentive and if people do it, that's great. But if they're going to start penalizing you because your son decided he wanted to turn on the TV and the computer and wash clothes all in the middle of the day, I wouldn't want them to charge me a lot extra for something like that. (Group 1, Time-of-Week, 5:30 pm)

Obviously the financial compensation for participating is nice and then also learning about the on and off-peak energy usage ideas. Being more aware was a good thing. (Group 3, Time-of-Day, 5:30 pm)

It's a good program. But I'd like to get better guidance in choosing my rate at the beginning. It'd be nice if they had some kind of modeling thing that would show you based off prior usage what you'd be estimated to pay during the program. (Group 3, Time-of-Day, 5:30 pm)

24

Smart Sense Program Participation Overall Impressions

Comments from Discussion

Positive

I like the fun stuff online. I like to check my usage. I thought it was neat to be able to compare what I would've spent with the flat rate. (Group 3, Time-of-Day, 5:30 pm)

It would be nice to see what I would've paid at a flat rate and see what I paid at my time-of-day. Maybe if there were other options, to flash those up too and say, 'you would've saved money if you had this option, B, C, or D'. (Group 3, Time-of-Day, 5:30 pm)

I liked the opportunity to make it work. We couldn't make it work. But I think it's important enough, that we'd continue in some sort of fashion to make it work. I think that you would be at a financial disadvantage if you were forced into this. I think after a period you would be so financially disadvantaged that you would make it work. (Group 3, Time-of-Day, 5:30 pm)

The opportunity to save money helped. It made us more aware. (Group 3, Time-of-Day, 5:30 pm)

I like the flexibility, the options. (Group 3, Time-of-Day, 5:30 pm)

Let me choose the program that fits my needs. (Group 3, Time-of-Day, 5:30 pm)

It gives you the chance to learn your usage and make a conscious effort to switch your usage to different hours. (Group 3, Time-of-Day, 5:30 pm)

I was very satisfied because it made me aware. I took the effort to go through and replace light bulbs as I needed with more efficient ones. And I think as a whole, we did cut down our electric use. (Group 5, Time-of-Week, 5:30 pm)

My rating was very satisfied. But... the communication just wasn't there. Aside from that, I still had an overall good impression of it, just due to cost savings and being able to see the daily usage and being able to look at it. I turned off my air conditioner that day and I could see how much I saved. You go through your bill for daily usage. But you definitely did have to do a lot of digging around the site to find anything. The only e-mail I got besides the "your bill is available" e-mails was the one about maybe eight months ago about the Wait Choices, which I actually did find helpful. That helped me decide not to do some things like reinsulate the attic, etc. because the payback was going to be 37 years. (Group 5, Time-of-Week, 5:30 pm)

25

Smart Sense Program Participation Overall Impressions

Comments from Discussion

Positive (cont.)

There's really no downside to participating in it. It was interesting learning about it. I would say there was a downside if it cost a lot more money. But obviously they're not trying to overcharge people by doing this. They're trying to benefit the whole kind of energy, the whole process. And try to balance out the usage and the benefit to the consumer, so you know it's kind of a win/win. It was interesting learning about the process. There were some downsides. I didn't save as much money as I would've liked. It was a lot harder to switch my energy usage down from those, the time that I had the plan, the rate plan that I had chosen. But all in all, it's a process and it was interesting to be part of the program. (Group 6, Time-of-Day, 8:00 pm)

I'm already interested in reducing my energy usage. So I'm getting a couple bucks by doing something I'm already doing. And then I'm also getting to see my detailed usage and learn more about my usage, which I wouldn't have learned had I not been in the program. You know seeing the day-by-day breakdown, by the total they offered online. (Group 6, Time-of-Day, 8:00 pm)

I'm an analytical person, so I liked seeing exactly where my peaks were and you know where, so that I could see. I thought that they did a nice job of laying that out in the charts and stuff like that, in my usage and where I was consuming energy. (Group 6, Time-of-Day, 8:00 pm)

Neutral

I do because I think it made me more aware of what I used and when. We talked a little bit about, I was in a previous focus group and we had talked about during peak times, you know maybe you're using less environmentally efficient or environmentally friendly sources of energy. And so it makes you think about shifting your energy use later. I just think there was a heightened awareness over the summer about what we did and when we did it. I was kind of disappointed, I thought I'd have a little bit of a financial comp back for doing such a good job. Thinking so much about it, but it didn't happen. (Group 3, Time-of-Day, 5:30 pm)

They could give you tips, especially when we start this program next year. We should have gotten, showing us exactly how we used and which programs would be the most beneficial. They should be able to tell us that pretty easily. (Group 3, Time-of-Day, 5:30 pm)

I put very satisfied. Just for the updates that were going on, in my e-mail, although there weren't that many. That also made me visit the website, just to see how I was doing. The only disappointment that I had, I guess it's because I have difficulty on the website. I was looking at energy use somewhere in Europe, and they had a program. They would be able to tell them exactly where their energy use is or what was making the energy use skyrocket, whether it was their dishwasher or whatever. That was what I was expecting, being that they use a lot of technology. (Group 5, Time-of-Week, 5:30 pm)

26

Smart Sense Program Participation Overall Impressions

Comments from Discussion (cont.)

Negative

I think my disappointment isn't with the program. It's with my family that I couldn't really get them onboard as much as I would've liked to. I think the program gives you a lot of tools, but if there are people in your home that don't really cooperate as much as you'd like, then your savings is obviously not going to be significant. ... But I just was a little disappointed that we didn't see a real reduction in that. And I'm not quite sure why. I don't know if we were offsetting that by other things. You know and again that goes back to my family. I don't always have the control over what other people are doing. (Group 1, Time-of-Week, 5:30 pm)

The same time the program started, I believe the service charges and the fees, the other things that are in our bills, all went up too. And I think I probably saved money with the program but the total bill, with all the other fees, went up. It made it higher, so you actually didn't save any money. (Group 3, Time-of-Day, 5:30 pm)

I don't think I got the support I thought I was going to get out of it. There was very little communication. We were put into a program that I would not have chosen. I thought the first year we'd be talking to Duquesne Light. They'd explain what was going to happen the second year. I never heard. In fact, it wasn't until this spring before I heard anything, except for the \$26 check I got or the \$20 whatever it was, to start with. (Group 5, Time-of-Week, 5:30 pm)

I felt like I was out there with no support. And they said to go the webpage. But the webpage was extremely difficult. They changed it halfway through. And I guess I thought it was a poor website. I don't want to waste my time. My time is too precious to spend hours searching around the website for something. (Group 5, Time-of-Week, 5:30 pm)

I learned more. I was much more aware. However, when I got to the point where I didn't save anything the first month, I would have loved to have known what to have done differently. A lot of it is common sense. But when you have squiggly bulbs everywhere and when you have Smart Sense appliances and when you know to turn the light bulbs off as much as you can, and you want to know what am I not doing. I would have liked help. (Group 5, Time-of-Week, 5:30 pm)

27

Smart Sense Program Participation Energy Use Behaviors

Key Findings

Most of the customers felt that the opportunity to save (not including the \$120 in incentive payments) was adequate to motivate program participation, despite the fact that the majority of the participants did not save money, and a few had higher bills during the pilot program.

Customers welcome the general idea of being able to choose among different rates options, but also being able to choose a flat rate.

How adequate was the financial incentive offered for attempting to reduce/change/shift your electricity usage habits?

	Time-of-Week	Time-of-Day
Very Adequate	40%	17%
Somewhat Adequate	35	69
Not Very Adequate	25	14
Not At All Adequate	0	0
Base	20	15

Was the amount of money you saved participating in the Smart Sense program...?

	Time-of-Week	Time-of-Day
Higher Than Expected	10%	0%
About What Was Expected	10	14
Lower Than Expected	30	28
I Did Not Save Any Money	30	30
Don't Know	20	28
Base	20	15

Based on your participation in the Smart Sense program, would you most prefer...?

	Time-of-Week	Time-of-Day
Flat rates	45%	6%
Different Rate Options	55	83
Missing	0	11
Base	20	15

26

Smart Sense Program Participation Energy Use Behaviors *Time-of-Week*

Key Findings

Time-of-Week group reaction

- < Provided an opportunity to improve energy efficiency in their home.
- < Some felt that usage information came too late in the month to make necessary adjustments to achieve the 10% reduction goal.
 - Disappointed that real-time usage information was not available
 - Some were confused about how the program was structured and whether they could save by switching usage to weekends
 - Those that achieved the 10% reduction did so by purchasing energy efficient appliances, turning off computers, power strips, or simply not being home
 - Those who did not achieve the reduction, wanted more information on how to reduce usage beyond the basics such as changing light bulbs and turning off lights and computers

Comments from Discussion

Sometimes when you hear something like if you do X, you can reduce your electric bill by \$60 a year. If you really think of that, \$60 a year, is that worth whatever inconvenience it would take you to achieve that \$60 a year? It's just some things aren't worth that, \$60 a year isn't significant. (Group 1, Time-of-Week, 5:30 pm)

Like doing laundry during the middle of the day and stuff, I try to do laundry at night now and on the weekends, at night. That's the best time. And I've got a bunch of TVs in the house, but we always make sure there's only one TV on at a time. Other than that, we don't leave the lights on outside on the side of the house. I only leave them on when I'm out. (Group 1, Time-of-Week, 6:30 pm)

I just felt like I really don't have any control. I tried to do some stuff different, because of the program. (Group 1, Time-of-Week, 5:30 pm)

I felt like we really made a conscious effort to keep that temperature at a warmer rate overall in our house. And I just thought that would make such a big difference, but it did not. So I wondered how they calculated it compared to last year. (Group 1, Time-of-Week, 5:30 pm)

It made you more aware of the electricity and the energy that you were using. And actually we're participants in a program where they're trying to educate people more so that they can be more energy conscious. And maybe \$60 a year for one person isn't substantial. But if everyone did that, it would save a lot of energy, a lot of coal and maybe help the earth and green effort. You know so we're part of something a little bit bigger. And we might have input into something that might help overall. (Group 1, Time-of-Week, 5:30 pm)

28

Smart Sense Program Participation Energy Use Behaviors *Time-of-Week*

Comments from Discussion (cont.)

We bought a new air conditioner at the end of that. It's probably going to be a long-term payback, but I expect to see some return this year on it. (Group 5, Time-of-Week, 5:30 pm)

We left our air conditioner up a little bit higher than normal and used our ceiling fans a lot in different rooms. It did save. (Group 5, Time-of-Week, 5:30 pm)

I try to keep the lights off. I keep them off when they're not in use or I'm not in the room. And I've changed the light bulb, different things like that. (Group 5, Time-of-Week, 5:30 pm)

I got the rebate of the 10% on all three months. The biggest thing I think is end of last summer my last air conditioner broke. So I needed a new one. It was a 1982 I think. So it was a much higher efficiency. And then in the winter, my water heater broke so I had to get a new one. And that was also a much higher efficiency. And I ended up getting 25% less electric use and those are definitely the largest contributors. (Group 5, Time-of-Week, 5:30 pm)

We did more washing dishes by hand and things like that. But I didn't see that much of a reduction. I think it dropped maybe once or twice and that was it. (Group 5, Time-of-Week, 5:30 pm)

Even though we didn't achieve the 10% we were still trying and were interested in cutting back on our usage. (Group 5, Time-of-Week, 5:30 pm)

I didn't expect to achieve it all three months. Plus I live in an older home. So it did pay off doing all the insulation and that. We still have one floor yet to go in our house. But it has paid off nicely so far. (Group 5, Time-of-Week, 5:30 pm)

As much as I tried, after the first month, I figured as long as that air conditioner was running, I didn't have a chance. I felt like I was doomed to fail, doomed to failure. We're both retired. We're home most of the time. We did have remodeling done in the house this summer. And so, it just was lower than expected. But I didn't expect anything, you know. I was discouraged. (Group 5, Time-of-Week, 5:30 pm)

30

Smart Sense Program Participation Energy Use Behaviors *Time-of-Day*

Key Findings

Time-of-Day groups reaction

- < Positive reactions to having the ability to see daily usage
- < Some found the inconvenience of shifting daily tasks, such as laundry, was not worth the small savings on the bill.
- < Some mentioned that they worked hard to conserve energy, but did not see a savings on the bill.
- < Some talked about conflicts with other family members who were not committed to managing usage.
- < Most had a positive reaction to the idea of "Bill Protection," but also wanted an opportunity to "opt-out" if their lifestyle changed.

Comments from Discussion

I think educating everybody in the house was a major thing that I had to do. You had to remind everybody constantly. (Group 3, Time-of-Day, 5:30 pm)

There are obviously things that anyone can do. You can upgrade your heating and air conditioning systems. You can upgrade your windows to better windows. You can put in an extra layer of insulation in the attic. You can do all kinds of things, but those are big projects. (Group 3, Time-of-Day, 5:30 pm)

I think I'm trying to save on a day-to-day basis without really even realizing it. (Group 3, Time-of-Day, 5:30 pm)

I think that by nature, the people that chose to participate in the program wanted to conserve energy and save money on their bill for one reason or another. So I think conserving energy was not really even something people were doing as part of the program. I think the only real factor as far as the program was switching your usage times. And in my case, I found it harder to do than I thought. (Group 6, Time-of-Day, 8:00 pm)

I go on the pattern to get up early, do what I had to do in the morning before 1:00. And then, when I would go to work, everything would be already done, so there's really no point in running anything. The TV is on of course, because you've got to have the TV on. I'm satisfied. I'm very happy with this program for me. (Group 6, Time-of-Day, 8:00 pm)

I don't know that I could cut any more than I cut. Because I feel like I only do the essential things now, so I'm not sure. (Group 6, Time-of-Day, 8:00 pm)

31

Smart Sense Program Participation Energy Use Behaviors *Time-of-Day*

Comments from Discussion (cont.)

The other program for people, maybe they're using a lot to get done, to kind of cut back initially. But then once they cut back initially, it's going to hit critical mass where you can only cut back so much. You would adjust. And sometimes it's hard to adjust over a period of one, two, three months. (Group 6, Time-of-Day, 8:00 pm)

The people in this room, we already have kind of a heightened sense of awareness of how we use energy. And being willing to participate in this program. We were kind of tuned in to it. So, I have a lot of friends that could easily cut 10% and not even miss it. But I don't think a lot of us would be like that, so. (Group 6, Time-of-Day, 8:00 pm)

I thought the incentive was very adequate, even though I didn't benefit from it at all! Plus, I'd probably be in the category of early adopter. (Group 6, Time-of-Day, 8:00 pm)

It wasn't an extraordinary amount of money, but it was definitely something I think to make you at least notice it, as opposed to just reading about some program they want you to go out of your way and do all this stuff where you get nothing out of it. (Group 6, Time-of-Day, 8:00 pm)

I put lower than expected. I hoped maybe \$10 to \$20. And the past month at least, I looked it up and it was \$5. (Group 6, Time-of-Day, 8:00 pm)

It was only really a couple of bucks. It's a business. They're here to make money, so of course they're going to structure it in such a way that you know you save a couple of bucks. I think in the back of my mind, that I just kind of feel like...if I had more time to work at it really, kind of take advantage of it eventually then maybe I could benefit from point A to point B. This is nice but it really didn't impact me. (Group 6, Time-of-Day, 8:00 pm)

I would like there to be an opt where I'll stay a customer but have an option to change to a different program--to a different time-of-week or whatever the other one was. (Group 6, Time-of-Day, 8:00 pm)

32

Smart Sense Program Participation

Communications and Website



Smart Sense Program Communications

Key Findings

Participants were asked to rate the effectiveness of the communications provided by the Smart Sense team. All of the participants in the Time-of-Day program rated the communications as either "Very Effective" or "Somewhat Effective," while those in the Time-of-Week program were more mixed, with just over one-third rating the communications as "Ineffective."

- < E-mail was the preferred method of contact.
- < Most felt that the amount of communications sent was just enough to be useful, without feeling harassed.
- < Many would have liked the e-mails to contain more personalized information, such as data on their own usage or how to improve efficiency.
- < Participants in the Time-of-Day program welcomed the communications as reminders to log into the website and monitor usage.

How would you rate the effectiveness of the program-related communications you received from the Smart Sense team?

	Time-of-Week	Time-of-Day
Total Effective	65%	100%
Very Effective	20	64
Somewhat Effective	45	36
Somewhat Ineffective	20	0
Very Ineffective	15	0
Base	20	15

How would you rate the value of the information provided in the communications from the Smart Sense team?

	Time-of-Week	Time-of-Day
Total Valuable	70%	94%
Very Valuable	25	36
Somewhat Valuable	45	58
Not Too Valuable	15	6
Not At All Valuable	15	0
Base	20	15

34

Smart Sense Program Communications

Comments from Discussion

Positive

I like the e-mails. I usually read them when I'm at work, I can just kind of scan over and back and look at it later. (Group 1, Time-of-Week, 5:30 pm)

They were detailed. All the detail that was included, there were a few that I thought I missed and I had to go back to my inbox to try and find them again, because they didn't stand out. (Group 1, Time-of-Week, 5:30 pm)

It was the right amount. I liked the e-mail. You had supporting documents by going to their website. You want to look anything up further for explanations. (Group 3, Time-of-Day, 6:30 pm)

I circled very valuable. It was useful. It gave me heads-up that I had e-mail reminder, a couple days later I found it and went through it. played around with it a little bit. (Group 5, Time-of-Day, 6:30 pm)

I thought the amount of communications were great and the timeliness and reminders to do things. (Group 3, Time-of-Day, 6:30 pm)

For me, I put somewhat effective. The main reason I thought that was because I had learned about the Watt Choices program through an e-mail that they had sent. I found that to be a useful program that I went through, got my free things, did the energy audit, and that was helpful. (Group 5, Time-of-Week, 5:30 pm)

I just thought it was just enough e-mails to remind me, you know did I want to check out the website? (Group 6, Time-of-Day, 8:00 pm)

I put the communications I got were very effective. They were kind of on point and made me do what I needed to do in a timely fashion. I felt like there could've been more information though. (Group 6, Time-of-Day, 8:00 pm)

I thought it was very effective. They were on point with their e-mails and the website. I really gained some knowledge on what I should use and when I can use it. (Group 6, Time-of-Day, 8:00 pm)

I chose very effective and very valuable, simply because it's pretty straightforward. I don't feel that I was bombarded with nonsense. (Group 6, Time-of-Day, 8:00 pm)

It was easy to understand. You know it wasn't over the top, it was simple. (Group 6, Time-of-Day, 8:00 pm)

35

Smart Sense Program Communications

Comments from Discussion (cont.)

Neutral

I was okay with just e-mail only, because I hate getting phone calls from people. So I was fine with it just being e-mail, but I would like it, say they we have this program or we have that program or fill out this survey and send it back and we'll give you feedback on how you're doing. (Group 5, Time-of-Week, 5:30 pm)

In retrospect, I only visited it a couple of times. Why didn't they succeed in getting me to look at it twice a week? I don't know. (Group 6, Time-of-Day, 8:00 pm)

The communication was decent. But also didn't stand out a lot. I didn't feel like there was a lot of communication or maybe I missed some and just thought they were for some other Duquesne Light thing and not necessarily Smart Sense. (Group 1, Time-of-Week, 5:30 pm)

It was more accessible in the e-mail, if you didn't have to go to the website. (Group 1, Time-of-Week, 5:30 pm)

Mobile or app would be good. (Group 1, Time-of-Week, 5:30 pm)

I said it was somewhat effective. I guess the information that they sent out was benign. There was no real eye-opening news or anything like that. But it was a regular reminder and I say regular, but you know it wasn't inundating you every week or every other day. (Group 3, Time-of-Day, 5:30 pm)

It always sort of cued me to go to the website to look. (Group 3, Time-of-Day, 5:30 pm)

36

Smart Sense Program Communications

Comments from Discussion (cont.)

Negative

I honestly did not realize I was in the day-of-the-week program, until the summer was underway. I didn't know, until I went to the website and looked. So, it might've been better for people like me if there had been an extra reminder, just a reminder you know the program you've been assigned to. (Group 1, Time-of-Week, 5:30 pm)

I think one of the problems is they're so busy. There's so much. You just look at it and it's like maybe three or four paragraphs and you only got five, ten seconds to look at it. (Group 1, Time-of-Week, 5:30 pm)

I did just somewhat effective, because I just thought there could've been more information. That's all, about you, individually. (Group 3, Time-of-Day, 5:30 pm)

I think it would always be better if it was more personalized to you and what you use on a day-to-day basis. (Group 3, Time-of-Day, 5:30 pm)

In the beginning I got maybe one or two, you know, when the program first rolled out. But after that, there was nothing. (Group 5, Time-of-Week, 5:30 pm)

I got the e-mails and I saw them. But they were pretty cluttered. They didn't draw my attention. It was something that I would just look at real quick and then it got buried in my inbox and then delete. Because it was just a link saying okay, here's what you have. Now go here to see what you used. Just send me what I used in an e-mail so I can see it right there. (Group 5, Time-of-Week, 5:30 pm)

I thought it was very ineffective. They said they were going to have not just e-mails, but there were going to be focus groups like this, and even a phone communication. (Group 5, Time-of-Week, 5:30 pm)

It would have been, in my opinion, easier for them just to e-mail me, like this is your target. I don't think let's log on to the Duquesne website for fun tonight. (Group 5, Time-of-Week, 5:30 pm)

I think the expectation initially was a lot higher. My expectation was that we were going to get more communications, more interface directly with the Duquesne Light personnel, rather than inharmlant e-mail that you had to really look at and dig through in order to sustain the program and interest in the program. (Group 5, Time-of-Week, 5:30 pm)

37

Smart Sense Program Website

Key Findings

Participants in the Time-of-Day program had strong positive reactions to the effectiveness of the website, and found the content valuable. Those in the Time-of-Week program were mixed, with just over half rating the website as effective and valuable.

Time-of-Week group reaction:

- < Many found the website challenging to navigate.
- < Content on the website was valuable and useful, but difficult to locate.
- < Some had difficulty with log-in and passwords.
- < Improvements could be made by adding a feature that shows electric usage for different appliances.
- < All recalled the website changing during the program; however, most did not mind the change.

Time-of-Day group reaction:

- < Found the tips on the website valuable; however, some would have liked to see more of them.
- < Positive reaction to graphics and charts.
- < Ability to see daily usage was welcomed.

How would you rate the effectiveness of the information available on the Smart Sense Website?

	Time-of-Week	Time-of-Day
Total Effective	55%	100%
Very Effective	30	69
Somewhat Effective	25	31
Somewhat Ineffective	30	0
Very Ineffective	10	0
Missing	5	0
Base	20	15

How would you rate the value of the information available on the Smart Sense Website?

	Time-of-Week	Time-of-Day
Total Valuable	55%	100%
Very Valuable	40	67
Somewhat Valuable	15	33
Not Too Valuable	40	0
Not At All Valuable	5	0
Base	20	15

38

Smart Sense Program Website

Comments from Discussion

Positive

I think it's easy. I'm on the computer all day, so it's kind of neat to just switch over and check, and then go back to what you were doing. (Group 1, Time-of-Week, 5:30 pm)

I really like the website. I thought it was very easy to access, really great tips on energy conservation and usage. You know great, easy ways of looking at what your current bill was and ways to contact people. Wasn't complicated, didn't take forever to load. (Group 1, Time-of-Week, 5:30 pm)

If I went through the Duquesne Light site to go to the Smart Sense one, to get to the usage, that was a little more playing around with it. But, once I could just get right to the Smart Sense site and get to my information, it was, the information was good. (Group 3, Time-of-Day, 5:30 pm)

I thought it was effective. I kind of like to be able to go on and see my actual on-peak, off-peak usage. (Group 6, Time-of-Day, 8:00 pm)

I rated it very effective and very valuable. You know you can see when your appliances are being used; you know the spikes in it and things. I thought it was accurate and enough. You know I didn't need any more than that. (Group 6, Time-of-Day, 8:00 pm)

I had no problems with the website. (Group 5, Time-of-Week, 5:30 pm)

I found any time that I wanted to check like last year's usage to this year or different things or different days of the week. I just didn't have any problems finding what I was looking for. (Group 5, Time-of-Week, 5:30 pm)

It met my needs or what I was looking for. So I was satisfied. (Group 5, Time-of-Week, 5:30 pm)

I would even sit down with my son and say how could we do this? When you turn off the Wii or unplug the Wii, maybe we could save a certain amount of electricity and get him involved in that as well. I think that would be a fantastic thing to do that. (Group 5, Time-of-Week, 5:30 pm)

39

Smart Sense Program Website

Comments from Discussion (cont.)

Neutral

It's not really a problem: it's just that I wanted more when I first read about the program. I thought that there would be more customized information. (Group 1, Time-of-Week, 5:30 pm)

I didn't have any problems with it. It was hard to get a lot out of that because it's just kind of day by day and it doesn't show up immediately. So, you can go and look at it and then you think back, well, what did I do that day that was any different? (Group 1, Time-of-Week, 5:30 pm)

Make it an app. (Group 1, Time-of-Week, 5:30 pm)

The effectiveness of the information was somewhat effective and that the value was valuable. But I felt like it was hard to find. I thought there was definitely a learning curve on their website. I felt like I had to work a little harder on the website to find what I wanted. (Group 3, 9/28, 5:30 p.m.)

I thought it was very effective, but it could be improved. (Group 3, Time-of-Day, 5:30 pm)

It was very effective because the question is about the website. And I thought as a website, it's good. But the website is not enough to accomplish what they wanted to accomplish. (Group 6, Time-of-Day, 8:00 pm)

I don't think it was awful. Like I said, you didn't get enough e-mails or information. And then if you wanted to get anything useful out of it, you really have to dig to get it. (Group 5, Time-of-Week, 5:30 pm)

The website needs to be improved. In order to keep people engaged in the program, they've got to want to participate and be active in the program. You got to keep them engaged, if not, they're going to lose interest very quickly. (Group 5, Time-of-Week, 5:30 pm)

40

Smart Sense Program Website

Comments from Discussion (cont.)

Negative

They didn't show you what you did every day? (Group 1, Time-of-Week, 5:30 pm)

They showed it for a whole day but they didn't show, they didn't break it out. You know this is in the morning or this is what happened between 2:00 and 4:00. That would help a lot, because then I really get the feedback of what my actions were doing. How that could impact you. (Group 1, Time-of-Week, 5:30 pm)

Early on trying to log in, I couldn't log in. And then I would get somewhere and the information hadn't been put up yet. I didn't run into that problem later on. (Group 3, Time-of-Day, 5:30 pm)

I found it hard initially to navigate. (Group 3, Time-of-Day, 5:30 pm)

I thought the content was extremely valuable because all the information was helpful. And what you needed to see. But the issue that I had from day one was the steps you had to go through to get to where you wanted to go. (Group 3, Time-of-Day, 5:30 pm)

It was not real clear on how to get to it or, what does the information, how does the information that I'm getting off the website really relate to the program that I'm in? What's the connection? Is there a connection? And is it useful to me? I wasn't able to make that connection. (Group 5, Time-of-Week, 5:30 pm)

It depended on what portion of the website you were on, what page you were on. Certain pages didn't have that. And you had to remember, you had to basically memorize how to get from A to B. (Group 5, Time-of-Week, 5:30 pm)

The layout, the design. The issues that we talked about. Just the ergonomics of it. It's not the easiest on the eyes. (Group 5, Time-of-Week, 5:30 pm)

It was busy. It wasn't a site that like engaged you and made you want to stay there? (Group 5, Time-of-Week, 5:30 pm)

41

Smart Sense Program Participation

Wrap-up Discussion



Wrap-Up Discussion

Key Findings

Overall impressions of the Smart Sense pilot program were positive. Many would welcome the opportunity to participate again, as long as the risk of higher bills is low, or if they were provided an opportunity to change programs if needed. Some indicated that it was too difficult to change behaviors, but were glad to have the opportunity to try.

The program clearly enhanced perceptions of Duquesne Light among participants. Many volunteered that they would keep DLC as their electric supplier, even if the cost is slightly higher, because they know that DLC is making an effort to conserve energy and help customers.

Comments from Discussion

I feel like the way the program was introduced to me, in the beginning it didn't quite follow through for me as how the program played out. They talked a lot of this time-of-week and time-of-day and then there wasn't a lot of information about that specifically. (Group 1, Time-of-Week, 5:30 pm)

In the beginning they talked about they might install meters that actually kept track of what hours you were using electricity. But then, there wasn't any of that. It was just about how much energy use did you cut by 10%? (Group 1, Time-of-Week, 5:30 pm)

Ever since they came out with the program, it does give you a sense that they are going to try and go the extra mile to help us understand and save money. (Group 1, Time-of-Week, 5:30 pm)

I think it shows that they're caring about trying to reduce our costs. And at least they're trying to do that. (Group 1, Time-of-Week, 6:30 pm)

I get the impression that they were committed to educating the consumers, and that is important. (Group 1, Time-of-Week, 5:30 pm)

They're sort of picking your brain, seeing what's going to work for you and work for them as a utility. So, I think it's very good. (Group 3, Time-of-Day, 5:30 pm)

It made me aware that they're more proactive. It made me more aware of what they're doing and they're doing substantive and subsidizing light bulbs at Costco. I knew they were subsidizing different stores, different brands; things like that. (Group 3, Time-of-Day, 5:30 pm)

I think it makes me feel like they're doing things. You know they're not just kind of sitting back, trying to make more money. It makes me feel engaged. (Group 6, Time-of-Day, 8:00 pm)

43

Wrap-Up Discussion

Key Findings

Overall impressions of the Smart Sense pilot program were positive. Many would welcome the opportunity to participate again, as long as the risk of higher bills is low, or if they were provided an opportunity to change programs if needed. Some indicated that it was too difficult to change behaviors, but were glad to have the opportunity to try.

The program clearly enhanced perceptions of Duquesne Light among participants. Many volunteered that they would keep DLC as their electric supplier, even if the cost is slightly higher, because they know that DLC is making an effort to conserve energy and help customers.

Comments from Discussion (cont.)

I don't know where Duquesne Light stands relative to other utility companies throughout the country, whether they're on the curve, ahead of the curve, behind the curve, with this kind of a program. But, I was glad to see that they were trying to get something started. (Group 3, Time-of-Day, 5:30 pm)

I think Duquesne missed a huge opportunity because it sounds like they had motivated customers, who were really interested in pursuing this. And we wanted more communication and just, it sounds so very self-centered, but just to feel valued. (Group 5, Time-of-Week, 6:30 pm)

The 10% goal, I think it [would] be useful if that was not just one hard number. (Group 5, Time-of-Week, 5:30 pm)

I was satisfied with the program. I think my family, my two younger ones did learn to become more efficient in trying to save some energy. (Group 5, Time-of-Week, 6:30 pm)

A range of choices but real-time feedback, so, if someone forgets and runs the dryer when it costs five times as much as the average, a warning comes up. (Group 6, Time-of-Day, 8:00 pm)

[I] think an e-mail would've been... I felt like I had to really dig for my savings. But I would've loved a monthly e-mail that says you know you open it up and it's like you saved X amount of dollars. (Group 6, Time-of-Day, 8:00 pm)

The feedback that what I did worked, it's like instant gratification that all that inconvenience of shifting off to the side paid off. (Group 6, Time-of-Day, 8:00 pm)

My opinion of Duquesne Light is favorable and that I like having this choice. I liked being made more aware of when I was using my energy, because as I understand it, to use more energy off-peak is better for the environment. (Group 8, Time-of-Day, 8:00 pm)

41

Appendix

Moderator's Guide and Paper & Pencil Activities

Moderator's Guide

DUQUESNE LIGHT FOCUS GROUPS MODERATOR'S GUIDE – RESIDENTIAL OBJECTIVES

- Evaluate satisfaction with the Smart Sense program.
- Evaluate specific aspects of the Smart Sense program, such as frequency and methods used by DLC to communicate with participants, etc.
- Determine impressions of any website interactions that participants had with the Smart Sense program website/support team.
- Evaluate interest in potential changes and refinements to the program.
- Determine if participants are likely to enroll in similar TOU programs in the future.
- Determine if customers feel that participation in the program affects their overall feelings about DLC.

I. INTRODUCTION (5 MINUTES)

- Moderator welcomes the participants and familiarizes them with the focus group rules and facility (e.g., no right or wrong answers, microphones, videotaping).
- Participants introduce themselves: First name, where they live, what they do for a living, HH size, anything unique or unusual about the way their HH uses electricity (medical device, heated pool/hot tub, etc.)

- Moderator introduces topic: We are here to talk about evaluations of satisfaction with the Smart Sense program you have been participating in over the past two years.
- Your ideas will be very valuable to us, so input from all sides is encouraged, although I may need to move us along from time-to-time to keep us on track as we use up the time we have together.

II. GENERAL DLC DISCUSSION (10 MINUTES)

Let's start off with a very general question...

1. In the past three months or so, what have you seen, heard or read about DLC? [Probes]
 - What else? Anything else? Other topics?
 - Have you seen any specific community outreach by DLC?
 - Where did you read/see/hear it?
 - Did what you read/saw heard strike you as positive, neutral or negative? Why?
2. Besides the Smart Sense program, are you aware of any other DLC programs for residential customers?
 - What program(s) have you heard about?
 - Are you aware of the Watt Choices program? What have you heard about it?

46

Moderator's Guide (cont.)

3. Besides the Smart Sense program, have you participated in any other DLC programs previously?

- What program(s) have you participated in previously?
- Have you participated in the Watt Choices program? What are your experiences with the Watt Choices program?

4. Compared to a year or two ago, does it seem more important or less important to use electricity wisely?

- Why?

5. How knowledgeable do you currently feel when it comes to knowing what actions you can take to make your home more energy efficient?

- Has your level of knowledge changed compared to a year or two ago?
- What do you feel has been the cause of the change in your knowledge?

III. OVERALL PERCEPTIONS OF THE SMART SENSE PROGRAM (20 MINUTES)

We are going to spend the remainder of our discussion this evening on your experiences and perceptions of participating in the Smart Sense program.

To begin, please spend a few minutes filling out the first two pages in front of you and we will then go around the table and discuss your answers.

[MODERATOR HAS EACH PARTICIPANT FILL OUT WRITE DOWN EXERCISE AND THEN ASKS PARTICIPANTS TO PROVIDE ANSWERS TO THE QUESTIONS]

6. How satisfied did you say you were with your experience participating in the Smart Sense program? (This question will be in the group handout.)

- Why do you say that?
- What would you say have been the biggest advantages or benefits of your participation in the program?
- What would you say have been the biggest challenges or disappointments with the program?
- Did the program meet/not meet your expectations compared to when you originally signed up for the program? Why?

7. How likely did you say you would be to participate in a similar type of Time-of-Use program in the future? (This question will be in the group handout.)

- Why do you say that?
- [AMONG THOSE THAT ARE NOT LIKELY/LESS LIKELY TO PARTICIPATE IN A SIMILAR TIME-OF-USE PROGRAM IN THE FUTURE] What types of options and features would you want in order to make it more likely that you would participate in a similar TOU program?
- [TIME-OF-DAY ONLY] One possibility would be to provide a "bill protection" feature that would be in place during the first three (3) months of participating in the TOU program. "Bill protection" means that you wouldn't have to pay any more than you would have to under a regular rate plan. This protection would allow customers to get used to the rate in the TOU program before the change in electric rates actually impacts their bills. Would this feature make it more likely that you would participate in a similar TOU program if offered? Is three months of bill protection sufficient? If not, what period of time would be sufficient (6 months; 12 months)?

47

Moderator's Guide (cont.)

IV. CHANGES IN ENERGY USAGE BEHAVIOR DUE TO PROGRAM PARTICIPATION; PROGRAM RELATED SAVINGS AND INCENTIVES (15 MINUTES)

Now, let's discuss the impact of your participation in the Smart Sense program with how you use electricity in your home.

8. Prior to joining the program did you closely track, monitor, and manage your home's electricity usage? What exactly did you do prior to joining?
9. [TIME-OF-WEEK ONLY] Did anyone achieve the 10% reduction goal?
 - a. During which months did you achieve the 10% reduction goal?
 - b. Please describe in more detail the steps you took to achieve the 10% reduction?
 - c. How would you describe the difficulty/effort required to achieve the 10% reduction?
 - d. Did participation in the program change your behaviors? What behaviors changed due to your participation in the program?
 - e. Would you say that as the result of participation in the program you have changed times when you use electricity, used less electricity/used it more efficiently or that it did not make much difference in your usage of electricity?
 - f. Do you feel that achieving the 10% reduction level would be sustainable over a long period of time?
 - g. Among those that didn't achieve the 10% reduction goal, what were the barriers you faced in cutting back on electricity usage in your home?

10. [TIME-OF-DAY ONLY] Was anyone successful in shifting usage from on-peak to off-peak hours?
 - a. Please describe in more detail the steps you took to successfully shift your usage?
 - b. How would you describe the difficulty/effort required to successfully shift your usage?
 - c. Did participation in the program change your behaviors? What behaviors changed due to your participation in the program?
 - d. Would you say that as the result of participation in the program you have changed times when you use electricity, used less electricity/used it more efficiently, or that it did not make much difference in your usage of electricity?
 - e. Do you feel that being successful at shifting your usage would be sustainable over a long period of time?
 - f. Among those that weren't as successful at shifting your usage, what were the barriers you faced in shifting electricity usage in your home from on-peak to off-peak hours?

11. **NOT INCLUDING THE \$120 FOR YOUR PARTICIPATION IN THE PROGRAM**, do you feel that the financial/rate incentive provided for reducing/shifting your electricity usage was adequate for your participation? (This question will be in the group handout.)

- Why/Why not?
- Would you be likely to participate in future programs if the financial/rate incentive levels for reducing/shifting your electricity usage were the same?
- How important are the financial/rate incentive levels for reducing/shifting your electricity usage in your decision to participate in the program? Would you say that it's the most important factor, or are there other factors that may be more important? What are those factors?
 - Example: Was the \$120 participation reward the most important factor in your decision to participate in the program?

48

Moderator's Guide (cont.)

12. [IF THE CUSTOMER SAVED MONEY] Overall, was the amount of money you saved as the result of participation in the program higher than expectations, about what you expected, or lower than expectations? (This question will be in the group handout.)

13. Now that you have participated in the Smart Sense program, going forward would you prefer that your household has access to different electricity rate options, like "Time-of-Use" rates or would you prefer a single or flat electricity rate option? (This question will be in the group handout.)
 - Why?

V. SMART SENSE PROGRAM COMMUNICATIONS (15 MINUTES)

Now, let's discuss the ongoing information you received from the Smart Sense team during your participation in the program. Please spend a few minutes filling out the third form in front of you and we will then go around the table and discuss your answers.

[MODERATOR HAS EACH PARTICIPANT FILL OUT WRITE DOWN EXERCISE AND THEN ASKS PARTICIPANTS TO PROVIDE ANSWERS TO THE QUESTIONS]

14. How did you rate the effectiveness/value of the program-related communications you received from the Smart Sense team?
 - What was effective/valuable? What was not effective/not valuable?
 - Were the communications effective at providing information on additional programs and actions to complement your participation in the Smart Sense program? Why?
 - Were the communications effective at helping you understand how to adjust your energy usage and look for opportunities to save energy so you could hit your target level of energy reductions or shifting? Why?

15. Was there any communications that you received from the Smart Sense team that was particularly impactful, helpful or integral in allowing you to make changes in your energy usage behaviors in your home? Did you enroll in or participate in any of the Watt Choices programs and services that the Smart Sense team communicated about in order to help you save energy?

16. What do you think of the frequency of the communications from the Smart Sense team? Was the frequency just right, too often, not enough?

17. What was your reaction to the fact that the communications were being sent via e-mail only? Would you have liked to have the Smart Sense team use other channels to communicate with you other than e-mail? What channels do you think would have been effective/more effective than e-mail?

VI. SMART SENSE PROGRAM WEBSITE INTERACTIONS (10 MINUTES)

Now, let's discuss Smart Sense program website.

Please spend a few minutes filling out the last form in front of you and we will then go around the table and discuss your answers.

[MODERATOR HAS EACH PARTICIPANT FILL OUT WRITE DOWN EXERCISE AND THEN ASKS PARTICIPANTS TO PROVIDE ANSWERS TO THE QUESTIONS]

18. How often did you access the Smart Sense website?

19. What specific information did you access while on the Smart Sense website?

20. Did you find the Smart Sense website to be an effective and valuable tool?

- a. What was effective/valuable? What was not effective/valuable

49

Moderator's Guide (cont.)

21. Was there any information on the Smart Sense website that was particularly impactful, helpful or integral in allowing you to make changes in your energy usage behaviors?
22. Did you have any problems accessing the website? If so, what were the problems you faced?
23. What suggested improvements to the website would you offer to the Smart Sense team?

VII. WRAP-UP (10 MINUTES)

24. Overall, taking into account everything, what would you say are the most critical elements of your experience with the Smart Sense program that DLC needs to be aware of in order to keep people like you engaged in those programs in the future? If something like the Smart Sense program was offered again, with your suggested changes, would you participate again?
25. OK, great. Those are all the key topics we wanted to cover with you tonight. But I would like to ask each of you to make a final comment, summarizing your overall feelings about the topics we have covered. Has your participation in the Smart Sense program changed your view of DLC? Please explain. Do you feel differently about DLC than prior to participating in the program? How have your feelings about DLC been affected? Why?

Thank participants and remind them to collect incentive checks.

50

Reactions to Smart Sense Participation

How satisfied are you with your experience participating in the Smart Sense program? (Circle your response below)

Very Somewhat Somewhat Very
dissatisfied dissatisfied satisfied satisfied

What are the biggest advantages/most interesting features/benefits of the Smart Sense program?

Were there any particular issues or disappointments related to your participation in the Smart Sense program?

How likely are you to participate in a similar time-of-use program as Smart Sense if offered? (Circle your response below)

Not likely Not very likely Neither Somewhat likely Very likely

Why do you say that?

51

Reactions to Smart Sense Participation

Not including the \$120 for your participation in the program, how adequate was the financial incentive offered for attempting to reduce/change/shift your electricity usage habits ...? (Circle your response below)

Not at all adequate Not very adequate Somewhat adequate Very adequate

Why do you say that?

Was the amount of money you saved participating in the Smart Sense program...? (Circle your response below)

Lower than expected About what was expected Higher than expected I did not save any money Don't know

Why do you say that?

Based on your participation in the Smart Sense program, would you most prefer...? (Circle your response below)

Flat electricity rates Different electricity rate options to choose from

Why do you say that?

52

Reactions to Smart Sense Communications

How would you rate the effectiveness of the program related communications you received from the Smart Sense team?

Very effective
Somewhat effective
Somewhat ineffective
Very ineffective

(Please circle your response.)

How would you rate the value of the information provided in the communications from the Smart Sense team?

Very valuable
Somewhat valuable
Not too valuable
Not at all valuable

(Please circle your response.)

What was effective/ineffective about the communications you received from the Smart Sense team?

53

Reactions to Smart Sense Website

How would you rate the effectiveness of the information available on the Smart Sense website?

Very effective

Somewhat effective

Somewhat ineffective

Very ineffective

(Please circle your response.)

How would you rate the value of the information available on the Smart Sense website?

Very valuable

Somewhat valuable

Not too valuable

Not at all valuable

(Please circle your response.)

What was effective/ineffective about the information available on the Smart Sense website?

TAB

8

Attachment 8

DLC Small C/I Energy Behavior and TOU Research

Job Title (F1)	Total
Owner	49%
Manager	19%
President/CEO	6%
Administrator	3%
Vice President	1%
Other	22%
<i>Base</i>	400

Industry Type (F2)	Total
Services	24%
Finance, Insurance, Real Estate	17%
Retail	19%
Construction	7%
Non-Profit (unspecified)	5%
Medical/Health Care	5%
Manufacturing	4%
Transportation, Communication, Electric, Gas, and Sanitary	4%
Religion	4%
Wholesale Trade	2%
Education	2%
Agriculture	1%
Public Administration	1%
Non-Classifiable	1%
Other	4%
<i>Base</i>	400

# of Employees (F7)	Total
1 to 5	63%
6 to 10	15%
11 to 40	11%
41 or more	5%
DK/REF	6%
<i>Base</i>	400

Building Type (F4)	Percent
A free-standing building with occupied space, or an	73%
Occupied space that is part of a larger building, office complex, or mall	25%
Other	2%
Don't know	0%
<i>Total</i>	400

Temperature Control (F6)	Percent
At the individual facility level	75%
At the corporate or company-wide level	24%
DK/REF	1%
<i>Total</i>	400

Business Days (F8)	Percent
Less than 5	6%
5 Days	34%
6 Days	23%
7 Days	33%
DK/REF	4%
<i>Total</i>	<i>400</i>

Normal operating hours (F9)	Percent
9:00 a.m. - 5:00 p.m. (standard/typical business hours)	36%
9:00 a.m. - 9:00 p.m. (retail hours)	10%
24 hour operation	13%
Other	41%
<i>Total</i>	<i>400</i>

Does your company use air conditioning (F10)	Percent
Yes	77%
No	23%
Don't know	0%
<i>Total</i>	<i>400</i>

Control settings -among those that use air conditioning- (F11)	Percent
Yes, my business controls the cooling and heating settings	91%
No, the building management or someone else controls the cooling and heating settings	8%
Don't know	1%
<i>Total</i>	<i>307</i>

Total locations (F12)	Percent
1	72%
2 or more	26%
DK/REF	2%
<i>Total</i>	<i>400</i>

Total revenue (F13)	Percent
Under \$250,000	35%
\$250,000 to \$500,000 (\$499,999)	10%
\$500,000 to \$1 million (\$999,999)	4%
\$1 million to \$5 million (\$4,999,999)	8%
\$5 million to \$10 million (\$9,999,999)	1%
\$10 million or more	1%
DK/REF	41%
<i>Total</i>	<i>400</i>

DLC Small C/I Energy Behavior and TOU Research

Would you prefer to have... (Q23)	Percent
Different electricity rate options for you to choose from?	58%
A single electricity rate that is assigned to your business?	33%
DK/REF	9%
<i>Total</i>	<i>400</i>

Would you prefer to... (Q24)	Percent
Pay the same rate for electricity at all times?	68%
Pay a higher than average rate for electricity from 1:00 P.M. to 6:00 P.M. on weekdays, and a lower than average rate at all other times?	22%
DK/REF	10%
<i>Total</i>	<i>400</i>

How likely would you be to participate in a DLC TOU program if it would save you money? (Q25A)	Percent
Very likely	32%
Somewhat likely	35%
Not too likely	13%
Not at all likely	15%
DK/REF	2%
<i>Total</i>	<i>400</i>

How likely would you be to participate in a DLC TOU program if it could increase your bill? (Q25B)	Percent
Very likely	14%
Somewhat likely	34%
Not too likely	20%
Not at all likely	29%
DK/REF	3%
<i>Total</i>	<i>400</i>

Would shifting your electricity usage be...? (Q26)	Percent
Not at all difficult to make	13%
Not very difficult to make	16%
Somewhat difficult to make	35%
Very difficult to make	34%
DK/REF	2%
<i>Total</i>	<i>400</i>

What would you do if your rate plan was higher between 1PM and 6PM but lower at other times? (Q27)	Percent
Not do anything to change your electricity use	68%
Shift or move some of your normal weekday electricity use to before 1:00 P.M. and after 6:00 P.M.	15%
Reduce electricity use at all times	6%
Reduce electricity use during weekday afternoons	6%
DK/REF	5%
<i>Total</i>	<i>400</i>

Which of the following times would your business consider reducing power? (Q28)	Percent of cases
Not able to shift power usage during any of these timeframes	47%
5 P.M. to 6 P.M. weekdays	28%
1 P.M. to 2 P.M. weekdays	14%
4 P.M. to 5 P.M. weekdays	9%
2 P.M. to 3 P.M. weekdays	8%
3 P.M. to 4 P.M. weekdays	7%
DK/REF	4%
<i>Total</i>	<i>400</i>

May we contact you for a focus group? (Q29)	Percent
Yes	67%
No	30%
DK/REF	3%
<i>Total</i>	<i>400</i>

TAB

9

ATTACHMENT 9

Duquesne Light Company
2012 Telephone Survey of Energy Behavior and
TOU-Related Research
Small Commercial and Industrial Customers
Final Report — October 2012

Key Findings

Duquesne Light Company
2012 Telephone Survey of Energy Behavior and TOU-Related Research
Small Commercial and Industrial Customers
Final Report — October 2012

Background and Research Methodology

Research Background

- Along with asking general questions about interest in TOU as part of its ongoing customer satisfaction tracking surveys, Duquesne Light wanted to gain a better understanding of the potential market for TOU among its Small Commercial and Industrial (C/I) customer segment.
- In order to assist DLC to profile the Small C/I customer segment and gain further information on their potential engagement with energy efficiency-related services and their likelihood to participate in a TOU program if offered, a telephone-based survey was conducted. The survey also explored other topics related to business energy usage and knowledge about energy efficiency actions, products and available programs.

About the Research

- A total of 400 telephone surveys were conducted using a Small C/I customer list provided by DLC. The list included both wired (landline) and wireless (cell phone) contact records.
- The surveys were conducted between July 26 and August 24, 2012.
- The desired survey participant was the individual in the business most familiar with the way electricity is used and responsible for the day-to-day electric-related operations.
- The survey length averaged approximately 14 minutes.

Duquesne Light Company
2012 Telephone Survey of Energy Behavior and TOU-Related Research
Small Commercial and Industrial Customers
Final Report — October 2012

Key Findings

General Energy Knowledge, Behaviors and Attitudes — Page No. 3

- More than six in ten (62%) Small C/I customers* currently track their energy usage and costs “very closely.” However, since only about one in five customers “know a lot” about the actions that can be taken or the products and services that are available to assist them to increase energy efficiency in their businesses, an opportunity exists to close the knowledge gap with this customer segment.
 - The gap in knowledge of what DLC offers to business customers is further quantified by 17% of customers being unable to provide a valid rating when it comes to DLC’s performance on “having programs to help customers use energy wisely.”
- There is a potential opportunity for DLC to increase customer engagement with Small C/I customers, as nearly six in ten (57%) would like to go beyond just a monthly bill interaction and be able to gain access to specific energy consumption and efficiency improvement information.
 - Only a small proportion of Small C/I customers say they have participated in an energy efficiency program (5%) or have had an energy audit of their business (11%). Given that one-third or more customers (32%-37%) indicate a willingness to participate in an energy efficiency program or to conduct an energy audit in the next 12 months, this offers DLC two key potential avenues to increase customer engagement related to energy efficiency.
 - More than one-half of customers (58%) are aware of the Watt Choices program, and 22% of these customers participate in the program. Further increasing awareness and knowledge of the available energy efficiency offerings and rebates through the Watt Choices program could also prove beneficial to further engaging business customers to partner with DLC to assist them in identifying places to conserve electricity and save money.

Preferences for Time-of-Use Rates — Page No. 4

- Nearly six in ten (58%) Small C/I customers* would prefer a “time-of-use” rate, though just 22% would prefer paying a higher rate during a weekday on-peak period (1:00-6:00 P.M.).
- Three-quarters (73%-76%) of customers would consider participating in a TOU program if the anticipated savings are between 10% and 20% per month. In comparison, 61% of customers would consider participating if the anticipated savings are 5% per month.

Duquesne Light Company
2012 Telephone Survey of Energy Behavior and TOU-Related Research
Small Commercial and Industrial Customers
Final Report — October 2012

Key Findings — (Continued)

Preferences for Time-of-Use Rates — Page No. 4 — (Continued)

- Even with the potential of having to pay higher bills if their businesses' electricity usage does not shift from on-peak to off-peak periods, about one-half (47%) of customers would still consider participating in a TOU program.
 - Please note that these likelihood to participate levels overstate real-world market behavior. It is not meant to be a market forecast of actual participation rates.

Potential Usage Shifting Behaviors — Page No. 4

- Nearly seven in ten (69%) customers would find it difficult to shift their businesses' electricity usage on weekdays during an on-peak period, including 34% that would find it "very difficult." A similar proportion of customers (68%) would not shift their electricity usage if they were on a higher weekday on-peak period rate plan.
 - Of note, the 29% of Small C/I customers that feel it would "not be difficult" to shift their usage during an on-peak period tend to have five or fewer employees and business revenues under \$250K.

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Duquesne Light Company
2012 Small C/I Customer
Energy Behavior
and TOU-Related Research

Final Report

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Contents

▪ Background and Research Methodology	2
▪ Key Findings	3
▪ Research Implications	5
▪ Main Findings	6
– General Impressions of Duquesne Light's Performance	6
– Energy Knowledge, Attitudes and Behaviors	9
– Time-of-Use Rates vs. Fixed Rates and Related Concepts	14
– Small C/I Customer Survey Profile Characteristics	20

1

Background and Research Methodology

Research Background

- < Along with asking general questions about interest in TOU as part of its ongoing customer satisfaction tracking surveys, Duquesne Light wanted to gain a better understanding of the potential market for TOU among its Small Commercial and Industrial (C/I) customer segment.
- < In order to assist DLC to profile the Small C/I customer segment and gain further information on their potential engagement with energy efficiency-related services and their likelihood to participate in a TOU program if offered, a telephone-based survey was conducted. The survey also explored other topics related to business energy usage and knowledge about energy efficiency actions, products and available programs.

About the Research

- < A total of 400 telephone surveys were conducted using a Small C/I customer list provided by DLC. The list included both wired (landline) and wireless (cell phone) contact records.
- < The surveys were conducted between July 26 and August 24, 2012.
- < The desired survey participant was the individual in the business most familiar with the way electricity is used and responsible for the day-to-day electric-related operations.
- < The survey length averaged approximately 14 minutes.

2

Key Findings

General Energy Knowledge, Behaviors and Attitudes

- < More than six in ten (62%) Small C/I customers* currently track their energy usage and costs "very closely." However, since only about one in five customers "know a lot" about the actions that can be taken or the products and services that are available to assist them to increase energy efficiency in their businesses, an opportunity exists to close the knowledge gap with this customer segment.
 - The gap in knowledge of what DLC offers to business customers is further quantified by 17% of customers being unable to provide a valid rating when it comes to DLC's performance on "having programs to help customers use energy wisely."
- < There is a potential opportunity for DLC to increase customer engagement with Small C/I customers, as nearly six in ten (57%) would like to go beyond just a monthly bill interaction and be able to gain access to specific energy consumption and efficiency improvement information.
 - Only a small proportion of Small C/I customers say they have participated in an energy efficiency program (5%) or have had an energy audit of their business (11%). Given that one-third or more customers (32%-37%) indicate a willingness to participate in an energy efficiency program or to conduct an energy audit in the next 12 months, this offers DLC two key potential avenues to increase customer engagement related to energy efficiency.
 - More than one-half of customers (58%) are aware of the Watt Choices program, and 22% of these customers participate in the program. Further increasing awareness and knowledge of the available energy efficiency offerings and rebates through the Watt Choices program could also prove beneficial to further engaging business customers to partner with DLC to assist them in identifying places to conserve electricity and save money.

*Demographic characteristics of the Small C/I survey population are provided on page 21.

3

Key Findings

Preferences for Time-of-Use Rates

- < Nearly six in ten (58%) Small C/I customers* would prefer a "time-of-use" rate, though just 22% would prefer paying a higher rate during a weekday on-peak period (1:00-6:00 P.M.).
- < Three-quarters (73%-76%) of customers would consider participating in a TOU program if the anticipated savings are between 10% and 20% per month. In comparison, 61% of customers would consider participating if the anticipated savings are 5% per month.
- < Even with the potential of having to pay higher bills if their businesses' electricity usage does no shift from on-peak to off-peak periods, about one-half (47%) of customers would still consider participating in a TOU program.
 - Please note that these likelihood to participate levels overstate real-world market behavior. It is not meant to be a market forecast of actual participation rates.

Potential Usage Shifting Behaviors

- < Nearly seven in ten (69%) customers would find it difficult to shift their businesses' electricity usage on weekdays during an on-peak period, including 34% that would find it "very difficult." A similar proportion of customers (68%) would not shift their electricity usage if they were on a higher weekday on-peak period rate plan.
 - Of note, the 29% of Small C/I customers that feel it would "not be difficult" to shift their usage during an on-peak period tend to have five or fewer employees and business revenues under \$250K.

*Demographic characteristics of the Small C/I survey population are provided on page 21

4

Research Implications

- < DLC has nearly universal levels of satisfaction among its Small C/I customer segment and 57% of customers indicate specifically wanting DLC to provide them with energy-related information. These customers are looking for an opportunity to increase their engagement with DLC in order to gain broader access to specific usage information and participate in energy efficiency programs that can offer them an opportunity to more closely track and control their businesses' electricity usage in order to potentially save money.
- < Small C/I customers already have a platform when it comes to understanding the concepts of energy conservation and TOU rates, though there are some clear opportunities that DLC has to increase knowledge of the things they can offer to customers — such as the Watt Choices program.
- < The results suggest that a slight majority of Small C/I customers would prefer a variable or "TOU" rate plan compared to a fixed rate plan, though not surprisingly given the nature of operating a business, the majority of customers also indicate that it would be difficult for them to shift their usage to weekday off-peak periods.
- < Changing the electricity usage needs and behaviors of business customers would be a considerable barrier to offering TOU programs, as shifting usage to coincide with specific timeframes each day is not realistic for the operation of a typical business. As such, potential targets for TOU offerings would be businesses that have fewer days and hours of operation.

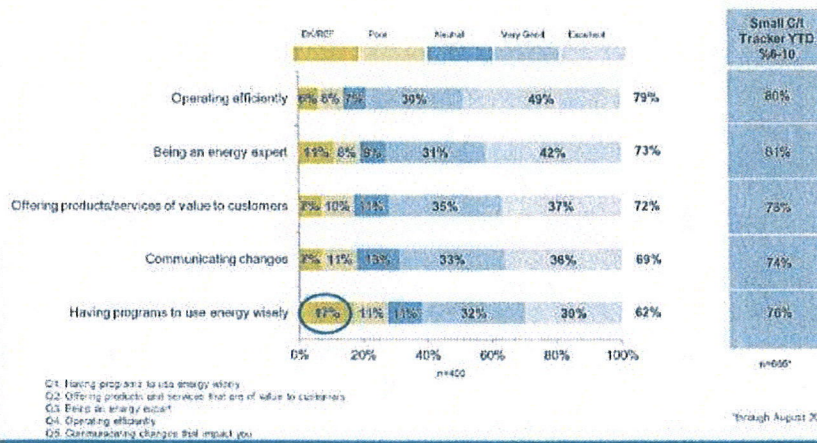
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General Impressions of Duquesne Light's Performance



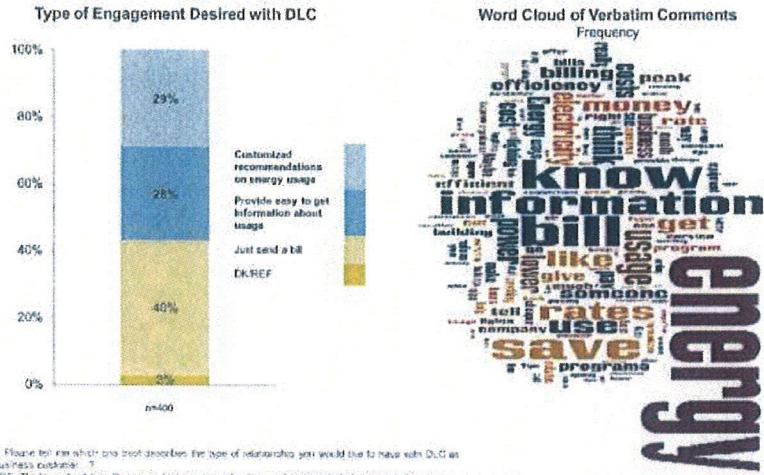
An opportunity exists to increase awareness of available energy programs for Small C/I customers.

- > Although there are some differences between the two studies, based on the results from this research and the ongoing customer satisfaction tracking study, DLC's Small C/I customers report moderate to high levels of total positive response (%6-10 ratings) when it comes to DLC "operating efficiently," "being an energy expert" and "offering products and services that are of value to customers."
- > Increasing awareness among Small C/I customers of the available programs to assist them to use energy wisely should be considered an opportunity for DLC to address.



Nearly six in ten Small C/I customers want DLC to engage with them to provide energy usage and efficiency information.

- > In comparison, 85% of General Residential customers interviewed in 2011 indicated wanting a deeper engagement with DLC related to their energy usage.

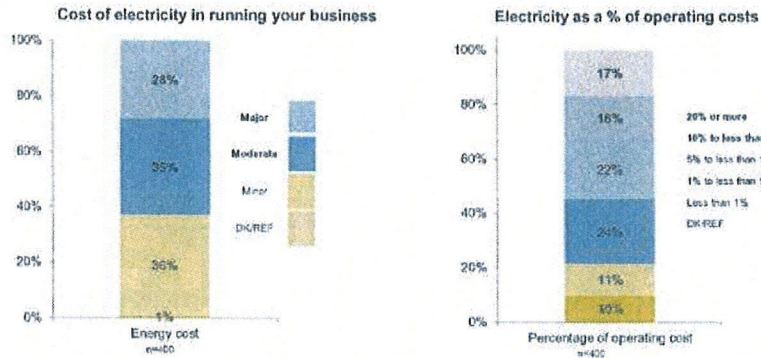


Energy Knowledge, Attitudes and Behaviors



Electricity costs are considered to be a moderate to major cost of doing business by nearly two-thirds of customers.

- > Six in ten or more (63%-68%) Small C/I customers who say their electricity costs are a "moderate" or "major" portion of their operating costs say they want DLC to engage them beyond basic interactions to provide energy usage and energy management information.
- > In contrast, two in five (41%) customers that consider electricity costs to be a "minor" portion of their operating costs want further engagement with DLC to manage their electricity usage and costs.

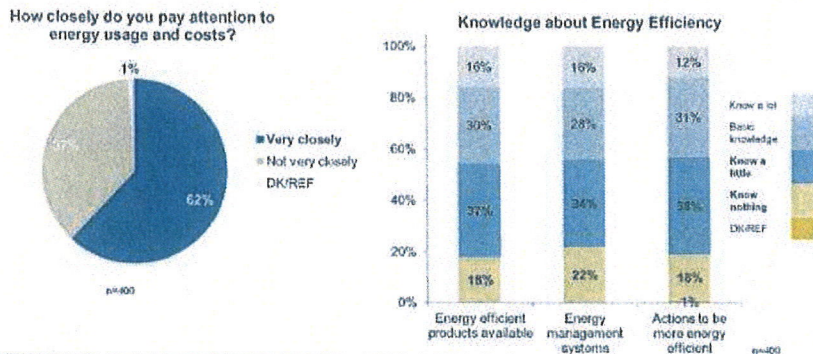


Q7. When thinking about all the costs of running your business, do you consider electricity costs to be a minor, moderate or major portion of the cost of doing business for this location?
 Q8. About what percentage of the total operating costs for this facility would you say are accounted for by electricity costs?

10

Most customers closely track their usage, but there is a gap in their knowledge of the available actions to be more energy efficient.

- > More Small C/I customers with 10 or fewer employees and those that consider electricity costs to be either a "moderate" or "major" portion of their operating costs track their energy usage and costs "very closely."
- > There is an opportunity for DLC to increase customer knowledge about energy efficiency as fewer than one in five Small C/I customers "knows a lot" about actions, equipment and other management systems that are available to improve their businesses' energy efficiency.

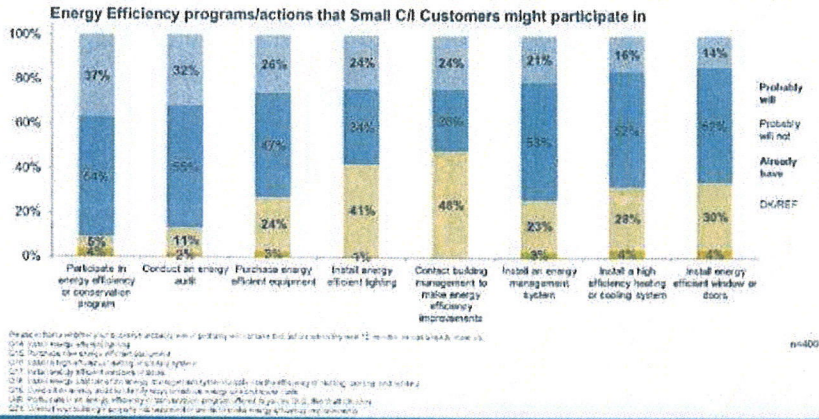


Q9. Which best describes how closely you pay attention to the amount of energy used and costs at this location?
 Q10. Please indicate how knowledgeable you feel about actions business like yours can take to be more energy efficient.
 Q11. Please indicate how knowledgeable you feel about energy efficient equipment and systems that are available to help businesses like yours.
 Q12. Please indicate how knowledgeable you feel about energy management systems that allow you to control settings and monitor energy use for heating, cooling, lighting, and other equipment at your business.

11

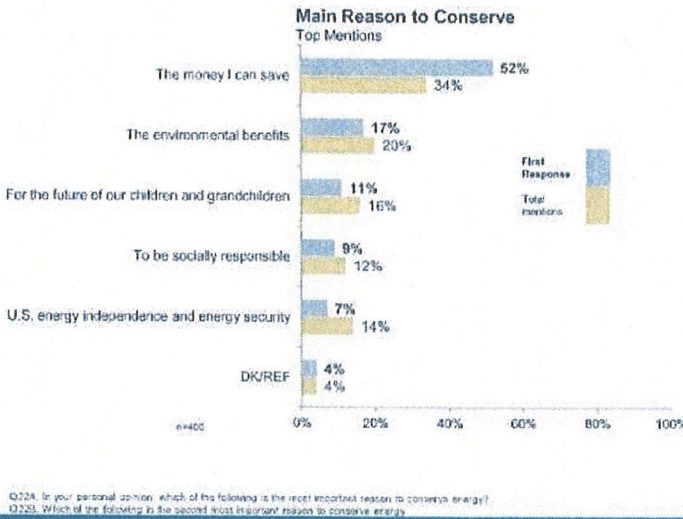
One in ten or fewer Small C/I customers has conducted an energy audit or participated in an energy efficiency program.

- > However, with one-third or more customers showing a willingness to participate in an energy efficiency/conservation program or to conduct an energy audit, DLC has an opportunity to potentially increase engagement by providing access to these particular needs.
- > Gaining knowledge of the available energy efficiency-related programs and rebates offered by DLC — through the Watt Choices program for instance, could potentially lead to an increased willingness by customers to make other energy efficiency changes and improvements.



Saving money is the dominate driver for conserving energy among Small C/I customers.

- > Conserving energy to save money was also the strongest driver measured among General Residential customers in 2011.

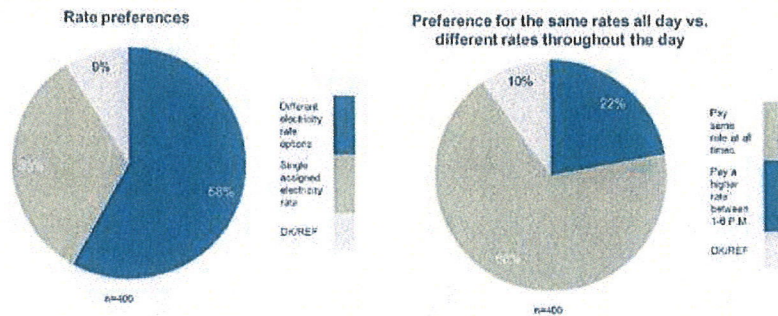


Time-of-Use Rates vs. Fixed Rates and Related Concepts



There is a modest preference for "time-of-use" rates, but lower preference for paying a higher rate during weekday on-peak periods.

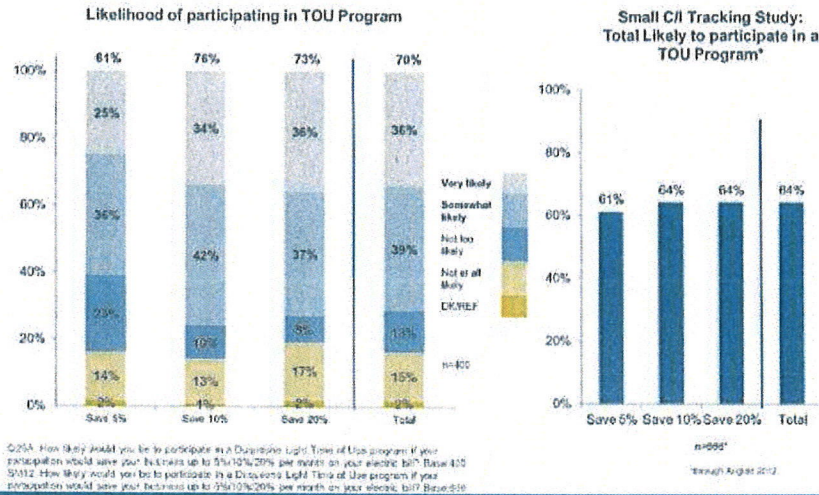
- > The proportion of Small C/I customers that would choose a TOU rate (58%) is similar to the level measured among General Residential customers in 2011 (51%), as is the proportion that would choose a flat rate option (33% vs. 28%).



Q21. Would you prefer to have different electricity rate options for you to choose from a single electricity rate that is assigned to your business?
 Q24. How would you prefer to pay a higher than average rate for electricity from 1-6 P.M. on weekdays and a lower than average rate at all other times? Pay the same rate for electricity at all times.

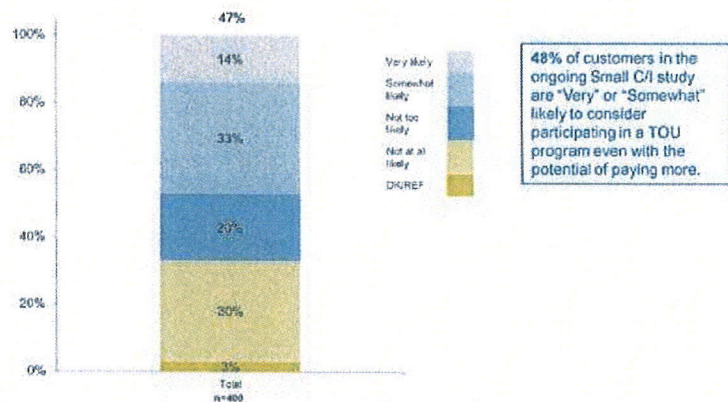
Three-quarters of Small C/I customers would consider participating in a TOU program if the anticipated savings are between 10% and 20% per month.

> Of note, the likelihood to participate levels are higher at the 10% and 20% levels compared to similar results measured as part of the ongoing Small C/I customer satisfaction tracking research.



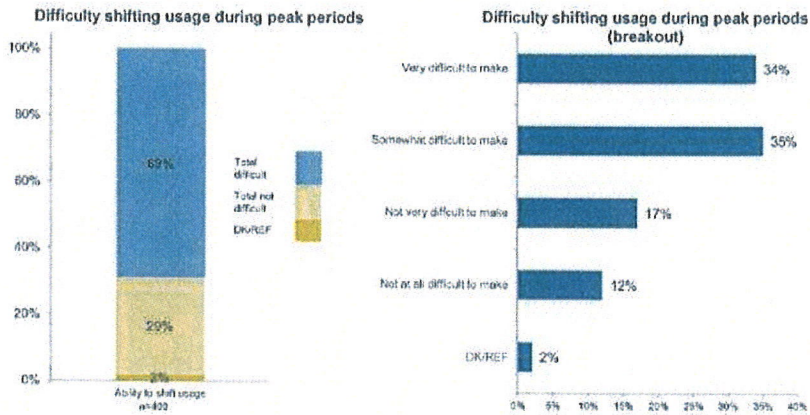
Even with the potential of paying more if no shifting to off-peak periods occurs, about half would still consider participating in a TOU program.

> The likelihood to participate level for this measure is similar to the results measured as part of the ongoing Small C/I customer satisfaction tracking research.



Most customers would find it difficult to shift their usage during a weekday on-peak period.

- > However, there is a potential opportunity with a small proportion of Small C/I customers to potentially shift usage during the weekday on-peak periods. These businesses tend to have five or fewer employees and business revenues under \$250K.

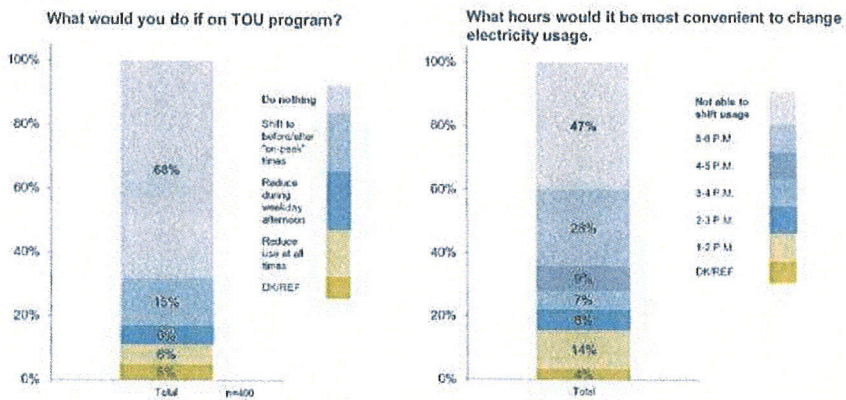


Q29. Thinking about your ability to shift or make adjustments to your business's electricity use at this location during weekdays from 1:00 P.M. to 6:00 P.M., would you agree/strongly agree that it would be difficult to make these changes?

18

Most customers would not shift their usage if they were on a higher weekday peak period rate plan.

- > Further, about half of customers say that they would not be able to shift usage during the stated weekday peak usage period of 1:00 P.M. to 6:00 P.M.
- > The greatest opportunities mentioned by customers for possibly shifting their businesses' electricity usage would occur at the beginning (1:00-2:00 P.M.) and end (5:00-6:00 P.M.) of the stated peak period.



Q27. If your business was on a rate plan where you paid a higher than average rate for electricity from 1:00 P.M. to 6:00 P.M. on weekdays and a lower than average rate at all other times, which of the following actions would your business take?

Q28. Among the following timeframes that occur during an "on-peak" period lasting between 1:00 P.M. and 6:00 P.M. on weekdays, please indicate which of the timeframes that your business would consider for reducing its power usage and shifting it to "off-peak" periods before 1:00 P.M. and after 6:00 P.M.

19

Small C/I Customer Survey Profile Characteristics



Small C/I Customer Survey Profile Characteristics

Contact Type	%	Energy Management Decisions	%	Hours	%
Landline	58	Facility level	75	9 a.m. to 5 p.m. (business hours)	40
Cell	42	Corporate level	24	9 a.m. to 9 p.m. (retail hours)	11
		DK/REF	1	24 hours	13
Job Title		Number of Employees		Morning business hours	4
Owner	50	1-5	63	Afternoon business hours	4
Manager	21	6-10	15	Morning retail/restaurant hours	4
President/CEO	6	11-40	12	No standard hourly appointment	3
Finance	5	40+	5	Night business hours	2
Administrator	4			All day	2
Administrative Assistant	4	# of Days Open		Dinner hours	1
Clery	2	Less than 5	0	Other	10
Vice President	1	5 Days	34		
Other	6	6 Days	23	Air Conditioning Use	
DK/REF	1	7 Days	33	Yes	77
		DK/REF	3	No	23
Industry Type		Watt Choices Awareness		Heating/Cooling Control	
Wholesale Trade, Retail, Finance	38	Yes	56	Individual business	91
Insurance, Real Estate	27	No	41	Building management	8
Services	13	DK/REF	1	DK/REF	1
Public Administration, Religion, Non-Profit, Education	13	Watt Choices Participation		Revenue	
Agriculture, Mining, Construction, Manufacturing	12	Yes	22	Under \$250K	35
Medical, Healthcare	5	No	77	\$250K - <\$1MM	13
Transportation, Communications, Electric, Gas, Sanitary	4	DK/REF	1	\$1MM - <\$10MM	10
Non-Classifiable/Other	1			\$10MM +	2
		Number of Locations		DK/REF	40
Building Type		1	72		
Free standing	73	2 or more	26		
Occupied space	25	DK/REF	3		
Other	2				

Base: 472

21

TAB
10

ATTACHMENT 10

Duquesne Light Company
2012 Time-of-Use Pricing Focus Groups Research
Small Commercial and Industrial Customers
Final Report — October 2012

Key Findings

Duquesne Light Company
2012 Time-of-Use Pricing Focus Groups Research
Small Commercial and Industrial Customers
Final Report — October 2012

Research Objectives

- The specific objectives for Duquesne Light’s (DLC) Small Commercial and Industrial (C/I) Time-of-Use in-depth focus group research:
 - To explore general Small C/I customer perceptions and opinions about DLC and its current programs and services.
 - To determine business customers’ current awareness of dynamic (time-of-use or TOU) pricing.
 - To provide basic information about dynamic pricing and then understand positive and negative customer reactions to the general concept and drivers of fear, uncertainty, or doubt.
 - To understand what benefits and features of a TOU pricing program would be of greatest/least interest to business customers: alternative time/price structures, systems for providing usage and price information, etc.

Research Methodology

- Market Strategies conducted two focus groups with DLC Small C/I customers on September 25 and 26, 2012.

Location	Date	Time	Customer Type	# of Participants
Campos Research, Pittsburgh, Pennsylvania	September 25, 2012	8:00pm	Small C/I customers	10
	September 26, 2012	8:00pm	Small C/I customers	6

- All groups were moderated by Market Strategies International Senior Vice President, Jack Lloyd.
- All participants received a \$150 incentive payment.
- The groups averaged approximately two hours in length.
- The groups were audio and video taped and typed transcripts of each group were developed.

Duquesne Light Company
2012 Time-of-Use Pricing Focus Groups Research
Small Commercial and Industrial Customers
Final Report — October 2012

Research Methodology — (Continued)

Specific Participant Characteristics

Group 2
Small C/I
September 25th; 8:00
(10 participants)

- Small businesses with between 1 and 40 employees. The majority had 10 or fewer employees.
- Mix of industries with the majority coming from the “Services” category. This included: A Tire Store, Human Services (family preservation), a Florist, Community Economic Development, Optometrist, Wood Working Business, Social Club and a Law Office.
- The majority had business revenue under \$250,000.
- Most participants in the group said electricity was a “minor” to “moderate” cost to their business; DLC rates were considered “somewhat reasonable;” showed interest in DLC making it easy to find information about energy usage and costs, and were making some efforts to conserve energy.

Group 4
Small C/I
September 26th; 8:00
(6 participants)

- Small businesses with between 1 and 40 employees. The majority had 10 or fewer employees.
 - Range of industries from primarily the “Services” and “Retail” categories. This included: Civil Engineering, General Surgery Practice, Computer Engineering, Real Estate and Home Healthcare.
 - Mix of revenues, with most having revenue under \$250,000.
 - Most participants in the group monitored energy usage “closely” or “very closely;” said energy was a “moderate” cost; said that DLC’s rates were “somewhat reasonable,” and were taking steps to conserve energy.
-

Duquesne Light Company
2012 Time-of-Use Pricing Focus Groups Research
Small Commercial and Industrial Customers
Final Report — October 2012

Key Findings

Electricity Usage and Conservation — Page No. 6

- Most customers felt that the electric bill was not a major component of their business cost structure, though it is one of the most critical commodities required for them to operate their businesses.
- As such, customers expressed interest in conserving electricity and becoming more energy efficient. Some customers have taken actions to become more efficient, while others raised concerns about how they can conserve electricity and still be able to operate their business effectively during normal business hours.

Time-of-Use Awareness — Page No. 6

- Unaided, about half of Small C/I customers were aware of the TOU concept. Of note, this matches the proportion of Small C/I customers that are aware of the term TOU in the ongoing customer satisfaction tracking survey (49% 2012 YTD).
- While customers generally liked the idea of being able to save money, having to change business hours, employee shifts, and overall usage seemed impractical for many, given the realities of their businesses. Most felt that their business would not be able to adjust usage to on and off-peak hours.

Dynamic Pricing — Page No. 7

- Customers in each group received a brief explanation of TOU pricing, which included graphic displays to assist with the concept of the hypothetical pricing structure.
 - Overall, more than half of the Small C/I customers were neutral or negative about TOU pricing, with only two customers stating that their company would benefit from a TOU pricing structure.
 - Customers say a TOU rate plan would need to be structured to fit the user, and is therefore not likely to be widely adopted by a large proportion of businesses.
 - Those who were negative or neutral felt that TOU was a good idea in order to save money, but difficult or impossible to execute in their specific business.

Duquesne Light Company
2012 Time-of-Use Pricing Focus Groups Research
Small Commercial and Industrial Customers
Final Report — October 2012

Key Findings — (Continued)

Dynamic Pricing — Page No. 7 — (Continued)

- Those who had more positive reactions remained hesitant about implementing schedule changes in order to save electricity.
- No participants objected to other businesses having access to TOU pricing, even if they would not choose it for themselves.

Dynamic Pricing Concept Preferences — Page No. 8

Two specific hypothetical dynamic pricing concepts were tested with Small C/I customers:

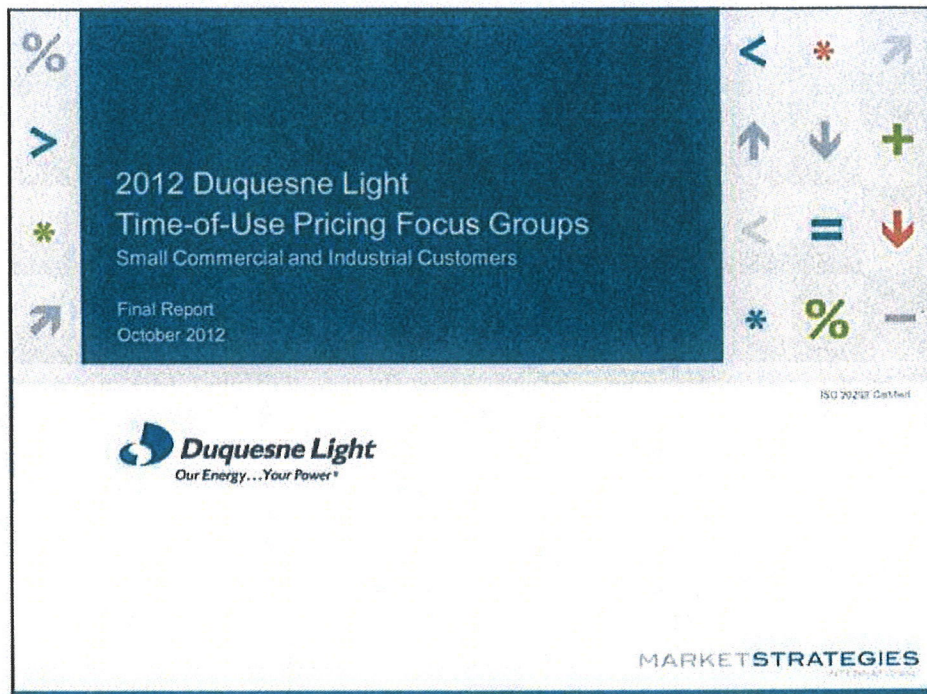
- Of the two main pricing concepts tested, Concept #2 (2 times the off-peak rate; 20 hours per week) was generally seen as more positive than Concept #1 (5 times the off-peak rate; 25 hours per week). However, most customers felt that these types of TOU pricing programs could not benefit most business customers.
 - Most customers felt that they could not see switching their business hours to take advantage of the potential savings. A key negative was that many did not feel their businesses allow for schedule flexibility to conform with on and off-peak timing.
 - Other customers voiced concerns that they would be forced into a rate plan which could impact the way they conduct business. The concern is with being “locked” into TOU rates if usage changes or increases.
 - Customers commented that bigger financial incentives would be necessary for them to participate.
- Some customers felt that a simplified option that would provide a small incentive for reducing usage during a given timeframe would be a better option than TOU, as it returns control to business owners by allowing them to become more energy efficient and adjust electric usage.

Duquesne Light Company
2012 Time-of-Use Pricing Focus Groups Research
Small Commercial and Industrial Customers
Final Report — October 2012

Key Findings — (Continued)

General Awareness of Duquesne Light — Page No. 9

- Small C/I customers mentioned recently being inundated with telephone and in-person contacts, as well as receiving direct-mail information, from competitive energy supply companies.
- When asked about services or programs that DLC offers, several customers mentioned Watt Choices unaided, with several saying they have participated in the program – including the refrigerator rebate program.
- Customers had a positive reaction to DLC providing services and programs to customers, and are likely to have a higher level of trust and comfort if DLC provides them compared to the competitive supply companies.
- While some customers decided to switch to a competitive supplier under the premise of saving money, other customers have chosen to stay with DLC due to the high level of trust and satisfaction they have with what DLC offers to them as business owners. Additionally, some customers are skeptical of the actual savings that can be achieved by switching suppliers.



Report Contents

Research Objectives	2
Research Methodology	3
Key Findings	6
Research Implications	10
Detailed Findings	12
- General Discussion Topics	12
- Time-of-Use Awareness	17
- Dynamic Pricing	20
- Time-of-Use Pricing Concepts	26
- Other Topics	35
Appendices	39

Research Objectives

The specific objectives for Duquesne Light's (DLC) Small Commercial and Industrial (C/I) Time-of-Use in-depth focus group research:

- To explore general Small C/I customer perceptions and opinions about DLC and its current programs and services.
- To determine business customers' current awareness of dynamic (time-of-use or TOU) pricing.
- To provide basic information about dynamic pricing and then understand positive and negative customer reactions to the general concept and drivers of fear, uncertainty, or doubt.
- To understand what benefits and features of a TOU pricing program would be of greatest/least interest to business customers: alternative time/price structures, systems for providing usage and price information, etc.

2

Research Methodology

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- < All groups were moderated by Market Strategies International Senior Vice President, Jack Lloyd.
- < All participants received a \$150 incentive payment.
- < The groups averaged approximately two hours in length.
- < The groups were audio and video taped and typed transcripts of each group were developed.

3

Research Methodology (cont.)

Small C/I customers who participated in the focus groups had the following characteristics:

Specific Participant Characteristics	
Group 2 Small C/I September 25 th , 8:00 (10 participants)	<ul style="list-style-type: none">- Small businesses with between 1 and 40 employees. The majority had 10 or fewer employees.- Mix of industries with the majority coming from the "Services" category. This included: A Tire Store, Human Services (family preservation), a Florist, Community Economic Development, Optometrist, Wood Working Business, Social Club and a Law Office.- The majority had business revenue under \$250,000.- Most participants in the group said electricity was a "minor" to "moderate" cost to their business; DLC rates were considered "somewhat reasonable," showed interest in DLC making it easy to find information about energy usage and costs, and were making some efforts to conserve energy.
Group 4 Small C/I September 26 th , 8:00 (6 participants)	<ul style="list-style-type: none">- Small businesses with between 1 and 40 employees. The majority had 10 or fewer employees.- Range of industries from primarily the "Services" and "Retail" categories. This included: Civil Engineering, General Surgery Practice, Computer Engineering, Real Estate and Home Healthcare.- Mix of revenues, with most having revenue under \$250,000.- Most participants in the group monitored energy usage "closely" or "very closely," said energy was a "moderate" cost; said that DLC's rates were "somewhat reasonable," and were taking steps to conserve energy.

4

Key Findings



Key Findings

Electricity Usage and Conservation

- < Most customers felt that the electric bill was not a major component of their business cost structure, though it is one of the most critical commodities required for them to operate their businesses.
- < As such, customers expressed interest in conserving electricity and becoming more energy efficient. Some customers have taken actions to become more efficient, while others raised concerns about how they can conserve electricity and still be able to operate their business effectively during normal business hours.

Time-of-Use Awareness

- < Unaided, about half of Small C/I customers were aware of the TOU concept. Of note, this matches the proportion of Small C/I customers that are aware of the term TOU in the ongoing customer satisfaction tracking survey (49% 2012 YTD).
- < While customers generally liked the idea of being able to save money, having to change business hours, employee shifts, and overall usage seemed impractical for many, given the realities of their businesses. Most felt that their business would not be able to adjust usage to on and off-peak hours.

6

Key Findings

Dynamic Pricing

- < Customers in each group received a brief explanation of TOU pricing, which included graphic displays to assist with the concept of the hypothetical pricing structure
 - Overall, more than half of the Small C/I customers were neutral or negative about TOU pricing, with only two customers stating that their company would benefit from a TOU pricing structure.
 - Customers say a TOU rate plan would need to be structured to fit the user, and is therefore not likely to be widely adopted by a large proportion of businesses.
 - Those who were negative or neutral felt that TOU was a good idea in order to save money, but difficult or impossible to execute in their specific business.
 - Those who had more positive reactions remained hesitant about implementing schedule changes in order to save electricity.
 - No participants objected to other businesses having access to TOU pricing, even if they would not choose it for themselves.

7

Key Findings (cont.)

Dynamic Pricing Concept Preferences

Two specific hypothetical dynamic pricing concepts were tested with Small C/I customers:

- < Of the two main pricing concepts tested, Concept #2 (2 times the off-peak rate; 20 hours per week) was generally seen as more positive than Concept #1 (5 times the off-peak rate; 25 hours per week). However, most customers felt that these types of TOU pricing programs could not benefit most business customers.
 - Most customers felt that they could not see switching their business hours to take advantage of the potential savings. A key negative was that many did not feel their businesses allow for schedule flexibility to conform with on and off-peak timing.
 - Other customers voiced concerns that they would be forced into a rate plan which could impact the way they conduct business. The concern is with being "locked" into TOU rates if usage changes or increases.
 - Customers commented that bigger financial incentives would be necessary for them to participate.
- > Some customers felt that a simplified option that would provide a small incentive for reducing usage during a given timeframe would be a better option than TOU, as it returns control to business owners by allowing them to become more energy efficient and adjust electric usage.

5

Key Findings

General Awareness of Duquesne Light

- < Small C/I customers mentioned recently being inundated with telephone and in-person contacts, as well as receiving direct-mail information, from competitive energy supply companies.
- < When asked about services or programs that DLC offers, several customers mentioned Watt Choices unaided, with several saying they have participated in the program – including the refrigerator rebate program.
- < Customers had a positive reaction to DLC providing services and programs to customers, and are likely to have a higher level of trust and comfort if DLC provides them compared to the competitive supply companies.
- < While some customers decided to switch to a competitive supplier under the premise of saving money, other customers have chosen to stay with DLC due to the high level of trust and satisfaction they have with what DLC offers to them as business owners. Additionally, some customers are skeptical of the actual savings that can be achieved by switching suppliers.

9

Research Implications



Research Implications

- < These qualitative research findings fully align with, and help to further explain, recent telephone survey results gathered among Small C/I customers on similar topics.
- < Changing the electricity usage needs and behaviors of business customers would be a considerable barrier to offering TOU programs, as shifting usage to coincide with specific on and off-peak periods each day is not realistic for the operation of many businesses.
- < While TOU may not be an ideal fit for most businesses, given the necessity of having electricity to run their business, customers have interest in being able to track and control their electricity usage in order to potentially save money where possible. The findings of this research – and of the previous telephone survey, suggest that an opportunity exists for Duquesne Light to increase customer engagement related to energy efficiency and conservation – namely through the Watt Choices programs, in order to maintain and improve upon the already high customer loyalty, trust and satisfaction it has with its business customers.

General Discussion Topics

Detailed Findings with Customer Comments



Electric Market Competition and Alternative Electric Suppliers

Key Findings

< There were numerous mentions of contacts from competitive electric suppliers through phone calls, in-person visits, and direct mail encouraging them to switch from DLC.

Comments from Discussion

That's been around for a while actually. They had some things about, they're actually talking about the alternatives to, a lot of the electric companies, elect suppliers. (Group 4, 9/26 - 8 p.m.)

But they bring up their name. And they say we got your name through Duquesne Light. (Group 4, 9/26 - 8 p.m.)

The sales calls have been coming. And I have had like three or four people come to my front door, too. (Group 4, 9/26 - 8 p.m.)

This is another one of those multilevel marketing things. And I was approached by one of them. And it made sense for me to sign up only because we have multiple properties. So we actually got the group discount across the board for all of our properties. (Group 4, 9/26 - 8 p.m.)

We've been besieged, by mail and phone calls. But we kind of compare it to what happened several years back when the telephone companies seemed to be going through the same thing. And we decided just to stay where we are, rather than to go through changing it and changing it back or being dissatisfied or not satisfied. (Group 4, 9/26 - 8 p.m.)

We were getting bombarded with phone calls. (Group 4, 9/26 - 8 p.m.)

We had probably at least a dozen calls or fliers that came in at one point in time. I guess it was right in the springtime when all of that was going on. (Group 2, 9/25 - 8 p.m.)

Nothing, other than I had a call from a representative a couple of months ago asking if I knew about this plan of theirs that they were actually to move to, possibly changing rates through the day, depending on the usage. (Group 4, 9/26 - 8 p.m.)

13

Switching Behavior

Key Findings

- < Alternative suppliers kept calling, and eventually some customers gave in and switched in order to gain access to better rates.

Those who chose to stay with DLC gave the following reasons:

- < DLC is a trusted name and company.
- < Low rates from competitors seem too good to be true or to last.
- < Competitors insist on having a two-year contract; customers do not want to be locked in for that length of time.
- < Suppliers would not provide separate pricing for residential meter and commercial meter.

Comments from Discussion

They called me on the phone and I was in a weak moment and I said, yeah. I brought my bill with me. (Group 2, 9/25 - 8 p.m.)

I was getting the calls as well, and one call after another. And so I finally caved in. (Group 4, 9/26 - 8 p.m.)

I think, too, that it's a trusted name. And I know in the past you didn't have a choice. It was Duquesne or (other company), depending on where your business was where you lived. And that's what you had. But they've always been a trusted name to us. We've been in business for 37 years and we've had them the whole time. And they're quick to come out if something is wrong or if there's a power outage. So it's a name that you can stand by or something. (Group 2, 9/25 - 8 p.m.)

The people around the Pittsburgh area, that's what we know, that's what's in our homes, you know what I mean? That's all I know, personally. I mean. (Group 2, 9/25 - 8 p.m.)

Duquesne Light is a more reputable company and the name. (Group 2, 9/25 - 8 p.m.)

Everybody that's been like coming to me personally, like somebody came to our office one time trying to get us to change. I just feel like it's not true, like. (Group 2, 9/25 - 8 p.m.)

It just sounds too good to be true, to me. (Group 2, 9/25 - 8 p.m.)

We made a decision not to (switch) because everybody that has contacted me was higher than Duquesne Light, which I thought was rather strange. Because, you know, they keep touting this and telling you that it's going to be less money. But I checked it and it was not. So maybe that's just where we are or the type of electricity use we have. I'm not real sure. Rate shopping, saving a little money. (Group 2, 9/25 - 8 p.m.)

I think the supplier, all they're worried about is just supplying it. Where Duquesne Light I think looks at the whole picture. (Group 2, 9/25 - 8 p.m.)

14

Awareness of Programs and Services

Key Findings

- < Mentions of energy efficiency programs, such as WATT CHOICES. All participants have heard of the WATT CHOICES program; some have participated. Participants mentioned the Refrigerator Recycling program as well. Some have taken advantage of the program for their home, though not for their business.
- < Some recall DLC sponsoring community events.

Comments from Discussion

Well, I know there are rebates for certain things that you install in your home, whether it's a thermostat or different lighting... or anything that would pertain to like a furnace or things like that, electrical appliances that are more energy efficient. You know, that's the kind of thing that was interesting to me at the time when I heard them. (Group 2, 9/25 - 8 p.m.)

Every once in a while, I'll see it as a sponsor or like a carwash or something like that. You see Duquesne Lighting as one of the sponsors or a partner or something of that nature. (Group 2, 9/25 - 8 p.m.)

They sponsor some of our community events, things for the children. (Group 2, 9/25 - 8 p.m.)

I think it's a program where they'll take a look at what you're doing and tell you what they think you could do to reduce your costs. (Group 4, 9/26 - 8 p.m.)

I am aware of the CAP program. I think it is a DLC program, where they enable someone for our tenants to have like a prorated electric bill. And they actually subsidize that, if I'm not mistaken. And they actually have been helping them in a lot of ways, you know. Helping them reduce energy costs and things like that. (Group 4, 9/26 - 8 p.m.)

A while ago, I got a package in the mail, too, with like the new light bulbs and some weather stripping and door stripping. (Group 4, 9/26 - 8 p.m.)

It's just a cute little parody that they have about watts. Watt Choices. What Choices? (Group 4, 9/26 - 8 p.m.)

I have some rentals. And I saw they had the refrigerators. We took them out, the ones we had. And they picked them up. And they gave us \$36 checks. And we're putting more efficient ones in, or newer. We were replacing them. It was freezer or two, and a couple refrigerators. (Group 4, 9/26 - 8 p.m.)

15

Electricity Usage and Conservation

Key Findings

- < Most customers felt that the electric bill was not a major component of their business cost structure.
- < Although the bill was a small portion of expenses, some noted that electricity is a critical commodity needed to conduct business.
- < Many have made attempts to reduce electric use, largely by changing lighting technology, bulbs and fixtures, upgrading HVAC and refrigeration, using programmable thermostats, and turning off computers and lights at the end of the day.

Comments from Discussion

The cost isn't critical, but the supply is. (Group 4, 9/26 - 8 p.m.)

The service is critical now. Frankly, in our small business, we look at all of those costs very closely because they are critical to whether we're in profit or loss, and the services we can offer. They're all very critical. (Group 4, 9/26 - 8 p.m.)

If you saved 20 percent of the money I'm spending on electricity, it really wouldn't make a difference to my bottom-line? (Group 2, 9/25 - 8 p.m.)

We've got a lot of other bills that eclipse the electric bill fifty times over. (Group 4, 9/26 - 8 p.m.)

One of the things we put in our facility was some of the timers. So like in the restrooms, the timers. (Group 2, 9/25 - 8 p.m.)

We've changed like all of our switches out. So we have the motion detection. And then actually, we just had a meeting about changing lights, outside lighting on, like two of the buildings we have like high pressure (inaudible). And we were talking about putting in fluorescent tubes or something. (Group 4, 9/26 - 8 p.m.)

That's the thing of a business. I mean you have to run your business at certain business hours. There is not a whole lot of backing off of that that you can do. (Group 2, 9/25 - 8 p.m.)

But you can't change, like me, I can't. If you have customers coming in, you can't say well wait till 3:00. I'll put the tires on for you then. (Group 2, 9/25 - 8 p.m.)

I would, not only because of the business and profitability, but I think that by and large, the demand for energy, electricity, sooner or later will outstrip the supply. It would behoove us all to be conservation-minded and intelligent about our use of the energy. (Group 4, 9/26 - 8 p.m.)

16

Time-of-Use Awareness

Detailed Findings with Customer Comments

Time-of-Use Awareness

Key Findings

- < While they generally liked the idea of being able to save money, having to change business hours, employee shifts, and overall usage seemed impractical for many, given the realities of their businesses.
 - TOU pricing could be useful for those who can change schedules more easily, such as manufacturing or a warehouse.
 - For many, business is conducted on a schedule set by customers' needs. Switching to off-peak hours seems difficult if not impossible.

	Total	Grp #2	Grp #4
Unaided awareness of Time-of-Use Pricing	n=16	n=10	n=6
Yes	8	5	3
No	7	4	3
Don't Know/Not Sure	1	1	0

15

Time-of-Use Awareness

Comments

As a business owner, it might be hard to change the employees' schedule. In other words, if you work from 9:00 to 5:00, you might have to switch from 4:00 to 9:00. And your employees are going to go. I don't think so. Or get your customers used to coming at different hours; you tell them your hours are 9:00 to 5:00. And then they have to come from whatever. So that could be potentially a problem. (Group 2, 9/25 - 8 p.m.)

My main use of electric is cooling the greenhouses and cooling the cooler. And I can't change that. (Group 2, 9/25 - 8 p.m.)

It actually might help us a little bit because we're only open from 5:00 to 12:00. So our hours are pretty limited. So the time-of-use just for an allotment there, it probably would help us out a little more. (Group 2, 9/25 - 8 p.m.)

Even our employees, their time is flexible because they might have to go out on a weekend for an emergency crisis. Or they might have to do night shift. And then they can take off a little bit in the day. I don't think it would be very beneficial to us. For society, it can make people more mindful, but for us, I don't think it would work. (Group 2, 9/25 - 8 p.m.)

There's not much we can do. (Group 2, 9/25 - 8 p.m.)

Basically, the businesses we have; we can't really adjust the time of use of the electricity, because most of our service guys are coming in the morning. And then they return back to the shop. (Group 4, 9/26 - 8 p.m.)

If we are in fact saving across the board, then yes, I would be inclined to say this is possible, especially in our business because we can easily be on the road in the afternoon. (Group 4, 9/26 - 8 p.m.)

I'm the same. I didn't know about the timing issue. But it wouldn't benefit our business at all, just because we couldn't switch out either. (Group 4, 9/26 - 8 p.m.)

My concern with that would have been costs. So is really the cost going to outweigh this, you know? Is it going to be cost effective for us to do this because if it's the bottom line is that the entire cost is just going to go up doing this, switching over, then it probably wouldn't make sense. (Group 4, 9/26 - 8 p.m.)

19

Dynamic Pricing

Detailed Findings with Customer Comments



Dynamic Pricing

Customers in each group received a brief explanation of Time-of-Use pricing, which included graphic displays to assist with the concept of the hypothetical pricing structure.

Key Findings

- < More than half of the Small C/I customers were neutral or negative about TOU pricing, with only two of the customers stating that their company would benefit from a TOU pricing structure.
- < Those who were negative or neutral felt that is TOU was a good idea in order to save money, but difficult or impossible to execute in their specific business.
- < Those who had more positive reactions remained hesitant about implementing schedule changes in order to save.

	Total	Grp #2	Grp #4
Reaction to General Time-of-Use Pricing	<i>n</i> =16	<i>n</i> =10	<i>n</i> =6
Total Positive	6	2	4
Very positive	1	0	1
Somewhat positive	5	2	3
Neutral	8	6	2
Total Negative	2	2	0
Time-of-Use Could Benefit Me	<i>n</i> =16	<i>n</i> =10	<i>n</i> =6
Yes	2	2	0
No	7	3	4
Neutral/Don't Know	7	5	2

21

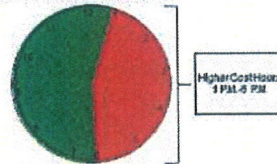
Dynamic Pricing Explanation and Examples

What Is "Time-of-Use Pricing?"

- Today, nearly all electricity customers pay the same fixed rate for electricity no matter when they use it during the day or night. This "flat rate" ignores the fact that, like most things, electricity actually costs more when the demand for it is higher, such as on hot summer afternoons, when many businesses are using their air conditioning and other cooling equipment.
- When advanced meters are in place in the near future, utilities may be able to offer customers a new pricing option called Time-of-Use pricing. During most of the day, customers on this new rate plan would pay less for electricity than flat-rate customers do, but at times of high demand, Time-of-Use customers would pay more.
- Customers could take advantage of the Time-of-Use rate to save money by changing the timing of their electricity usage - for example, using automatic timers to run certain electrical components used within your business during only certain parts of the day or by setting air conditioner thermostats a couple of degrees higher in the afternoons.

What Is "Time-of-Use Pricing?"

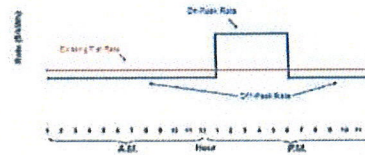
EXAMPLE
Higher-cost on-peak hours Monday-Friday



Lower-cost off-peak hours include all weekdays; off-peak hours indicated in the dark green. Weekends and designated holidays.

What Is "Time-of-Use Pricing?"

This illustrative time-of-use rate example consists of a higher price during the peak period and a discounted price during the remaining hours.



22

Reaction to Dynamic Pricing

Comments

POSITIVE

Because we're nonprofit, so we need all the money we can get. We would probably like ask the residents or anything that come into our offices, you know, what they would think, before we even do it. (Group 2, 9/25 - 8 p.m.)

It fits really nicely into my hours. So it would really cut down some costs. But, not very positive, because there's always, you know, I want more details. There is always some kind of a, maybe something you didn't read or it wasn't clear. And there is something always new, a little more fine print on it. (Group 2, 9/25 - 8 p.m.)

I said positive, but that would only be if I could shift some of the machinery use to the morning, in other words from 8:00 till 1:00, rather than afternoon. So it would require an awful lot of planning and pushing and telling people, don't touch that after 1:00. But I said positive because if it did work, then there would be a savings. The other side of that would be I wouldn't be too happy if it was something that we had to do. If you could opt in, that would be great, if you think it would be help you. But if you had to do it, if you as a business customer were forced to do it, it wouldn't make me very happy. (Group 2, 9/25 - 8 p.m.)

I was positive about it. I felt it could lower costs and the big thing was save energy, that not everybody's using energy right at the peak time when it can be distributed. (Group 4, 9/26 - 8 p.m.)

I think it could work in a number manufacturing settings, especially heavy industry. You know, it's just a matter of whether they're able to be flexible in the timing of their work. (Group 4, 9/26 - 8 p.m.)

23

Reaction to Dynamic Pricing

Comments (cont.)

NEUTRAL

I think there are businesses it probably can help. Just I know my particular business it wouldn't. (Group 2, 9/25 - 8 p.m.)

How much is the savings? Is it worth making the changes? (Group 2, 9/25 - 8 p.m.)

Are the people going come during this time or is it better for them to come during this time. You can't really say until you're doing it. (Group 2, 9/25 - 8 p.m.)

Well, we're an office, and we're kind of normal 8:30 to 5:00. And we have to deal with other law firms and other companies that, in that timeframe as well. (Group 2, 9/25 - 8 p.m.)

Yeah and again, depending on much you have to pay your employees to get them to come in. But those are the kinds of things you can shift. (Group 4, 9/26 - 8 p.m.)

You might be able to pay your employees more actually, and not run your air conditioning, when they work at night. (Group 4, 9/26 - 8 p.m.)

NEGATIVE

Just with our business, our retail hours, I just don't think it's something that would help us out. We're open from a certain time to a certain time. And I don't see us changing that. I don't think we could change it. (Group 2, 9/25 - 8 p.m.)

We really can't change the hours that much. (Group 2, 9/25 - 8 p.m.)

Well the same as I said before, there is nothing I can do. (Group 2, 9/25 - 8 p.m.)

It's not going to affect me because I can't change. So what's the difference? (Group 2, 9/25 - 8 p.m.)

No, I don't feel it would help. (Group 2, 9/25 - 8 p.m.)

Again I think we keeping coming back to it. I just can't imagine how I could use it in my life or even my business. I think it's a good idea. It may work for a lot of people, other businesses, other industries perhaps. But I probably can't partake in it. (Group 4, 9/26 - 8 p.m.)

Reaction to Dynamic Pricing

Comments (cont.)

NEGATIVE (cont.)

We couldn't possibly. I'm working in a surgical practice. I mean you have to have the air at a certain temperature so people don't pass out. We're running electrical, doing procedures on patients. (Group 4, 9/26 - 8 p.m.)

It's not only that, but to disrupt and upset your entire operation. And all of our operations are kind of this sort. And to say okay, we're going to save our \$200 electric bill, we're all going to work through the middle of the night. I mean it's just totally unrealistic. (Group 4, 9/26 - 8 p.m.)

There are a lot of feasibility, but it's not practical. (Group 4, 9/26 - 8 p.m.)

But then I'm going to have to have other people there on the other days. So now, instead of saving money, I'm spending more money because they used be off on Saturday. (Group 4, 9/26 - 8 p.m.)

Unless, you know, you would want to work on a Saturday or a Sunday to just do office work. (Group 4, 9/26 - 8 p.m.)

The greater the price differential, the less optional it becomes and the more you are forced to make a choice. So I can no longer sit back and make the choice as an option. It's something I have to do. And then I'm going to have to program people as the choices become more expensive. (Group 4, 9/26 - 8 p.m.)

Time-of-Use Pricing Concepts

Detailed Findings with Customer Comments

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Time-of-Day Plan Design Concept 1

Key Findings

- < While slightly more than half of the participants felt positive about the rate plan, they did not feel that their business would benefit from TOU pricing.
- < Those who were neutral or negative felt that they could not switch their business hours to take advantage of the savings.
- < Some voiced concerns that they would be forced into a rate plan which could impact the way they conduct business.
- < Some of the participants that ran non-profit centers felt that they could potentially benefit from this type of rate program during the summers months.
- < A bigger incentive would be necessary to participate.

	Total	Grp #2	Grp #4
Reaction to Design 1: Time-of-Day Rate Plan	<i>n</i> =16	<i>n</i> =10	<i>n</i> =6
Total Positive	8	4	4
Very positive	0	0	0
Somewhat positive	8	4	4
Neutral	5	4	1
Total Negative	1	1	0
Missing	2	1	1
Design 1: Time-of-Day Rate Plan Could Benefit Me	<i>n</i> =16	<i>n</i> =10	<i>n</i> =6
Yes	2	2	0
No	7	4	3
Neutral/Don't Know	6	4	2
Missing	1	0	1

27

Time-of-Day Plan Design Concept 1

Program Features

On-Peak Rate:	5 times the Off-Peak rate
On-Peak Period:	1PM – 6PM Monday-Friday (2.5 hrs. a week)
Program Timeframe:	June through September

Assuming an average business uses about 50% of its electricity during "on-peak" hours and 50% during "off-peak" hours and assuming the business' electric bill is \$550 per month on a flat rate, the table below shows what might happen to this businesses' bill under this rate plan.

	Standard Monthly Cost	Monthly Cost w/ Time-of-Day	Monthly Savings
Business shifts 5% of its total electricity use to on-peak (55% on-peak/45% off-peak)	\$550	\$605	-\$55
No change, the business continues to use electricity as usual (50% on-peak/50% off-peak)	\$550	\$550	\$0
Business shifts 5% of its total electricity use to off-peak (45% on-peak/55% off-peak)	\$550	\$495	\$55
Business shifts 10% of its total electricity use to off-peak (40% on-peak/60% off-peak)	\$550	\$440	\$110

29

Reaction to Time-of-Day Plan Design Concept 1

Comments

POSITIVE

I changed to positive, because like she said, looking at the chart to actually see what you could potentially save. And if you can't, you're still at the same rate. You're not losing anything. (Group 2, 9/25 - 8 p.m.)

That looks good to me because I can shift everything. So it'll save me money. (Group 2, 9/25 - 8 p.m.)

I was positive that it could benefit some businesses. I'm all for conserving energy, if it benefits somebody, then fine. It gives a business options and possibilities. So, options are always good. (Group 2, 9/25 - 8 p.m.)

The same. I was positive about it. And it's a better option, just because anytime you can have a bigger incentive, it will draw more people to it. And I still can't use it myself, nor will I even start considering, just because it doesn't outweigh the benefit. (Group 4, 9/26 - 8 p.m.)

It's positive right now. It's a greater cost and energy savings. Currently that would work for me. Again, there would be a concern as the business grew, whether or not this would be the right model. So an "out" would definitely be a good option. (Group 4, 9/26 - 8 p.m.)

NEUTRAL

I don't know whether I hate it. But there's not much stability. I mean I just don't, I wish I could, but I just can't. (Group 2, 9/25 - 8 p.m.)

I was neutral because looking at that chart, the way my business runs. My bill would stay the same according to that. (Group 2, 9/25 - 8 p.m.)

I was neutral because of the consistent hours that we have to keep. I just put it's nice for those who can take advantage of it. Good for them. (Group 2, 9/25 - 8 p.m.)

Well I was going to say it would be much easier for someone to participate in this if it was a year-round program, as opposed to just a part-time. I mean if I was an owner, you try to reschedule people around that. (Group 4, 9/26 - 8 p.m.)

29

Reaction to Time-of-Day Plan

Design Concept 1

Comments (cont.)

NEGATIVE

No. I don't see it. That's peak for us, especially in the summer. You can't really not cool the place. (Group 2, 9/25 - 8 p.m.)

Yes. I have to run the fans on Saturday and Sunday, too. I'm usually just as demanding. I'm using the same, seven days a week. I can't change the temperature. (Group 2, 9/25 - 8 p.m.)

They're going to probably have to in some businesses. Maybe not in the ones here because it's not a big part of their overhead. But some people might have to. (Group 4, 9/26 - 8 p.m.)

Are you're going to change your whole business process just for the summer? No. (Group 4, 9/26 - 8 p.m.)

Yeah. Or you work at night-time, and your kids are at home! (Group 4, 9/26 - 8 p.m.)

30

Time-of-Day Plan

Design Concept 2

Key Findings

- < Initial reaction for Rate Design #2 was generally more positive than Design #1. Some offered the same feedback, noting that this type of plan could work for some business, but not theirs.
- < A TOU rate plan needs to fit the user, it just is not for everyone.
- < Some mentioned concerns with being "locked in" to TOU rates if usage changed or increased due to business growth.
- < The key negative was that many did not feel their businesses allow for schedule flexibility to conform with on and off peak timing.

	Total	Grp #2	Grp #4
Reaction to Design 2: Time-of-Day Rate Plan	n=16	n=10	n=6
Total Positive	10	5	5
Very positive	0	0	0
Somewhat positive	10	5	5
Neutral	6	4	1
Total Negative	1	1	0
Design 2: Time-of-Day Rate Plan Could Benefit Me	n=16	n=10	n=6
Yes	4	3	1
No	7	3	4
Neutral/Don't Know	5	4	1

31

Time-of-Day Plan Design Concept 2

Program Features

On-Peak Rate:	2 times the Off-Peak rate
On-Peak Period:	2PM - 6PM Monday-Friday (20 hrs. a week)
Program Timeframe:	June through September

Assuming an average business uses about 50% of its electricity during "on-peak" hours and 50% during "off-peak" hours and assuming the business' electric bill is \$550 per month on a flat rate, the table below shows what might happen to this businesses' bill under this rate plan.

	Standard Monthly Cost	Monthly Cost w/ Time-of-Day	Monthly Savings
Business shifts 5% of its total electricity use to on-peak (55% on-peak/45% off-peak)	\$550	\$572	-\$22
No change, the business continues to use electricity as usual (50% on-peak/50% off-peak)	\$550	\$550	\$0
Business shifts 5% of its total electricity use to off-peak (45% on-peak/55% off-peak)	\$550	\$528	\$22
Business shifts 10% of its total electricity use to off-peak (40% on-peak/60% off-peak)	\$550	\$506	\$44

32

Reaction to Time-of-Day Plan Design Concept 2

Comments

POSITIVE

It might work out with the weekend. It's the same metric. And then if you went to the extreme one way or the other, then you're \$66 saving where the other one would be \$165 savings. So you save, it cost \$55 more to save \$110. (Group 2, 9/25 - 8 p.m.)

I don't know which would mathematically work out. To me it would be positive, like he said on weekends, I'm using the same amount of electricity. But I really couldn't change much (Group 2, 9/25 - 8 p.m.)

One of the things that I overlooked was the program timeframe. And during the summer, I guess a lot of the things that we do take place in the earlier part of the day. So that would possibly be to our benefit. Although, it would run into that peak time, but it wouldn't be as much. (Group 2, 9/25 - 8 p.m.)

I said positive because we, too, might be able to shift it. And being in the service, every dollar counts. As long as we don't have to sacrifice the quality of our programs. (Group 2, 9/25 - 8 p.m.)

Because it's the 2:00 to 6:00, which makes it much more feasible for us. And summer months, most of our children are out of the building by 3:00, in the summer. (Group 2, 9/25 - 8 p.m.)

You know, it's good. But it's just not for everybody. So it certainly will benefit the right fit user. And then that will potentially benefit society. (Group 4, 9/26 - 8 p.m.)

Like I mentioned, it would be good for the heavier users that could benefit from, or had the abilities to switch out their workforce, take advantage of the situation. (Group 4, 9/26 - 8 p.m.)

I have put that it's a positive idea because it could save a lot of people a lot of money, but unfortunately, it's not something that we can do at the office. (Group 4, 9/26 - 8 p.m.)

33

Reaction to Time-of-Day Plan

Design Concept 2

Comments (cont.)

NEUTRAL

Depending on the shift. The more I save the better, but less risk with this one as well. (Group 2, 9/25 - 8 p.m.)

It doesn't really benefit me. But, I don't hate it, either. (Group 4, 9/26 - 8 p.m.)

I have nothing against the idea at all. I guess it's a good thing. My initial reaction is neutral. (Group 4, 9/26 - 8 p.m.)

NEGATIVE

So to do anything for that little bit of money, that's just not worth anything to me. (Group 2, 9/25 - 8 p.m.)

Not that I think I could, is part of the problem, too. But that little bit of savings, I just don't think that it's worth it, for me. (Group 2, 9/25 - 8 p.m.)

We wouldn't be able to shift much. We leave at 5:00 anyway. (Group 2, 9/25 - 8 p.m.)

It just doesn't work. Unless you want to change the whole mentality of the entire business. (Group 2, 9/25 - 8 p.m.)

34

Other Topics

Detailed Findings with Customer Comments

+ ↑ ↗ - = ↓ % + ↑ ↗ - = ↓ * > % + ↑ ↗ 35

Understanding Monthly Bill Information

Key Findings

- Participants in both groups were only moderately aware of their total bill charges. Some said that they would not be able to estimate the amount of their monthly electric bill within a plus/minus 10% range.
- Some business people were more knowledgeable than others, and were able to indicate that the bill contains distribution and transmission charges as well as taxes. Others indicated that they simply pay the bill – they may be aware that there are multiple line items, but do not think about what they are.

Comments from Discussion

Generation, transmission, taxes. (Group 2, 9/25 - 8 p.m.)

I don't look at that stuff. I just look at the bottom line and pay the bill. (Group 2, 9/25 - 8 p.m.)

You know, there's a copy for the supplier. I pay attention to that, but the rest of the stuff. (Group 2, 9/25 - 8 p.m.)

I just know what it was last month. (Group 4, 9/26 - 8 p.m.)

It just didn't make any sense to me. So many dollars for this and so many dollars for that. (Group 4, 9/26 - 8 p.m.)

It isn't the easiest bill to decipher without getting somebody on the phone and having them explain to you what it is. (Group 4, 9/26 - 8 p.m.)

36

Communication Channels

Key Findings

- Email was the method of choice for most participants.
 - Direct mail was also popular; however, many stressed that this should come separate from the bill, to grab attention.
- Types of communications that Small C/I customers would expect to see from DLC included:
- Online billing for commercial accounts.
 - Custom report of their usage and savings.
 - Compare usage rates with alternative programs.
 - Tips for becoming more energy efficient.
 - More information on programs.

Comments from Discussion

Emails from time to time just to let me know where they are in the program and when it's starting and, you know, what my options are. (Group 4, 9/26 - 8 p.m.)

Email would be nice for information. (Group 2, 9/25 - 8 p.m.)

Send a flier with the bill. (Group 2, 9/25 - 8 p.m.)

When I open up the bill, anything that's in there besides the envelope goes to the garbage. (Group 2, 9/25 - 8 p.m.)

Not with the bill. Send me something different in the mail. Like I said, I get a lot of stuff. (Group 4, 9/26 - 8 p.m.)

As a business owner, you have too much else to do. And if they want to keep you engaged, then it's got to be easy to see, to find, to have. (Group 2, 9/25 - 8 p.m.)

Don't call me because I don't have time to talk to you. (Group 2, 9/25 - 8 p.m.)

They would have to give me the information about what my usage is on-peak, off-peak; so that I could critique is this helping me? (Group 2, 9/25 - 8 p.m.)

On the bill, it should just be on your bill so that each month you could look at it. (Group 2, 9/25 - 8 p.m.)

Just show me what I save. (Group 2, 9/25 - 8 p.m.)

That would be neat to see, you know, whether you're saving or not. (Group 2, 9/25 - 8 p.m.)

37

Smart Meter Implementation

Key Findings

- Small C/I customers that participated in the focus groups seemed generally interested in learning more about Smart Meters and being able to monitor electric usage.
- Some expressed interest in having the ability to analyze usage month-to-month and learn what to do differently to reduce usage.

Comments from Discussion

That might help you to find ways to conserve it, too, especially if you can compare this month to last month or this time of day. (Group 2, 9/25 - 8 p.m.)

What am I doing differently? What could I do differently? (Group 2, 9/25 - 8 p.m.)

It's very valuable, but I think they could first start with providing an online billing for businesses because Duquesne Light doesn't have that. (Group 4, 9/26 - 8 p.m.)

35

Appendices

Moderator's Guide and Pencil & Paper Activities

Moderator's Guide

DUQUESNE LIGHT FOCUS GROUPS MODERATOR'S GUIDE – SMALL C&I OBJECTIVES

- To explore general Small C&I customer perceptions and opinions about DLC and its current programs and services
- To determine business customers' current awareness of dynamic (time-of-use or TOU) pricing
- To provide basic information about dynamic pricing and then understand positive and negative customer reactions to the general concept and drivers of fear/uncertainty/doubt.
- To understand what benefits and features of a TOU pricing program would be of greatest/least interest to business customers: alternative time/price structures, systems for providing usage and price information, etc.

I. INTRODUCTION (5 MINUTES)

- Moderator welcomes the participants and familiarizes them with the focus group rules and facility (e.g., no right or wrong answers, microphones, videotaping)
- Participants introduce themselves; First name, type of business they operate, number of employees, type of building they are located in, etc., and anything unique or unusual about the way their businesses uses electricity (manufacturing, hours of operation, etc.)

- Moderator introduces topic: Here to talk about DLC's services to you, and what you might expect from them, now and in the future. We'll be talking about some possible new ideas and technologies, and getting your thoughts and reactions
- Your ideas will be very valuable to us, so input from all sides is encouraged, although I may need to move us along from time-to-time to keep us on track as we use up the time we have together

II. GENERAL DLC DISCUSSION (15 MINUTES)

I'd like to remind you that while we are all consumers, our conversation tonight is from your perspectives as a business owner. Let's start off with a very general question...

1. In the past three months or so, what have you seen, heard or read about DLC? [PROBES]
 - What else? Anything else? Other topics?
 - Have you seen any specific community outreach by DLC?
 - Where did you read/see/hear it?
 - Did what you read/saw/hear strike you as positive, neutral or negative? Why?
2. Does Duquesne Light currently provide your electric supply or have you switched to another competitive electric supply company?
 - Why have you decided not to switch suppliers?
 - Why did you switch suppliers? What type of contacts and/or marketing literature from the competitive electric supply supplier(s) influenced your decision to switch?

40

Moderator's Guide (cont.)

3. Other than distributing electricity to your businesses, is anyone familiar with any programs or services that DLC makes available for business customers? [Probes]

- What program(s) have you heard about? Are you aware of the Watt Choices program? What have you heard about it?
- Do you participate in any of these programs? Have you participated in the Watt Choices program?
- What do you like/dislike about them? What are your experiences with the Watt Choices program?
- Anything else?
- Are these good things for DLC to be doing?
- How valuable are they?
- Which are most/least valuable? Why?
- Are there other types of programs you feel DLC should offer?
- Considering electric competition in the State of Pennsylvania, should DLC continue to offer programs to business customers or should that be the responsibility of the alternative suppliers? Why?

4. Changing topics, what kind of an impact does the cost of electric service have on your cost of doing business?

- Has the amount that your business spends on electric service either increased or decreased in recent years? Any thoughts on why they have increased/decreased?
- How would you rank the importance of the cost of electricity compared to the importance of other costs you pay to conduct business?

5. Do you closely track or monitor your businesses' energy usage?

- How? Why?
- Are you currently taking steps to conserve energy at your business? What steps have you taken? Have you noticed any savings on your electricity bills?
- What are the barriers to using electricity more wisely in your business? [Probes]
 - Available time?
 - Priority with other business issues?
 - Available resources?
 - Limited ideas or opportunities?
 - The limited availability of products and services that are business customer specific?
- Would you be interested in becoming more active in using electricity more wisely? Why/why not?
- If you wanted information about energy conservation and how to use electricity more efficiently, where would you turn? What organizations, publications, individuals, websites, etc. are the best sources of information on these topics – the ones you would go to and trust?
- Do you think of DLC as an organization that can do a lot to help you conserve energy and use electricity more efficiently? Why/why not?

41

Moderator's Guide (cont.)

III. TOU AWARENESS (10 MINUTES)

Let's turn to the sheet we asked you to fill out while you were waiting for the group session to begin.

[SHOW OF HANDS FOR AWARENESS OF TOU. MODERATOR GOES AROUND THE TABLE ASKING EACH PARTICIPANT QUESTIONS ABOUT TOU.]

6. Realizing that most people don't know too much about these concepts yet, tell me what you wrote down about Time-of-Use. What do those words mean to you at this point? How did you learn that?
7. What about the benefits? Did you write anything down about how a business like yours might benefit from Time-of-Use? What did you say?
8. Did you note any Time-of-Use concerns? What are they? What are the challenge(s) of using Time-of-Use rates at your business? [Probes]
 - Is one of the primary challenges the fact that the peak pricing hours would likely occur during typical/normal weekday business hours?

IV. BROAD DISCUSSION OF TOU PRICING (15 MINUTES)

Let me give you a bit more information about the Time-of-Use pricing, and then we will go on talking about it.

[MODERATOR SHARES TOU HANDOUTS AND PROVIDES HIGH LEVEL INFORMATION ABOUT TIME-OF-USE PRICING. MODERATOR ALSO GENTLY CORRECTS MISPERCEPTIONS THAT MAY HAVE BEEN UNCOVERED IN THE DISCUSSION BASED ON THE INITIAL PENCIL & PAPER EXERCISE, AND TRIES TO MAKE SURE ALL PARTICIPANTS HAVE A CLEAR AND ACCURATE UNDERSTANDING.]

OK, so now we all share a common, basic understanding of what "time-of-use" electric rates are. Based on this new information, please take a pencil and fill out the first reaction page in the package in front of you which asks for your overall, initial reactions to the concept as I've explained it so far.

[Write-downs include positive/negative/neutral initial reaction with reasons; potential benefit; what like best about the idea; what like least/potential roadblocks.]

[MODERATOR ASKS EACH PARTICIPANT THE FOLLOWING QUESTION]

9. What did you write down? What is your reaction to time-of-use (TOU) pricing now? [Probes]
 - Positive/negative/neutral? Why?
 - Is this something that could benefit your business? Why/why not?
 - What do you like most about the idea? Why?
 - What do you like least about the idea? What are the roadblocks?
10. Would you like to see businesses like yours have access to different electricity rate options, or would you prefer a flat electricity rate? Why?
11. Does it matter that Duguesne Light, which is an electric distribution company, provides customers with time-of-use pricing options, or about electric competitive suppliers provide time-of-use pricing options? Why?
12. To what extent is it important that your businesses' electricity costs are somewhat known and predictable from month to month? How important (high, medium, low) is it to you that your electricity costs/energy costs are a predictable part of your budget?

[NOTE: DLC has an hourly price rate for its largest business customers. Only 5% of business customers that are eligible for this rate are on the rate. Customer feedback to-date has been that they prefer a known electricity cost to better manage their budgets.]

42

Moderator's Guide (cont.)

V. DISCUSSION OF TOU SPECIFICS (10 MINUTES)

Next, I'm going to give you more information about some of the specific ways that a time-of-use pricing program might be structured. Then we'll talk about your reactions.

[USING HANDOUTS, ONE AT A TIME, MODERATOR SHARES MORE DETAILED INFORMATION ABOUT SPECIFIC TOU PROGRAMS AND TRIES TO MAKE SURE ALL PARTICIPANTS HAVE A CLEAR AND ACCURATE UNDERSTANDING.]

AFTER FIRST EXPLANATION:

OK, based on this new information, please fill out the next page of the packet in front of you, which asks for your initial reactions to this more specific program.

[Write-downs include positive/negative/neutral initial reaction with reasons; potential benefit; what like best about the idea; what like least/potential roadblocks.]

[MODERATOR ASKS EACH PARTICIPANT THE FOLLOWING QUESTION]

13. What did you write down? What is your reaction to this program? [Probes]
 - Positive/negative/neutral? Why?
 - Is this something that could benefit your business? Why/why not?
 - What do you like most about the idea? Why?
 - What do you like least about the idea? What are the roadblocks?

MODERATOR REPEATS ABOVE PROCESS FOR EACH OF THE SPECIFIC ALTERNATIVE PROGRAMS TO BE DISCUSSED

VI. UNDERSTANDING OF MONTHLY BILL COMPONENTS (5 MINUTES)

14. Do you know how much you pay for electricity each month? (If yes, monthly bill amount)

[Very briefly discuss/probe with participants about their awareness. Note that Time-of-Use programs would only affect the electricity supply portion of a customer's bill.]

VII. COMMUNICATION CHANNELS (10 MINUTES)

The next topic I'd like to explore with you tonight is how you would like to get information about new pricing options DLC may introduce.

15. If DLC wanted to communicate with you about any of the Time-of-Use options we were talking about earlier, and get you interested in participating, what would be the best ways for them to do that? [Probes]
 - Bill stuffers
 - Other direct mail, postcards
 - Door hangers
 - Telephone
 - E-mail
 - Website
 - Social media
 - TV
 - Radio
 - Newspaper
 - Community meetings
 - Mobile display that visits your community
 - Other

43

Moderator's Guide (cont.)

16. And suppose that you were enrolled in one of these programs. What kind of communications would you expect from DLC to help you stay interested in the program and stay enrolled?

[Probes]

- Program-specific newsletter
- Proactive e-mail communications
- Program-specific website
- Telephone call(s) from a program-related representative
- Tips on benefiting from the program
- Customized analysis of savings through participation
- Information on system-wide benefits of the program
- Energy usage (display device (e.g., interactive/touchscreen picture frame sized device, refrigerator magnet, etc.)
- Other

VIII. SMART METER INFORMATION/CAPABILITIES (5 MINUTES)

There is just one final topic I would like to explore with you further tonight.

17. Duquesne Light plans to move forward with the installation of advanced meters in the near future that could make time-of-use rates and other services possible. What information or capabilities would be most beneficial to business customers like you once Duquesne Light develops a secure website option that gathers and summarizes data from your advanced meter?

[Possible Examples]

- Ability to compare current month/year to previous month/year (with graphing?)
- A line item stating what they would have paid on the flat rate versus the TOU pricing plan
- A line item that tells customer the percentage they have reduced power usage compared to the same time during the previous year
- Energy usage compared to other customers

IX. WRAP UP (5 MINUTES)

18. OK, great. These are all the topics we wanted to cover with you tonight. But I would like to ask each of you to make a final comment, summarizing your overall feelings about the topics we have discussed. How would you describe your feelings about DLC's idea of possibly offering new alternative rate plans to its business customers? Positive? Neutral? Negative? Hopeful? Excited? Apprehensive? Concerned? Confused? How do you react to all this?

19. Has the discussion tonight changed your view of DLC? Please explain. Do you feel differently about DLC than when you arrived? How have your feelings about DLC been affected? Why?

Thank participants and remind them to collect incentive checks.

As necessary, tell customers to take available information on the Watt Choices program with them.

44

Unaided Paper and Pencil Activity Example Pre-Work

Time-of-Use Electricity Pricing

Have you heard anything about an alternative way of setting electricity prices, where customers would pay lower or higher rates at different times, depending on the level of demand for electricity and the cost of producing it? This is sometimes called "Time-of-Use" pricing. (Please circle your response below)

YES NO DONT KNOW / NOT SURE

Based on what you have heard or just on your initial reaction, please explain briefly your reaction to this idea. How might you benefit as a customer? How might the community/society benefit? Do you have any concerns?

45

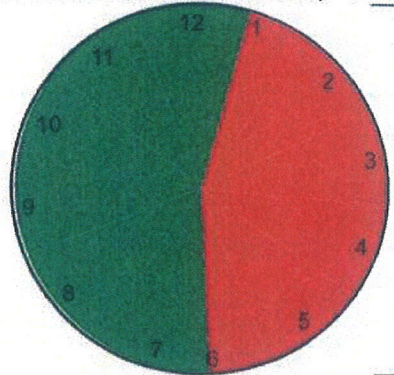
What Is "Time-of-Use Pricing?"

- Today, nearly all electricity customers pay the same fixed rate for electricity no matter when they use it during the day or night. This "flat rate" ignores the fact that, like most things, electricity actually costs more when the demand for it is higher, such as on hot summer afternoons, when many businesses are using their air conditioning and other cooling equipment.
- When advanced meters are in place in the near future, utilities may be able to offer customers a new pricing option called Time-of-Use pricing. During most of the day, customers on this new rate plan would pay less for electricity than flat-rate customers do; but at times of high demand, Time-of-Use customers would pay more.
- Customers could take advantage of the Time-of-Use rate to save money by changing the timing of their electricity usage -- for example, using automatic timers to run certain electrical components used within your business during only certain parts of the day or by setting air conditioner thermostats a couple of degrees higher in the afternoons

46

What Is "Time-of-Use Pricing?"

EXAMPLE
Higher-cost, on-peak hours Monday - Friday



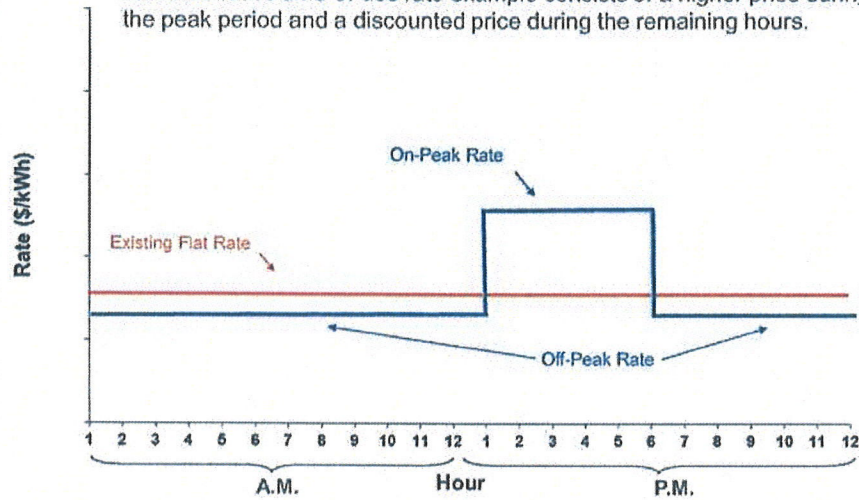
Higher Cost Hours:
1 P.M.-6 P.M.

Lower-cost, off-peak hours include all weekday off-peak hours indicated in the clock above, weekends and designated holidays.

47

What Is "Time-of-Use Pricing?"

This illustrative time-of-use rate example consists of a higher price during the peak period and a discounted price during the remaining hours.



48

Reaction to General Time-of-Use Information

Is your initial reaction to this idea negative, neutral or positive? (Circle your response below)

Very Negative Negative Neutral Positive Very Positive

Why do you feel that way?

Is this something that could benefit your business? (Circle your rating below)

No Neutral/Don't Know Yes

Why do you feel that way?

What do you like most about the idea? Why?

What do you like least? Are there any roadblocks that might prevent businesses from taking advantage of this?

49

Design 1:

One Possible Time-of-Day Rate Plan

Program Features	
On-Peak Rate:	5 times the Off-Peak rate
On-Peak Period:	1PM – 6PM Monday-Friday (25 hrs. a week)
Program Timeframe:	June through September

Assuming an average business uses about 50% of its electricity during "on-peak" hours and 50% during "off-peak" hours and assuming the business' electric bill is \$550 per month on a flat rate, the table below shows what might happen to this businesses' bill under this rate plan.

	Standard Monthly Cost	Monthly Cost w/ Time of Day	Monthly Savings
Business shifts 5% of its total electricity use to on-peak (55% on-peak/45% off-peak)	\$550	\$605	-\$55
No change, the business continues to use electricity as usual (50% on-peak/50% off-peak)	\$550	\$550	\$0
Business shifts 5% of its total electricity use to off-peak (45% on-peak/55% off-peak)	\$550	\$495	\$55
Business shifts 10% of its total electricity use to off-peak (40% on-peak/60% off-peak)	\$550	\$440	\$110

50

Reaction to Time-of-Day Rate Plan Information

Is your initial reaction to this idea negative, neutral or positive? (Circle your response below)

Very Negative Negative Neutral Positive Very Positive

Why do you feel that way?

Is this something that could benefit you? (Circle your rating below)

No Neutral/Don't Know Yes

Why do you feel that way?

What do you like most about the idea? Why?

What do you like least? Are there any roadblocks that might prevent businesses from taking advantage of this?

51

Design 2:

One Possible Time-of-Day Rate Plan

Program Features	
On-Peak Rate:	2 times the Off-Peak rate
On-Peak Period:	2PM - 6PM Monday-Friday (20 hrs. a week)
Program Timeframe:	June through September

Assuming an average business uses about 50% of its electricity during "on-peak" hours and 50% during "off-peak" hours and assuming the business' electric bill is \$550 per month on a flat rate, the table below shows what might happen to this businesses' bill under this rate plan.

	Standard Monthly Cost	Monthly Cost w/ Time of Day	Monthly Savings
Business shifts 5% of its total electricity use to on-peak (55% on-peak/45% off-peak)	\$550	\$572	-\$22
No change, the business continues to use electricity as usual (50% on-peak/50% off-peak)	\$550	\$550	\$0
Business shifts 5% of its total electricity use to off-peak (45% on-peak/55% off-peak)	\$550	\$528	\$22
Business shifts 10% of its total electricity use to off-peak (40% on-peak/60% off-peak)	\$550	\$506	\$44

52

Reaction to Time-of-Day Rate Plan Information

Is your **initial reaction** to this idea negative, neutral or positive? (Circle your response below)

Very
Negative
Negative
Neutral
Positive
Positive
Very

Why do you feel that way?

Is this something that could benefit you? (Circle your rating below)

No
Neutral/Don't Know
Yes

Why do you feel that way?

What do you like most about the idea? Why?

What do you like least? Are there any roadblocks that might prevent people from taking advantage of this?

53