



May 2, 2018

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

**Re: Pa. PUC v. Duquesne Light Company, Docket No. R-2018-3000124**

Dear Secretary Chiavetta,

Enclosed, please find the *Prehearing Memorandum of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)* in the above referenced matter. Copies are being served as indicated in the attached Certificate of Service.

Respectfully,

A handwritten signature in blue ink, appearing to read "Elizabeth Marx", is written over a light blue circular stamp.

Elizabeth Marx  
Counsel for CAUSE-PA

Enclosures

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Pennsylvania Public Utility Commission** :  
: **Docket No. R-2018-3000124**  
v. :  
:  
**Duquesne Light Company** :  
:

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**PREHEARING MEMORANDUM  
OF THE COALITION FOR AFFORDABLE UTILITY SERVICES  
AND ENERGY EFFICIENCY IN PENNSYLVANIA**

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**PENNSYLVANIA UTILITY LAW PROJECT**  
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**May 1, 2018**

**I. Introduction**

On April 26, 2018, a Prehearing Conference Order was issued by Administrative Law Judge Katrina L. Dunderdale, setting a prehearing conference for Thursday, May 3, 2018, and requiring parties to file a prehearing memorandum no later than noon on Wednesday May 2, 2018. In response, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), through its counsel at the Pennsylvania Utility Law Project, hereby submits this Prehearing Memorandum.

**II. History of the Proceeding**

On March 28, 2018, Duquesne Light Company (Duquesne Light) submitted a rate filing, Tariff Electric – Pa. PUC No. 24 (“Tariff No. 24”), which proposes to increase its distribution revenue by approximately \$133.8 million, or 2.2% above existing distribution revenues. A residential customer using 600 kilowatt hours would see their total bill increase from \$98.15 to \$106.80 or by 8.82%. The Companies also proposed increasing the fixed customer charge for residential customers to \$16.25 per month.

On April 10, 2018, CAUSE-PA filed a Petition to Intervene.

On April 19, 2018, the Commission entered an Order suspending the Duquesne Light tariff by operation of law. The Order opened an investigation to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained therein, and further noted that “consideration should be given to the reasonableness of the Duquesne Light, existing rates, rules, and regulations.” (S&I Order at 2).

**III. Issues to be Addressed**

In addition to complying with sound rate making principles, including the requirement that rates be just and reasonable, Duquesne Light must also ensure that its rates and tariff comply

with the billing, collections, and termination standards contained in Chapters 14 and 56 of the Public Utility Code and the universal service requirements contained in the Electric Generation Customer Choice and Competition Act and Chapters 58 and 69 of the Public Utility Code. See 66 Pa. C.S. Ch. 14; 52 Pa. Code Ch. 56, 58, 69; 66 Pa. C.S. § 2804(9).

In the event that the Commission approves any distribution rate increase, the Commission should condition approval on Duquesne Light's agreement to perform such actions as are necessary to assure compliance with applicable sections of the Public Utility Code, Commission regulations and guidelines, and prior approved settlement agreements.

Counsel for CAUSE-PA has preliminarily reviewed Duquesne Light's rate filing, and generally objects to Duquesne Light's request for increase on the grounds that the proposed rate increase could result in unjust and unreasonable rates that could impose severe hardship on low and moderate income residential customers and consumers.

While CAUSE-PA is still formulating its positions on all of the issues presented, it is concerned about the effect that the proposed rate increase will have on the affordability of service for economically vulnerable households within Duquesne Light's service territory, and has tentatively identified the following issues presented by the filing which affect its members:

- i. The financial impact of Duquesne Light's proposed distribution rate increase on the residential customer class, particularly low income households;
- ii. The effect of Duquesne Light's proposal to increase its customer charge to \$16.25 on residential customers with low or moderate income, and the impact such an increase may have on the ability of low income consumers and affordable housing providers to mitigate the impact of the rate increase through conservation and energy efficiency;
- iii. The design, delivery, and funding of Duquesne Light's universal service programs, including Duquesne Light's low income usage reduction program, to sufficiently offset the impact of a rate increase and produce an affordable bill for all residential customers.

CAUSE-PA asserts that these matters must be thoroughly reviewed through discovery and a hearing to ensure that any approved rate increase is in the public interest and that the Company's low-income customers are sufficiently protected from the harm caused by any rate increase. CAUSE-PA anticipates that additional issues may arise as a more comprehensive review of the Company's filing is undertaken, discovery is conducted, and other parties present evidence and testimony. CAUSE-PA reserves the right to present evidence on any of the other issues contained in Duquesne Light's filing but not specifically identified above, as well as issues raised by other parties.

#### **IV. Witnesses**

CAUSE-PA intends to present the following witnesses to testify in this matter, but reserves the right to call additional or substitute witnesses as may be warranted upon proper notice to Your Honor and the parties:

Harry Geller, Esq.  
118 Locust Street  
Harrisburg, PA 17101  
[hgellerpulp@palegalaid.net](mailto:hgellerpulp@palegalaid.net)

Mr. Geller will testify about the impact of the rate increase generally on low-income households and the need to mitigate this increase to ensure that rates remain just and reasonable for those least able to afford electricity service.

Sarah Ralich  
Action Housing Inc.,  
611 William Penn Place  
Suite 800  
Pittsburgh, PA 15219-6927  
[sralich@actionhousing.org](mailto:sralich@actionhousing.org)

Ms. Ralich will address the impact that the Company's proposed rate design and rate increase will have on the ability of affordable multifamily housing providers within the Company's service territory to provide affordable housing to low income households, and the need for additional rate relief for non-profit housing providers that serve very low-income tenants.

Both Mr. Geller and Ms. Ralich may also address other issues that arise through the course of this proceeding.

**V. Discovery**

CAUSE-PA supports the standard discovery modifications proposed by the Office of Consumer Advocate (OCA).

**VI. Settlement**

CAUSE-PA will work with any and all of the other parties in this proceeding to attempt to come to a full or partial settlement of the litigated issues.

**VII. Service on CAUSE-PA**

Service on CAUSE-PA may be made on its attorneys at the Pennsylvania Utility Law Project as follows:

Patrick M. Cicero, Esq  
Elizabeth R. Marx, Esq.  
Kadeem Morris, Esq.  
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We request that parties serve one hard copy in addition to an electronic copy of all documents served in this proceeding.

**VIII. Litigation Schedule**

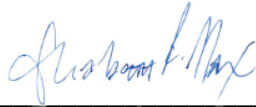
CAUSE-PA has been engaged in discussions with the other parties in an attempt to reach an agreement on a litigation schedule which provides for sufficient time between each round of testimony to allow for discovery to be exchanged. At the time of this filing, the parties have not reached consensus on a proposed schedule; however, we continue to work in good faith with the parties in an attempt to reach a workable solution.

**IX. Conclusion**

CAUSE-PA respectfully requests that its Prehearing Memorandum be entered into the record of this proceeding.

Respectfully submitted,

**PENNSYLVANIA UTILITY LAW PROJECT**  
*Counsel for CAUSE-PA*



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Date: May 1, 2018



**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Pennsylvania Public Utility Commission** :  
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v. : **Docket No. R-2018-3000124**  
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**Duquesne Light Company** :  
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**Certificate of Service**

I hereby certify that I have this day served copies of the **Prehearing Memorandum of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania** upon the parties of record in the above captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54 in the manner and upon the persons listed below.

**VIA First Class Mail and Email**

The Honorable Katrina Dunderdale  
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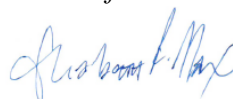
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