

on May 8, 2018 and scheduled the evidentiary hearings to be conducted in Harrisburg, Pennsylvania on August 15 through August 17, 2018. Thereafter, the parties engaged in discovery.

On August 15, 2018, the presiding officer conducted an evidentiary hearing that concluded on August 17, 2018. At the start of the evidentiary hearing, Duquesne advised the presiding officer that it had reached an agreement on all issues except one: the rate for back-up service under Rider 16. That agreement, reached in principle, proposed a \$40.5 million revenue requirement and was accepted by all parties except Peoples Natural Gas Company LLC (Peoples). The evidentiary hearing proceeded on the one unresolved issue.

During cross-examination of Duquesne's witness, Howard Gorman (Mr. Gorman) by counsel for Peoples, Mr. Gorman testified the settlement reached between all parties, except Peoples, had resulted in some downward changes to some numerical calculations. Counsel for Peoples asked the witness to estimate what impact the newly-settled revenue requirement in the settlement would have on the rate for back-up service under Rider 16 as originally proposed. (See Tr. 340, lines 9-13). As part of the cross-examination of Mr. Gorman on this issue, Peoples made an on-the-record data request for Mr. Gorman's workpapers which would support the estimated scale back of the originally-filed back-up rate for Rider 16. In response to the Data Request from Peoples, Duquesne served a copy of the requested workpapers to all parties, including Duquesne Industrial Intervenors (DII), by mail on August 17, 2018.

During the course of the evidentiary hearing, DII made an On The Record Data Request (Data Request). Subsequent to the oral Data Request, DII filed a motion, asking to admit the documentation received from Duquesne's witness by mail on August 17, 2018.

DISCUSSION

In a rate proceeding, a presiding officer may require a witness to provide additional information and/or documents if requested by a party during cross-examination of that witness, pursuant to 52 Pa.Code § 5.351. At the time the witness appears for cross-examination,

the party may ask that the witness be ordered to provide the information or documents at a later time. The request may be made orally or in writing but objections, if any, should be made at the time the request for data is made.

During the evidentiary hearing, DII made a request for information during the evidentiary hearing. Thereafter, on August 23, 2018, DII filed its Motion to Admit on the Record Data Request Response (Motion to Admit). Duquesne provided those workpapers by mail on August 17, 2018.

On August 23, 2018, DII filed its Motion to Admit on the Record Data Request Response (Motion to Admit), in which it referenced the exchange between Mr. Gorman and counsel for Peoples. DII made two motions. First, DII moved to mark a four-page document into evidence as DII Cross Exhibit No. 3, pursuant to 52 Pa.Code § 5.402(b). DII Cross Exhibit No. 3 consists of a cover page, Duquesne Exhibits 6-4H and 6-4I of the workpapers, and a verification signed by Mr. Gorman. Second, DII moved to admit DII Cross Exhibit No. 3 into the hearing record, pursuant to 52 Pa.Code § 5.402(a).

Section 402 of Title 52 in the Pennsylvania Code provides, in part:

- (a) A party shall move the admission of evidence into the record upon presentation of the sponsoring witness, and after opportunity for other parties to examine the witness.
- (b) For an exhibit to be received into evidence, it shall be marked for identification and moved into evidence.

Pursuant to 52 Pa.Code § 5.351, any party to a rate proceeding is permitted during the hearing to ask a witness to provide information or documentation at a later time as part of the witness' response to a question under cross-examination. The request may be made in writing or orally, but the request should be presented at the time the witness appears for cross-examination. The answer to the request should be supplied as directed by the presiding officer and objections must be made at the time the request is made.

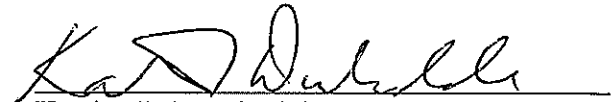
No objection to the request of DII has been received.

THEREFORE,

IT IS ORDERED:

That DII Cross Exhibit No. 3 attached hereto is marked and admitted into the hearing record.

Date: August 29, 2018


Katrina L. Dunderdale
Administrative Law Judge

R-2018-3000124 - PENNSYLVANIA PUBLIC UTILITY COMMISSION V. DUQUESNE LIGHT COMPANY 1308(D)

(Revised 8/29/18)

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C-2018-3002424

DII Cross Exhibit No. 3

Date: _____

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

DUQUESNE LIGHT COMPANY

DOCKET NO. R-2018-3000124

Duquesne Light Company
 Class ACOS Study- Settle (\$40.5M)
 Fully Projected Future Test Year
 Rider 16- Back-up Power

Rider 16
 Rider 16- Back-up Power
 Chst
 Exh 6-4H-S

Line	Account	Refer to Exh 6-7A- S and Exh 6-7B-S	GM<25	GM>25	GMH<25	GMH>25	GL	GLH	L	Total	Per kW- Month
1	Distribution Plant	Line 37	98,350	460,971	8,318	47,061	452,243	69,706	150,590	1,287,239	
2	General Plant	Line 42	6,465	29,899	545	3,029	28,382	4,099	9,736	82,155	
3	Total Utility Plant		104,815	490,870	8,864	50,090	480,626	73,804	160,326	1,369,394	
4											
5	Depreciation Reserve	Lines 49-61	(33,959)	(158,493)	(2,867)	(16,127)	(153,216)	(22,996)	(51,510)	(439,168)	
6	Other Rate Base	Line 73	(13,091)	(61,327)	(1,107)	(6,258)	(60,057)	(9,228)	(20,018)	(171,086)	
7	Total Rate Base		57,765	271,050	4,889	27,704	267,353	41,581	88,798	759,140	
8											
9	Oper. & Maint. Expense	Line 102	1,731	7,968	146	803	7,381	1,017	2,563	21,609	\$1.18
10	Customer Accounts Expense	Exh 6-7D-S Line 110								0	\$0.00
11	Property Insurance	Line 123								0	\$0.00
12	Injuries & Damages	Line 124								0	\$0.00
13	Empl Pensions & Benefits	Line 125	208	962	18	97	913	132	313	2,643	\$0.14
14	Misc Genl Plant- Metering	Exh 6-7D-S Line 131								0	\$0.00
15	Depreciation Expense	Lines 142-153	2,705	12,663	228	1,288	12,204	1,828	4,082	34,997	\$1.90
16	Total Operating Expenses		4,644	21,593	391	2,189	20,498	2,976	6,958	59,248	\$3.22
17											
18	REVENUE REQUIREMENTS										
19	Target Rate of Return		6.9370%	6.9370%	6.9370%	6.9370%	6.9370%	6.9370%	6.9370%	6.9370%	
20	Rate Base		57,765	271,050	4,889	27,704	267,353	41,581	88,798	759,140	
21											
22	Target Return on Rate Base- After taxes		4,007	18,803	339	1,922	18,546	2,884	6,160	52,662	\$2.87
23	Income taxes to recover	18.98%	761	3,569	64	365	3,520	548	1,169	9,996	\$0.54
24	Operating expenses		4,644	21,593	391	2,189	20,498	2,976	6,958	59,248	\$3.22
25	Subtotal- Rev Req before GRT		9,411	43,965	795	4,475	42,564	6,408	14,287	121,906	\$6.63
26	GRT needed	6.08%	572	2,673	48	272	2,588	390	869	7,412	\$0.40
27	TOTAL REVENUE REQUIREMENT		9,984	46,638	843	4,747	45,152	6,798	15,156	129,318	\$7.04
28											
29	NCP-Primary		118	547	10	56	536	81	183	1,532	
30	Monthly requirement per kW-month		\$7.05	\$7.11	\$7.02	\$7.10	\$7.02	\$6.95	\$6.88	\$7.04	
31											
32											
33											

Duquesne Light Company
Class ACOS Study- Settle (\$40.5M)
Fully Projected Future Test Year
Rider 16- Back-up Power- Primary

Rider16P
Rider 16- Back-up Power- Primary
Cust
Exh 6-4I-S

Line	Account	Refer to Exh 6-7A- S and Exh 6-7B-S	GM<25	GM>25	GMH<25	GMH>25	GL	GLH	L	Total	Per kW- Month
1	Distribution Plant	Line 37	88,829	412,087	7,545	42,065	406,617	62,461	138,787	1,158,393	
2	General Plant	Line 42	6,220	28,680	525	2,904	27,234	3,913	9,442	78,918	
3	Total Utility Plant		95,050	440,767	8,071	44,969	433,851	66,374	148,229	1,237,311	
4											
5	Depreciation Reserve	Lines 49-61	(31,142)	(144,068)	(2,638)	(14,653)	(139,735)	(20,850)	(48,028)	(401,113)	
6	Other Rate Base	Line 73	(11,837)	(54,896)	(1,005)	(5,601)	(54,051)	(8,274)	(18,465)	(154,129)	
7	Total Rate Base		52,070	241,803	4,427	24,715	240,065	37,251	81,737	682,069	
8											
9	Oper. & Maint. Expense	Line 102	1,676	7,699	141	776	7,133	978	2,498	20,901	\$1.14
10	Customer Accounts Expense	Exh 6-7D-S Line 110								0	\$0.00
11	Property Insurance	Line 123								0	\$0.00
12	Injuries & Damages	Line 124								0	\$0.00
13	Empl Pensions & Benefits	Line 125	200	923	17	93	876	126	304	2,539	\$0.14
14	Misc Genl Plant- Metering	Exh 6-7D-S Line 131								0	\$0.00
15	Depreciation Expense	Lines 142-153	2,416	11,175	205	1,136	10,827	1,612	3,723	31,095	\$1.69
16	Total Operating Expenses		4,292	19,796	363	2,005	18,836	2,716	6,525	54,534	\$2.97
17											
18	REVENUE REQUIREMENTS										
19	Target Rate of Return		6.9370%	6.9370%	6.9370%	6.9370%	6.9370%	6.9370%	6.9370%	6.9370%	
20	Rate Base		52,070	241,803	4,427	24,715	240,065	37,251	81,737	682,069	
21											
22	Target Return on Rate Base- After taxes		3,612	16,774	307	1,715	16,653	2,584	5,670	47,315	\$2.57
23	Income taxes to recover	18.98%	686	3,184	58	325	3,161	490	1,076	8,981	\$0.49
24	Operating expenses		4,292	19,796	363	2,005	18,836	2,716	6,525	54,534	\$2.97
25	Subtotal- Rev Req before GRT		8,590	39,754	728	4,045	38,650	5,791	13,271	110,830	\$6.03
26	GRT needed	6.08%	522	2,417	44	246	2,350	352	807	6,739	\$0.37
27	TOTAL REVENUE REQUIREMENT		9,112	42,171	772	4,291	41,000	6,143	14,078	117,569	\$6.40
28											
29	NCP-Primary		118	547	10	56	536	81	183	1,532	
30	Monthly requirement per kW-month		\$6.44	\$6.43	\$6.43	\$6.42	\$6.37	\$6.28	\$6.39	\$6.40	
31											
32											
33											

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket No. R-2018-3000124
Office of Consumer Advocate	:	Docket No. C-2018-3001029
Peoples Natural Gas Company LLC	:	Docket No. C-2018-3001152
Jason Dolby	:	Docket No. C-2018-3001074
Office of Small Business Advocate	:	Docket No. C-2018-3001566
Duquesne Industrial Intervenors	:	Docket No. C-2018-3001713
Leonard Coyer	:	Docket No. C-2018-3002424
NRG Energy Center Pittsburgh LLC	:	Docket No. C-2018-3002755
	:	
v.	:	
	:	
Duquesne Light Company	:	

VERIFICATION

I, Howard Gorman, being President of HSG Group, Inc., hereby state that I am responsible for the Updated Exhibits 6-1 through 6-10, dated August 16, 2018, which were requested by Peoples Natural Gas Company, LLC via an on-the-record data request on August 16, 2018, and which are true and correct to the best of my knowledge, information and belief. I further state that I am responsible for email I sent to Duquesne Light Company on August 3, 2018, including the workpapers comprising the attached file "DLC 2018 Rates Settle \$53M.zip," which I sent to Duquesne Light Company on August 3, 2018, in relation to settlement negotiations. I further state that such workpapers are true and correct to the best of my knowledge, information and belief.

I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Date: August 17, 2018


Howard Gorman