


COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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April 27, 2021

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

Re: Pennsylvania Public Utility Commission
v.
Duquesne Light Company
Docket No. R-2021-3024750

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Formal Complaint and Public Statement in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Christy M. Appleby
Christy M. Appleby
Assistant Consumer Advocate
PA Attorney I.D. # 85824
E-Mail: CApplby@paoca.org

Enclosures:

cc: Office of Administrative Law Judge (**email only**)
Office of Special Assistants (**email only**: ra-OSA@pa.gov)
Bureau of Technical Utility Services (**email only**)
Certificate of Service

*306631

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2021-3024750
 :
 Duquesne Light Company :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate’s Formal Complaint and Public Statement, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 27th day of April 2021.

SERVICE BY E-MAIL ONLY

Scott B. Granger, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Sharon E. Webb, Esquire
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17109-1923

Tishekia E. Williams, Esquire
Michael Zimmerman, Esquire
Emily Farah, Esquire
Duquesne Light Company
411 Seventh Avenue, 16th Floor
Pittsburgh, PA 15219

Michael W. Gang, Esquire
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17 North Second Street
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Harrisburg, PA 17101-1601

Ria M. Pereira, Esquire
Elizabeth R. Marx, Esquire
John W. Sweet, Esquire
Lauren N. Berman, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101

/s/ Christy M. Appleby

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Dated: April 27, 2021
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PENNSYLVANIA PUBLIC UTILITY COMMISSION

FORMAL COMPLAINT

1. CUSTOMER NAME (COMPLAINANT)

Tanya J. McCloskey, Acting Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
Dauphin County
(717) 783-5048

2. UTILITY NAME (RESPONDENT)

Duquesne Light Company
Docket No. R-2021-3024750

3. TYPE OF UTILITY

Electric

4. COMPLAINT

- A. On April 16, 2021, Duquesne Light Company (DLC or Company) filed Tariff Supplement No. 25 to Tariff Electric - Pa. P.U.C. No. 25 (Supplement No. 25) with the Pennsylvania Public Utility Commission (Commission), to become effective June 15, 2021.
- B. Through Supplement No. 25, DLC requests that the Commission approve a general increase in electric distribution rates of approximately \$85.8 million per year, or 15.6%, over the amount of annual distribution revenues at present rates. This net increase in base distribution revenues is calculated through an increase of approximately \$115 million in base rates, which is offset by reductions of \$29.2 million per year in other current charges, including the zeroing out of the Company's Distribution System Improvement Charge.
- C. DLC provides electric utility service to approximately 605,000 customers in the greater Pittsburgh region, specifically in Allegheny and Beaver Counties.
- D. According to the Company's proposal, the average residential customer using 600 kWh per month will see their total bill (distribution, generation and transmission) increase from \$100.12 per month to \$107.85 per month, an increase of \$7.73 per month, or 7.72%, on a total bill basis.
- E. In its base rate filing, the Company utilizes a fully projected future test year (FPFTY) ending December 31, 2022.

- F. DLC's proposed rate increase, if approved, would produce a 7.84% overall rate of return, which is based in part on a common equity cost rate of 10.95%. Additionally, the Company proposes to increase its residential customer charge from \$12.50 to \$16.25.
- G. Pursuant to Section 1330 of the Public Utility Code, Supplement No. 25 also requests approval of the following alternative rate mechanisms: (1) Residential Subscription Rate; (2) a non-residential Community Development Rider; (3) Federal Tax Adjustment clause; and (4) Electric Vehicle Service. For the Residential Subscription Rate pilot, DLC proposes a residential customer pilot program to allow customers to select a specified level of grid access of distribution service for a set monthly charge. DLC also proposes to add a Federal Tax Adjustment clause rider to provide for adjustments to base rate distribution revenue to reflect the effects of future increases or decreases to the federal corporate income tax rate. For Electric Vehicle Service, DLC proposes a five year Electric Vehicle Home Charging Pilot to install, own, and maintain L2 stations for residential customers.
- H. The Consumer Advocate is empowered to represent the interests of Pennsylvania consumers before the Pennsylvania Public Utility Commission, pursuant to an act of the General Assembly, 71 P.S. §§ 309-1, *et seq.*, effective July 1, 1976.
- I. A preliminary examination of DLC's proposed Supplement No. 25 indicates that the charges, increases and changes in rates, rules and programs are or may be unjust, unreasonable and in violation of law, will allow the Company an opportunity to recover an excessive rate of return on its utility property investment in violation of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 101 *et seq.*, and otherwise may be contrary to sound ratemaking principles and public policy.
- J. Further, a preliminary examination of DLC's existing rates, rules and regulations indicates that certain rates, rules and regulations are not just and reasonable or otherwise proper under the Pennsylvania Public Utility Code and applicable ratemaking principles.

5. RELIEF

The Acting Consumer Advocate respectfully requests that the Commission take the following actions:

- A. Suspend and investigate the operation of the Company's proposed Supplement No. 25, pursuant to Section 1308(d) of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1308(d);
- B. Consolidate all complaints filed against DLC's proposed Supplement No. 25;

- C. Hold full evidentiary hearings to examine the reasonableness and justness of the Company's current rates and its proposed increase or changes in rates;
- D. After providing the public with adequate notice, hold public input hearings, in order to provide the Company's customers with an opportunity to be heard on the record;
- E. Deny or modify any rate or tariff changes in Supplement No. 25 that DLC proposes, but cannot justify or that otherwise are contrary to the Pennsylvania Public Utility Code, sound ratemaking principles and public policy;
- F. Deny any program in Supplement No. 25 that DLC proposes, but is not in the public interest or that otherwise is contrary to the Pennsylvania Public Utility Code, sound ratemaking principles and public policy; and
- G. Grant such other relief that the Commission may deem to be necessary and proper.

6. VERIFICATION AND SIGNATURE

Verification: I, Tanya J. McCloskey, Acting Consumer Advocate, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

/s/ Tanya J. McCloskey
(Signature)

04/27/21
(Date)

7. LEGAL REPRESENTATION

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PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)

Act 161 of the Pennsylvania General Assembly, 71 P.S. § 309-2, enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the Acting Consumer Advocate has determined to file a Formal Complaint against the proposed Supplement No. 25 filed by Duquesne Light Company (DLC or Company). DLC serves approximately 605,000 customers in the greater Pittsburgh region.

On April 16, 2021, DLC filed Supplement No. 25 with the Commission. DLC proposes to increase its total annual operating revenues by \$85.8 million, or 15.6%, over the amount of annual distribution revenues at present rates. A preliminary examination of DLC's proposed Supplement No. 25 indicates that the charges, increases and changes in rates, rules and programs are or may be unjust, unreasonable and in violation of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 101 *et seq.*

The OCA will fully examine and investigate DLC's claimed need for increased revenues, its claimed fair rate of return, and its existing rates. Additionally, the OCA will assess the quality of service received by customers and the fairness of the Company's revenue allocation and rate design. During the course of these proceedings, the OCA will fully participate in the evaluation of the justness and reasonableness of the Company's filing and will ask the Commission to deny all changes, increases, and charges that the Company cannot show to be reasonable, justified, not unduly discriminatory, or otherwise in accordance with the law and sound ratemaking principles.