

Eckert Seamans Cherin & Mellott, LLC 213 Market Street 8th Floor Harrisburg, PA 17101 TEL 717 237 6000 FAX 717 237 6019 www.eckertseamans.com

Karen O. Moury 717.237.6036 kmoury@eckertseamans.com

May 25, 2021

Via Electronic Filing

Rosemary Chiavetta, Secretary PA Public Utility Commission 400 North Street Harrisburg, PA 17120

Re: Pa. Public Utility Commission v. Duquesne Light Company

Docket No. R-2021-3024750

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Petition to Intervene of Peoples Natural Gas Company LLC with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,

Isl Karen O. Moury

Karen O. Moury

KOM/lww

Enclosure

cc: Deputy Chief Administrative Law Judge Joel H. Cheskis w/enc. (jcheskis@pa.gov)

Chief Administrative Law Judge John M. Coogan w/enc. (jcoogan@pa.gov)

Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of Peoples Natural Gas' Petition to Intervene upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via Email Only

James Davis, Esq. Duquesne Light 411 Seventh Ave. Pittsburgh, PA 15219 Jdavis4@duqight.com

Anthony D. Kanagy, Esq. Michael W. Gang, Esq. Post & Schell 17 North Second St., 12th Fl. Harrisburg, PA 17101 akanagy@postschell.commgang@postschell.com

Ria Pereira, Esq. Elizabeth R. Marx, Esq. John Sweet, Esq. Lauren Berman, Esq. PA Utility Law Project 118 Locust Street Harrisburg, PA 17101 pulp@palegalaid.net

Christy Appleby, Esq.
Phillip Demanchick, Esq.
Aron J. Beatty, Esq.
David Evrard, Esq.
Office of Consumer Advocate
Forum Place Bldg.
555 Walnut St., 5th Fl.
Harrisburg, PA 17101
cappleby@paoca.org
pdemanchick@paoca.org
abeatty@paoca.org
devrard@paoca.org

Scott B. Granger, Esq.
Bureau of Investigation and Enforcement
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
sgranger@pa.gov

Sharon E. Webb, Esq.
Office of Small Business Advocate
Forum Place Bldg.
555 Walnut St., 1st Floor
Harrisburg, PA 17101
swebb@pa.gov

Joseph L. Vullo, Esq. Burke Vullo Reilly Roberts 1460 Wyoming Ave. Forty Fort, PA 18704 jlvullo@aol.com

Andrew J. Karas, Esq. Fair Shake Environmental Legal Services 647 E. Market St. Akron, OH 44304 akaras@fairshake-els.org

Sophia Al Rasheed, Esq. Fair Shake Environmental Legal Services 600 Superior Ave., Suite 1300 Cleveland, OH 44114 salrasheed@fairshake-els.org

Mark Szybist, Esq.
Natural Resources Defense Council
1152 15th St., NW, Suite 300
Washington, DC 20005
mszybist@nrdc.org

Derrick Price Williamson, Esq. Barry A. Naum, Esq. Spilman Thomas & Battle, PLLC 300 Kanawha Blvd, East P.O. Box 273 Charleston, WV 25321 dwilliamson@spilmanlaw.com bnaum@spilmanlaw.com

Dated: May 25, 2021 Karen O. Moury Esq.

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :

:

v. : Docket No. R-2021-3024750

:

Duquesne Light Company

PETITION TO INTERVENE OF PEOPLES NATURAL GAS COMPANY LLC

Pursuant to 52 Pa. Code §§ 5.72-5.75, Peoples Natural Gas Company LLC ("Peoples") petitions to intervene in the above-captioned proceeding filed by Duquesne Light Company ("Duquesne") at the Pennsylvania Public Utility Commission ("Commission"). In support of its Petition to Intervene, Peoples states as follows:

- 1. On April 16, 2021, Duquesne filed Supplement No. 25 to Tariff Electric Pa. P.U.C. No. 25, which proposes an increase in electric distribution rates of approximately \$115 million.
- 2. On May 20, 2021, the Commission adopted an Order suspending the rate increase for investigation until January 15, 2022, unless otherwise directed by Order of the Commission.
- 3. The Office of Administrative Law Judge ("OALJ") issued a Call-In Telephonic Prehearing Conference Notice on the same date, scheduling the prehearing conference for May 27, 2021 at 10:00 a.m. By Prehearing Order, also issued on May 20, 2021, the OALJ directed the filing of prehearing conference memoranda by May 25, 2021. Simultaneously with the filing of this Petition to Intervene, Peoples is filing a Prehearing Conference Memorandum.
- 4. Peoples is a Commission-regulated natural gas distribution company ("NGDC") providing sales, transportation, and supplier of last resort services to approximately 630,000

customers throughout its service territory, which includes all or portions of the following Pennsylvania counties: Allegheny, Armstrong, Beaver, Blair, Butler, Cambria, Clarion, Fayette, Greene, Indiana, Jefferson, Lawrence, Mercer, Somerset, Venango, Washington, and Westmoreland.

5. Peoples' attorneys in this matter are:

Karen O. Moury, Esquire Eckert Seamans Cherin & Mellott, LLC 213 Market St., 8th Floor Harrisburg, PA 17101 717.237.6000 kmoury@eckertseamans.com Lauren M. Burge, Esquire Eckert Seamans Cherin & Mellott, LLC 600 Grant Street, 44th Floor Pittsburgh, PA 15219 412.566.6000 lburge@eckertseamans.com

Michael Turzai, Esquire General Counsel and Vice President Peoples Natural Gas Company LLC 375 North Shore Drive Pittsburgh, PA 15212 Michael.Turzai@peoples-gas.com William Roberts II, Esquire Senior Counsel Peoples Natural Gas Company LLC 375 North Shore Drive Pittsburgh, PA 15212 William.H.RobertsII@peoples-gas.com

- 6. The Commission's regulations allow intervention where a person has an interest in the proceeding which may be directly affected and which is not adequately represented by existing parties, and as to which the person may be bound by the action of the Commission in the proceeding. 52 Pa. Code § 5.72(a)(2). Intervention is also permitted where participation of the person may be in the public interest. 52 Pa. Code § 5.72(a)(3). A "person" includes a corporation. 52 Pa. Code § 1.8.
- 7. Peoples meets the standards for intervention set forth in 52 Pa. Code § 5.72(a). As a customer of Duquesne, and a developer and owner of Combined Heat and Power ("CHP") projects/distributed generation projects, Peoples satisfies the standard for intervention because Peoples possesses an "interest which may be directly affected and which is not adequately

represented by existing participants, and as to which the petitioner may be bound by the action of the Commission in the proceeding." 52 Pa. Code § 5.72(a)(1).

- 8. Peoples is particularly interested in the proposed changes to Rider No. 16 Service to Non-Utility Generating Facilities. Rider No. 16 addresses Supplementary Power, Back-Up Power and Interconnection. Duquesne's proposed changes to Rider No. 16 will directly affect the economic viability of CHP and other distributed generation projects, possibly rendering the projects uneconomically unfeasible if the proposed rate changes are approved by the Commission.
- 9. As explained in the Commission's Policy Statement, CHP is the "concurrent production of electricity or mechanical power and useful thermal energy (heating and cooling) from a single source of energy...It is a suite of technologies that can use a variety of fuels to generate electricity or power at the point of use, allowing the heat that would normally be lost in the power generation process to be recovered to provide needed heating and cooling." 69 Pa. Code § 69.3201(a). By the CHP Policy Statement, the Commission encourages electric distribution companies ("EDCs") and NGDCs "to support the development of CHP by evaluating and implementing new strategies, programs and other initiatives to promote the deployment of CHP and to reduce barriers to deployment within their service territories." 69 Pa. Code § 69.3201(d).
- 10. Currently under Rider No. 16, Duquesne supplies Back-Up Power at a distribution charge of \$2.50 per kW, which is applied to the Back-Up Power Billing Determinants. These distribution charges are applied each month based on the customer's Contract Demand without regard to whether or not back-up energy is supplied. As proposed, the distribution charge would be increased to \$3.09 per kW and be applied to Back-Up Service Maintenance Demand Billing Determinants.

- 11. In addition, Duquesne proposes to apply an additional distribution charge of \$6.79 per kW to the Back-Up Service As-Used Contract Demand Billing Determinants. The proposed tariff further provides a Maintenance Overage Charge of \$9.98 per kW will apply if the customer exceeds Maintenance Demand by 10% or more.
- 12. Duquesne's filing also proposes changes to provide that if a customer's Back-Up Service requirement at any time exceeds the customer's Maintenance Contract Demand by 5% or more, the actual Back-Up Service requirement provided will become the customer's new Maintenance Contract Demand for the remaining term of the back-up contract.
- 13. Further, as proposed by Duquesne, if a customer's actual Back-Up Service requirement provided at any time exceeds the customer's Maintenance Contract Demand by 10% or more, the customer will be assessed a fee equal to the difference between the actual Back-Up Service provided at the time during the billing period and the Maintenance Contract Demand multiplied by the Overage Charge of \$9.98 per kW.
- 14. Peoples' interests in this proceeding are unique from and not adequately represented by other parties that have or may seek to intervene. Peoples is unique in its role as an NGDC and a CHP/distributed generation project developer and owner. Given the Commission's recognition of the importance of CHP projects, it is imperative that the terms and conditions applicable to Supplementary Power, Back-Up Power and Interconnection are just and reasonable so as not to thwart the development and deployment of CHP. Peoples' interests in this regard cannot be adequately represented by other parties in this proceeding.
- 15. Peoples will be bound by the action of the Commission in this proceeding, as well as the terms and conditions related to Duquesne's tariffs. Thus, the Commission's actions regarding Duquesne's proposals may have a substantial impact on Peoples in the future.

16. Peoples' intervention is in the public interest. The proposed changes to Rider No. 16 are likely to have a significant adverse economic impact on Peoples because the higher rates would negatively affect the pursuit of CHP/distributed generation projects, contrary to the Commission's CHP Policy Statement. Accordingly, Peoples' participation in this proceeding is in the public interest. *See* 52 Pa. Code § 5.72(a)(3).

WHEREFORE, Peoples Natural Gas Company LLC respectfully requests that the Commission grant Peoples' Petition to Intervene and that Peoples be granted full party status in this matter.

Respectfully submitted,

Karen O. Moury

Karen O. Moury, Esquire PA Attorney ID 36879 Eckert Seamans Cherin & Mellott, LLC 213 Market St., 8th Floor Harrisburg, PA 17101 717.237.6000 kmoury@eckertseamans.com

Michael Turzai, Esquire
PA Attorney ID 51371
General Counsel and Vice President
Peoples Natural Gas Company LLC
375 North Shore Drive
Pittsburgh, PA 15212
Michael.Turzai@peoples-gas.com

Lauren M. Burge, Esquire PA Attorney ID 311570 Eckert Seamans Cherin & Mellott, LLC 600 Grant Street, 44th Floor Pittsburgh, PA 15219 412.566.6000 lburge@eckertseamans.com

William Roberts II, Esquire
PA Attorney ID 54724
Senior Counsel
Peoples Natural Gas Company LLC
375 North Shore Drive
Pittsburgh, PA 15212
William.H.RobertsII@peoples-gas.com

Dated: May 25, 2021 Counsel for Peoples Natural Gas Company LLC

VERIFICATION

I, Jeffrey Nehr, hereby state that the facts set forth above are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove 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).

Date: May 25, 2021

Jeffred Nehr, Vice President Business Development

Peoples Natural Gas Company LLC