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May 15, 2024

VIA ELECTRONIC FILING

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, Room-N201
400 North Street
Harrisburg, PA 17120

**Re: Guidelines for Eligible Customer Lists
Docket No. M-2010-2183412**

Dear Secretary Chiavetta:

Enclosed for filing please find Duquesne Light Company's Comments in the above referenced proceeding.

If you have any questions regarding the information contained in this filing, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "L.A. Baxter".

Lindsay A. Baxter
Manager, Regulatory and Clean Energy Strategy

Enclosure

cc: Daniel Mumford (dmumford@pa.gov)
Kriss Brown (kriborwn@pa.gov)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

:

Guidelines for Eligible Customer Lists : Docket No. M-2010-2183412

:

**COMMENTS OF
DUQUESNE LIGHT COMPANY**

I. INTRODUCTION

On March 1, 2024, the Pennsylvania Public Utility Commission (“Commission” or “PUC”) issued a Secretarial Letter seeking comments regarding updates to be made to the guidelines for the Eligible Customer Lists (“ECLs”) made available to Electric Generation Suppliers (“EGSs”) and Natural Gas Suppliers (“NGSs”) by the Electric Distribution Companies (“EDCs”) and Natural Gas Distribution Companies (“NGDCs”), respectively. Interested parties were invited to file written comments within 60 days following the date of publication in the *Pennsylvania Bulletin*. This notice was published March 16, 2024. *Pa. Bulletin Volume 54 Number 11*.

The Commission’s March 1, 2024, Secretarial Letter recognizes that it was Duquesne Light Company’s (“Duquesne Light” or “Company”) use of e-mail notifications for ECL updates that is the primary driver of its current review of the ECL process.¹ The Company, as explained more fully below, has reduced costs and gained valuable data by reducing its use of mailed ECL

¹ The Secretarial Letter explains the history of Duquesne Light’s use of e-mail notifications through the granting of waivers of the Commission’s regulations, pages 2-3.

notices through Commission waivers of existing ECL requirements. As an EDC subject to the provisions of these Guidelines, Duquesne Light is an interested stakeholder in this proceeding and hereby files these comments for the Commission's consideration.

II. BACKGROUND

Duquesne Light is a public utility as the term is defined under Section 102 of the Public Utility Code, 66 Pa. C.S. § 102, and is certificated by the Commission to provide electric distribution service in portions of Allegheny County and Beaver County in Pennsylvania.² Duquesne Light provides electric service to approximately 605,000 customers in and around the City of Pittsburgh.

On October 20, 2020, the Company filed a petition for waiver of certain ECL solicitation guidelines, as provided under *Interim Guidelines for Eligible Customer Lists*, Final Order entered October 23, 2014 at Docket M-2010-2183412.³ Specifically, the Company requested authorization to serve its 2021 ECL solicitation electronically to all “e-communication customers,” those residential and small business customers who receive Company communications electronically, in addition to e-Billing customers, as already permitted by the 2014 Order. As the Company explained in its petition, e-communication customers already receive important information electronically from the Company, such as high usage alerts, energy efficiency tips, storm alerts and safety information, and information on energy assistance programs. As described in more detail below, the Company believes there are many benefits to

² Duquesne Light is a member of the Energy Association of Pennsylvania, which is also submitting comments at this docket. In addition to the positions stated herein, Duquesne Light generally supports the positions articulated in EAP's comments to the extent they are consistent with the comments submitted by the Company.

³ Petition of Duquesne Light Company For Limited Waiver of Service Requirements of the Eligible Customer List Triennial Solicitation, Filed October 30, 2020 at Docket No. P-2020-3022674.

using electronic solicitation, not the least of which is considerable cost savings, which benefit all customers.

The Commission approved Duquesne Light's petition on January 14, 2021. The Company subsequently filed a report on December 30, 2021, highlighting the results of its electronic solicitation, including a 73.45% open rate for customers receiving email solicitation and costs savings of \$121,895 resulting from reduced printing and mailing costs.

Based on the success of the 2021 solicitation, the Company filed a petition September 29, 2023, requesting clarification to extend its 2021 solicitation practices to the 2024 process and to subsequent updates of the ECL going forward.⁴ The Office of Consumer Advocate filed an answer, which did not oppose Duquesne Light's use of electronic communications for the 2024 update of the ECL, but recommended that "the Commission adopt a statewide ruling on electronic ECL solicitation" and "investigate the efficacy of email solicitation during the triennial ECL periods on a statewide basis and consider amendments to the current *Interim Guidelines*."⁵ The Commission's Opinion and Order thus directed staff to initiate the instant proceeding.

III. COMMENTS

Duquesne Light agrees that after ten years of implementation, it is time to consider whether updates to the *Interim Guidelines* are necessary and appropriate. To that end, the Company asks the Commission to first consider whether the ECL continues to be a useful and necessary tool that justifies the resources necessary by distribution companies to provide

⁴ Petition of Duquesne Light Company for Clarification of Interim Guidelines for Eligible Customer Lists Final Order entered October 23, 2014, filed September 29, 2023 at Docket No. P-2023-3043362.

⁵ Opinion and Order, *Petition of Duquesne Light Company for Clarification of Interim Guidelines for Eligible Customer Lists Final Order entered October 23, 2014*. Adopted January 18, 2024. Docket No. P-2023-3043362.

triennial updates. Should the Commission determine the ECL continues to have value, the Company's comments focus on three recommendations.

First, the Company recommends that the Commission allow for electronic delivery of the ECL solicitation in perpetuity for all customers who consent to receiving electronic communications from their utility provider. Additionally, the Company suggests eliminating the requirement for EDCs to provide customers the option to respond to the triennial solicitation in hard copy, in order to reduce the costs associated with the triennial update. Finally, the Commission should consider making the ECL an "opt-in" rather than an "opt-out" option, whereby only those customers who affirmatively respond to the solicitation will have their customer information included on the ECL.

A. Retiring the ECL

The Company recommends the Commission consider whether the ECL continues to be a useful resource that justifies the administrative costs necessary by the distribution companies to update the list on a triennial basis. While the ECL may have been a useful resource to energy suppliers at the inception of retail competition, Pennsylvania's energy supply markets are now mature and robust. With ample consumer education about energy supply shopping, including the recently reinvigorated PA Powerswitch website, consumers have a plethora of information available about suppliers and the unique plans they offer. This level of consumer sophistication does not need to be arbitrarily supported by an ECL that is purported to support customer participation in the marketplace, which appears to have stabilized in recent years. Given the questionable usefulness of the ECL, the Company does not believe the exercise of updating the

ECL every three years is a prudent use of a distribution company's resources, nor does it believe such costs should continue to be borne by Pennsylvania's distribution customers.

For example, Duquesne Light estimates that it spends over \$62,000, every three years to prepare and mail the customer notices necessary to update the ECL. Additionally, significant staff time is spent preparing the mailing, processing responses, and updating the list. While this work is completed by employees, and thus is not an *additional* cost to customers, it is staff time that could have been dedicated to other customer service, such as outreach on universal service or energy efficiency programs.

B. Allow for use of electronic delivery of ECL notices to all customers

As described further in Duquesne Light's 2020 Petition, the Company believes there are significant benefits to serving the ECL update electronically to customers. Nearly half of Duquesne Light's residential customers have enrolled in electronic billing and more than two-thirds have opted to receive electronic communications on service-related matters, such as high-usage alerts, energy assistance program information, energy efficiency tips, and storm preparedness emails. While all Company electronic communications provide an option to unsubscribe, this rate is very low, with only about 0.1% of customers opting out of receiving electronic communications.

Not only is electronic communication the preferred method of receiving information for a majority of the company's customers; it also results in operational efficiencies and cost savings. Unlike notices delivered by U.S. Mail, electronic communications allow the Company to track whether the email was delivered and/or opened. In 2021, 73.45% of customers who received the ECL solicitation electronically opened the message. In addition, in its report filed at Docket No.

P-2020-3022674, Duquesne Light reported savings of \$121,895 resulting from its use of increased electronic communications in the 2021 ECL update.

While the Company believes the ECL should be retired, should the Commission continue to require EDCs and NGDCs to produce this list, the Company recommends that the Commission update its guidelines to allow the triennial solicitation to be delivered electronically for those customers who prefer to receive electronic communications. Recognizing that each individual company may have different technology and system constraints, the Commission should not establish requirements, but rather should encourage that EDCs and NGDCs endeavor to utilize electronic forms of communication as appropriate to efficiently communicate with customers in a way that meets their expressed preferences.

C. Eliminate the requirement to receive written responses.

The current ECL guidelines require that companies “allow customers to not only reply to the solicitation via direct mail, but also through website processes, electronic mail and/or telephone contacts with the EDC customer service representatives.”⁶ Duquesne Light recommends the guidelines be updated to remove the requirement that allows customers to respond via direct mail. Processing hard copy responses is time intensive. The Company estimates it takes one customer service representative (CSR) five minutes to process each mailed response. This work pulls CSRs away from answering customer calls, or results in the need to offer overtime work to CSRs, which has a direct cost impact to the Company.

Duquesne Light encourages customers to utilize a self-serve option to respond to the ECL that does not require significant Company resources, including by calling a dedicated phone line,

⁶ *Interim Guidelines for Eligible Customer Lists*, Final Order entered October 23, 2014 at Docket M-2010-2183412.

or responding via the website or the mobile app. As the Company continues to introduce more convenient options for its customers to express their preference, it finds offering an option for response via U.S. Mail to no longer be necessary.

D. Transition to an “opt-in” model.

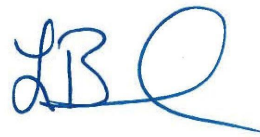
Finally, should the Commission continue requiring EDCs and NGDCs to produce an ECL, the Company suggests the solicitation be modified to an “opt-in” approach, by which a customer’s information is not included in the ECL if the customer does not affirmatively consent to the release of that information to a supplier. Regardless of whether the customer receives the solicitation by U.S. Mail or electronically, there is always an opportunity for the customer to misplace the communication or inadvertently forget to respond. Duquesne Light believes it is more appropriate to withhold the customer’s information until they proactively elect for that information to be included in the ECL. Suppliers, like any business, have other opportunities to identify potential customers, including using publicly available data and purchasing marketing lists. Given these other sources of customer data, the company asserts that its protection of customer information remains paramount and should be safeguarded under the strictest circumstances.

IV. CONCLUSION

While Duquesne Light remains committed to meeting its obligations to support a competitive energy market in Pennsylvania, the Company respectfully questions the continued usefulness of the ECL. At the genesis of the restructured energy market in Pennsylvania, stakeholders envisioned the use of an ECL would be critical to spur and support the development

of a robust competitive energy market. Over the past 25 years, customer choice has remained a viable option in the Commonwealth that does not need to be artificially supported by marketing mechanisms at the cost of distribution customers. At a minimum, if the ECL requirements are maintained, Duquesne Light advocates for an “opt-in” approach that provides its customers with the utmost discretion in deciding if their customer information is shared. Equally important, if the ECL is maintained and enhancements are implemented, those improvements should result in efficiencies that do not create additional administrative costs.

Respectfully submitted,



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