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**Tishekia Williams**  
Senior Counsel, Regulatory

March 10, 2014

**VIA OVERNIGHT MAIL**

Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
PO Box 3265  
Harrisburg, PA 17105-3265

**RE: Investigation of Pennsylvania's Retail Electricity Market:  
Joint Electric Distribution Company- Electric Generation Supplier Bill  
Docket No. M-2014-2401345**

Dear Secretary Chiavetta:

Enclosed for filing, please find the Comments of Duquesne Light Company in the above referenced docket.

If you have questions or concerns, please feel free to contact me.

Respectfully submitted,

Tishekia Williams  
Senior Counsel, Regulatory

Enclosures

cc: Bureau of Investigation and Enforcement (U.S. Mail)  
Office of Consumer Advocate (U.S. Mail)  
Office of Small Business Advocate (U.S. Mail)

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Investigation of Pennsylvania's Retail** :  
**Electricity Market: Joint Electric Distribution** :  
**Company- Electric Generation Supplier Bill** : **Docket No. M-2014-2401345**

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**COMMENTS OF DUQUESNE LIGHT COMPANY**

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On February 6, 2014, the Pennsylvania Public Utility Commission ("Commission") entered a Tentative Order in the above captioned docket soliciting comments regarding recommendations by the Commission's Office of Competitive Market Oversight ("OCMO") for making a more supplier-oriented utility consolidated bill. Specifically, the Commission seeks comments regarding 1) the inclusion of the electric generation supplier ("EGS") logo on the bill, 2) expanding the bill message space allotted to EGSs, and 3) the inclusion of a "Shopping Information Box." Duquesne Light Company ("Duquesne Light" or "Company") understands the complexities associated with facilitating a successful competitive retail market, particularly since Pennsylvania electric distribution companies ("EDCs") have different internal business processes and information systems that may be impacted by the recommendations. Duquesne Light appreciates the opportunity to comment on the Tentative Order<sup>1</sup> and encourages the Commission to maintain flexibility in order to accommodate reasonable variation amongst EDCs when issuing its final order.

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<sup>1</sup> Duquesne Light supports the Comments filed by the Energy Association of Pennsylvania in response to the Tentative Order at this docket.

## **I. BACKGROUND**

By Order entered April 29, 2011, the Commission initiated an investigation into Pennsylvania's retail electricity markets. *Investigation of Pennsylvania's Retail Market*, Docket No. I-2011-2237952 (Order Entered April 29, 2011). Duquesne Light has been actively involved with and supportive of the Commission's efforts to facilitate a thriving competitive retail market for all Pennsylvanians. In the Company's Comments filed December 10, 2012, Duquesne Light offered several comments and recommendations intended to help foster a successful competitive retail market while mitigating customer confusion and costs to electric distribution companies ("EDCs"). Duquesne Light believes that the recommendations contained in its Tentative Order strike a reasonable balance between enhancing the retail markets, adequately maintaining consumer protections and avoiding unnecessary duplication of complex billing systems and their related expense. The Company is not opposed to including an EGS logo on the EDC consolidated bill, providing adequate bill message space to EGSs, or including a Shopping Information Box. Below, the Company discusses the parameters in which it would be able to implement the recommended bill changes in the near term. The Company respectfully urges the Commission to maintain flexibility when issuing its final order as each EDC is likely to have different capabilities.

### **A. INCLUSION OF THE EGS'S LOGO**

The Commission's final order should establish broad parameters for the inclusion of an EGS logo on the EDC consolidated bill and allow EDCs to establish specific requirements through a subsequent supplier coordination tariff filing, if necessary. The tariff filing may include the specifications that would be required, such as the print quality (300 dpi), the type of

file format such as use of a bitmap, and the size of the file. These requirements may differ for each EDC. For example, Duquesne Light is capable of including an EGS logo on its consolidated bill for almost all bill types.<sup>2</sup> Currently, the bill print function is performed directly by Duquesne Light in black and white only.<sup>3</sup> Duquesne Light could not print onto its bill in color without incurring additional costs to outsource the function, and manage the change associated with implementing entirely new business processes. For these reasons, the Company suggests that granular details should not be included in the Commission's final order. EDCs may establish such rules through amendments to their supplier coordination tariff filing, if necessary.

Additionally, to avoid customer or brand confusion, Duquesne Light also recommends that the Commission's final order make clear that EDCs may include the EGS logo in a separate space on its bill, preferably with other supplier related information. Duquesne Light is concerned that the proximity of the EGS logo to the EDC logo may imply an association where none exists resulting in customer or brand confusion. Such confusion may lead to customer frustration when trying to resolve questions or concerns related to their billing which ultimately would not serve to facilitate retail competition.

## **B. EXPANSION OF THE BILL MESSAGING SPACING**

Duquesne Light supports the allocation of sufficient bill message space to an EGS. As noted in the Commission's Tentative Order, however, there is no uniformity in the amount of space allocated to bill messages amongst EDCs. Unlike many other Pennsylvania EDCs, most of

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<sup>2</sup> Duquesne Light is not able to include more than two EGS logos on a single bill without a substantial bill redesign. Also, the company is not able to include EGS logos on bills with limited space, such as summary bills, bills for bill boards, municipalities and street lighting (unmetered accounts) without a complete bill redesign due to substantial space limitations. Therefore, the Company does not recommend implementation of the proposed recommendation for limited space bills.

<sup>3</sup> Duquesne Light's bills include a color logo that is pre-printed on the bill print paper by a third party service.

Duquesne Light's residential service bills are four (4) pages in length. Approximately one-half (1/2) page of the Company's residential service bill is dedicated to supplier information.

Duquesne Light provides bill messages to suppliers in the "General & Supplier Information" section of its bill. Presently, EGSs are allotted up to 225 characters for bill messages. Effective July 2014, EGSs will be allotted 254 characters for bill messages. The Company believes that 254 characters is adequate space to provide EGS messaging as described in the Tentative Order. Providing additional space would require the Company to expand its bill from four pages to five, or a complete redesign of the bill at substantial added costs. The Company does not recommend moving to a five (5) page bill or a complete redesign at this time. Both actions would require substantial information technology ("IT") resources that are not available given the multitude of IT projects, many of which are Commission mandates, currently underway at Duquesne Light.

Additionally, tracking and updating the EGS bill messages would be a largely manual process. As such, Duquesne Light does not foresee any necessary modifications to electronic data interchange ("EDI") transactions needed to implement expanded bill messaging space.<sup>4</sup> However, given that the bill message process will be largely manual, Duquesne Light suggests that EGS messages should be static and consistent across customer class and rate class. Similar to the issues associated with supplier bill inserts, managing varying bill messages from multiple suppliers for multiple customers and rate classes would be a significant administrative burden. The Company suggests that the Commission's final order include reasonable restrictions on the

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<sup>4</sup> Should the Final Order impose changes to the Company's existing processes which would require EDI modifications, the new EDI transactions would need to be developed, voted, and approved by the Electronic Data Exchange Working Group ("EDEWG").

frequency in which EGSs update their specific bill messages, namely once per billing cycle to limit the administrative burden on EDCs.

### **C. INCLUSION OF A SHOPPING INFORMATION BOX**

The Commission recommends the inclusion of a “Shopping Information Box” on the EDC bill that would include the customer’s account/customer information number, a customer’s rate schedule and an indication that this information is needed when working with an EGS. Duquesne Light has a section on its bill specifically designated for supplier information that includes the customer’s account number and rate schedule conspicuously included at the top of the page directly above this supplier section. The supplier information section of Duquesne Light’s Bill is called “General & Supplier Information.” Upon the implementation of the Company’s new billing system, all customers will be given a supplier agreement identification number (“SAID”), which will be included in the supplier information box. The SAID functions in the same manner as the “customer identification” number used by the FirstEnergy companies as described in the Tentative Order. Customers and EGSs will use the SAID to enroll with or change suppliers. The number will be conspicuously displayed on all Duquesne Light bills.

The Company can include the recommended Supplier Information Box on its consolidated bill and notes that the new box will require the Company to modify its bill by reducing the information currently on the bill, subject to Commission regulations. For example, the Company would reduce the number of definitions included on the bill while maintaining all definitions and information required by existing regulations such as 52 Pa.Code §§56.15, 54.4.

#### **D. IMPLEMENTATION COSTS , TIMEFRAME AND COST RECOVERY**

Duquesne Light estimates that changes to accommodate the inclusion of the EGS logo and a Supplier Information Box as described herein for the average customer bill would require a level of effort of approximately 600 hours and a total cost of \$120,000. This includes the total time for analysis, design, and various levels of testing which is achieved based in part upon availability of resources including testing environment, developers and testers.

Duquesne Light could implement the proposed modifications as described herein for most bills by June 1, 2015. However, more extensive bill redesigns such as bills for billboards, municipalities, and streetlights could be incorporated by January of 2016. The implementation timeframe assumes that the Commission issues an order by the end of 2014. Aside from changes requiring a substantial bill redesign, the Company estimates that it will take 6 months to implement changes once an Order is issued

Finally, Duquesne Light proposes to establish and use of a non-bypassable Retail Market Enhancements Surcharge (“RMES”) to recover expenses associated with Commission mandated retail market enhancement initiatives. The Company would make a subsequent tariff filing for the creation of an RMES to become effective June 1, 2015. Any capital costs would be recovered in a future base rate case.

#### **E. INCLUSION OF EGS INSERTS**

The Commission previously directed OCMO to explore the possibility of including EGS billing inserts with EDC consolidated billing. *See, Investigation of Pennsylvania's Retail Electricity Market: End State of Default Service*, p. 67, Docket No. 1-2011-2237952 (Order

Entered February 15, 2013). In the Commission's Tentative Order, it correctly notes that the inclusion of an EGS bill insert may provide customers with more information but also increases billing costs and complexity. Duquesne Light wholly supports that Commission's position that EGS bill inserts are not recommended for inclusion at this time.

Duquesne Light currently pays \$0.38 per piece for standard bill envelopes weighing less than 2 ounces. As an example, an envelope that contains Duquesne Light's 2-page, double-sided bill, a return envelope and two 1-page inserts would be less than 2 ounces. However, the inclusion of additional pages would likely increase the weight above 2 ounces. The mailing costs would increase to \$0.78 per piece if greater than 2 ounces. Accordingly, the total mailing costs would increase from roughly \$228,000 to \$468,000, assuming 600,000 customers for the postage alone. Duquesne Light does not believe that the benefit of including an EGS bill insert warrants the added costs and administrative burden to the Company.

## II. CONCLUSION

Duquesne Light appreciates the opportunity to comment on this Tentative Order and encourages the Commission to maintain flexibility in order to accommodate reasonable variation amongst EDCs when issuing its final order. More specifically, Duquesne Light requests that the Commission's final order:

- Provide a broad framework for the inclusion of the EGS logos on EDC consolidated bills reserving granular details for supplier coordination tariffs;
- Make clear that EDCs may include the EGS logo in a separate space on its bill with other supplier related information;
- Determine that 254 characters is sufficient space for EGS bill messaging;

- Include reasonable restrictions on the frequency in which EGSs update their specific bill messages, namely once per calendar month to limit the administrative burden on EDCs. EGS messages should be static and consistent across customer class and rate class;
- Allow for the inclusion of the new proposed “Shopping Information Box” within Duquesne Light’s existing “General & Supplier Information” section of the bill.

Respectfully Submitted,



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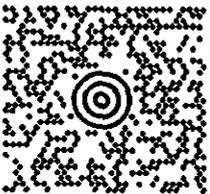
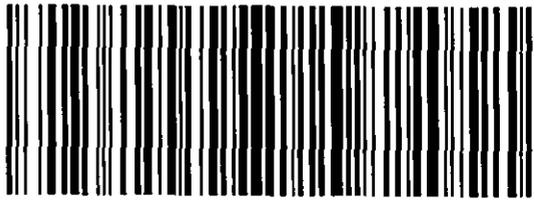
Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
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