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May 9, 2022

Via Electronic Filing

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

**Re: Duquesne Light Company Default Service Plan IX Compliance Filing re Solar
Power Purchase Agreement
Docket No. P-2020-3019522**

Dear Secretary Chiavetta:

Enclosed please find Duquesne Light Company's ("Company") responses to the Data Requests Propounded by the Bureau of Technical Utility Services ("TUS") Set I. The Company respectfully requests that Attachment A-2 be received as **CONFIDENTIAL** and be excluded from the public file. The Company is concurrently filing a PUBLIC version of these responses.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Zimmerman".

Michael Zimmerman

Enclosures

cc: Jordan Van Order, TUS (jvanorder@pa.gov)
Debra Backer, TUS (dbacker@pa.gov)



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET
HARRISBURG, PENNSYLVANIA 17120

Docket No. A-2020-3019522
Utility Code: 110150

Certified

MICHAEL ZIMMERMAN
DUQUESNE LIGHT COMPANY
411 SEVENTH AVENUE MAIL DROP 15-7
PITTSBURGH PA 15219

Re: Duquesne Light Company – Default Service Plan IX Compliance Filing re Solar Power Purchase Agreement Docket No. P-2020-3019522

Dear Mr. Zimmerman:

On April 1, 2022, Duquesne Light Company (Duquesne) filed a solar Power Purchase Agreement for approval to implement the procurement of certain energy and solar Alternative Energy Credits from a solar generation facility in Pennsylvania sponsored by Pine Gate Renewables, LLC. In order for us to complete our analysis of the subject filing, the Bureau of Technical Utility Services requires answers to the enclosed data requests. This information is necessary for completion of our review of the filing.

Please forward the requested information to the Secretary of the Commission **within five (5) days** of receipt of this letter. Failure to respond may result in the filing being denied. As well, if Duquesne has decided to withdraw its filing, please reply notifying the Commission of such a decision.

All documents requiring notary stamps must have original signatures. The Commission strongly encourages submission through efilings with the Secretary of the Commission by opening an efilings account through the Commission's website and accepting eservice at <https://efiling.puc.pa.gov>. The Commission is accepting all public documents through our efilings system at this time.

If your filing contains confidential material, you are required to either file by overnight delivery or submit to the Secretary's Share Point File system to ensure the timely filing of your submission. Filers should contact the Secretary's Bureau in advance to gain access to the Share Point File system. Make sure to reference the Docket Number listed above when filing your response and mark the materials "CONFIDENTIAL" in bold or highlighted manner if any of the requested information is deemed to be of a confidential nature.

The overnight address for hard-copy or confidential responses is:

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

Your answers should be verified per 52 Pa Code § 1.36. Accordingly, you must provide the following statement with your responses:

I, [print name of appropriate company representative], hereby state that the facts above set Forth 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).

Signature _____
Title _____
Date _____

In addition, to expedite analysis of the filing, send a copy of your response to Jordan Van Order at jvanorder@pa.gov. If any problems arise that prevent a full timely response or if any clarification of these data requests is needed, contact Jordan Van Order, Bureau of Technical Utility Services, at jvanorder@pa.gov (preferred) or 717-787-8763.

Sincerely,

Rosemary Chiavetta
Secretary

Enclosure

Bureau of Technical Utility Services
Data Requests
Docket No. A-2020-3019522

A-1 Reference the Compliance Filing, Section I. Please provide a detailed explanation as to how Duquesne Light will return revenues to default service customers.

Per Section IV of the Company's Compliance Filing, "The Company will use the energy and SAECs obtained through the Solar PPA as described in its DSP IX and approved by the Commission. The Company will sell all energy purchased through the Solar PPA on a real-time basis into the PJM Real-Time Energy Market. The Company will accrue the revenues resulting from such sales and reconcile them back to default service customers at the same weighting as each customer class's SAEC obligation share. Rider Nos. 8 (Default Service Supply) and 9 (Day-Ahead Hourly Price Service) of the Company's retail tariff already include the language necessary to credit Solar PPA revenues and recover Solar PPA costs in this fashion."

Compliance Filing Exhibit E illustrates how the solar PPA revenues and costs will be reflected in the Company's future rate filings and 1307(e) reconciliation statements. Step 1 of Exhibit E depicts the new regulatory asset account in which the Company would capture the cost associated with the PPA, as well as the proceeds from the sales of the solar energy into the PJM market on a real-time basis. The net amount would be allocated to default service customers at the same weighting as each customer classes' SAEC obligation share. As further depicted within Step 4, the Company will reflect a new line item in its 1307(e) reconciliation statements that will identify the net solar PPA cost (i.e., solar PPA costs minus revenues from energy sales) for each customer class.

A-2 Reference the Compliance Filing. Please provide an Excel spreadsheet showing by year the energy payment price with the escalator over the life of the Power Purchase Agreement (PPA), the estimated kWh to be sold, and the corresponding price for the energy to be sold over the life of the PPA.

Please see attached **CONFIDENTIAL** Attachment A-2.

Please note that the Company does not have projections for the price of the energy to be sold into the PJM Real-Time wholesale markets. The Company believes that such projections would be inherently speculative, particularly for the later years of the PPA term. Additionally, at p. 82 of its Order entered January 14, 2021 at Docket No. P-2020-3019522, the Commission found:

[T]here is no need for a long-term projection of future prices to justify the approval of the actual contract by the Commission. Thus, we shall reject the OCA's recommendation regarding the same. The ALJ appropriately concluded that projecting long-term prices is speculative and without purpose in evaluating whether to proceed with a long-term contract. We approve the Company's proposal, as part of the DSP IX procurement plan, subject to review of the contract with the selected project sponsor.

Therefore, the market prices for energy identified in **CONFIDENTIAL** Attachment A-2 are

illustrative placeholders only, not projections.

CONFIDENTIAL Attachment A-2 depicts two hypothetical scenarios: one in which average wholesale energy market prices remain at \$33.27/MWh (i.e., the three-year average for the period 2019-2021), one in which the energy price increases at 2% per year, which is roughly equivalent to the average inflation rate for the same period. While these two hypothetical scenarios do not constitute projections, the Company believes that they are both conservative.

ATTACHMENT A-2

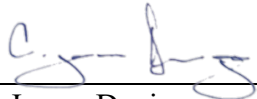
CONFIDENTIAL

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition Of Duquesne Light Company :
For Approval Of Default Service Plan : **Docket No. P-2020-3019522**
For The Period June 1, 2021 Through :
May 31, 2025 :

VERIFICATION

I, C. James Davis, hereby state that the facts set forth above are true and correct to the best of my knowledge, information and belief, and 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).



C. James Davis

Dated: May 5, 2022