



**Duquesne Light**  
Our Energy...Your Power

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November 23, 2009

Via Electronic Filing

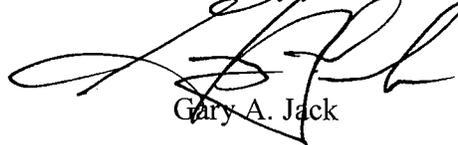
James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building, 2<sup>nd</sup> Floor  
400 North Street  
Harrisburg, PA 17120

**Re: Petition of Duquesne Light Company for Approval of its  
Energy Efficiency and Conservation and Demand Response Plan  
Docket No. M-2009-2093217**

Dear Secretary McNulty:

Enclosed for filing is the Answer of Duquesne Light Company to the Petition for Reconsideration of the Office of Small Business Advocate in the above-referenced proceeding.

Sincerely yours,



Gary A. Jack

Enclosure

cc: All parties listed on the  
Certificate of Service  
ALJ Nene

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company :  
For Approval of its Energy Efficiency :  
and Conservation and Demand Response :                   Docket No. M-2009-2093217  
Program :

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ANSWER OF DUQUESNE LIGHT COMPANY TO THE OFFICE OF SMALL BUSINESS  
ADVOCATE’S PETITION FOR RECONSIDERATION

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Pursuant to 52 Pa. Code §5.572(e), Duquesne Light Company (“Duquesne”) files this Answer to the Office of Small Business Advocate’s (“OSBA”) Petition for Reconsideration in the above-referenced docket. In connection therewith, Duquesne represents as follows:

**I. Background**

1. The Pennsylvania Public Utility Commission (“Commission”) entered an Order on October 27, 2009 (“Order”) regarding Duquesne’s Energy Efficiency and Conservation and Demand Response Plan (“EE&C Plan” or “Plan”).
2. On November 12, 2009, the OSBA filed a Petition for Reconsideration (“OSBA Petition”) regarding part of Duquesne’s EE&C Plan.
3. Specifically, the OSBA is seeking reconsideration of two issues: (1) Duquesne recognize Lighting customers served under Tariff Schedules SE, SM, and SH as a separate class or classes for purposes of cost-recovery; and (2) Duquesne file a red-lined version of its revised EE&C Plan. OSBA Petition at ¶ 30.

## II. Legal Requirements for Granting a Petition for Reconsideration

4. Duquesne questions whether the request for reconsideration meets the requirements for PUC reconsideration. Quoting language from *Philip Duick et al. v. Pennsylvania Gas and Water Company*<sup>1</sup> and *Pa PUC v. Jackson Sewer Corporation*,<sup>2</sup> the OSBA stated the authority to bring a Petition for Reconsideration before the Commission is when it, *inter alia*, raises new and novel arguments and pleads newly discovered evidence, alleges errors of law, or a change in circumstances. OSBA Petition at ¶ 15-16. OSBA's novel argument/newly discovered evidence is the Commission approving PECO's proposal to treat Street Lighting as a separate class for cost-recovery purposes. OSBA Petition at ¶ 23-24. The PECO proposal and the Commission approval of a specific surcharge in another EDC's plan is not really newly discovered evidence nor would appear to meet the legal standard.

## III. Lighting as a Separate Class

5. Duquesne has already separated out the lighting customers from its other commercial and industrial customers. Please see the attached tariff where Duquesne proposed in this proceeding that these lighting customers are to be treated separately and distinctly from the other commercial and industrial customers. See Exhibit Nos. WVP-9, WVP-10 attached hereto that were part of the Duquesne filing, part of Mr. William Pfrommer's testimony, and which have been approved.
6. If at some point in the future Duquesne proposes to implement programs for lighting customers, it would need to file an amendment with the PUC. OSBA and all other

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<sup>1</sup> *Philip Duick et al. v. Pennsylvania Gas and Water Company*, Docket No. C-R0597001 (Order entered December 17, 1982), 1982 Pa. PUC LEXIS 4, 56 Pa. PUC 553 (1982)

<sup>2</sup> *Pennsylvania Public Utility Commission v. Jackson Sewer Corporation*, 2001 Pa. PUC LEXIS 44

parties would have an opportunity to comment on any proposal to changes this existing separation.

7. In Duquesne's view, OSBA's argument is not applicable to Duquesne's programs since street lighting is already separated from other commercial and industrial customers for cost recovery purposes.

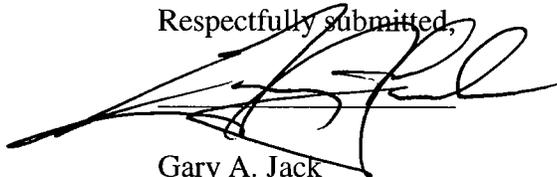
#### **IV. Red-lined Version of Revised EE&C Plan**

8. Duquesne will abide by the Commission's ruling on OSBA's request for a red-lined version. However, Duquesne has no objection to providing a red-lined version to OSBA and any other party that requests a red-lined version since that would appear to be helpful.

#### **V. Conclusion**

WHEREFORE, Duquesne responds to OSBA's Petition for Reconsideration by stating that its lighting customers have already been separated from the other commercial customers so that the OSBA request is not applicable to Duquesne under its circumstances. Duquesne is willing to provide a red-lined compliance filing of the Plan to the OSBA as well as any other party that requests a red-lined version.

Respectfully submitted,



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Exhibit WVP-9

**Duquesne Light Company**  
**Summary of Proposed Surcharge Rates Effective December 1, 2009**

<u>Customer Class</u>	<u>Rate Schedule</u>	<u>Monthly Surcharge (1)</u>		
		<u>Energy</u> <u>[\$/kWh]</u>	<u>Fixed</u> <u>Charge</u> <u>[\$/ month]</u>	<u>Demand</u> <u>[\$/kW]</u>
1 Residential	RS, RH, RA	0.19		
2 Small & Medium Commercial	GS, GM & GMH	0.11		
3 Small & Medium Industrial	GM & GMH	0.20		
4 Large Commercial	GL, GLH, L		\$257.00	\$1.59
5 Large Industrial	GL, GLH, L, HVPS		\$784.00	\$0.45
6 Lighting	AL, SE, SM, SH, PAL	0.00		
7 Unmetered	UMS	0.00		

(1) Monthly Surcharge added to the distribution charges of the applicable tariff rate schedule.

## STANDARD CONTRACT RIDERS - (Continued)

(C)

**RIDER NO. 15 – ENERGY EFFICIENCY AND CONSERVATION AND DEMAND RESPONSE SURCHARGE**

(Applicable to all Rates)

The Energy Efficiency and Conservation and Demand Response Surcharge ("EECDR") is instituted as a cost recovery mechanism to recover the costs associated with implementing the Company's Energy Efficiency and Conservation and Demand Response Plan. Act 129 of 2008 became law on October 15, 2008, requiring the Pennsylvania Public Utility Commission ("Commission") to develop an Energy Efficiency and Conservation Program applicable to electric distribution companies ("EDCs") with at least 100,000 customers. This EECDR is implemented in compliance with Docket No. M-2009-2093217. The EECDR is a non-bypassable Surcharge and shall be applied to all customers' bills.

**RATES**

Customer Class	Applicable Tariff Rate Schedule	Monthly Surcharge		
		¢/kWh	Fixed Charge \$/Month	\$/kW <sup>(1)</sup>
Residential	RS, RH, RA	0.19		
Small & Medium Commercial	GS, GM & GMH	0.11		
Small & Medium Industrial	GM & GMH	0.20		
Large Commercial	GL, GLH, L		\$257.00	\$1.59
Large Industrial	GL, GLH, L, HVPS		\$784.00	\$0.45
Lighting	AL, SE, SM, SH, PAL	0.00		
Unmetered	UMS	0.00		

<sup>(1)</sup>Monthly Surcharge added to the variable distribution demand charges of the applicable Rate Schedule.

**CALCULATION OF SURCHARGE**

The rate, calculated independently for each customer class in this Tariff, shall be applied to all customers served under the Tariff. The rate shall be determined in accordance with the formula set forth below and shall be applied to all customers served during any part of a billing month:

**RESIDENTIAL CUSTOMER CLASS**

$$EECDR(r) = [((B - e + I) / S) * 100] * [(1 / (1 - T))]$$

Where: EECDR(r) = The Energy Efficiency and Conservation and Demand Response Surcharge (residential) in one-hundredth of a cent which shall be added to the distribution rates for billing purposes for all customers. The EECDR(r) effective December 1, 2009, will remain in effect until May 31, 2013.

(C) – Indicates Change

ISSUED: JULY 1, 2009

EFFECTIVE: DECEMBER 1, 2009

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the Answer of Duquesne Light Company to the OSBA's Petition for Reconsideration has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant):

**VIA FIRST-CLASS MAIL AND/OR E-MAIL**

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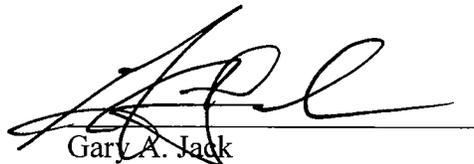
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Dated November 23, 2009



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