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File #: 2267-126931

July 27, 2011

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

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

Dear Secretary Chiavetta:

Enclosed is the Prehearing Memorandum of Duquesne Light Company in the above-referenced proceeding.

Copies have been provided to the persons in the manner indicated on the certificate of service.

Respectfully Submitted,


Andrew S. Tubbs

AST/jl
Enclosures
cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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Date: July 27, 2011


Andrew S. Tubbs

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company for
Approval of Changes to its Energy
Efficiency and Conservation and Demand
Response Plan

Docket No. M-2009-2093217

**PREHEARING MEMORANDUM OF
DUQUESNE LIGHT COMPANY**

TO ADMINISTRATIVE LAW JUDGE JOHN H. CORBETT:

Duquesne Light Company (“Duquesne Light” or “Company”) hereby submits this Prehearing Conference Memorandum in compliance with the Prehearing Conference Order issued by Administrative Law Judge John H. Corbett (“the ALJ”) on July 21, 2011.

I. BACKGROUND

On June 30, 2009, Duquesne Light filed its Energy Efficiency and Conservation Plan (“EE&C Plan”) with the Commission, pursuant to Act 129 and various related Commission orders. The Duquesne Light EE&C Plan proceeding was docketed by the Commission at Docket No. M-2009-2093217. The Commission approved Duquesne Light’s EE&C Plan, with modifications, on October 27, 2009, in *Petition of Duquesne Light Company for Approval of its Energy Efficiency and Conservation and Demand Response Plan*, Docket No. M-2009-2093217 (Order Entered October 27, 2009) (“*EE&C Order*”).¹ Duquesne Light’s EE&C Plan includes a broad portfolio of energy efficiency, conservation practices and peak load reductions, and energy education initiatives. Duquesne Light’s portfolio of programs is designed to provide customer benefits and to meet the energy saving and peak load reduction goals set forth in Act 129. The

¹ The EE&C Plan was further revised by *Petition of Duquesne Light Company for Approval of its Energy Efficiency and Conservation Plan*, Docket No. M-2009-2093217 (Order Entered January 28, 2011).

EE&C Plan includes a range of energy efficiency and demand response programs that include every customer segment in Duquesne Light's service territory. These programs are the key components of a comprehensive electric energy efficiency initiative designed to achieve the 422,565 MWh of reduced energy consumption and 113 MW of peak demand reductions required by Act 129.

In approving Duquesne Light's EE&C Plan, the Commission established a process for the Company to follow to request modifications to its approved plan. Pursuant to the Commission's *EE&C Order*, Duquesne Light identified three modifications to its currently effective EE&C Plan which require prior Commission approval. As more fully explained in Duquesne Light's *Petition for Approval of Changes to its Energy Efficiency and Conservation and Demand Response Plan* ("Petition") filed on May 9, 2011, Duquesne Light requests Commission approval of the following modifications to its EE&C Plan: (1) to eliminate the residential and small/midsized Commercial and Industrial (C&I) demand response program and transfer the funds for the residential demand response program to the Company's residential energy efficiency programs; (2) to increase expected reductions in the large C&I demand response program to 60 MW; and (3) to transfer the funds for the small/midsized C&I demand response program to the large C&I demand response program.

On May 19, 2011, the Office of Consumer Advocate ("OCA") filed an Answer to Duquesne Light's Petition. On May 19, 2011, an answer was filed by the Duquesne Industrial Intervenors ("DII"). On May 25, 2011, Duquesne Light filed a response to the answers of DII and OCA. In addition, on May 25, 2011, Comverge, Inc. ("Comverge") filed a Notice of Intervention. Duquesne Light filed an answer to Comverge's intervention on June 3, 2011.

By Order entered on June 30, 2011, the Commission referred Duquesne Light's Petition to the Office of Administrative Law Judge for expedited evidentiary hearings. The Commission also granted Comverge's Petition to Intervene. On July 21, 2011, a Prehearing Conference Order was issued which scheduled a prehearing conference for July 28, 2011. Pursuant to the Prehearing Conference Order, Duquesne hereby submits its Prehearing Memorandum.

II. COUNSEL

The attorney upon whom documents should be served is:

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Duquesne also requests that Mr. Jack, Ms. Geer, and Mr. Gang be added to any informal e-mail distribution lists for this proceedings. Mr. Jack's e-mail address is gjack@duqlight.com, Ms. Geer's e-mail address is kgeer@duqlight.com, and Mr. Gang's e-mail address is mgang@postschell.com.

III. SETTLEMENT

Duquesne Light is interested in pursuing settlement negotiations with the parties to attempt to resolve all or some of the issues raised in this proceeding.

IV. DISCOVERY

Duquesne Light does not propose any discovery rules that are different than those provided in the Commission's regulations. Duquesne Light is willing to participate in informal discovery with the other parties.

V. PROCEDURAL SCHEDULE

Duquesne Light is actively working with the other parties in this proceeding to develop an expedited procedural schedule.

VI. WITNESSES AND ISSUES

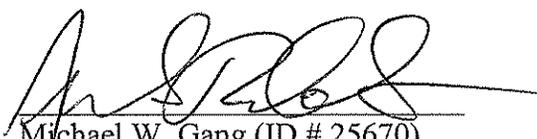
The issues raised by Duquesne Light in its Petition and those by the other parties in their answers are limited to a handful of discrete issues relating to the proposed modifications to Duquesne Light's EE&C Plan demand response programs. Therefore, this proceeding should be limited in scope and not result in parties seeking to reargue, expand or fundamentally change Duquesne Light's existing EE&C Plan. However, it is Duquesne Light's position that the service of direct testimony on these limited issues will be of assistance to the parties and to the ALJ. Duquesne Light proposes to file direct testimony and expects to present the following witness at the evidentiary hearings:

- David Defide, Manager, Energy Efficiency and Demand Response, 411 Seventh Avenue, Pittsburgh, Pennsylvania 15219. Mr. Defide's testimony will address Duquesne's existing EE&C Plan, its Act 129 obligations and the current status of the Company's EE&C Plan.
- Larry B. Barrett, President of Barrett Consulting Associates, Inc P.O. Box 60429, Colorado Springs, Colorado 80960. Mr. Barrett's testimony will address Duquesne Light's demand response programs and the proposed modifications to the Company's EE&C Plan discussed in the Company's Petition
- Tom Crooks, Director, Energy Efficiency Practice, MCR Performance Solutions, 3161 Cameron Park Drive, Cameron Park, CA, 95682. Mr. Crook's testimony will address the Company's Total Resource Cost of Duquesne Light's existing and proposed demand response programs.

Duquesne Light reserves the right to substitute witnesses or add witnesses, as appropriate, depending upon how the proceeding develops and what issues are raised by the other parties.

As addressed fully in Duquesne Light's Petition and other responsive pleadings filed in this proceeding, Duquesne Light has, consistent with the Commission's Order approving its EE&C Plan, requested Commission approval to modify three aspects of its EE&C Plan that would result in the shifting of program funds within a customer class, or between customer classes. Duquesne Light anticipates submitting testimony consistent with the facts set forth in its Petition and other responsive pleadings filed in this proceeding. In addition, Duquesne Light will respond to any other issues raised by other parties in this proceeding.

Respectfully submitted,



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Date: July 27, 2011