



Duquesne Light

Our Energy...Your Power

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VIA ELECTRONIC FILING

November 9, 2012

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

RE: Duquesne Light Company Motion for Continuance of Hearing and Briefing Dates
Docket No.: M-2009-2123948

Dear Secretary Chiavetta:

Enclosed for filing with the Commission is Duquesne Light Company's Motion for Continuance of Hearing and Briefing Dates.

If you have any questions related to this filing, please contact the undersigned.

Sincerely,

Wishekia Williams
Senior Counsel
Duquesne Light Company

TW/pg

Enclosure

cc: Certificate of Service

3. An initial prehearing conference was scheduled for Monday, September 17, 2012, at 1:30 p.m. The initial prehearing conference convened as scheduled. Parties represented at the initial prehearing conference include Citizen Power, Duquesne Light Company, Duquesne Industrial Intervenors (“DII”), the Office of Consumer Advocate (“OCA”) and the Office of Small Business Advocate (“OSBA”).

4. On September 18, 2012, a Prehearing Conference Order was issued setting forth certain procedural guidelines including a litigation schedule and service list. In accordance with the prehearing conference order, the parties in this matter includes all participants in the prehearing conference, plus the Department of Environmental Protection, Constellation NewEnergy, Inc., ACORN and Enernoc, Inc, whom were active in the this docket since the Company filed its Initial Smart Meter Technology Procurement and Installation Plan in August 2009.

5. The prehearing conference order also provides the following litigation schedule:

Direct testimony of parties other than Duquesne	October 9, 2012
Rebuttal testimony	October 26, 2012
Surrebuttal testimony (in writing)	November 8, 2012
Written rejoinder (by 12:00 p.m.)	November 13, 2012
Initial and further hearing	November 15-16, 2012
Main Briefs	December 7, 2012
Reply Briefs	December 21, 2012

6. To date, the parties have complied with the established schedule. The OCA is the only party to submit testimony or discovery.

7. Duquesne Light will comply with date required for written rejoinder. Herein, the Company is not proposing a new briefing schedule at this time because it is not clear that hearings will actually be required.

8. The Company notes that the Commission is not required to issue a decision in this matter within a specified timeframe and granting a 60-day continuance will not substantially delay the Company's smart meter implementation schedule.

9. The Company respectfully requests that the initial and further hearing scheduled for November 15-16, 2012 be postponed for 60 days to allow the parties to address a recent cost recovery issue and further pursue settlement. The cost recovery issue is explained in more detail below. Duquesne Light has reached out to all parties and received affirmative confirmation that the active parties that participated in the prehearing conference do not object to the requested continuance.

10. Presently, Duquesne Light believes that it may reach a full resolution of the issues in this proceeding with all parties, with the exception of the cost recovery issue. For reasons discussed below, the 60-day continuance may allow the parties to resolve the cost recovery issue as well.

11. In light of the issues discussed below and procedural posture of this case, the Company respectfully suggests that a further prehearing conference may be appropriate and could be held on November 15, 2012. In addition, the Company would be willing to participate in a telephone conference with Your Honor and the parties to discuss the proposed continuance.

Cost Recovery Issue

12. In its Final Smart Meter Plan, the Company proposed to recover the costs of smart meter implementation through a 1307(e) reconcilable charge. The proposed Smart Meter Charge ("SMC") is a distribution service charge assessed to all metered customers on a per meter per month basis.

13. Pursuant to 52 Pa. Code Section 57.42, Duquesne Light is required to use the FERC System of Accounts. The FERC system of accounts requires the Company to record costs to the appropriate account. Based on the information available at this time, the Company believes the appropriate accounts to record the smart meter implementation cost are FERC accounts 303, 370 and 391.

14. FERC account 370 is a distribution plant account. FERC account 391 is a general plan account. Finally, miscellaneous intangible plant is recorded to FERC account 303.

15. Additionally, the Company's FERC formula rates require that dollars booked to accounts 303 and 391 are allocated so that approximately 86% of the costs are treated as distribution and 14% transmission. The 86% that is treated as distribution would flow through the smart meter charge. The 14% that is allocated to transmission would be collected through transmission rates.

16. Absent FERC approval to modify the accounting treatment, the Company is not able to allocate all smart meter implementation cost to distribution rates, and consequently unable to recover all smart meter costs through the SMC as proposed.

17. The Company notified the parties of this issue on October 31, 2012. The Company understands that DII may be opposed to a cost recovery mechanism that includes recovery through transmission rates because of the potential impact to Large C&I customers.

18. The Company intends to meet with FERC to discuss accounting options that may eliminate this issue and requests a 60 day continuance to potentially resolve this issue with the FERC and parties.

19. As previously noted, the active parties that participated in the prehearing conference do not object to the requested continuance. Granting the 60-day continuance also

provides the parties with an opportunity to address the novel cost recovery issue by securing the appropriate witness.

Wherefore, Duquesne Light Company timely requests your Honor issue an order granting a 60 day continuance and scheduling a further prehearing conference, if necessary.

Respectfully submitted



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Date: November 9, 2012

Attorneys for Duquesne Light Company

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of Duquesne Light Company's Motion for Continuance of Hearing and Briefing Dates filing 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):

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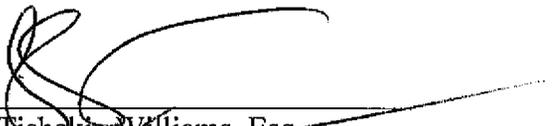
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Dated November 9, 2012