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File #: 160549

January 12, 2015

VIA ELECTRONIC FILING

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 a Waiver of the Three Business Day
Switching Requirements Under 52 Pa. Code § 57.174
Docket No. P-2014-2448863**

Dear Secretary Chiavetta:

On December 4, 2014, the Pennsylvania Public Utility Commission (“Commission”) entered an Order in the above referenced docket denying in part, and approving in part, Duquesne Light Company’s (“Duquesne Light” or the “Company”) request for waiver of the three business day switching requirements under 52 Pa. Code § 57.174. Among other things, the Commission’s Order directs the Company to file with the Commission status updates regarding the implementation of its Phase 1 Solution by December 15, 2014 and January 16, 2015. Pursuant to the Commission’s Order, Duquesne Light filed an update on December 15, 2014 and hereby provides a further update regarding the implementation of the Company’s off cycle switching Phase I Solution. This letter is the status update report that is required by January 16, 2015. The Company has determined that the off cycle switching Phase I Solution will not be implemented by January 16, 2015, for reasons addressed below. Duquesne Light currently plans to implement the Phase I Solution in the later part of February of 2015.

As explained in the Company’s Waiver Petition, Duquesne Light is unique among electric distribution companies in Pennsylvania because when the off cycle switching regulations were promulgated, Duquesne Light was in the process of replacing its entire Customer Care & Billing (“CC&B”) System. This CC&B System replacement is part of a larger project by the Company referred to as the FOCUS Project (hereafter FOCUS Project or FOCUS system). The FOCUS Project is a complex, multi-year technology implementation that impacts virtually every aspect of Duquesne Light’s business and the service provided to customers. The project includes the

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upgrade, implementation and integration of several major systems such as the new CC&B system, a new Meter Data Management system, Workforce Management system, and Market Transaction Messages system (the system that allows the Company to process incoming and outgoing electronic transactions between the Company and suppliers), among other things. Duquesne Light must make substantial additional Information Technology ("IT") modifications to the FOCUS system after its go live to implement off cycle switching. More specifically, in order to successfully implement the off cycle switching Phase I Solution, 1) the FOCUS system must be live and stable, 2) the off cycle switching Phase I Solution must be completed and stable, and 3) the off cycle switching Phase I Solution must be successfully integrated with the FOCUS system.

The FOCUS system went live on November 28, 2014. Typically, IT installations of this magnitude have a 3-6 month stabilization period. The Company's FOCUS system is still within the ninety day post go-live stabilization period (hyper-care stage) through the end of February. While the Company has not experienced any severe CC&B issues to date, as anticipated, numerous issues have and continue to be identified and corrected as part of the ongoing stabilization process. This work is critical and must be addressed in order to continue to minimize any impacts to customers and suppliers. To insure that the FOCUS system is not destabilized which could produce negative impacts to customers such as failure to issue bills as well as the issuance of inaccurate bills, the Company must take extreme care when introducing code changes necessary to integrate OCS with the FOCUS system during the hyper-care stage.

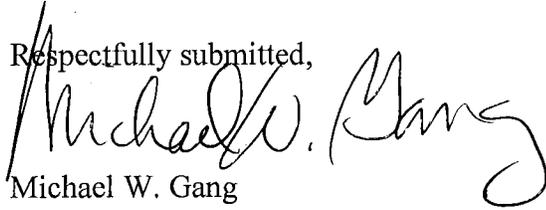
The Company has been diligently working on the analysis, design, build and testing of the off cycle switching Phase I Solution so that it can be integrated with the new FOCUS system. The changes needed to implement OCS into the FOCUS system require extensive design, build and testing of the Phase I Solution. Duquesne Light began testing its Phase I Solution in November of 2014. The Company must perform extensive testing for the Phase I Solution and resolve any defects that could negatively impact OCS or the FOCUS system before introducing any changes to the FOCUS system to ensure that customers continue to receive accurate, timely bills. Failure to properly test the Phase I Solution and resolve defects could destabilize the FOCUS system and lead to significant customer billing issues. The testing is currently scheduled to be completed on or about February 15, 2015. The Company is addressing defects as they are identified and will also be validating the Phase I Solution both of which could impact the completion of the testing. Based on the status to date, Duquesne Light currently plans to implement the Phase I Solution in the latter part of February of 2015.

Finally, the Company has been monitoring PJM prices to determine how they might impact competitive retail markets. The Company is also monitoring customer switching issues and will take appropriate actions to address any related issues.

Duquesne Light continues to request a waiver of the three business day switching requirements under 52 Pa. Code § 57.174 as it strives to implement the Phase I Solution, and will provide a further written update on January 30, 2015.

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Respectfully submitted,

A handwritten signature in black ink that reads "Michael W. Gang". The signature is written in a cursive style with a large, sweeping flourish at the end of the word "Gang".

Michael W. Gang

MWG/jl
Enclosure

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).

VIA E-MAIL AND FIRST CLASS MAIL:

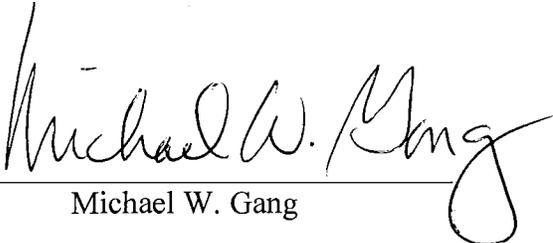
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Date: January 12, 2015


Michael W. Gang