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File #: 151663

September 30, 2015

VIA ELECTRONIC FILING

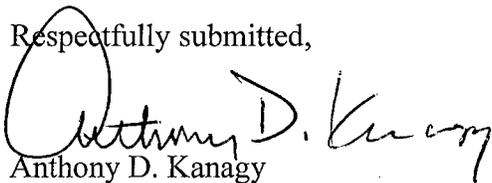
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Petition of Duquesne Light Company for Approval to Implement a Time-of-Use Program for the Year Commencing June 1, 2016 and Ending May 31, 2017
Docket No. P-2015-**

Dear Secretary Chiavetta:

Enclosed please find the Petition of Duquesne Light Company for Approval to Implement a Time-of-Use Program for the Year Commencing June 1, 2016 and Ending May 31, 2017. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Anthony D. Kanagy

ADK/skr
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).

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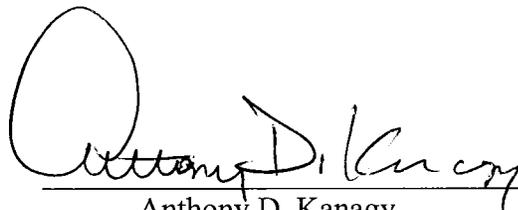
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Date: September 30, 2015


Anthony D. Kanagy

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company for :
Approval to Implement A Time-of-Use :
Program for the Year Commencing June 1, : Docket No. P-2015-_____
2016 and Ending May 31, 2017 :

PETITION OF DUQUESNE LIGHT COMPANY

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

I. INTRODUCTION

Duquesne Light Company (“Duquesne Light” or “Company”) hereby petitions the Pennsylvania Public Utility Commission (“Commission”) for approval to implement a Time-of-Use (“TOU”) Program for the year commencing June 1, 2016, and ending May 31, 2017. Duquesne Light files this Petition pursuant to 52 Pa. Code § 5.41, the Settlement Stipulation approved by the Commission in Duquesne Light’s Default Service Proceeding at Docket No. P-2014-2418242 (“DSP VII”) by Order entered January 15, 2015, and the Commission’s Order regarding Duquesne Light’s Petition for Waiver entered July 30, 2015 at Docket No. P-2015-2484590.

II. BACKGROUND

1. Duquesne Light is a public utility as that term is defined under Section 102 of the Public Utility Code, 66 Pa.C.S. § 102, certified by the Commission to provide electric service in the City of Pittsburgh and in Allegheny and Beaver Counties in Pennsylvania. Duquesne Light is also an electric distribution company (“EDC”) and a default service provider (“DSP”) as those

terms are defined under Section 2803 of the Public Utility Code. 66 Pa.C.S. § 2803. Duquesne Light provides electric distribution service to approximately 590,000 customers.

2. Duquesne Light's attorneys are:

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Duquesne Light's attorneys are authorized to receive all notices and communications regarding this matter.

3. On April 24, 2014, Duquesne Light filed its DSP VII Petition with the Commission. In the DSP VII Petition, the Company proposed a TOU program for the DSP VII plan period beginning June 1, 2015, through May 31, 2017.

4. Duquesne Light further proposed to issue Requests for Proposals ("RFPs") for electric generation suppliers ("EGSs") to provide the TOU service under set parameters that included Summer On-Peak hours during weekdays (excluding PJM Interconnection LLC holidays) from 2:00 p.m. through 6:00 p.m. from June 1 to September 30 of each year. All other hours during those months would be the Summer Off-Peak period. Duquesne Light did not propose a TOU rate for the Non-Summer period of October 1 through May 31. However, EGSs were required to offer a fixed rate for this time period.

5. On September 15, 2014, Duquesne Light filed a Settlement Stipulation with the Commission that was agreed to or not opposed by all Parties in the DSP VII proceeding. See Settlement Stipulation, p. 1. The Settlement Stipulation resolved certain of the issues in the DSP VII proceeding, including the TOU issues.

6. The Settlement Stipulation provided as follows with respect to the TOU issues:

Time of Use (“TOU”) Program

9. Duquesne Light’s TOU Program for the first year of DSP VII will be approved for Residential (other than those customers enrolled in Duquesne Light’s Customer Assistance Program (“CAP”)), Small C&I and Medium C&I customers with interval meters, as long as the customer also has the necessary data collection and communications systems in place, and the systems have been successfully tested. CAP customers will not be eligible for the TOU Program in the first year of DSP VII because issues regarding CAP portability have not been finally determined at this time, and there will be a limited window for TOU enrollment in the first year of DSP VII.

10. Duquesne Light will conduct a collaborative to develop a TOU Program and cost recovery mechanism for the year commencing June 1, 2016 and ending May 31, 2017, to identify ways to permit multiple EGSs to participate in a TOU offering(s) and will explore how to effectively integrate the TOU Program with CAP provided that general issues regarding CAP portability have otherwise been decided by the Commission. In order to permit the Company time to identify new options available for TOU service and assess necessary TOU Program changes to potentially integrate CAP customers if CAP portability issues have been decided, the collaborative will commence no later than June 30, 2015. The collaborative will continue for 60 days. Following the collaborative, the Company will file with the Commission by September 30, 2015, a TOU Program proposal reflecting any consensus that has been achieved and the Company’s proposal on unresolved issues. The Commission will provide an opportunity for comments by interested parties, and issue a final order by January 31, 2016, so that any actions necessary to commence the approved TOU program commencing June 1, 2016 can be completed.

7. The Commission approved the Settlement Stipulation by Order entered January 15, 2015.

8. On May 28, 2015, Duquesne Light filed a Petition for Waiver of certain regulatory requirements, including a waiver to delay implementing a TOU program until June 1, 2016, with reporting requirements regarding the program to be filed with the Commission no later than November 30, 2016. The Commission granted the Petition for Waiver by Order

entered July 30, 2015. *Petition of Duquesne Light Company For An Extension of Time or Waiver To Meet Certain Regulatory Requirements*, Docket No. P-2015-2484590 (“*Waiver Order*”).

9. Pursuant to the DSP VII Settlement Stipulation and the *Waiver Order*, Duquesne Light hereby petitions the Commission for approval of a TOU Program for June 1, 2016, through May 31, 2017, which is the second year of the DSP VII Period. Duquesne Light will request approval of a TOU program for the DSP VIII Period of June 1, 2017, through May 31, 2019, in its DSP VIII Petition that will be filed in 2016.

III. TOU COLLABORATIVE

10. On June 4, 2015, Duquesne Light sent an invitation to all parties in the DSP VII proceeding, which included the Retail Energy Supply Association, along with invitations to AEP Energy and US Gas and Electric Inc. (because they requested to participate in a prior default service collaborative) to participate in an initial TOU collaborative meeting on June 25, 2015. Parties were invited to participate in person, by webinar or by teleconference.

11. The Initial TOU collaborative meeting was held on June 25, 2015. Representatives from Duquesne Light, the Office of Consumer Advocate (“OCA”) and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) participated in the initial TOU collaborative. No EGSs participated in the collaborative.

12. Duquesne Light presented its TOU options at the Initial TOU collaborative meeting which included both Rate Ready and Bill Ready TOU options for EGSs to provide TOU

service to customers.¹ Duquesne Light also responded to questions from the TOU collaborative participants.

13. Duquesne Light held a Second TOU Collaborative meeting on July 22, 2015. Representatives from the OCA and CAUSE-PA also participated in this collaborative meeting.

14. As a result of the two collaborative meetings, the collaborative participants were able to reach a consensus on many, but not all, TOU issues. Below, Duquesne Light explains its proposed TOU program for June 1, 2016, through May 31, 2017.

IV. TOU PROPOSAL

A. GENERAL PARAMETERS OF THE TOU PROGRAM THAT APPLY TO BOTH THE RATE READY AND BILL READY TOU OPTIONS

15. The general parameters of the proposed TOU program are listed below:
- Duquesne Light will offer both Rate Ready and Bill Ready TOU Options for EGSs to provide TOU service to customers.² Additional details for the Rate Ready and Bill Ready options are set forth in Sections IV.B and IV.C below.
 - The TOU Program will be a twelve (12) month program beginning June 1, 2016, and concluding May 31, 2017. The “Summer TOU” timeframe will be defined as the period of June 1, 2016 through September 30, 2016.
 - The enrollment period for the TOU Program will be June 1, 2016 through July 31, 2016, and will follow the applicable switching protocols in the Company’s EGS Coordination Tariff and Retail Electric Tariff.

¹ If an EGS does not elect to directly bill its charges to its customers, then the Company currently requires EGSs to provide their rates for supply service to the Company which the Company uses to calculate supply charges to present on the Company’s bill. This is referred to as Rate Ready. Bill Ready requires the Company to provide consumption data to the EGS and allows the EGS to provide the supply bill calculation back to the Company for presentation on the Company’s bill. Duquesne Light currently estimates that it will implement Bill Ready capability by May 31, 2016.

² Duquesne Light notes that the Commonwealth Court recently issued an Order with respect to PPL Electric’s TOU Program holding that PPL Electric was required to provide TOU service to customer-generators and could not transfer this obligation to EGSs. The *Dauphin County Ind. Dev. Auth. V. Pa. P.U.C.*, Docket No. 1814 C.D. 2014, Order entered September 9, 2015. The Commission has not provided further guidance regarding this Order at this time. Duquesne Light notes that under its proposed TOU Program, Duquesne Light will offer TOU service if no EGSs elect to participate.

- Duquesne Light will work with any TOU EGS, prior to the June 1, 2016, enrollment date, to ensure the transition to the program is seamless and well communicated.
- Duquesne Light will not accept TOU enrollments before the 3 business day enrollment window, prior to June 1, 2016.
- During the period of June 1 – September 30, 2016, an EGS must maintain the same On-Peak rate(s) it offers to customers throughout the term.
- One rate will be charged for all hours starting October 1, 2016, through May 31, 2017.
- TOU customers will see their usage amounts and rates clearly identified by on-peak or off-peak on the bill during the “Summer TOU” timeframe.
- TOU customers must be current on the payment of their bills, and will be required to pay the actual charges on their TOU bills and not be eligible for budget billing. If customers are currently on budget billing they will be required to switch to paying actual charges and will be required to stay current on their bills.
- TOU customers will be Consolidated Billed by Duquesne Light. Qualifying TOU EGSs must be participating in, and will use, the Purchase of EGS Receivables Program.
- Customers will stay with the EGS after the end of the TOU Program but they are able to leave without a cancellation fee.
- Duquesne Light will not offer a customer protection plan for those participating in the 12 month TOU Program. Customers that elect the TOU Program may pay more or less than they would have if they had remained on default service.
- The TOU Program will only be available to Residential customers who have a smart meter and its data collection and communications systems installed and successfully tested.³
- CAP customers will not be eligible to participate in the TOU Program to begin June 1, 2016. CAP customers are not eligible to participate at this time because issues regarding CAP portability have not been resolved and due to IT limitations regarding CAP portability.

³ The Company will only be offering the TOU program to residential customers as the functionality for commercial and industrial customers to have data collection and communications systems installed with respect to their smart meters will not be available until May 31, 2016, which will not allow enough time for these customers to be included in the 2016 program.

- If no approved EGSs submit qualifying bids, or if no bid is accepted, Duquesne Light will offer TOU default service for the applicable program year to eligible TOU customers.
- Duquesne Light will provide a rate comparison website for customers to evaluate different rate options including default service. The EGS will provide data in a form that is acceptable to Duquesne Light for use in the rate comparison website.

B. RATE READY TOU BILLING OPTION

16. The proposed additional rules for the Rate Ready TOU Billing Option are set forth below:

- Only one (1) EGS will be selected to offer the Rate Ready TOU Billing Option. An EGS will be allowed to bid on both the Rate Ready and Bill Ready TOU Billing Options, but if selected for the Rate Ready TOU Billing Option then it will agree to withdraw any bid in the Bill Ready TOU Billing Option.
- The TOU rate will be configured to apply different prices to the on-peak, off-peak and around-the-clock hours, for the generation and transmission charge(s) only. Distribution charges will be based on total consumption (not affected by on-peak/off-peak hours).
- During the “Summer TOU” period, an on-peak and off-peak EGS offer will be limited to single on-peak and off-peak rates. The rates will not change during the “Summer TOU” period.
- ON-PEAK hours will be 2-6 PM weekdays, excluding PJM holidays, between June 1 and September 30, 2016 (inclusive). These are the only on-peak hours available to a Rate Ready EGS offering. (PJM holidays for the 2016 Summer TOU period are Monday, July 4, and Monday, September 5.)
- OFF-PEAK hours are all hours between June 1 and September 30, 2016 (inclusive) that are not ON-PEAK hours.
- All hours between October 1 and May 31 are around-the-clock/Non-Summer hours. These hours will all be priced using a Seasonal rate. The Seasonal rate will remain the same from October 1 through May 31. There will not be any difference in the rate during this period for on-peak or off-peak hours.

C. BILL READY TOU BILLING OPTION

17. The proposed additional rules for the Bill Ready TOU Billing Option are set forth below:

- Multiple EGSs can participate in the program, offering different rates for different on-peak/off-peak time periods. Duquesne Light reserves the right to limit the number of suppliers to up to 3 EGSs.⁴
- An EGS offering a Bill Ready Billing option for the TOU program must be certified and approved by Duquesne Light to use this bill option prior to May 16, 2016.
- For this program, an EGS may have a broader definition of what may qualify as on-peak hours. There will be a limitation that the on-peak hours must be within 12 – 7 PM time period for all weekdays, excluding PJM holidays, between June 1 and September 30, 2016 (inclusive). The EGS will be required to notify Duquesne Light and the customers what their definition of on-peak hours will be. The EGS must consistently apply the same on-peak hourly definition during the entire Summer TOU period. (PJM holidays for the 2016 Summer TOU period are Monday, July 4, and Monday, September 5.) Examples: Wednesday afternoon from 12-7 cannot be declared “off-peak.” Weekends cannot be declared “on-peak.”
- Off-peak hours are all hours between June 1 and September 30, 2016, (inclusive) that are not on-peak hours. Off-peak hours cannot be changed once established by an EGS.
- Duquesne Light will provide all interval hourly usage data to EGSs for the monthly billing period.
- EGSs will be required to provide bill amounts to Duquesne Light and will work with the Company to provide their charges on the Duquesne Light bill.
- EGSs will be required to provide to Duquesne Light data such as rate, peak period and other information deemed necessary to complete required Commission reporting to be further defined in the RFP.
- Duquesne Light will be responsible to put the EGS charges on the bill as line item(s). The EGS is limited to the same amount of line items that Duquesne Light can provide in the standard bill ready option.

⁴ The Company is providing for a limitation on the number of EGSs that can participate because if the number of customers who may agree to participate in the TOU program in 2016 is small then these customers could be spread over multiple EGSs which may not provide statistically significant information to the Company that can be used in designing future programs.

- EGSs will be responsible to ensure the accuracy of each transaction.

D. TOU AGREEMENT

18. EGSs that seek to participate in the TOU Program will be required to enter into a TOU Agreement with the Company. A copy of the TOU Agreement is provided as Attachment 1. The TOU Agreement memorializes the obligations, including reporting requirements, of TOU EGSs.

E. COST RECOVERY

19. Duquesne Light proposes that EGSs supplying TOU service will be responsible for recovering their own costs of providing TOU service.

20. Duquesne Light proposes to recover its costs for providing TOU service for the winning EGS(s), which includes communications costs, TOU analysis costs, incremental billing costs and training costs, through its default service rates. Duquesne Light estimates that these costs will be approximately \$512,500.⁵

21. All TOU costs will be directly assigned to residential default service.

22. The TOU collaborative participants were not able to agree on TOU program cost recovery issues.

23. Duquesne Light believes that its cost recovery proposal is reasonable for several reasons. First, Duquesne Light does not believe that EGSs will participate in the TOU Program if they would be required to pay for Duquesne Light's costs to implement the TOU Program. Based upon the TOU participation rates of other EDCs, which have averaged 1-2%, Duquesne Light anticipates that a maximum of approximately 1,000 - 3,000 customers may participate in the TOU program for June 1, 2016, through May 31, 2017. If EGSs were required to pay for Duquesne Light's estimated costs of \$512,500 to implement the TOU Program, this would result

⁵ Costs associated with TOU IT development are proposed to be recovered under the Company's Smart Meter Charge.

in an estimated TOU customer acquisition cost of \$171 - \$512. This level of acquisition cost would discourage EGSs from participating in the TOU Program. Second, the Commission has held that EDC TOU costs should be recovered through default service rates. See *Petition of PECO Energy Company for Approval of its Initial Dynamic Pricing and Customer Acceptance Plan*, Docket No. M-2009-2123944, Order entered April 15, 2011, pp. 18-27. Third, in 2010, the Commission ordered Duquesne Light to recover the costs of its TOU pilot program plan through default service rates. See *Petition of Duquesne Light Company for Approval of a Time-of-Use Plan*, Docket No. P-2009-2149807, Order entered June 23, 2010, pp. 11-12.

F. PRO FORMA RETAIL AND EGS COORDINATION TARIFF SHEETS FOR EGS PROVIDED TOU PROGRAM(S)

24. Pro forma tariff sheets are furnished as Attachment 2, which will be necessary for the Company to offer an EGS provided TOU Program.

25. The EGS Coordination pro forma tariff supplement adds two (2) rules to the EGS Coordination Tariff to define EGS Obligations for participating in an EGS provided TOU Program(s) and EGS reporting obligations in regard to the TOU Program(s).

26. The Retail electric pro forma tariff supplement defines Duquesne's proposed cost recovery methodology for implementing the TOU Program(s).

27. The Company requests Commission approval to file the tariff sheets in Attachment 2 to become effective on 10 days' notice if one or more qualified EGSs offer to provide TOU service.

G. TOU CONTINGENCY PLAN

28. Because no EGS has participated in the collaboratives, the Company has concerns that no EGS will provide either the rate ready or bill ready TOU program described above. The Company still intends to have an RFP process so EGSs are selected to offer the TOU program, but in the instance where no EGS participates or is selected, the Company plans to reach out to

EGS(s) to solicit their participation. In the event no EGS participates, the Company has developed a contingency plan as discussed below.

29. If no EGSs submit qualifying bids in either the Rate Ready or Bill Ready TOU option, or if no bid is accepted, or if no EGS agrees to offer the TOU Program, the Company will offer TOU default service to eligible TOU customers in lieu of an EGS.⁶ Under the contingency plan, the Company would set the prices for the same TOU service as defined throughout this Petition by applying TOU factors to the default service supply rates. The derivation of the on-peak and off-peak factors are listed in Attachment 3. All customers that enroll in TOU service under this contingency plan will be default service customers and will be served under Duquesne Light's Retail Tariff. Customers will be switched to the contingency default service program in accordance with the Company's rules regarding rate changes and switching. All supply costs for providing TOU service under the contingency plan would be recovered through default service rates and recoveries will be reconciled with supply costs by class.

H. PRO FORMA RETAIL TARIFF SHEETS FOR DUQUESNE LIGHT DEFAULT SERVICE PROVIDED TOU PROGRAM

30. Pro forma tariff sheets are furnished as Attachment 4, which will be necessary if the Company must offer a TOU Program under the contingency plan.

31. The Retail electric pro forma tariff supplement defines Duquesne's proposed cost recovery methodology for implementing the TOU Program and adds Appendix B – Rate TOU Time-of-Use to the tariff to define the Company's default service TOU Program parameters.

32. The Company requests Commission approval to file the tariff sheets in Attachment 4 to become effective on 10 days' notice following notification to the Commission if the Company must offer its contingency default service TOU Program.

⁶ The provision of paragraphs 15 and 16 shall apply to the contingency default service program to the extent they are not EGS specific.

I. TOU PROGRAM REPORTING

33. In the Waiver Petition Order, the Commission approved the Company's request to file TOU Program reporting requirements with the Commission by November 30, 2016. Waiver Petition Order, p. 16.

34. Duquesne Light proposes to report the following information regarding the 2016 Summer TOU Program:

- a. Participants by rate schedule by month
- b. Aggregate on-peak and off-peak kWh by month for participants
- c. On-peak and off-peak rates and applicable time periods by EGS by rate class
- d. EGS participation by rate class
- e. TOU related calls answered by Customer Service Representative and referrals to an EGS
- f. Feedback on Company TOU website through email survey
- g. Total incremental Company expenses to implement the program for EGSs

35. In order to participate in the TOU Program, EGSs will be required to provide Duquesne Light with the following information:

- a. On-peak and off-peak rates and applicable time periods – Rate Ready and Bill Ready billing
- b. Financial incentives to enroll (e.g. gift card for enrollment)
- c. Communication materials sent to customers (e.g. email, mailings)
- d. Marketing and advertising materials
- e. Customer survey results
- f. EGS website information

- g. EGS bill messages for TOU participants
- h. Linkage of rates to technology (e.g. smart thermostats)
- i. Total incremental Company expenses to implement the program

V. THE PROPOSED TOU PROGRAM IS IN THE PUBLIC INTEREST AND SHOULD BE APPROVED

36. The Company has proposed a TOU Program that provides reasonable options to encourage EGS participation and a backup plan if EGSs do not participate that should be approved without modification.

37. The Company's proposed TOU Program will solicit EGSs to provide TOU service to customers. This is consistent with Commission guidance regarding how EDCs should meet the Act 129 TOU requirements. *Investigation of Pennsylvania's Retail Electricity Market: Recommendations Regarding Upcoming Default Service Plans*, Docket No. I-2011-2237952, Order entered December 16, 2011, p. 47.

38. In addition, the proposed TOU Program allows multiple EGSs to participate, and allows EGSs flexibility in setting TOU Program parameters under the Bill Ready TOU option. While no EGS elected to participate in the TOU collaborative, this was an important issue for the EGSs that participated in the DSP VII proceeding.

39. Moreover, many of the proposed TOU Program parameters have been agreed to or not opposed by the TOU Program collaborative participants.

VI. APPROVAL PROCESS

40. In the DSP VII Settlement Stipulation, the Parties agreed, and the Commission approved, a process whereby Duquesne Light would file its TOU Program proposal with the Commission by September 30, 2015.

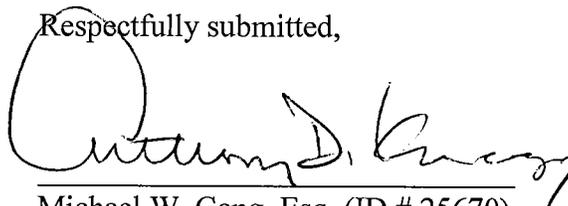
41. The Commission-approved process also provides for an opportunity for comments by interested parties, and a final Commission order by January 31, 2016, so that any actions necessary to commence the approved TOU program for service on and after June 1, 2016 can be completed. Settlement Stipulation, p. 4.

42. Consistent with the Settlement Stipulation, Duquesne Light respectfully requests that the Commission establish a Comment Period on this Petition that will allow the Commission to issue a Final Order with respect to the proposed TOU Program as soon as possible but no later than January 31, 2016.

VII. CONCLUSION

WHEREFORE, for the foregoing reasons, Duquesne Light Company respectfully requests that the Pennsylvania Public Utility Commission: (1) establish a review process for this Petition that will allow an Order by January 31, 2016; (2) approve the Petition to allow the Company to implement its proposed TOU Program for the time period of June 1, 2016, through May 31, 2017, and (3) approve the attached pro forma Retail Electric and EGS Coordination tariff supplements so as the applicable supplements may be issued to become effective on no less than 10 days' notice after it is determined that one or more EGSs will offer TOU service or whether Duquesne Light must offer its TOU contingency plan. In addition, if the Company experiences any delays in implementing bill ready and TOU IT capabilities beyond May 31, 2016 then the Company may need to file a subsequent petition with the Commission explaining the reasons for the delay and requesting an alternative to the TOU program outlined in this petition or other relief from the Commission.

Respectfully submitted,



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Date: September 30, 2015

Attorneys for Duquesne Light Company

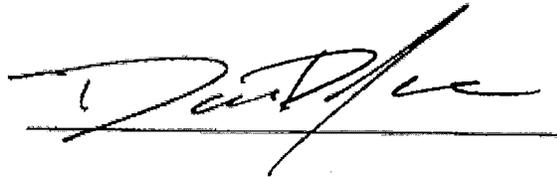
**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company for :
Approval to Implement A Time-of-Use :
Program for the Year Commencing June 1, : Docket No. P-2015-_____
2016 and Ending May 31, 2017 :

VERIFICATION

I, David Defide, being Manager of Customer Programs for Duquesne Light Company ("Duquesne Light"), hereby state that the facts set forth in the foregoing Petition of Duquesne Light Company to Implement A Time-of-Use Program for the Year Commencing June 1, 2016, and Ending May 31, 2017, are true and correct to the best of my knowledge, information and belief and that I expect Duquesne Light 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.

Date: September 30, 2015



A handwritten signature in black ink, appearing to read "David Defide", is written over a horizontal line.

Attachment 1

Duquesne Light Company

Time-of-Use Program Summary and Electric Generation Supplier Agreements

**(Including TOU Supplier Agreement with Duquesne Light and TOU Supplier
Contract and Disclosure Statement for TOU Customers)**

September 30, 2015

**DUQUESNE LIGHT COMPANY TIME-OF-USE PROGRAM
FOR DSP VII YEAR TWO**

June 1, 2016 through May 31, 2017

SUMMARY

1. **Program Overview** – Duquesne Light Company (“Duquesne Light” or the “Company”) is soliciting to obtain electric generation suppliers (“EGS”) to provide competitive retail supply service to certain Residential customers under a time-of-use program (“TOU Program”) that has been approved by the Pennsylvania Public Utility Commission (“Commission”) for the TOU program year June 1, 2016 through May 31, 2017. TOU service, which involves charging customers higher prices for power delivered during “on-peak” periods, and lower prices for power delivered during “off-peak” periods, will have terms and conditions for all eligible customers as described in this Summary, the attached form agreements and the TOU Petition that was approved by the Commission by Order entered _____ at Docket No. _____.
2. **TOU Program Year** – The Company will have one TOU program year. The TOU program year will begin June 1, 2016 and continue through May 31, 2017.
3. **TOU Program Options** – Duquesne Light will offer both Rate Ready and Bill Ready TOU Options for EGSs to provide TOU service to customers. Only one (1) EGS will be selected to offer the Rate Ready TOU Billing Option. Up to three (3) EGSs will be able to participate in the Bill Ready TOU Billing Option.
4. **TOU Price Structure** –
 - (A) **Rate Ready TOU Billing Option** - An EGS that submits a qualifying bid must offer three prices in the request for proposals (“RFP”): (1) *TOU Summer On-Peak Price* – This price will be in effect from June 1 to September 30 for the hours between 2:00 p.m. and 6:00 p.m., Monday through Friday, excluding PJM holidays; (2) *TOU Summer Off-Peak Price* – This price will be in effect from June 1 to September 30 for all hours except the Summer On-Peak Period; (3) *TOU Non-Summer Price* – This price will be in effect for all hours during October 1 through May 31. EGS bidders participating in the RFP will be required to submit bid prices such that the ratio of the TOU Summer On-Peak Price to the TOU Summer Off-Peak Price is 1.5 or greater.
 - (B) **Bill Ready TOU Billing Option** – For this program, an EGS may have a broader definition of what may qualify as on-peak hours. There will be a limitation that the on-peak hours must be within 12 – 7 PM time period for all weekdays, excluding PJM holidays, between June 1 and September 30, 2016 (inclusive). The EGS will be required to notify Duquesne Light and the customers what their definition of on-peak hours will be. The EGS must consistently apply the same on-peak hourly definition during the entire Summer TOU period. (PJM holidays for the 2016 Summer TOU period are

Monday, July 4, and Monday, September 5.) Off-peak hours are all hours between June 1 and September 30, 2016 (inclusive), that are not on-peak hours. Off-peak hours cannot be redefined by an EGS and will not intrude upon hours identified as on-peak. Examples: Wednesday afternoon from 12 – 7 cannot be declared “off-peak.” Weekends cannot be declared “on-peak.”

5. **Selecting an EGS TOU Supplier** – The Company will issue one RFP for TOU supply during the June 2016 through May 2017 program year. The RFP will be held approximately between two and three months before the start of the TOU program year. The Company will issue an announcement to all EGSs licensed in Pennsylvania to do business in the Company’s service territory informing them of the opportunity to compete to be selected as a TOU supplier (i.e., an EGS providing the TOU service). A Pre-Bid conference will be conducted by the Company before each RFP to further explain and answer questions about the TOU Program. Duquesne Light will evaluate bids from different EGS bidders using a pre-determined and transparent process to select the most favorable overall bid prices. Prior to the solicitation, the Company will determine price weights (applicable to the three TOU service time periods) to calculate a weighted-average bid price to compare EGS bids based upon the most recent 12 months of usage by the Residential customer class. The price weights that will be used in the TOU RFP will be released to the registered EGSs in the announcement preceding the RFP. The bidder that submits the lowest qualified weighted-average bid price will be selected as the Rate Ready TOU supplier (the “TOU Supplier”). If there are more than three Bill Ready TOU bids, the Company will select the three Bill Ready TOU bidders that submit the lowest qualified weighted-average bid prices. EGSs must agree to the terms and conditions of the attached form agreements in order to for their bids to be considered.
6. **EGS Customers** – Customers that elect TOU service will become EGS customers and will be enrolled by the applicable TOU Supplier. Customer Assistance Program (“CAP”) customers will not be permitted to participate in the TOU Program.
7. **Customer Election Period** – Customers that are eligible to participate in the TOU Program may elect to do so during the period immediately after the TOU Supplier Agreement has been signed by both the TOU Supplier and Duquesne Light through July 31, 2016. Service will commence pursuant to the applicable switch rules but no earlier than June 1 of each year.
8. **TOU Service Offering during the TOU Program Year** – During the TOU program year, the designated TOU Suppliers will be compensated for customer usage based upon the prices that it submitted in its winning bid in the RFP. TOU Suppliers generally are prohibited from discontinuing service to a TOU customer enrolled with that supplier in the TOU Program, unless such customer selects another competitive retail offer from the TOU Supplier, switches to another EGS, or affirmatively elects to return to standard default service.
9. **No Restrictions on Customer Switching** – TOU customers may terminate TOU Service, enroll or switch to an EGS, including an alternative service offering from the TOU

Supplier, or to Default Service, according to standard switching rules and the terms and conditions of the Supplier Tariff. The TOU Supplier shall be prohibited from imposing customer switching penalties, minimum stay requirements, or contract cancellation fees on any TOU customers.

10. **Attachments** – The TOU Program shall be governed by the following documents:
 - 1) Appendix A: TOU Supplier Agreement with Duquesne Light Company
 - 2) Attachments to TOU Supplier Agreement:
 - Attachment 1 – Duquesne Light Company TOU Program Pricing
 - Attachment 2 – TOU Supplier Contract and Disclosure Statement for TOU Customers
11. The TOU Program will begin service no earlier than June 1, 2016, subject to the terms and conditions herein.
12. This summary describes the general scope and terms of the TOU Program and the process by which EGSs may compete to become the TOU Supplier. The specific rules with which the TOU Supplier must comply, and the standard terms and conditions for service provided by the TOU Supplier under the TOU Program are provided in the TOU Supplier Agreement and Attachments thereto and as provided in the TOU Petition as approved by the Commission on _____.

APPENDIX A

TIME-OF-USE SUPPLIER AGREEMENT

THIS DUQUESNE LIGHT COMPANY TIME-OF-USE SUPPLIER AGREEMENT (“Agreement”) is made and entered into as of {Date} (“Effective Date”) by and between Duquesne Light Company (“Company”), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and {TOU Supplier Name} (“TOU Supplier”) a corporation organized and existing under the laws of the {State of or Commonwealth of...}. The Company and the TOU Supplier hereinafter are sometimes referred to collectively as the “Parties,” or individually as a “Party.”

WITNESSETH:

WHEREAS, Duquesne Light is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal corporate office in Pittsburgh, Pennsylvania. Duquesne Light is an electric distribution company under Pennsylvania law and provides electric delivery service to approximately 585,000 retail customers in Southwestern Pennsylvania. Duquesne Light is also the default service provider in its service area, and currently provides electric generation service to Residential, Small C&I, and Medium C&I customers.

WHEREAS, a TOU Supplier is an approved electric generation supplier that submitted a winning bid in a TOU Solicitation and agreed to and met all of the requirements of the TOU Program Summary;

WHEREAS, the Company is an electric public utility engaged, inter alia, in providing retail electric service within its service territory located in the Commonwealth of Pennsylvania; and

WHEREAS, the Company has adopted a program (“TOU Program”) that has been approved by the Pennsylvania Public Utility Commission (“Commission”) to meet its obligation under Pennsylvania Act 129 of 2008 (“Act 129”) to have at least one Time-of-Use (“TOU”) rate offering available for its Eligible TOU Customers; and

WHEREAS, the Commission has found that it would serve the public interest for the Company to secure a licensed Electric Generation Supplier (“EGS”) to provide TOU Service through a competitive procurement process (“TOU Solicitation”), and the Commission has approved such a process; and

WHEREAS, the Company has conducted and completed a successful TOU Solicitation for the provision of TOU Service, and the TOU Supplier was a winning bidder in the TOU Solicitation; and

WHEREAS, the TOU Supplier is licensed by the Commission to offer and supply competitive retail electric service in Pennsylvania.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby covenant, promise and agree as follows:

ARTICLE 1

DEFINITIONS

Any capitalized or abbreviated term not elsewhere defined in the Attachments to this Agreement shall have the definition set forth in this Article.

- 1.1 **Agreement** – The Agreement for the TOU Supplier to provide TOU Service to TOU Customers, as further provided in the Attachments hereto.
- 1.2 **Applicable Legal Authorities** – Those federal and Pennsylvania statutes and administrative rules, regulations and Orders that govern the electric utility industry in Pennsylvania, as the same may be amended from time to time.
- 1.3 **Business Day** – Any day on which the Company’s corporate offices are open for business.
- 1.4 **Consolidated Duquesne Light Billing** – Shall have the meaning set forth in the Company’s Supplier Tariff.
- 1.5 **Customer** – Any person or entity who takes service from the Company under a retail tariff.
- 1.6 **Default Service** – Shall mean Default Service as defined in 52 Pa. Code § 54.182.
- 1.7 **Electric Generation Supplier or “EGS”** – A person or entity that is certified by the Commission to offer and provide competitive retail electric service to retail Customers located in the Commonwealth of Pennsylvania.
- 1.8 **Election Period** – The period immediately after the TOU Supplier Agreement has been signed by both the TOU Supplier and Duquesne Light through July 31, 2016.
- 1.9 **Eligible TOU Customer** – Any Customer that, under the Company’s tariffs, is classified with respect to Default Service supply procurement as a Residential Customer. Further, for a Residential Customer to be an “Eligible TOU Customer,” it must have been provided a smart meter pursuant to the Company’s Commission-approved smart and interval meter plans. In addition, to be an Eligible TOU Customer, the Customer also must have the necessary data collection and communication systems in place and successfully tested by the Company. Customer Assistance Program (“CAP”) customers

will be permitted to participate in the TOU Program once the issues with CAP portability and price-to-compare protections have been resolved and a plan addressing these issues has been approved for the Company in its Service Territory.

- 1.10 **FERC** – The Federal Energy Regulatory Commission.
- 1.11 **Non-Summer Period** – All hours between and inclusive of October 1 and May 31 of the TOU Program Year.
- 1.12 **PJM** – PJM Interconnection, LLC.
- 1.13 **Service Territory** – The service territory in which the Company is authorized to furnish retail electric service in Pennsylvania.
- 1.14 **Summer Off-Peak Period** – All hours between and inclusive of June 1 through September 30 of the TOU Program Year, excluding the Summer On-Peak Period.
- 1.15 **Summer On-Peak Period** – All hours between and inclusive of June 1 through September 30 of the TOU Program Year that occur between 2:00 pm and 6:00 pm Eastern Prevailing Time on weekdays, excluding PJM holidays.
- 1.16 **Supplier Tariff** – The Commission-approved Electric Generation Supplier Coordination Tariff for the Company.
- 1.17 **TOU Customer(s)** – Customers who are being provided TOU Service pursuant to the terms of this Agreement and its Attachments.
- 1.18 **TOU Program Year** – The period beginning June 1, 2016 through May 31, 2017.
- 1.19 **TOU Non-Summer Price** – The price, in cents per kWh, that is set forth in Attachment 1 of the Agreement, and which is applicable to the Non-Summer Period.
- 1.20 **TOU Service** – Retail electric service (including all components represented by the Company’s Price-to-Compare) provided by the TOU Supplier pursuant to this Agreement including its Attachments.
- 1.21 **TOU Summer Off-Peak Price** – The price, in cents per kWh, set forth in Attachment 1 of the Agreement, and which is applicable to the Summer Off-Peak Period.
- 1.22 **TOU Summer On-Peak Price** – The price, in cents per kWh, set forth in Attachment 1 of the Agreement, and which is applicable to the Summer On-Peak Period.
- 1.23 **TOU Solicitation** – The competitive bidding processes, procedures and rules employed by the Company to competitively select an EGS to provide TOU Service to TOU Customer(s) for purposes of the Agreement.
- 1.24 **TOU Supplier** – An entity that: (i) has been selected through the TOU Solicitation and has accepted the obligations and associated rights to provide TOU Service to Customers

in accordance with the Applicable Legal Authorities; (ii) has entered into the Agreement with the Company as a Party; (iii) is a full member of PJM and registered with PJM as a Load Serving Entity; (iv) is licensed by the Commission to offer and supply electric generation services in Pennsylvania in the Service Territory; and, (v) is in full compliance with the terms and conditions of the Company's Supplier Tariff.

ARTICLE 2

GENERAL TERMS AND CONDITIONS

2.1 Term

The Agreement shall be effective upon execution by the Parties and shall terminate on June 1, 2017. The Agreement may be terminated prior to the end of the TOU Program Year by the existence of any of the following conditions: (1) if the TOU Program is terminated by governmental action before the end of the TOU Program Year; (2) if the TOU Supplier is no longer a certified EGS; or, (3) if either Party is in material breach of the Agreement or the Supplier Tariff.

2.2 TOU Prices to Customers.

In accordance with the TOU Program, the TOU Supplier shall offer all Eligible TOU Customers the TOU prices shown in Attachment 1 to this Agreement, in cents per kilowatt-hour, for electric generation service (including all components represented by the Company's Price-to-Compare) spanning the TOU Program Year. Once an Eligible TOU Customer is enrolled in the TOU Program and therefore becomes a "TOU Customer" with a TOU Supplier, the TOU Supplier must continue to provide that customer with service at the fixed prices set forth in Attachment 1 until the end of the TOU Program Year or until the Customer affirmatively switches to a different service offering, whichever is earlier.

2.3 Supplier Tariff

Except as otherwise stated herein, all terms and conditions of the Company's Supplier Tariff, as modified from time to time with the approval of the Commission, are incorporated herein by reference, are in full force and effect, and are binding upon the Parties for the duration of the Agreement.

2.4 Company Obligations and Authority

The Company shall:

- (a) Notify all Eligible TOU Customers of the availability of the TOU Program. Such notice will provide the TOU Summer On-Peak Price, the TOU Summer Off-Peak Price, the TOU Non-Summer Price, standard terms and conditions of service, information related to the TOU Supplier, and how to enroll for TOU Service;

- (b) Refer to the TOU Supplier(s) all Eligible TOU Customers that, during the Election Period contact the Company to express an interest in time-of-use rates;
- (c) Bill TOU Customers on behalf of the TOU Supplier under Consolidated Duquesne Light Billing in accordance with the Supplier Tariff, utilizing the TOU Summer On-Peak Price, the TOU Summer Off-Peak Price, and the Non-Summer Price specified in Attachment 1 of the Agreement; and
- (d) The Company agrees to provide a list of Eligible TOU Customers to the TOU Supplier.

2.5 Obligations of the TOU Supplier

The TOU Supplier shall:

- (a) Meet all of the obligations and requirements of a Commission-licensed EGS under the then-current Supplier Tariff;
- (b) Process TOU Customer enrollments, adhere to the Company's meter reading schedule, and comply with the switching rules in the Company's Supplier Tariff and Electric Service Schedule of Rates Tariff, except in no instance shall an Eligible TOU Customer that elects TOU Service during the Election Period be enrolled in the TOU Program before June 1, 2016;
- (c) Provide TOU Service to all Eligible TOU Customers that elect TOU Service during the Election Period, under the terms and conditions set forth in the Agreement (including its attachments) and pursuant to the terms of the TOU Petition approved by the Commission at Docket No. ____ by Order entered _____;
- (d) Utilize Consolidated Duquesne Light Billing, in accordance with the Supplier Tariff, to permit the Company to bill TOU Customers the TOU rates set forth in Attachment 1 in the Agreement;
- (e) Comply with all applicable notice requirements of the Commission;
- (f) Cooperate with the Company in any regulatory compliance efforts that may be required to maintain the ongoing validity and enforceability of the terms of the Agreement and the TOU Program, and fulfill any regulatory reporting requirements associated with the provision of TOU Service directed by the Commission, FERC, or any other regulatory body asserting jurisdiction; and
- (g) Comply with the terms of this Agreement, the Supplier Tariff and the TOU Petition as approved by the Commission at Docket No. _____ by Order entered _____.

2.6 Enrollment

Both Parties acknowledge that TOU Service is only available to Eligible TOU Customers, and that Eligible TOU Customers may elect TOU Service only during the applicable Election Period and only by affirmative election of TOU Service. The TOU Supplier cannot reject any Eligible TOU Customer that, during the Election Period, affirmatively elects TOU Service, and the TOU Supplier is responsible for enrolling all such Customers. In order to enroll a Customer, the TOU Supplier must submit a switching request via the appropriate EDI transaction to the Company for that customer on or between the dates of May 29, 2016 and July 31, 2016. TOU Service enrollment will follow the applicable switching protocols in the Company's Supplier Tariff and Electric Service Schedule of Rates Tariff. The TOU Supplier

shall send the Consumer Contract and Disclosure Statement, attached as Attachment 2 to the Agreement, which meets all Commission regulations and includes the terms and conditions of TOU Service, to the Customer no later than three business days after sending the EDI enrollment transaction. The TOU Supplier agrees that it is bound by all of the terms and conditions of Attachment 2 of the Agreement, and to implement these terms and conditions in its agreements with the TOU Customers.

2.7 Guaranteed Power Supply to TOU Customers

All TOU Customers shall receive TOU Service from the TOU Supplier at the rates set forth in Attachment 1 of the Agreement, beginning on the TOU Customer's first meter read date during the TOU Program Year, following the TOU Customer's enrollment in the TOU Program and subject to the standard switching rules and the terms and conditions of the Company's Supplier Tariff and Electric Service Schedule of Rates Tariff. Such service to a TOU Customer shall continue until the end of the TOU Program Year, subject to certain terms specified in the Agreement.

2.8 No Guarantee of TOU Customers

The Company makes no guarantees or representations regarding the number of Customers (if any) the TOU Supplier may obtain as a result of the TOU Program, or the amount of electric load that will be required by such Customers.

2.9 Customer Switching Rights

TOU Customers may terminate TOU Service, enroll or switch to an EGS, including an alternative service offering from the TOU Supplier, or to Default Service, according to standard switching rules and the terms and conditions of the Supplier Tariff. The TOU Supplier shall be prohibited from imposing customer switching penalties, minimum stay requirements, or contract cancellation fees on any TOU Customers. Customers cannot elect TOU Service pursuant to the Agreement at any time outside of the Election Period.

2.10 Early Termination of Contract with TOU Customers

The TOU Supplier may terminate its Consumer Contract and Disclosure Statement with TOU Customers only in accordance with the terms and conditions of the Consumer Contract and Disclosure Statement set forth in Attachment 2 of the Agreement. Only the Company shall be entitled to terminate service to customers for non-payment of EGS charges under the terms of its approved Purchase of Receivables program. Except as otherwise permitted in the Supplier Tariff, in no event may the TOU Supplier discontinue service to a TOU Customer during the TOU Program Year. Notwithstanding any language in the Supplier Tariff to the contrary, the TOU Supplier shall not have the right to terminate service to its TOU Customers because of a change in applicable rules, regulations, tariffs, or orders.

2.11 Fees, Penalties, and Exceptions

Customers will be billed in accordance with the rates, terms, and conditions of the Agreement. The TOU Supplier will be paid by the Company pursuant to rates included in Attachment 1 of the Agreement. The TOU Supplier will not impose any additional penalties or fees on TOU Customers other than those pursuant to the Agreement.

2.12 Terms and Conditions for Service after the TOU Program Year

- (a) Prior to the conclusion of the TOU Program Year, the TOU Supplier must inform all TOU Customers of their right to select another EGS or elect Default Service, in accordance with the notice requirements of 52 Pa. Code § 54.5(g)(1). As of the end of the TOU Program Year, any TOU Customer that has not affirmatively elected an alternative service offering (e.g., service from a different EGS, Default Service, or service under different terms and conditions from the TOU supplier) will remain with the TOU Supplier. The TOU Supplier may establish new prices without Commission approval of those prices, while conforming to the applicable notice requirements of the Commission. If the TOU Supplier retains the TOU Customer, the TOU Supplier shall be prohibited from imposing customer switching penalties, minimum stay requirements, or contract cancellation fees. The TOU Customer will receive such service from the TOU Supplier until the earlier of: (1) the termination date of the Agreement; (2) the effective date of an alternative service offering affirmatively elected by the TOU Customer.

- (b) Prior to the termination date of this Agreement, the TOU Supplier must inform all TOU Customers of their right to select another EGS or elect Default Service, in accordance with the notice requirements of 51 Pa. Code § 54.5(g)(1). Any TOU Customer that has not affirmatively elected an alternative service offering effective before the termination date of the TOU Supplier Agreement will remain a customer of the TOU Supplier, in the form of a monthly product without any customer switching penalties, minimum stay requirements, or contract cancellation fees.

2.13 Service Inquiries

TOU Customers shall be encouraged to direct inquiries regarding TOU Service to the TOU Supplier at a phone number which shall be provided in all Company TOU Program communications with TOU Customers. To the extent necessary, the Company service center shall serve as a back-up to assist with any TOU Customer inquiries regarding the TOU Supplier and the TOU service that cannot be resolved directly by the TOU Supplier.

2.14 Representations and Warranties of TOU Supplier

The TOU Supplier represents and warrants that, on the Effective Date and throughout the Term: (a) the TOU Supplier is a licensed Electric Generation Supplier in the Commonwealth of Pennsylvania; and (b) the TOU Supplier is fully certified by the Company to provide coordination services in compliance with the Supplier Tariff.

2.15 Indemnification

The TOU Supplier shall indemnify, save and hold the Company harmless from and against any and all third party losses, costs, liabilities, damages and expenses (including, without limitation, attorneys' fees and expenses) incurred or suffered as a result of or in connection with the TOU Supplier's material breach of this Agreement, failure to comply with any applicable laws, or intentional, negligent or willful misconduct.

ARTICLE 3

LIMITATIONS

3.1 Energy Efficiency and Conservation Programs

The TOU Supplier acknowledges that TOU Customers may participate in energy efficiency and conservation programs offered by the Company (as required by Applicable Legal Authorities or otherwise), by PJM, or by other third parties, and that such participation may reduce or change the amount of electricity that the TOU Supplier is required to provide and, therefore, the amount of money it may receive under the Agreement. TOU Service does not include the load which the TOU Supplier may have served in the absence of such programs, and the Company shall have no obligation whatsoever to the TOU Supplier with respect to the effect, if any, of such programs. The TOU Supplier is solely responsible for determining the effect, if any, of such programs on future load requirements.

3.2 TOU Supply

Duquesne Light has no obligation to provide electric supply other than Default Service in accordance with the Pennsylvania Public Utility Code to any customer that may be served by the TOU Supplier in the event that the TOU Supplier no longer serves that customer for any reason.

3.3 Disclaimer

The Company makes no representations or warranties regarding the accuracy or completeness of the information contained in the TOU Program Summary or any statements made by representatives of the Company. Each bidder is responsible for making its own evaluation of information and data contained in the TOU Program Summary. The issuance of the TOU Program Summary and the receipt of information in response to the TOU Program Summary shall not, in any way, cause the Company to incur any liability (whether contractual, financial or otherwise) to any bidder. By submitting a bid to become a TOU Supplier, the bidder releases the Company, its affiliates, officers, employees, and agents from any and all claims, demands, actions, losses, liabilities, and expenses (including reasonable legal fees and expenses) (collectively, "Claims") relating to the TOU Program Summary and agrees to indemnify the Company, its affiliates, officers, employees and agents from any Claims arising from any false representation or violation of the TOU Program Summary by the bidder.

3.4 Other Claims

The TOU Supplier waives any right to claim any loss of business, consequential damage or any monetary or other direct damages from the Company of any kind whatsoever arising from or relating to the Agreement or the TOU Program.

3.5 Publicity

The TOU Supplier understands and agrees that the Company does not participate in, nor does it allow, the TOU Supplier to utilize media releases of any kind to publicize the TOU Supplier's business relationship with the Company. The TOU Supplier shall not use any trade name, trademark, service mark or any other information which identifies the Company in such TOU Supplier's sales, marketing and publicity activities, including interviews with representatives of any written publication, or television or radio station or network, without the Company's express prior written consent. This prohibition, however, shall not be construed to prohibit the TOU Supplier from publicizing the TOU Program in the Company's service territory in order to encourage more Eligible TOU Customers to elect TOU Service. The TOU Supplier may use the phrase "Time-of-Use Program" or "TOU Program" in the Company's service territory without the Company's express consent. By this Agreement, the TOU Supplier consents to the Company's use of its name, marks, trade names, contact information and the prices under this Agreement in communications to Eligible Customers.

3.6 Miscellaneous

- (a) This Agreement, Attachment 1 – Duquesne Light Company TOU Program Pricing, and Attachment 2 – TOU Supplier Contract and Disclosure Statement for TOU Customers, represents the entire agreement between the Company and the TOU Supplier and no amendment of this Agreement will be valid unless in writing and signed by representatives of both parties. The TOU Supplier must also abide by all terms of the TOU Petition as approved by the Commission on _____.
- (b) Each Party represents that this Agreement is a legally valid and binding obligation enforceable against it in accordance with its terms, and that the execution, delivery and performance of this Agreement are within its powers and have been duly authorized by all necessary action and do not violate any terms and conditions in its governing documents, any contracts to which it is a party, or any applicable law, rule, regulation or order. The TOU Supplier may not assign this Agreement without the Company's consent.
- (c) All notices required under this Agreement shall be provided to the parties and addresses listed directly below or to such other address as either Party may designate from time to time by providing written notice to the other Party.
- (d) Nothing in this Agreement is intended to convey benefits, rights or remedies to any person other than the TOU Supplier and the Company, and no third party shall have the right to enforce the provisions of this Agreement, except that the Commission may enforce the provisions of this Agreement, the TOU Program, the Supplier Tariff

and any provision of the Pennsylvania Public Utility Code or Commission regulations applicable to this Agreement.

- (e) This Agreement is not intended to create any partnership or joint venture between the Company and the TOU Supplier, and neither Party shall have the power to bind or obligate the other Party.
- (f) In the event that any provision of the Agreement shall be found to be void or unenforceable, such findings shall not be construed to render any other provision either void or unenforceable, and all other provisions shall remain in full force and effect unless the provisions which are void or unenforceable shall substantially affect the rights or obligations granted to or undertaken by either Party.

3.7 Authorization

Each Party to this Agreement represents and warrants that it has full and complete authority to enter into and perform this Agreement. This includes the TOU Supplier’s warranty that it has the authority to enter into the Agreement and is not bound to any special contract or other commitment which will prevent the TOU Supplier from discharging its obligations under this Agreement as of the commencement date. Each person who executes this Agreement on behalf of either Party represents and warrants that he or she has full and complete authority to do so and that such Party will be bound by the Agreement.

3.8 Jurisdiction

Any and all matters of dispute between the Parties, whenever arising, shall be governed, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania regardless of the theory upon which such matter is asserted.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives to be effective as of the day and year first written above.

Duquesne Light Company

{TOU Supplier}

By: _____
 Name: {Name}
 Title: {Insert Title}
 Duquesne Light Company
 Mail Stop 16-1
 411 Seventh Avenue
 Pittsburgh, PA 15219
 Phone: {Phone Number}
 Fax: {Fax Number}
 Email: {Email Address}

By: _____
 Name: [Insert Name]
 Title: [Insert Title]
 {TOU Supplier Name}
 {TOU Supplier Address}

 Phone: {Phone Number}
 Fax: {Fax Number}
 Email: {Email Address}

ATTACHMENT 1

DUQUESNE LIGHT COMPANY TIME-OF-USE PROGRAM PRICING

For service rendered June 1, 2016 to May 31, 2017

TOU Summer On-Peak Price	{X.XX} cents per kWh
TOU Summer Off-Peak Price	{X.XX} cents per kWh
TOU Non-Summer Price	{X.XX} cents per kWh

Note: The ratio of the TOU Summer On-Peak Price to the TOU Summer Off-Peak Price shall be 1.5 or greater.

ATTACHMENT 2

{EGS Name}
LICENSE NUMBER: {EGS License Number}

**CONSUMER CONTRACT AND DISCLOSURE STATEMENT
OF TERMS OF PENNSYLVANIA ELECTRIC GENERATION SERVICE
PURSUANT TO THE DUQUESNE LIGHT COMPANY TIME-OF-USE PROGRAM**

1. Purchase of Time-of-Use Service

(“{EGS Name}”) agrees to sell, and you agree to buy, your Residential electric generation service at the prices and on the terms and conditions specified in this Consumer Contract and Disclosure Statement (“Contract”). Prices and other terms of this Contract are subject to change as provided below. Throughout this Contract, the words “you” and “your” refer to the Customer who has signed this Contract. The words “we”, “us” and “our” refer to {EGS Name}. {EGS Name} represents and warrants that it is independent of Duquesne Light Company (“Duquesne Light”), and is a seller of electric generation service licensed by the Pennsylvania Public Utility Commission (“Commission”) that it is authorized by the Commission to provide electric generation service in the service territory of Duquesne Light, where your premises applicable to this Contract are located. {EGS Name} is not representing or acting on behalf of Duquesne Light or any governmental bodies or consumer groups. You will receive written notification from Duquesne Light confirming a pending switch of your electric generation supply.

2. Term

The term of the Contract will be up to 12 months based upon your election, beginning on the starting date (“Starting Date”) after your enrollment is processed subject to the standard switching rules and the terms and conditions of the Duquesne Light’s Electric Generation Supplier Coordination Tariff and Electric Service Schedule of Rates Tariff. The Starting Date cannot be before June 1, 2016. The term of the Contract will end on May 31, 2017 unless the contract is terminated at an earlier date pursuant to the terms and conditions of the Contract. There is no charge for terminating this Contract.

3. Pricing

There is no charge for entering into this Contract. By choosing Time-of-Use Service, your price for electric generation service will be {X.XX} cents per kWh during the Summer On-Peak Period, {X.XX} cents per kWh during the Summer Off-Peak Period, and {X.XX} cents per kWh during the Non-Summer Period, from the Starting Date through the termination of this Contract. These fixed prices include all components represented by Duquesne Light’s Price-to-Compare.

- “Summer On-Peak Period” is all hours between and inclusive of June 1 through September 30 that occur between ____ pm and ____ pm Eastern Prevailing Time on weekdays, excluding PJM holidays.
- “Summer Off-Peak Period” is all hours between and inclusive of June 1 through September 30, excluding the Summer On-Peak Period.
- “Non-Summer Period” is all hours between and inclusive of October 1 and May 31.

Because Duquesne Light’s tariff rates and other factors likely will change from time to time, **{EGS Name}** cannot guarantee savings versus Duquesne Light’s rates for the entire term of this Contract or thereafter.

4. Initiation of Service

The purpose of this document is to authorize **{EGS Name}** to change your electric generation service supplier and, by entering into this contract, you authorize **{EGS Name}** to undertake whatever steps necessary to accomplish your switch. **{EGS Name}** will begin providing electric generation service to you pursuant to this Contract on the Starting Date, and your service will continue throughout the term of this Contract. Duquesne Light will notify you of the date on which your electric generation service from **{EGS Name}** will begin. **{EGS Name}**’s electric generation service will be delivered to your premises using Duquesne Light’s electricity distribution wires. **{EGS Name}**’s obligations under this Contract are conditioned upon you providing complete and accurate information and upon you remaining a Duquesne Light distribution customer throughout the term under the applicable electric rate class(es).

5. Termination

You may terminate this Contract without incurring an early termination fee at any time by electing service from another electric generation supplier, electing service under different terms and conditions from **{EGS Name}**, or electing to receive Default Service from Duquesne Light. To do so, you must also notify us of your election to terminate this Contract in writing or by calling us at **{EGS 800 Number}**. The effective date of any termination will be in accordance with the applicable switching rules and the terms and conditions of Duquesne Light’s Electric Generation Supplier Coordination Tariff and Electric Service Schedule of Rates Tariff. Upon any termination, you will remain responsible for all obligations, including payment for electricity and related costs and charges incurred under this Contract prior to the effective date of termination.

{EGS Name} may terminate this Contract only as provided for under Duquesne Light’s Electric Generation Supplier Coordination Tariff.

The delivery of electricity to you cannot be terminated or interrupted by Duquesne Light as a result of any dispute between **{EGS Name}** and you but may be terminated by Duquesne Light for nonpayment of Duquesne Light charges in accordance with applicable law. Because Duquesne Light purchases the right to receive your payments under this Contract, your payment

obligations under this Contract are Duquesne Light charges for purposes of termination of service.

6. Subsequent Service Terms and Conditions

Unless terminated earlier as provided for in this Contract, you will receive two written notifications from us that precede the termination date of this Contract. We will explain your options to you in these two notices. The first of these notices will occur between 52 and 90 days prior to the termination date of the Contract, and the second of these notices will occur at least 45 days prior to the Contract's termination date. The second notice will set forth the proposed prices for any subsequent service term, the proposed length of the service term, the date in which service under the proposed service term will begin, and any other terms and conditions.

Unless you notify us in writing or by calling us at **{EGS 800 Number}** that you have elected to reject service pursuant to the terms and conditions specified in the second notice, no later than 30 days after the date you receive the second notice, you will be deemed to have irrevocably and unconditionally agreed to accept service pursuant to the terms and conditions specified in the second notice. You may, however, terminate such service at any time by writing or by calling us at **{EGS 800 Number}** without incurring an early termination fee, at which time we would return your account to being supplied by Duquesne Light (unless you have selected a different electric generation supplier) at the next applicable meter read date subject to the standard switching rules and the terms and conditions of Duquesne Light's Electric Generation Supplier Coordination Tariff and Electric Service Schedule of Rates Tariff.

7. Right of Rescission

You may cancel this Contract at any time before midnight of the third business day after receiving this Contract by either notifying us in writing at the address provided below or by phone by calling us at **{EGS 800 Number}** that you would like to rescind this Contract.

8. Billing and Payment

The cost of your electric generation service will be included on your bill from Duquesne Light, and is due and payable when your Duquesne Light bill is due at the billing address provided on your Duquesne Light bill. You acknowledge that Duquesne Light may provide us with your billing and payment information. You will be invoiced for **{EGS Name}**'s charges under this Contract at the applicable prices set forth in this Contract multiplied by your electricity usage as measured by Duquesne Light in kWh during the applicable billing period. You agree to accept the measurements as determined by Duquesne Light for purposes of accounting for the amount of power and energy services provided by us. If Duquesne Light is unable to read your meter, Duquesne Light will estimate your usage and your charges will be calculated accordingly and adjusted on a future bill. Supplying you under this Contract is conditioned upon Duquesne Light accepting our enrollment of your account and your continued eligibility for consolidated billing by Duquesne Light. If you are not eligible for consolidated billing, you need to remedy that restriction with Duquesne Light before we can serve you. Should Duquesne Light cease to provide consolidated billing for your account and/or commence billing us for any charges relating to you, we will bill you and you will pay us for all such

charges. You will be billed additional charges, including taxes and charges to distribute the electricity to your home, from Duquesne Light consistent with its filed tariffs. {EGS Name} reserves the right to change billing methods upon the completion of the term of this Contract. If we change our billing methods, we will send you two (2) advance written notices either in your bills or in separate mailings before the effective date of any such change.

When Duquesne Light issues you a consolidated bill, all invoiced balances under this Contract that are not paid in full by the due date will be subject to Duquesne Light's late payment policies and procedures, including imposition of late fees, interest and other charges as described in Duquesne Light's filed tariffs. In addition, Duquesne Light will have the ability to terminate your service for any non-payment of certain charges by you.

9. Net Metering

If you currently own or plan to install during the term of this Contract solar, wind, or other eligible renewable electrical generating facilities in order to supply all or part of your electricity usage and such generating facility is or will be net metered by Duquesne Light, you must notify us in order for us to determine your eligibility and to properly enroll or continue to serve you.

10. Information Release Authorization

Throughout the term, you authorize {EGS Name} to obtain information from Duquesne Light as allowed under Duquesne Light's Electric Generation Supplier Coordination Tariff. In addition, you authorize Duquesne Light, its agents, contractors, subcontractors and vendors to provide and use your usage and other customer information to third parties, to the extent deemed necessary by Duquesne Light.

11. Dispute Resolution

If you have a billing or other dispute involving our service, please contact us at {EGS 800 Number}. You must still pay your bill in full, but you may deduct the specific amount in dispute while the charges remain in dispute. You may call the Commission at 1-888-PUC-FACT or 1-800-782-1100 from 8:00 am to 5:00 pm weekdays or in writing at P.O. Box 3265, Harrisburg, PA 17105-3265, if you are not satisfied after discussing the terms with us.

12. Force Majeure

{EGS Name} does not transmit or deliver electricity, and causes and events outside of its reasonable control ("Force Majeure Events") may result in interruptions in service. {EGS Name} will not be liable for any such interruptions or any other failure to perform under this Contract caused by a Force Majeure Event. {EGS Name} is not and will not be liable for damages caused by Force Majeure Events, including but not limited to acts of God; acts of any governmental authority; accidents; strikes; labor disputes; required maintenance work; inability to access Duquesne Light's system; nonperformance by Duquesne Light, including, but not limited to, a facility outage on its distribution lines; changes in laws, rules or regulations of any governmental authority; or any cause beyond our reasonable control.

13. Indemnification

You shall indemnify, save and hold **{EGS Name}** harmless from and against any and all third party losses, costs, liabilities, damages and expenses (including, without limitation, attorneys' fees and expenses) incurred or suffered as a result of or in connection with your material breach of this Contract, failure to comply with any applicable laws, or intentional, negligent or willful misconduct.

14. Miscellaneous

- (a) This Contract represents the entire agreement between you and **{EGS Name}** and no amendment of this Contract will be valid unless in writing and signed by representatives of both parties.
- (b) Each party represents that this Contract is a legally valid and binding obligation enforceable against it in accordance with its terms, and that the execution, delivery and performance of this Contract are within its powers and have been duly authorized by all necessary action and do not violate any terms and conditions in its governing documents, any contracts to which it is a party, or any applicable law, rule, regulation or order.
- (c) You may not assign this Contract.
- (d) All notices required under this Contract shall be provided to the parties and addresses as either party may designate from time to time by providing written notice to the other party.
- (e) Nothing in this Contract is intended to convey benefits, rights or remedies to any person other than you and **{EGS Name}**, and no third party shall have the right to enforce the provisions of this Contract, except that the Commission may enforce the provisions of this Contract and any provision of the Pennsylvania Public Utility Code or Commission regulations applicable to this Contract
- (f) This Contract is not intended to create any partnership or joint venture between you and **{EGS Name}**, and neither party shall have the power to bind or obligate the other party.
- (g) In the event that any provision of the Contract shall be found to be void or unenforceable, such findings shall not be construed to render any other provision either void or unenforceable, and all other provisions shall remain in full force and effect unless the provisions which are void or unenforceable shall substantially affect the rights or obligations granted to or undertaken by either party.

15. Authorization

Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract, and that such party will be bound by the Contract.

16. Jurisdiction

Any and all matters of dispute between the parties, whenever arising, shall be governed, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania regardless of the theory upon which such matter is asserted.

17. Contact Information

{EGS Name}'s applicable license number is {EGS License Number}. Should you have any questions about your {EGS Name} contract or {EGS Name} charges on your invoice, please contact us between the hours of 8:00 a.m. and 8:00 p.m. Eastern Prevailing Time on weekdays, except holidays. Our toll-free number is {EGS 800 Number}. We can be reached by email at {EGS Email Address} or by mail at {EGS Mailing Address}. Please contact us at this address to provide all notices under this Contract and contact us at this address or phone number to resolve any disputes regarding this Contract. For emergencies relating to your service, such as a power outage, or for information about universal service programs, please call Duquesne Light at the following number:

Duquesne Light Company {Duquesne Light Company 800 Number}

The Pennsylvania Utility Commission can be reached by mail at P.O. Box 3265, Harrisburg, PA 17105-3265, or by phone at 1-800-692-7380, and its website address is <http://www.puc.state.pa.us/>.

Attachment 2



SCHEDULE OF RATES

For Electric Service in Allegheny and Beaver Counties

(For List of Communities Served, see Pages No. 4 and 5)

Issued By

DUQUESNE LIGHT COMPANY

411 Seventh Avenue
Pittsburgh, PA 15219

Richard Riazzi

President and Chief Executive Officer

ISSUED: Xxx xx, 2016

EFFECTIVE: Xxxx x, 2016

Issued in compliance with Commission Order entered January 15, 2015, at Docket No. P-2014-2418242; Order entered July 30, 2015, at Docket No. P-2015-2484590 and Order entered Xxxxxxx XX, 2016, at Docket No. P-2015-XXXXXXX.

NOTICE

THIS TARIFF SUPPLEMENT MODIFIES LANGUAGE IN AN EXISTING RIDER

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGE

Rider No. 8 – Default Service Supply

**Fourth Revised Page No. 88C
Cancelling Third Revised Page No. 88C**

Language has been added at the end of the “DSSa” formula explanation under “Calculation of Rate” to include cost recovery of implementing the time-of-use program.

Rider No. 8 – Default Service Supply

**Second Revised Page No. 88E
Cancelling First Revised Page No. 88E**

Language has been added under “Miscellaneous” to state where the costs incurred by the Company to implement the time-of-use program will be recovered.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 – DEFAULT SERVICE SUPPLY – (Continued)

(Applicable to Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL)

CONTINGENCY PLAN

In the event Duquesne receives bids for less than all Tranches or the Commission does not approve all or some of the submitted bids or in the event of supplier default, then Duquesne will provide the balance of the default supply for commercial and industrial customers through purchases in the PJM spot markets until such time that a different contingency plan is approved by the Commission. Duquesne will submit to the Commission within fifteen (15) days after any such occurrence an emergency plan to handle any default service shortfall. All costs associated with implementing the contingency plan will be included as part of the DSS described in the section below, "Calculation of Rate."

CALCULATION OF RATE

DSS rates shall be determined based on the formula described in this section. The DSS shall be filed with the Commission no less than sixty (60) days prior to the start of the next Application Period as defined under the Default Service Supply Rate section of this Rider. Rates are reconciled on a semi-annual basis in accordance with the Default Service Supply Rate section of this Rider. The rates shall include an adjustment to reconcile revenue and expense for each Application Period. The DSS shall be determined to the nearest one-thousandth of one (1) mill per kilowatt-hour in accordance with the formula set forth below and shall be applied to all kilowatt-hours billed for default service provided during the billing month:

$$DSS = [(RFP + (DSS_a + E))/S] * F * [1/(1 - T)]$$

Where:

- DSS** = Default Service Supply rate, converted to cents per kilowatt-hour, to be applied to each kilowatt-hour supplied to customers taking default service from the Company under this Rider.
- RFP** = The weighted average of the winning bids received in a competitive request for proposal for each customer class identified above and described in the "Default Service Supply Rate" section and adjusted for customer class transmission and distribution line losses. The request for proposal shall be conducted as described in "Procurement Process."
- DSSa** = The total estimated direct and indirect costs incurred by the Company to acquire DSS from any source on behalf of customers described above in the "Procurement Process." The Application Period shall be for each period over which the DSS, as computed, will apply. Projections of the Company's costs to acquire default supply for the Application Period shall include all direct and indirect costs of generation supply to be acquired by the Company from any source plus any associated default service supply-related procurement and administration costs. The costs for Residential customers will also include the costs to implement the time-of-use program available to these customers. See the "Miscellaneous" section of this Rider for additional information.

(C)

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 – DEFAULT SERVICE SUPPLY – (Continued)

(Applicable to Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL)

ANNUAL RECONCILIATION

The Company will file with the Commission a reconciliation statement of the revenues, expenses and resulting over and under recovery for the ten (10) months beginning April 1, 2015, and ending January 31, 2016, in accordance with 66 Pa. C.S. § 1307(e), by March 1, 2016. Thereafter, the Company will file with the Commission an annual reconciliation statement of the revenues, expenses and resulting over and under recovery for the twelve (12) months beginning February 1 and ending January 31 of the following year, in accordance with 66 Pa. C.S. § 1307(e), by March 1 for each service class. An annual reconciliation statement shall be prepared separately for the Residential, Small Commercial & Industrial and Medium Commercial & Industrial customer classes.

MISCELLANEOUS

Minimum bills shall not be reduced by reason of the DSS. DSS charges shall not be a part of the monthly rate schedule minimum nor be subject to any credits or discounts.

Application of the DSS shall be subject to continuous review and audit by the Commission at intervals it shall determine.

In compliance with Commission Order entered January 15, 2015, at Docket No. P-2014-2418242, Commission Order entered July 30, 2015, at Docket No. P-2015-2484590 and Commission Order entered Xxxxxxx XX, XXXX, at Docket No. P-2015-XXXXXXX, the Company is implementing a Time-of-Use ("TOU") service program. (C)

The costs incurred by the Company to implement the TOU program, whether it's an EGS provided program or a DSS program, shall be included in the determination of the DSS rate for the Residential customer class as approved by Commission Order entered Xxxxxxx XX, XXXX, at Docket No. P-2015-XXXXXXX. (C)



SCHEDULE OF RATES

For Electric Service in Allegheny and Beaver Counties

(For List of Communities Served, see Pages No. 4 and 5)

Issued By

DUQUESNE LIGHT COMPANY
411 Seventh Avenue
Pittsburgh, PA 15219

Richard Riazzi
President and Chief Executive Officer

ISSUED: [Xxx xx, 2016](#)

EFFECTIVE: [Xxxx x, 2016](#)

[Issued in compliance with Commission Order entered January 15, 2015, at Docket No. P-2014-2418242; Order entered July 30, 2015, at Docket No. P-2015-2484590 and Order entered Xxxxxx XX, 2016, at Docket No. P-2015-XXXXXX.](#)

NOTICE

[THIS TARIFF SUPPLEMENT MODIFIES LANGUAGE IN AN EXISTING RIDER](#)

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGE

Rider No. 8 – Default Service Supply

Fourth Revised Page No. 88C
Cancelling Third Revised Page No. 88C

Language has been added at the end of the “DSSa” formula explanation under “Calculation of Rate” to include cost recovery of implementing the time-of-use program.

Rider No. 8 – Default Service Supply

Second Revised Page No. 88E
Cancelling First Revised Page No. 88E

Language has been added under “Miscellaneous” to state where the costs incurred by the Company to implement the time-of-use program will be recovered.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 – DEFAULT SERVICE SUPPLY – (Continued)

(Applicable to Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL)

CONTINGENCY PLAN

In the event Duquesne receives bids for less than all Tranches or the Commission does not approve all or some of the submitted bids or in the event of supplier default, then Duquesne will provide the balance of the default supply for commercial and industrial customers through purchases in the PJM spot markets until such time that a different contingency plan is approved by the Commission. Duquesne will submit to the Commission within fifteen (15) days after any such occurrence an emergency plan to handle any default service shortfall. All costs associated with implementing the contingency plan will be included as part of the DSS described in the section below, "Calculation of Rate." (C)

CALCULATION OF RATE

DSS rates shall be determined based on the formula described in this section. The DSS shall be filed with the Commission no less than sixty (60) days prior to the start of the next Application Period as defined under the Default Service Supply Rate section of this Rider. Rates are reconciled on a semi-annual basis in accordance with the Default Service Supply Rate section of this Rider. The rates shall include an adjustment to reconcile revenue and expense for each Application Period. The DSS shall be determined to the nearest one-thousandth of one (1) mill per kilowatt-hour in accordance with the formula set forth below and shall be applied to all kilowatt-hours billed for default service provided during the billing month: (C)

$$DSS = [(RFP + (DSS_a + E))/S] * F * [1/(1 - T)]$$

Where:

- DSS** = Default Service Supply rate, converted to cents per kilowatt-hour, to be applied to each kilowatt-hour supplied to customers taking default service from the Company under this Rider.
- RFP** = The weighted average of the winning bids received in a competitive request for proposal for each customer class identified above and described in the "Default Service Supply Rate" section and adjusted for customer class transmission and distribution line losses. The request for proposal shall be conducted as described in "Procurement Process."
- DSSa** = The total estimated direct and indirect costs incurred by the Company to acquire DSS from any source on behalf of customers described above in the "Procurement Process." The Application Period shall be for each period over which the DSS, as computed, will apply. Projections of the Company's costs to acquire default supply for the Application Period shall include all direct and indirect costs of generation supply to be acquired by the Company from any source plus any associated default service supply-related procurement and administration costs. The costs for Residential customers will also include the costs to implement the time-of-use program available to these customers. See the "Miscellaneous" section of this Rider for additional information. (C)

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 – DEFAULT SERVICE SUPPLY – (Continued)

(Applicable to Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL)

ANNUAL RECONCILIATION

The Company will file with the Commission a reconciliation statement of the revenues, expenses and resulting over and under recovery for the ten (10) months beginning April 1, 2015, and ending January 31, 2016, in accordance with 66 Pa. C.S. § 1307(e), by March 1, 2016. Thereafter, the Company will file with the Commission an annual reconciliation statement of the revenues, expenses and resulting over and under recovery for the twelve (12) months beginning February 1 and ending January 31 of the following year, in accordance with 66 Pa. C.S. § 1307(e), by March 1 for each service class. An annual reconciliation statement shall be prepared separately for the Residential, Small Commercial & Industrial and Medium Commercial & Industrial customer classes.

(C)
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(C)

MISCELLANEOUS

Minimum bills shall not be reduced by reason of the DSS. DSS charges shall not be a part of the monthly rate schedule minimum nor be subject to any credits or discounts.

Application of the DSS shall be subject to continuous review and audit by the Commission at intervals it shall determine.

In compliance with Commission Order entered January 15, 2015, at Docket No. P-2014-2418242, Commission Order entered July 30, 2015, at Docket No. P-2015-2484590 and Commission Order entered Xxxxxxx XX, XXXX, at Docket No. P-2015-XXXXXXX, the Company is implementing a Time-of-Use ("TOU") service program.

(C)
(C)

The costs incurred by the Company to implement the TOU program, whether it's an EGS provided program or a DSS program, shall be included in the determination of the DSS rate for the Residential customer class as approved by Commission Order entered Xxxxxxx XX, XXXX, at Docket No. P-2015-XXXXXXX.

SUPPLEMENT NO. XX
TO ELECTRIC – PA. P.U.C. NO. 3S

DUQUESNE LIGHT COMPANY

ELECTRIC GENERATION SUPPLIER COORDINATION TARIFF

Issued By

DUQUESNE LIGHT COMPANY
411 Seventh Avenue
Pittsburgh, PA 15219

Richard Riazzi
President and Chief Executive Officer

Issued: Xxx xx, 2016

Effective: Xxxx xx, 2016

Issued in compliance with the Pennsylvania Public Utility Commission Orders entered January 15, 2015, at Docket No. P-2014-2418242; entered July 30, 2015, at Docket No. P-2015-2484590; and entered Xxxxxxx xx, 2016, at Docket No. P-2015-XXXXXXX.

NOTICE

THIS TARIFF SUPPLEMENT ADDS TWO RULES TO THIS TARIFF TO DEFINE EGS OBLIGATIONS FOR PARTICIPATING IN EGS PROVIDED TOU PROGRAM(S) AND EGS REPORTING OBLIGATIONS IN REGARD TO TOU PROGRAM(S)

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

Rules and Regulations

Second Revised Page No. 19A

5. Direct Access Procedures

Cancelling First Revised Page No. 19A

5.3 Provisions for Contracting with An EGS to Provide TOU Service

Rule No. 5.3 Provisions for Contracting with An EGS to Provide TOU Service has been added to the Tariff.

Rules and Regulations

Second Revised Page No. 19A

5. Direct Access Procedures

Cancelling First Revised Page No. 19A

5.3 Provisions for Contracting with An EGS to Provide TOU Service

Rule No. 5.3.1

Rule No. 5.3.1 has been added to the Tariff allowing the Company to contract with Electric Generation Suppliers ("EGSs") to provide Time-of-Use ("TOU") service from June 1, 2016, through May 31, 2017.

Rules and Regulations

Second Revised Page No. 20

5. Direct Access Procedures

Cancelling First Revised Page No. 20

5.4 Provisions Relating to an EGS's Customers

Rule No. 5.4.4 Customer TOU Program Participation

Rule No. 5.4.4 Customer TOU Program Participation has been added to the Tariff allowing the Company to obtain TOU data from the contracted EGS(s) in order to submit required reports to the Pennsylvania Public Utility Commission ("PaPUC").

RULES AND REGULATIONS - (Continued)

5. DIRECT ACCESS PROCEDURES - (Continued)

5.2 SWITCHING AMONG EGSs AND THE COMPANY

5.2.8 - (Continued)

Customers on tariff rate schedules SE – Street Lighting Energy, SM – Street Lighting Municipal, SH – Street Lighting Highway, PAL – Private Area Lighting, UMS – Unmetered Service, certain Rider No. 9 – Day-Ahead Hourly Price Service and Rider No. 9 – Day-Ahead Hourly Price Service hourly price service customers that have been shopping for less than four (4) consecutive billing periods, Rider No. 13 – General Service Separately Metered Electric Space Heating Service, Rider No. 21 – Net Metering Service and summary bill customers who receive service at many different meter points in the Company’s service territory and receive one summary bill for all meter points shall be permitted to change Electricity Providers only on their billing cycle date.

5.2.9 If a customer contacts the Company to discontinue electric service at the customer’s then current location, and initiates a request for service at a new location in the Company’s service territory, the Company will notify the current EGS, via electronic exchange, of the customer’s discontinuance of service for the account at the customer’s prior location. Final bill(s) will be issued to the date of discontinuance of service.

5.2.10 If the Company elects to change the supplier agreement identification number for a customer receiving generation service from an EGS, the Company will notify the EGS of the change in supplier agreement identification number at the same customer location, via electronic exchange.

5.3 PROVISIONS FOR CONTRACTING WITH AN EGS TO PROVIDE TOU SERVICE

5.3.1 The Company may contract with an EGS to provide Time-of-Use (“TOU”) service from June 1, 2016, to May 31, 2017. TOU rates will become effective June 1, 2016, with on-peak and off-peak rates in effect from June through September. The contracted EGS must submit an EDI transaction to enroll customers in the TOU program. Standard switching rules shall apply to customers enrolled in the TOU service program. Service under this rate will begin no sooner than June 1, 2016. Customers must be enrolled so that they take service under this rate by July 31, 2016, in order to participate.

(C) – Indicates Change

(C)

(C)

RULES AND REGULATIONS - (Continued)

5. DIRECT ACCESS PROCEDURES - (Continued)

5.4 PROVISIONS RELATING TO AN EGS'S CUSTOMERS

5.4.1 ARRANGEMENTS WITH EGS CUSTOMERS EGSs shall be solely responsible for having appropriate contractual or other arrangements with their customers necessary to implement direct access consistent with all applicable laws, Pennsylvania Public Utility Commission requirements, and this tariff. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

5.4.2 TRANSFER OF COST OBLIGATIONS BETWEEN EGSS AND CUSTOMERS Nothing in this tariff is intended to prevent an EGS and a customer from agreeing to reallocate between them any charges that this tariff imposes on the EGS, provided that any such agreement shall not change in any way the EGS's obligation to pay such charges to the Company, and that any such agreement shall not confer upon the Company any right to seek recourse directly from the EGS's customer for any charges owed to the Company by the EGS.

5.4.3 CUSTOMER OBLIGATIONS Customers of an EGS remain bound by the rules and requirements of the applicable EDC Tariff under which they receive service from the Company.

5.4.4 CUSTOMER TOU PROGRAM PARTICIPATION The Company may contract with EGSs to provide Time-of-Use ("TOU") service from June 1, 2016, to May 31, 2017. The Company is obligated to file periodic reports to the Pennsylvania Public Utility Commission on customer participation in and results of TOU programs. The EGSs contracted to provide TOU service will be required to provide data to the Company no later than October 14, 2016, for Company reporting purposes. Such data to be provided to the Company shall be related to the EGSs marketing efforts to enroll customers in the TOU program, customer participation in and response to the TOU program, and TOU program performance.

(C)

In order to participate in the TOU Program, EGSs will be required to provide Duquesne Light with information, including, but not limited to, the following:

- On-peak and off-peak rates and applicable time periods – Rate Ready and Bill Ready billing
- Financial incentives to enroll (e.g. gift card for enrollment)
- Communication materials sent to customers (e.g. email, mailings)
- Marketing and advertising materials
- Customer survey results
- EGS website information
- EGS bill messages for TOU participants
- Linkage of rates to technology (e.g. smart thermostats)
- Total incremental Company expenses to implement the program

(C) – Indicates Change

SUPPLEMENT NO. XX
TO ELECTRIC – PA. P.U.C. NO. 3S

DUQUESNE LIGHT COMPANY

ELECTRIC GENERATION SUPPLIER COORDINATION TARIFF

Issued By

DUQUESNE LIGHT COMPANY
411 Seventh Avenue
Pittsburgh, PA 15219

Richard Riazzi
President and Chief Executive Officer

Issued: Xxx xx, 2016

Effective: Xxxx xx, 2016

Issued in compliance with the Pennsylvania Public Utility Commission Orders entered January 15, 2015, at Docket No. P-2014-2418242; entered July 30, 2015, at Docket No. P-2015-2484590; and entered Xxxxxxx xx, 2016, at Docket No. P-2015-XXXXXXX.

NOTICE

THIS TARIFF SUPPLEMENT ADDS TWO RULES TO THIS TARIFF TO DEFINE EGS OBLIGATIONS FOR PARTICIPATING IN EGS PROVIDED TOU PROGRAM(S) AND EGS REPORTING OBLIGATIONS IN REGARD TO TOU PROGRAM(S)

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

Rules and Regulations Second Revised Page No. 19A
5. Direct Access Procedures Cancelling First Revised Page No. 19A
5.3 Provisions for Contracting with An EGS to Provide TOU Service

Rule No. 5.3 Provisions for Contracting with An EGS to Provide TOU Service has been added to the Tariff.

Rules and Regulations Second Revised Page No. 19A
5. Direct Access Procedures Cancelling First Revised Page No. 19A
5.3 Provisions for Contracting with An EGS to Provide TOU Service
Rule No. 5.3.1

Rule No. 5.3.1 has been added to the Tariff allowing the Company to contract with Electric Generation Suppliers ("EGSs") to provide Time-of-Use ("TOU") service from June 1, 2016, through May 31, 2017.

Rules and Regulations Second Revised Page No. 20
5. Direct Access Procedures Cancelling First Revised Page No. 20
5.4 Provisions Relating to an EGS's Customers
Rule No. 5.4.4 Customer TOU Program Participation

Rule No. 5.4.4 Customer TOU Program Participation has been added to the Tariff allowing the Company to obtain TOU data from the contracted EGS(s) in order to submit required reports to the Pennsylvania Public Utility Commission ("PaPUC").

RULES AND REGULATIONS - (Continued)

5. DIRECT ACCESS PROCEDURES - (Continued)

5.2 SWITCHING AMONG EGSs AND THE COMPANY

5.2.8 - (Continued)

Customers on tariff rate schedules SE – Street Lighting Energy, SM – Street Lighting Municipal, SH – Street Lighting Highway, PAL – Private Area Lighting, UMS – Unmetered Service, certain Rider No. 9 – Day-Ahead Hourly Price Service and Rider No. 9 – Day-Ahead Hourly Price Service hourly price service customers that have been shopping for less than four (4) consecutive billing periods, Rider No. 13 – General Service Separately Metered Electric Space Heating Service, Rider No. 21 – Net Metering Service and summary bill customers who receive service at many different meter points in the Company's service territory and receive one summary bill for all meter points shall be permitted to change Electricity Providers only on their billing cycle date.

5.2.9 If a customer contacts the Company to discontinue electric service at the customer's then current location, and initiates a request for service at a new location in the Company's service territory, the Company will notify the current EGS, via electronic exchange, of the customer's discontinuance of service for the account at the customer's prior location. Final bill(s) will be issued to the date of discontinuance of service.

5.2.10 If the Company elects to change the supplier agreement identification number for a customer receiving generation service from an EGS, the Company will notify the EGS of the change in supplier agreement identification number at the same customer location, via electronic exchange.

5.3 PROVISIONS FOR CONTRACTING WITH AN EGS TO PROVIDE TOU SERVICE

5.3.1 The Company may contract with an EGS to provide Time-of-Use ("TOU") service from June 1, 2016, to May 31, 2017. TOU rates will become effective June 1, 2016, with on-peak and off-peak rates in effect from June through September. The contracted EGS must submit an EDI transaction to enroll customers in the TOU program. Standard switching rules shall apply to customers enrolled in the TOU service program. Service under this rate will begin no sooner than June 1, 2016. Customers must be enrolled so that they take service under this rate by July 31, 2016, in order to participate.

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

5. DIRECT ACCESS PROCEDURES - (Continued)

5.4 PROVISIONS RELATING TO AN EGS'S CUSTOMERS

5.4.1 **ARRANGEMENTS WITH EGS CUSTOMERS** EGSs shall be solely responsible for having appropriate contractual or other arrangements with their customers necessary to implement direct access consistent with all applicable laws, Pennsylvania Public Utility Commission requirements, and this tariff. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

5.4.2 **TRANSFER OF COST OBLIGATIONS BETWEEN EGSS AND CUSTOMERS** Nothing in this tariff is intended to prevent an EGS and a customer from agreeing to reallocate between them any charges that this tariff imposes on the EGS, provided that any such agreement shall not change in any way the EGS's obligation to pay such charges to the Company, and that any such agreement shall not confer upon the Company any right to seek recourse directly from the EGS's customer for any charges owed to the Company by the EGS.

5.4.3 **CUSTOMER OBLIGATIONS** Customers of an EGS remain bound by the rules and requirements of the applicable EDC Tariff under which they receive service from the Company.

5.4.4 **CUSTOMER TOU PROGRAM PARTICIPATION** The Company may contract with EGSs to provide Time-of-Use ("TOU") service from June 1, 2016, to May 31, 2017. The Company is obligated to file periodic reports to the Pennsylvania Public Utility Commission on customer participation in and results of TOU programs. The EGSs contracted to provide TOU service will be required to provide data to the Company no later than October 14, 2016, for Company reporting purposes. Such data to be provided to the Company shall be related to the EGSs marketing efforts to enroll customers in the TOU program, customer participation in and response to the TOU program, and TOU program performance.

In order to participate in the TOU Program, EGSs will be required to provide Duquesne Light with information, including, but not limited to, the following:

- On-peak and off-peak rates and applicable time periods – Rate Ready and Bill Ready billing
- Financial incentives to enroll (e.g. gift card for enrollment)
- Communication materials sent to customers (e.g. email, mailings)
- Marketing and advertising materials
- Customer survey results
- EGS website information
- EGS bill messages for TOU participants
- Linkage of rates to technology (e.g. smart thermostats)
- Total incremental Company expenses to implement the program

(C) – Indicates Change

Attachment 3

Duquesne Light Company
 Default Service Supply Plan - June 1, 2015 to May 31, 2017
 Derivation of Factors for Time-of-Use Program Contingency Plan

		Using 2011 Loads, Capacity Obligations, and LMPs			Using 2012 Loads, Capacity Obligations, and LMPs			Using 2013 Loads, Capacity Obligations, and LMPs			Final Factors	
Capacity												
		<u>Total Summer</u>			<u>Total Summer</u>			<u>Total Summer</u>				
1	Capacity Obligation (MW-day)	246,471			254,388			256,648				
2	Load (MWH)	3,041,675			3,042,629			2,844,519				
Capacity Price (\$/MW-day) (1)												
3	2015-2016	\$134.62			\$134.62			\$134.62				
4	2016-2017	\$59.37			\$59.37			\$59.37				
Capacity Price (\$/MWH)												
5	2015-2016	\$10.91			\$11.26			\$12.15				
6	2016-2017	\$4.81			\$4.96			\$5.36				
Energy												
		<u>Summer On-Peak</u>	<u>Summer Off-Peak</u>	<u>Total Summer</u>	<u>Summer On-Peak</u>	<u>Summer Off-Peak</u>	<u>Total Summer</u>	<u>Summer On-Peak</u>	<u>Summer Off-Peak</u>	<u>Total Summer</u>		
7	Load (MWH)	444,010	2,597,665	3,041,675	446,181	2,596,449	3,042,629	407,081	2,437,438	2,844,519		
8	Load-Weighted LMP (\$/MWH)	\$75.89	\$42.26	\$47.17	\$60.87	\$33.90	\$37.86	\$58.52	\$36.52	\$39.67		
Capacity + Energy												
		<u>Summer On-Peak</u>	<u>Summer Off-Peak</u>	<u>Total Summer</u>	<u>Summer On-Peak</u>	<u>Summer Off-Peak</u>	<u>Total Summer</u>	<u>Summer On-Peak</u>	<u>Summer Off-Peak</u>	<u>Total Summer</u>		
9	2015-2016	\$66.80	\$53.16	\$58.07	\$72.12	\$45.16	\$49.11	\$70.67	\$48.67	\$51.81		
10	2016-2017	\$80.70	\$47.07	\$51.98	\$65.83	\$38.87	\$42.82	\$63.88	\$41.88	\$45.02		
Rate Factors		<u>Summer On-Peak</u>	<u>Summer Off-Peak</u>		<u>Summer On-Peak</u>	<u>Summer Off-Peak</u>		<u>Summer On-Peak</u>	<u>Summer Off-Peak</u>			
11	2015-2016	1.49	0.92		1.47	0.92		1.36	0.94			
12	2016-2017	1.55	0.91		1.54	0.91		1.42	0.93			
13	Average	1.52	0.91		1.50	0.91		1.39	0.93		<u>Summer On-Peak (2)</u>	<u>Summer Off-Peak (2)</u>
											1.5	0.9

1/ From Base Residual Auction

2/ Average of 2011, 2012, and 2013 factors, rounded to the nearest 0.1

Attachment 4



SCHEDULE OF RATES

For Electric Service in Allegheny and Beaver Counties

(For List of Communities Served, see Pages No. 4 and 5)

Issued By

DUQUESNE LIGHT COMPANY

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Pittsburgh, PA 15219

Richard Riazzi

President and Chief Executive Officer

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APPENDIX B - RATE TOU – TIME-OF-USE TO THE TARIFF**

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGE

Table of Contents **Thirtieth Revised Page No. 3**
Cancelling Twenty-Ninth Revised Page No. 3

Appendix B - Rate TOU – Time-of-Use has been added to the Tariff and, therefore, to the *Table of Contents*.

Standard Contract Riders **Fourth Revised Page No. 79A**
Cancelling Third Revised Page No. 79A
Rider Matrix

Appendix B - Rate TOU – Time-of-Use has been added to the Tariff and, therefore, to the *Rider Matrix*.

Rider No. 8 – Default Service Supply **Fourth Revised Page No. 88C**
Cancelling Third Revised Page No. 88C

Language has been added at the end of the “DSSa” formula explanation under “Calculation of Rate” to include cost recovery of implementing the time-of-use program.

Rider No. 8 – Default Service Supply **Second Revised Page No. 88E**
Cancelling First Revised Page No. 88E

Language has been added under “Miscellaneous” to state where the costs incurred by the Company to implement the time-of-use program will be recovered.

Appendix B - Rate TOU – Time-of-Use **Original Page No. 117**
Original Page No. 118
Original Page No. 119

Appendix B - Rate TOU – Time-of-Use has been added to the Tariff.

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STANDARD CONTRACT RIDERS – (Continued)

RIDER MATRIX

	RS	RH	RA	GS/GM	GMH	GL	GLH	L	HVPS	AL	SE	SM	SH	UMS	PAL
Rider No. 1	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Rider No. 2				X	X	X	X								
Rider No. 3				X	X	X	X	X							
Rider No. 4				X	X	X	X								
Rider No. 5	X	X	X												
Rider No. 6				X											
Rider No. 7	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Rider No. 8	X	X	X	X	X					X	X	X	X	X	X
Rider No. 9						X	X	X	X						
Rider No. 10	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Rider No. 11				X		X									
Rider No. 12				X	X										
Rider No. 13				X											
Rider No. 14	X														
Rider No. 15	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Rider No. 15A	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Rider No. 16				X	X	X	X	X							
Rider No. 17						X	X	X	X						
Rider No. 18	X	X	X	X	X	X	X								
Rider No. 19	X	X	X	X											
Rider No. 20	X	X	X	X	X	X	X	X	X	X					
Rider No. 21	X	X	X	X	X	X									
Appendix A	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Appendix B	X	X	X												

(C)

Rider Titles:

- Rider No. 1 — Retail Market Enhancement Surcharge
- Rider No. 2 — Untransformed Service
- Rider No. 3 — School and Government Service Discount Period
- Rider No. 4 — Budget Billing HUD Finance Multi-Family Housing
- Rider No. 5 — Universal Service Charge
- Rider No. 6 — Temporary Service
- Rider No. 7 — SECA Charge
- Rider No. 8 — Default Service Supply
- Rider No. 9 — Day-Ahead Hourly Price Service
- Rider No. 10 — State Tax Adjustment
- Rider No. 11 — Street Railway Service
- Rider No. 12 — Billing Option – Volunteer Fire Companies and Nonprofit Senior Citizen Centers
- Rider No. 13 — General Service Separately Metered Electric Space Heating Service
- Rider No. 14 — Residential Service Separately Metered Electric Space and Water Heating
- Rider No. 15 — Energy Efficiency and Conservation and Demand Response Surcharge
- Rider No. 15A — Phase II Energy Efficiency and Conservation Surcharge
- Rider No. 16 — Service to Non-Utility Generating Facilities
- Rider No. 17 — Emergency Energy Conservation
- Rider No. 18 — Rates for Purchase of Electric Energy from Customer-Owned Renewable Resources Generating Facilities
- Rider No. 19 — Standard Offer Program Cost Recovery Rider
- Rider No. 20 — Smart Meter Charge
- Rider No. 21 — Net Metering Service
- Appendix A — Transmission Service Charges
- Appendix B — Rate TOU – Time-of-Use

(C)

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 8 – DEFAULT SERVICE SUPPLY – (Continued)****(Applicable to Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL)****CONTINGENCY PLAN**

In the event Duquesne receives bids for less than all Tranches or the Commission does not approve all or some of the submitted bids or in the event of supplier default, then Duquesne will provide the balance of the default supply for commercial and industrial customers through purchases in the PJM spot markets until such time that a different contingency plan is approved by the Commission. Duquesne will submit to the Commission within fifteen (15) days after any such occurrence an emergency plan to handle any default service shortfall. All costs associated with implementing the contingency plan will be included as part of the DSS described in the section below, "Calculation of Rate."

CALCULATION OF RATE

DSS rates shall be determined based on the formula described in this section. The DSS shall be filed with the Commission no less than sixty (60) days prior to the start of the next Application Period as defined under the Default Service Supply Rate section of this Rider. Rates are reconciled on a semi-annual basis in accordance with the Default Service Supply Rate section of this Rider. The rates shall include an adjustment to reconcile revenue and expense for each Application Period. The DSS shall be determined to the nearest one-thousandth of one (1) mill per kilowatt-hour in accordance with the formula set forth below and shall be applied to all kilowatt-hours billed for default service provided during the billing month:

$$DSS = [(RFP + (DSS_a + E))/S] * F * [1/(1 - T)]$$

Where:

- DSS** = Default Service Supply rate, converted to cents per kilowatt-hour, to be applied to each kilowatt-hour supplied to customers taking default service from the Company under this Rider.
- RFP** = The weighted average of the winning bids received in a competitive request for proposal for each customer class identified above and described in the "Default Service Supply Rate" section and adjusted for customer class transmission and distribution line losses. The request for proposal shall be conducted as described in "Procurement Process."
- DSSa** = The total estimated direct and indirect costs incurred by the Company to acquire DSS from any source on behalf of customers described above in the "Procurement Process." The Application Period shall be for each period over which the DSS, as computed, will apply. Projections of the Company's costs to acquire default supply for the Application Period shall include all direct and indirect costs of generation supply to be acquired by the Company from any source plus any associated default service supply-related procurement and administration costs. The costs for Residential customers will also include the costs (C) to implement the time-of-use program available to these customers. See the "Miscellaneous" section of this Rider for additional information.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 – DEFAULT SERVICE SUPPLY – (Continued)

(Applicable to Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL)

ANNUAL RECONCILIATION

The Company will file with the Commission a reconciliation statement of the revenues, expenses and resulting over and under recovery for the ten (10) months beginning April 1, 2015, and ending January 31, 2016, in accordance with 66 Pa. C.S. § 1307(e), by March 1, 2016. Thereafter, the Company will file with the Commission an annual reconciliation statement of the revenues, expenses and resulting over and under recovery for the twelve (12) months beginning February 1 and ending January 31 of the following year, in accordance with 66 Pa. C.S. § 1307(e), by March 1 for each service class. An annual reconciliation statement shall be prepared separately for the Residential, Small Commercial & Industrial and Medium Commercial & Industrial customer classes.

MISCELLANEOUS

Minimum bills shall not be reduced by reason of the DSS. DSS charges shall not be a part of the monthly rate schedule minimum nor be subject to any credits or discounts.

Application of the DSS shall be subject to continuous review and audit by the Commission at intervals it shall determine.

In compliance with Commission Order entered January 15, 2015, at Docket No. P-2014-2418242, Commission Order entered July 30, 2015, at Docket No. P-2015-2484590 and Commission Order entered Xxxxxxx XX, XXXX, at Docket No. P-2015-XXXXXXX, the Company is implementing a Time-of-Use ("TOU") service program. (C)

The costs incurred by the Company to implement the TOU program, whether it's an EGS provided program or a DSS program, shall be included in the determination of the DSS rate for the Residential customer class as approved by Commission Order entered Xxxxxxx XX, XXXX, at Docket No. P-2015-XXXXXXX. (C)

APPENDIX B

(C)

RATE TOU - TIME-OF-USE

(Applicable to Rate Schedules RS, RH and RA)

AVAILABILITY

Rate TOU is a time-of-day rate designed to provide optional pricing for electric generation service to encourage participants to shift their electricity usage from on-peak periods when wholesale electricity demands and prices are higher to off-peak periods when demands and prices are lower. Enrollment is voluntary and Residential customers who have a smart meter installed and its data collection and communication systems in place and successfully tested at time of enrollment are eligible for this rate. Customers are free to terminate enrollment without penalty at any time.

ENROLLMENT

Customers who meet the eligibility requirements described in the "Availability" section of this Appendix B may enroll by contacting the Company and requesting to be placed on this rate. Service under this rate will begin no sooner than June 1, 2016. Customers must be enrolled so that they take service under this rate by July 31, 2016, in order to participate

MONTHLY RATE**DISTRIBUTION CHARGES****Customer Charge**

The Customer Charge as stated in the applicable Rate Schedule (RS, RH and RA) shall apply.

Energy Charge

The Energy Charge as stated in the applicable Rate Schedule (RS, RH and RA) shall apply.

SUPPLY CHARGES

October 1 through May 31:

The Supply Charge for the applicable Rate Schedule (RS, RH and RA) as stated in Rider No. 8 – Default Service Supply shall apply.

June 1 through September 30:

The on-peak period is defined as weekdays from 2:00 PM to 6:00 PM, excluding PJM holidays. PJM holidays for the 2016 on-peak period are Monday, July 4, and Monday, September 5.

The off-peak period is defined as all hours that are not during the on-peak period.

APPENDIX B – (Continued)

(C)

RATE TOU - TIME-OF-USE – (Continued)
 (Applicable to Rate Schedules RS, RH and RA)

SUPPLY CHARGES – (Continued)

		June 1 through September 30, 2016
Rate Schedule	Time Of Use	Supply Charge ¢/kWh
Residential (RS, RH, RA)	On-Peak	X.XXXX
	Off-Peak	X.XXXX

CALCULATION OF ON-PEAK AND OFF-PEAK SUPPLY RATES

The On-Peak and Off-Peak Supply Rates in Rate TOU – Time-of-Use are based on the applicable rate class Default Service rates defined in Rider No. 8 – Default Service Supply multiplied by the on-peak factor and the off-peak factor. The on-peak factor is 1.50 and the off-peak factor is 0.90. These factors are based on the Company’s historical system load.

TRANSMISSION CHARGES

The Transmission Charge for the applicable Rate Schedule (RS, RH and RA) as stated in Appendix A shall apply.

MINIMUM CHARGE

The Minimum Charge for the applicable Rate Schedule (RS, RH and RA) shall apply.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein and are due and payable on or before twenty (20) days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the charges billed by the Company. The Late Payment Charge shall be calculated on the overdue portion(s) of the charges on the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

APPENDIX B – (Continued)**(C)****RATE TOU - TIME-OF-USE – (Continued)**
(Applicable to Rate Schedules RS, RH and RA)**MISCELLANEOUS**

Customers choosing to switch to Rate TOU must be current and stay current on the payment of their bills.

Customers choosing to switch to Rate TOU will not be eligible for budget billing and will be required to pay their actual charges each month.

The Supply Charges billed to customers in accordance with Appendix B — Rate TOU – Time-of-Use shall be included in the Company's Annual Reconciliation filing described in Rider No. 8 – Default Service Supply applicable to each customer class.

For billing purposes, the Supply Charges defined in this Appendix B shall be applied on a calendar basis regardless of the meter read cycle.

Customers may switch from Rate TOU to their applicable default service rate in Rider No. 8 or to an Electric Generation Supplier ("EGS") at any time.

Switching from Rate TOU to a default service rate defined in Rider No. 8 – Default Service Supply shall occur on the next meter read cycle.

Switching from Rate TOU to an Electric Generation Supplier ("EGS") shall occur in accordance with the switching rules defined in Rule No. 45 through Rule No. 45.2 of this Tariff.



SCHEDULE OF RATES

For Electric Service in Allegheny and Beaver Counties

(For List of Communities Served, see Pages No. 4 and 5)

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Cancelling Twenty-Ninth Revised Page No. 3

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Cancelling Third Revised Page No. 79A
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Cancelling First Revised Page No. 88E

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STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 – DEFAULT SERVICE SUPPLY – (Continued)

(Applicable to Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL)

CONTINGENCY PLAN

In the event Duquesne receives bids for less than all Tranches or the Commission does not approve all or some of the submitted bids or in the event of supplier default, then Duquesne will provide the balance of the default supply for commercial and industrial customers through purchases in the PJM spot markets until such time that a different contingency plan is approved by the Commission. Duquesne will submit to the Commission within fifteen (15) days after any such occurrence an emergency plan to handle any default service shortfall. All costs associated with implementing the contingency plan will be included as part of the DSS described in the section below, "Calculation of Rate." (C)

CALCULATION OF RATE

DSS rates shall be determined based on the formula described in this section. The DSS shall be filed with the Commission no less than sixty (60) days prior to the start of the next Application Period as defined under the Default Service Supply Rate section of this Rider. Rates are reconciled on a semi-annual basis in accordance with the Default Service Supply Rate section of this Rider. The rates shall include an adjustment to reconcile revenue and expense for each Application Period. The DSS shall be determined to the nearest one-thousandth of one (1) mill per kilowatt-hour in accordance with the formula set forth below and shall be applied to all kilowatt-hours billed for default service provided during the billing month: (C)

$$DSS = [(RFP + (DSS_a + E))/S] * F * [1/(1 - T)]$$

Where:

- DSS** = Default Service Supply rate, converted to cents per kilowatt-hour, to be applied to each kilowatt-hour supplied to customers taking default service from the Company under this Rider.
- RFP** = The weighted average of the winning bids received in a competitive request for proposal for each customer class identified above and described in the "Default Service Supply Rate" section and adjusted for customer class transmission and distribution line losses. The request for proposal shall be conducted as described in "Procurement Process."
- DSSa** = The total estimated direct and indirect costs incurred by the Company to acquire DSS from any source on behalf of customers described above in the "Procurement Process." The Application Period shall be for each period over which the DSS, as computed, will apply. Projections of the Company's costs to acquire default supply for the Application Period shall include all direct and indirect costs of generation supply to be acquired by the Company from any source plus any associated default service supply-related procurement and administration costs. The costs for Residential customers will also include the costs to implement the time-of-use program available to these customers. See the "Miscellaneous" section of this Rider for additional information. (C)

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 – DEFAULT SERVICE SUPPLY – (Continued)

(Applicable to Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL)

ANNUAL RECONCILIATION

The Company will file with the Commission a reconciliation statement of the revenues, expenses and resulting over and under recovery for the ten (10) months beginning April 1, 2015, and ending January 31, 2016, in accordance with 66 Pa. C.S. § 1307(e), by March 1, 2016. Thereafter, the Company will file with the Commission an annual reconciliation statement of the revenues, expenses and resulting over and under recovery for the twelve (12) months beginning February 1 and ending January 31 of the following year, in accordance with 66 Pa. C.S. § 1307(e), by March 1 for each service class. An annual reconciliation statement shall be prepared separately for the Residential, Small Commercial & Industrial and Medium Commercial & Industrial customer classes.

(C)
(C)
(C)
(C)

MISCELLANEOUS

Minimum bills shall not be reduced by reason of the DSS. DSS charges shall not be a part of the monthly rate schedule minimum nor be subject to any credits or discounts.

Application of the DSS shall be subject to continuous review and audit by the Commission at intervals it shall determine.

In compliance with Commission Order entered January 15, 2015, at Docket No. P-2014-2418242, Commission Order entered July 30, 2015, at Docket No. P-2015-2484590 and Commission Order entered Xxxxxxx XX, XXXX, at Docket No. P-2015-XXXXXXX, the Company is implementing a Time-of-Use ("TOU") service program.

(C)

The costs incurred by the Company to implement the TOU program, whether it's an EGS provided program or a DSS program, shall be included in the determination of the DSS rate for the Residential customer class as approved by Commission Order entered Xxxxxxx XX, XXXX, at Docket No. P-2015-XXXXXXX.

(C)

APPENDIX B

(C)

RATE TOU - TIME-OF-USE(Applicable to Rate Schedules RS, RH and RA)AVAILABILITY

Rate TOU is a time-of-day rate designed to provide optional pricing for electric generation service to encourage participants to shift their electricity usage from on-peak periods when wholesale electricity demands and prices are higher to off-peak periods when demands and prices are lower. Enrollment is voluntary and Residential customers who have a smart meter installed and its data collection and communication systems in place and successfully tested at time of enrollment are eligible for this rate. Customers are free to terminate enrollment without penalty at any time.

ENROLLMENT

Customers who meet the eligibility requirements described in the "Availability" section of this Appendix B may enroll by contacting the Company and requesting to be placed on this rate. Service under this rate will begin no sooner than June 1, 2016. Customers must be enrolled so that they take service under this rate by July 31, 2016, in order to participate

MONTHLY RATEDISTRIBUTION CHARGESCustomer Charge

The Customer Charge as stated in the applicable Rate Schedule (RS, RH and RA) shall apply.

Energy Charge

The Energy Charge as stated in the applicable Rate Schedule (RS, RH and RA) shall apply.

SUPPLY CHARGESOctober 1 through May 31:

The Supply Charge for the applicable Rate Schedule (RS, RH and RA) as stated in Rider No. 8 – Default Service Supply shall apply.

June 1 through September 30:

The on-peak period is defined as weekdays from 2:00 PM to 6:00 PM, excluding PJM holidays. PJM holidays for the 2016 on-peak period are Monday, July 4, and Monday, September 5.

The off-peak period is defined as all hours that are not during the on-peak period.

APPENDIX B – (Continued)

(C)

RATE TOU - TIME-OF-USE – (Continued)
(Applicable to Rate Schedules RS, RH and RA)SUPPLY CHARGES – (Continued)

		<u>June 1 through September 30, 2016</u>
<u>Rate Schedule</u>	<u>Time Of Use</u>	<u>Supply Charge ¢/kWh</u>
<u>Residential (RS, RH, RA)</u>		
	<u>On-Peak</u>	<u>X.XXXX</u>
	<u>Off-Peak</u>	<u>X.XXXX</u>

CALCULATION OF ON-PEAK AND OFF-PEAK SUPPLY RATES

The On-Peak and Off-Peak Supply Rates in Rate TOU – Time-of-Use are based on the applicable rate class Default Service rates defined in Rider No. 8 – Default Service Supply multiplied by the on-peak factor and the off-peak factor. The on-peak factor is 1.50 and the off-peak factor is 0.90. These factors are based on the Company's historical system load.

TRANSMISSION CHARGES

The Transmission Charge for the applicable Rate Schedule (RS, RH and RA) as stated in Appendix A shall apply.

MINIMUM CHARGE

The Minimum Charge for the applicable Rate Schedule (RS, RH and RA) shall apply.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein and are due and payable on or before twenty (20) days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the charges billed by the Company. The Late Payment Charge shall be calculated on the overdue portion(s) of the charges on the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

APPENDIX B – (Continued)

(C)

RATE TOU - TIME-OF-USE – (Continued)
(Applicable to Rate Schedules RS, RH and RA)MISCELLANEOUS

Customers choosing to switch to Rate TOU must be current and stay current on the payment of their bills.

Customers choosing to switch to Rate TOU will not be eligible for budget billing and will be required to pay their actual charges each month.

The Supply Charges billed to customers in accordance with Appendix B — Rate TOU – Time-of-Use shall be included in the Company's Annual Reconciliation filing described in Rider No. 8 – Default Service Supply applicable to each customer class.

For billing purposes, the Supply Charges defined in this Appendix B shall be applied on a calendar basis regardless of the meter read cycle.

Customers may switch from Rate TOU to their applicable default service rate in Rider No. 8 or to an Electric Generation Supplier ("EGS") at any time.

Switching from Rate TOU to a default service rate defined in Rider No. 8 – Default Service Supply shall occur on the next meter read cycle.

Switching from Rate TOU to an Electric Generation Supplier ("EGS") shall occur in accordance with the switching rules defined in Rule No. 45 through Rule No. 45.2 of this Tariff.