January 5, 2016

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


Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission the Prehearing Memorandum of the Duquesne Industrial Intervenors in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to the proceeding are being duly served with a copy of this document. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By

Pamela C. Polacek

Counsel to the Duquesne Industrial Intervenors

Enclosures

Administrative Law Judge Katrina L. Dunderdale (via E-mail and First Class Mail)
Certificate of Service
CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

VIA E-MAIL AND FIRST-CLASS MAIL

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Pamela C. Polacek
Counsel to the Duquesne Industrial Intervenor

Dated this 5th day of January, 2016, at Harrisburg, Pennsylvania
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company
For Approval of its Act 129 Phase III Energy Efficiency and Conservation Plan

Docket No. M-2015-2515375

PREHEARING MEMORANDUM
OF THE DUQUESNE INDUSTRIAL INTERVENORS

The Duquesne Industrial Intervenors ("DII") hereby submits this Prehearing Memorandum in the above-captioned proceeding.

I. HISTORY OF THE PROCEEDING

On November 25, 2015, Duquesne Light Company ("DLC" or "Company") petitioned the Pennsylvania Public Utility Commission ("PUC" or "Commission") for approval of the Company's Phase III Energy Efficiency & Conservation ("EE&C") Plan ("Phase III Plan"). On January 4, 2016, DII filed Comments, as well as a Petition to Intervene and Answer to DLC's Phase III Plan.

A Prehearing Conference has been scheduled in this proceeding for January 6, 2016.

II. ANTICIPATED ISSUES AND SUBISSUES

DII is concerned with issues regarding the terms and conditions of its members' electricity service. Specifically, DII is concerned with the cost of DLC's Phase III Plan and potential rate impact upon DLC's Large C&I customers.

DII is also concerned with key aspects of Phase III that warrant further investigation. First, DII stresses that if the U.S. Supreme Court issues a decision that results in the elimination of the PJM Interconnection, L.L.C. ("PJM") Demand Response ("DR") Programs, then the Commission must hold an expeditious and comprehensive stakeholder process to ensure that the
Commonwealth can effectively and efficiently replace PJM's programs. In addition, if Senate Bill 805 ("S.B. 805") passes in the Pennsylvania General Assembly, then DLC must be able to adjust its Phase III Plan to permit Large C&I customers to opt-out of the Company's Plan. Furthermore, the Company must structure its Phase III Plan to recognize and comply with PJM market rules. Specifically, as Phase III of Act 129 now requires all Electric Distribution Companies ("EDCs") to rebid all Conservation Service Provider ("CSP") contracts, the Company must comply with the PJM Tariff's requirement that Customers have only one PJM Curtailment Service Provider to manage economic load response events. Finally, the Company must ensure that its ratemaking process is transparent, prompt and uniform in order to guarantee that costs are allocated fairly among customers with little uncertainty as to what the customer charges will be.

DII anticipates pursuing these issues during this proceeding and reserves the right to raise further issues as necessary and appropriate during the course of this proceeding and to respond to all matters raised by other parties.

III. PROPOSED WITNESSES

DII is evaluating whether it will sponsor testimony in this matter. In the event that DII decides to modify or supplement its witness list, DII will inform the parties and the ALJ, as soon as possible, of any additional intended witnesses.

IV. PROPOSED SCHEDULE AND DISCOVERY RULES

DII will work with the ALJ and the parties to formulate a reasonable procedural schedule and discovery rules.

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1 The PJM Curtailment Service Provider designation is distinct from the Act 129 "CSP" designation. Many PJM Curtailment Service Providers are not Act 129 CSPs.
V. POSSIBILITY OF SETTLEMENT

DII is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By

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Dated: January 5, 2016