

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Duquesne Light Company)	
for a Certificate of Public Convenience)	Docket No. A-110150F0035
Under Section 1102(a)(3) of the Public)	
Utility Code Approving the Acquisition of)	
Duquesne Light Holdings, Inc. by Merger)	
)	
Application of DQE Communications)	
Network Services LLC for a Certificate of)	Docket No. A-311233F0002
Public Convenience Under Section)	
1102(a)(3) of the Public Utility Code)	
Approving the Acquisition of Duquesne)	
Light Holdings, Inc. by Merger)	
)	

TO ADMINISTRATIVE LAW JUDGE ROBERT P. MEEHAN:

**PENNSYLVANIA LARGE ENERGY USERS COALITION
STATEMENT IN SUPPORT OF JOINT PETITION FOR SETTLEMENT**

The Pennsylvania Large Energy Users Coalition (“PALEUC”), a signatory party to the Joint Petition for Settlement (“Settlement”) in this proceeding, respectfully requests that the Settlement’s terms and conditions be approved by the Your Honor and the Pennsylvania Public Utility Commission (“Commission”). As discussed briefly below, the Settlement resolves PALEUC’s concerns with the merger of Duquesne Light Company (“Duquesne”) and DQE Holdings, LLC (“DQE Holdings”)(collectively “Applicants”) as originally proposed. Accordingly, PALEUC urges approval of the Settlement as in the public interest.

I. INTRODUCTION

By application dated September 6, 2006, Duquesne and DQE Communications Network Services LLC (“Network”) requested that the Commission issue certificates of public

convenience under Section 1102(a)(3) of the Public Utility Code, 66 Pa. C.S. §1102(a)(3), approving the transfer of ownership and control of Duquesne and Network to DQE Holdings. PALEUC is an association of large end use, industrial customers that are located within Duquesne's service territory and obtain electric service from Duquesne. As the Settlement notes, PALEUC filed a protest regarding the merger application originally submitted by the Applicants in this case, and questioned whether the proposed merger "will affirmatively promote the 'service, accommodation, convenience, or safety of the public' in some substantial way" as required by *York v. Pa. P.U.C.*, 449 Pa. 136, 295 A.2d 825, 828 (1972) ("*York*"). PALEUC subsequently participated actively in the negotiations that produced the Settlement.

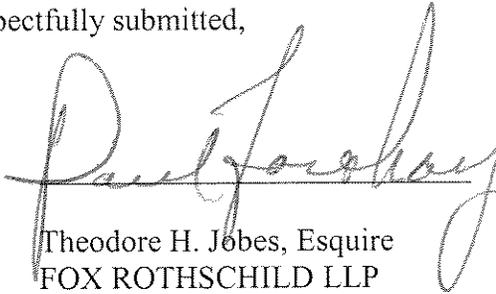
II. COMMENTS

PALEUC believes that the extensive negotiations engaged in by the parties have produced a Settlement that acceptably modifies the original merger proposal to provide benefits not only to the Applicants, but to Duquesne's ratepayers and the general public, sufficient to satisfy the *York* standard. Of particular importance to PALEUC, these benefits include DLC's agreement that there will be no general increase in distribution rates prior to January 1, 2010, and a competitively neutral economic development program aimed at large commercial and industrial customers on the Duquesne system. In addition, because the parties have reached a negotiated resolution prior to the commencement of evidentiary hearings, approval of the Settlement will permit the parties to avoid the substantial investments of time and money that evidentiary hearings and the preparation of briefs would have required.

Finally, PALEUC notes that the proposed Settlement is either supported or unopposed by all active parties to this proceeding. These parties run the gamut of regulatory, rate class and energy market interests, and the absence of opposition from such a diverse array of participants

strongly suggests that the proposed Settlement satisfies the *York* standard, serves the public interest and should be adopted.

Respectfully submitted,

By: 

Theodore H. Jobes, Esquire
FOX ROTHSCHILD LLP
2000 Market Street
Philadelphia, PA 19103
Phone: (215) 299-2000
Fax: (215) 299-2150
tjobes@foxrothschild.com

Steven S. Goldenberg, Esquire
FOX ROTHSCHILD LLP
Princeton Pike Corporate Center
907 Lenox Drive, Building 3
Lawrenceville, NJ 08648-2311
Phone: (609) 896-4586
Fax: (609) 896-1469
sgoldenberg@foxrothschild.com

Paul F. Forshay, Esquire
SUTHERLAND ASBILL & BRENNAN LLP
1275 Pennsylvania Avenue, NW
Washington, D.C. 20004
Phone: (202) 383-0708
Fax: (202) 637-3593
paul.forshay@sablaw.com

Attorneys for the
Pennsylvania Large Energy Users Coalition

February 12, 2007

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA FIRST CLASS MAIL

Daniel G. Ausmus, Esquire
Office of Small Business Advocate
Commerce Building
300 North Second Street, Suite 1102
Harrisburg, PA 17101

Charles D. Shields, Esquire
Robert V. Eckenrod, Esquire
Office of Trial Staff
P.O. Box 3265
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17105-3265

Daniel Clearfield, Esquire
Kevin J. Moody, Esquire
Wolf, Block, Schorr and Solis-Cohen, LLP
213 Market Street, 9th Floor
P.O. Box 865
Harrisburg, PA 17108-0865

Scott J. Rubin, Esquire
3 Lost Creek Drive
Selinsgrove, PA 17870

Jennedy Santolla, Esquire
Tanya J. McCloskey, Esquire
Darryl Lawrence, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

John E. McCaffrey, Esquire
Stinson Morrison Hecker LLP
1150 18th Street, NW, Suite 800
Washington, DC 20036-3816

Joseph L. Vullo, Esquire
Commission on Economic Opportunity
1460 Wyoming Avenue
Forty Fort, PA 18704

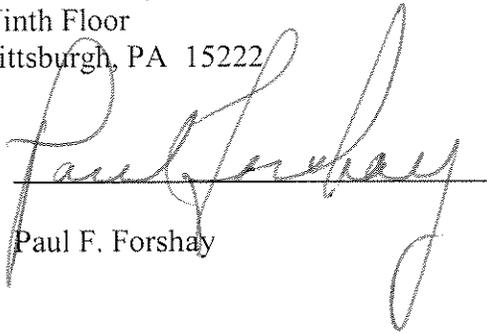
David B. MacGregor, Esquire
Post and Schell PC
Four Penn Center
1600 JFK Blvd.
Philadelphia, PA 19103-2921

Gary A. Jeffries, Esquire
Senior Counsel
Dominion Resources Services, Inc.
1201 Pitt Street
Pittsburgh, PA 15221

Pamela C. Polacek, Esquire
Adam L. Benshoff, Esquire
McNees, Wallace & Nurick LLC
100 Pine Street, P.O. Box 1166
Harrisburg, PA 17108-1166

Michael W. Gang, Esquire
Andrew S. Tubbs, Esquire
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
Gary A. Jack, Esquire
Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219

Todd S. Stewart, Esquire
Hawke McKeon Sniscak & Kennard LLP
P.O. Box 1778
Harrisburg, PA 17105
Erin H. Crehan
Strategic Energy, L.L.C.
Two Gateway Center
Ninth Floor
Pittsburgh, PA 15222



Paul F. Forshay

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