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File #: 2267/143618

March 25, 2010

James J. McNulty  
Secretary  
PA Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
PO Box 3265  
Harrisburg, PA 17105-3265

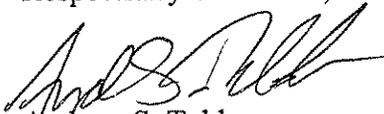
**RE: Petition of Duquesne Light Company To Contest the Finding of Non-Compliance With the Alternative Energy Portfolio Standards Act and Modify the Alternative Compliance Payment or, in the Alternative, Declare a Force Majeure for Duquesne Light Company for the 2008/2009 Alternative Energy Compliance Period**  
**Docket No. P-2010-2153577**

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Dear Secretary McNulty:

Enclosed is the original Prehearing Memorandum of Duquesne Light Company in the above-referenced proceeding. Copies have been provided to the parties in the manner indicated by the Certificate of Service.

Respectfully Submitted,



Andrew S. Tubbs

AST/jl

Enclosures

cc: Honorable Katrina L. Dunderdale  
Certificate of Service

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

### VIA FIRST CLASS MAIL

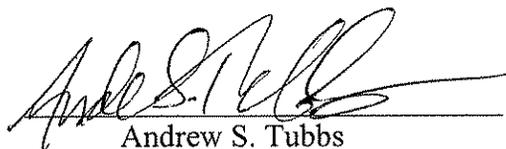
Robert F. Young  
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Office of Trial Staff  
Commonwealth Keystone Building  
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Harrisburg, PA 17105-3265

Sharon E. Webb  
Office of Small Business Advocate  
Commerce Building  
300 North Second Street, Suite 1102  
Harrisburg, PA 17101

Date: March 25, 2010



Andrew S. Tubbs

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company	:	
To Contest the Finding of Non-Compliance	:	Docket No. P-2010-2153577
With the Alternative Energy Portfolio	:	
Standards Act and Modify the Alternative	:	
Compliance Payment or, in the Alternative,	:	
Declare a Force Majeure for Duquesne Light	:	
Company for the 2008/2009 Alternative	:	
Energy Compliance Period	:	

**PREHEARING MEMORANDUM  
OF DUQUESNE LIGHT COMPANY**

Duquesne Light Company (“Duquesne Light”) hereby submits this Prehearing Memorandum in compliance with the Prehearing Conference Order issued by Administrative Law Judge Katrina L. Dunderdale (the “ALJ”) on February 24, 2010.

**I. BACKGROUND**

On January 19, 2010 Duquesne Light filed the above-captioned Petition with the Pennsylvania Public Utility Commission (“Commission”). In the Petition, Duquesne Light contests the finding of non-compliance with the Alternative Energy Portfolio Standards Act<sup>1</sup> (“AEPS Act”), and requests the Commission to modify the alternative compliance payment determination or declare a force majeure for Duquesne Light for the 2008/2009 AEPS compliance period or otherwise grant relief under the instant circumstances.

The Commission’s Bureau of Conservation, Economics and Energy Planning (“CEEP”) and the Office of Small Business Advocate (“OSBA”) filed Answers to the above-captioned Petition.<sup>2</sup> The Office of Consumer Advocate (“OCA”) filed a Notice of Intervention.

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<sup>1</sup> 73 P.S. § 1648.2.

<sup>2</sup> OSBA also filed a Notice of Intervention in this proceeding.

On February 24, 2010, the ALJ issued a Prehearing Conference Order which directed the parties to file prehearing conference memoranda on or before March 25, 2010. Pursuant to the ALJ's Order, Duquesne Light hereby submits its Prehearing Conference Memorandum.

## II. COUNSEL

The attorneys upon whom documents should be served are:

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E-Mail: kgeer@duqlight.com

Duquesne Light's attorneys are authorized to receive all notices and communications regarding this Petition. Duquesne Light agrees to receive service of documents electronically in this proceeding.

**III. SETTLEMENT**

To date no settlement discussions have been held subsequent to the issuance of the noncompliance letter. However, Duquesne Light is amenable to pursuing settlement negotiations with the parties and will propose to have a settlement conference with available parties either immediately following the conclusion of the prehearing conference or in the near future.

**IV. DISCOVERY**

Duquesne Light does not propose any discovery rules that are different than those provided in the Commission's regulations. Duquesne Light is willing to participate in informal discovery with the other parties. Duquesne Light believes that no special order with regard to discovery is required in this proceeding.

**V. PROCEDURAL SCHEDULE**

Duquesne Light believes that many of the relevant facts can be agreed to by stipulation of the parties. However, this is a case of first impression, and the submission of written testimony and evidentiary hearings may be useful or necessary, and it therefore is appropriate, in Duquesne Light's view, to establish a procedural schedule at this time. This schedule can be modified if it is later determined that a full litigation schedule is not needed. Based on the above, Duquesne Light proposes the following schedule for this proceeding:

Company direct testimony	May 28, 2010
Other parties direct testimony	June 28, 2010
Rebuttal testimony	July 19, 2010
Hearings	July 27-28, 2010 (oral rebuttal, surrebuttal and rejoinder if any presented at hearings)
Main Briefs	August 20, 2010
Reply Briefs	September 10, 2010

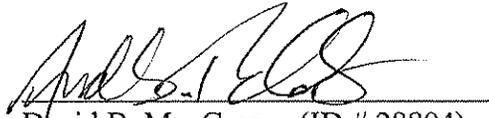
**VI. WITNESSES AND ISSUES**

The names and positions of witnesses that Duquesne Light expects to, or may, call are as follows:

- i. James E. Wilson – Vice President, Duquesne Light Holdings. 411 Seventh Avenue, Pittsburgh, Pennsylvania 15219. Mr. Wilson will provide an overview of Duquesne Light’s procurement of generation supply and alternative energy credits.
- ii. Anthony F. Pekny – Manager Unregulated Business, Duquesne Power. 411 Seventh Avenue, Pittsburgh, Pennsylvania 15219. Mr. Peckny will address the manner in which Duquesne Power acquires generation and alternative energy credits on behalf of Duquesne Light.
- iii. Joan Jenkins – Coordinator of Alternative Energy, Duquesne Power. 411 Seventh Avenue, Pittsburgh, Pennsylvania 15219. Ms. Jenkins will address Duquesne Power’s procurement of alternative energy credits and related topics.
- iv. Gary Page – Supervisor of Unregulated Services, Duquesne Power. 411 Seventh Avenue, Pittsburgh, Pennsylvania 15219. Mr. Page will address Duquesne Light’s efforts to insure compliance with alternative energy requirements and related topics.
- v. The Company also reserves the right to present other witnesses as may be necessary to address and fully develop the factual and policy issues presented in this proceeding, including but not limited to witnesses from Commission Staff and the AEPS credit administrator, Clean Power Markets.

In response to Paragraph 3 of the Prehearing Conference Order, Duquesne Light's interpretation of the issues in this proceeding and its position on these issues are set forth in Duquesne Light's Petition. Duquesne Light will submit testimony consistent with the facts set forth in its Petition in this proceeding. In addition, Duquesne Light will respond to any other issues raised by other parties in this proceeding. Duquesne Light may call additional witnesses in response to issues raised by other parties.

Respectfully submitted,



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Dated: March 25, 2010

*Attorneys for Duquesne Light Company*