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December 20, 2010

VIA ELECTRONIC FILING

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

**Re: Duquesne Light Company Universal Service and Energy Conservation Plan
for 2011-2013**
Docket No: M-2010-2161220

Dear Secretary Chiavetta:

Pursuant to the Commission's Tentative Order entered November 23, 2010 and the motion of Commissioner Coleman in the above-referenced case, interested parties were asked to file comments on the Tentative Order and whether a CAP-Plus program should be initiated by Duquesne Light. Please be advised that Duquesne Light agrees with and supports the Tentative Order and, more specifically with regard to Commissioner Coleman's request for comment, has agreed to propose and file a Cap-Plus program with the Commission by April 1, 2011 as part of an all-encompassing settlement with the parties in its current distribution rate case, Docket No. R-2010-2179522. The rate case Settlement Agreement is in the process of being executed by the parties and is expected to be filed with the Commission within the next week. Specifically, proposed Paragraph 44 of the Settlement Agreement provides:

"Duquesne Light will implement a CAP Plus Plan, upon receipt of approval from the Commission, designed to adjust CAP customer payments to avoid an increase in the total discounts offered to all CAP customers after consideration of LIHEAP grants applied to individual CAP customers' accounts. Duquesne Light will consult with the Office of Consumer Advocate ("OCA"), The Bureau of Consumer Services, and the Office of Trial Staff ("OTS") to discuss its proposed CAP Plus Plan and file its proposed CAP Plus Plan with the PUC no later than April 1, 2011. The above stated conditions that are contained in this Paragraph will not be applicable in the event that the Department of Public Welfare changes its current policy and allows Duquesne Light to apply LIHEAP grants to CAP credits."



Secretary Rosemary Chiavetta
Page 2
December 20, 2010

The details of the proposed CAP-Plus program will be contained within the April 1st filing of Duquesne, and that proceeding would be the appropriate forum for review and approval.

Respectfully submitted,

Gary A. Jask
Assistant General Counsel

c: Certificate of Service

PENNSYLVANIA PUBLIC UTILITY COMMISSION

DUQUESNE LIGHT COMPANY :
Universal Service and Energy : **Docket No. M-2010-2161220**
Conservation Plan for 2011-2013 :

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of Comments to the Tentative Order in the Universal Service and Energy Conservation Plan for 2011-2013 of Duquesne Light Company in the above-referenced proceeding has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant):

VIA FIRST CLASS MAIL AND/OR E-MAIL

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Dated: December 20, 2010