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March 19, 2012

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: Notification of Change In Ownership Interests In DQE Holdings LLC and Request for Determination That Approval Is Not Required - Docket Nos. A-2010-2213369 and A-2011-2221461

Dear Secretary Chiavetta:

This letter is filed by Duquesne Light Company ("Duquesne Light"): (1) to notify the Pennsylvania Public Utility Commission ("Commission") of the proposed transfer of equity voting interests (the "Shares") in DQE Holdings LLC ("DQE") held by Motor Trades Association of Australia Super investing through Motor Transport Superannuation Fund ("Duquesne Light Holdings") Infra Trust ("MTAA") to certain other existing holders of shares in DQE; and (2) to request a determination by the Commission that the transfer of the Shares does not require prior Commission approval.

Background

Duquesne Light is a corporation organized and existing pursuant to the laws of the Commonwealth of Pennsylvania. Duquesne Light is a "public utility" and an "electric distribution company" as those terms are defined under the Public Utility Code, 66 Pa. C.S. §§ 102 and 2803, subject to the regulatory jurisdiction of the Commission. Duquesne Light furnishes electric distribution, transmission, and makes available default service to approximately 580,000 customers in Allegheny and Beaver Counties, Pennsylvania. Duquesne Light's address is 411 Seventh Avenue, Pittsburgh, Pennsylvania 15219.

Duquesne Light Holdings, Inc. ("DLH") is a corporation organized and existing pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business at 411 Seventh Avenue, Pittsburgh, Pennsylvania 15219. Duquesne Light's electric distribution and

transmission operations are the primary business of DLH. DLH is the direct parent of Duquesne Light.

DQE is a limited liability company organized and existing pursuant to the laws of Delaware with its principal place of business at 411 Seventh Avenue, Pittsburgh, Pennsylvania 15219. DQE Holdings is the direct parent of DLH and the indirect parent of Duquesne Light.

DQE was formed to acquire DLH in a transaction that was approved by the Commission by Order entered March 20, 2007, at Docket Numbers A-110150F0035 and A-311233F002. As a result of this transaction, Duquesne Light, a subsidiary of DLH, became an indirect subsidiary of DQE Holdings.

On August 11, 2011, the Commission approved a Joint Petition for Settlement (the "2011 Settlement") at Docket Nos. A-2010-2213369 and A-2011-2221461,¹ authorizing the transfer of shares held in DQE by DUET Investment Holdings Limited ("DUET") to Epsom Investment Pte Ltd ("Epsom").²

The Member Investors in DQE currently hold the following percentages of shares in DQE: (1) Epsom (28.95%); (2) Macquarie Infrastructure Partners, investing through CLH Holdings, GP ("MIP") (22.12%); (3) Industry Funds Management, investing through IFM Global Infrastructure (Cayman) Fund (22.8%); (4) GIF2-MFIT United Pty Limited ("GIF2-MFIT") (13.3%); (5) MTAA (6.6%); and (6) State Super, investing through Duquesne Utilities Trust ("State Super") (6.2%). Each Member Investor acts and votes its shares independently. Thus, Epsom is currently the largest percentage holder of shares in DQE.

Paragraph 31(f) of the 2011 Settlement concerning the transfer of shares from DUET to Epsom provides:

¹ *Joint Application for All of the Authority and the Necessary Certificate(s) of Public of Convenience to Transfer the Interests and Shares in DQE Holdings LLC, currently owned by DUET Investment Holdings Limited, to Epsom Investment Pte Ltd, a subsidiary of GIC Infra Holdings Pte Ltd, and approve resulting Control of Duquesne Light Company and DQE Communications Network Services LLC, Docket Nos. A-2010-2213369 and A-2011-2221461, (Order entered on August 11, 2011).*

² Epsom is a wholly-owned subsidiary of GIC Infra Holdings Pte Ltd ("GIC Infra"), a wholly-owned subsidiary of GIC Ventures. GIC Infra is the holding company for infrastructure investments. Government of Singapore Investment Corporation Pte Ltd ("GIC") is a global investment management company which was incorporated in 1981 to manage Singapore's foreign reserves. GIC is wholly-owned by the Government of Singapore and manages funds on behalf of the Government of Singapore. GIC manages well over USD \$100 billion in investments and is now among the world's largest fund management companies. The infrastructure and private equity investment arm of GIC is GIC Special Investments Pte Ltd ("GIC SI"). GIC SI is one of the world's largest and most experienced private equity investment managers, and is an established investment manager in the infrastructure market, with a long-term buy and hold strategy. GIC SI invests in private equity and infrastructure assets through an investment holding company known as GIC Ventures. GIC Ventures is wholly owned by Minister for Finance (Incorporated) ("MOF"), a statutory corporation set up by the Government of Singapore pursuant to the Minister for Finance (Incorporation) Act to own and administer government assets.

The Applicants agree that they will continue to comply with Section 1102(a)(3) of the Public Utility Code requiring the approval of changes in control, as interpreted by the Commission's Policy Statement-Utility Stock Transfer under 66 Pa.C.S. § 1102(a)(3). Epsom agrees that it will not increase its voting interest in DQE Holdings beyond the 28.95% approved by the Commission in this proceeding *unless Epsom obtains the Commission's approval of an acquisition increasing that voting interest or a determination by the Commission that approval is not required*. Any acquisition of a voting interest in DQE Holdings by any parent or affiliate of Epsom shall be counted in applying the provisions of this condition. (emphasis provided)

Description Of The Proposed Transaction

In December, 2011, MTAA executed an agreement to sell its shares in DQE to a non Member Investor. The current Member Investors in DQE hold Rights of First Offer ("ROFO"), which provide them with the right to match the offer from the third party for all shares to be sold. All Member Investors in DQE, other than GIF2-MFIT, submitted irrevocable offers for MTAA's shares at the price offered by the third party. The offers from the current Member Investors totalled more than the number of shares held by MTAA and offered for sale by it. MTAA's interests will be allocated to and purchased by existing Member Investors, excluding GIF2-MFIT ("Proposed Transaction"), in accordance with the following table:

Member	Current Ownership		New Ownership		
	Class A Shares	Share Percentage	Shares To Be Purchased	Class A Shares	Share Percentage
Epsom	16,363.77	28.95%	1,162.92	17,526.69	31.01%
CLH	12,500.00	22.12%	946.29	13,446.29	23.79%
Cordan Trust Company (Cayman) Limited	12,903.48	22.83%	1,328.19	14,231.67	25.18%
GIF2-MFIT	7,500.00	13.27%	-	7,500.00	13.27%
MTAA	3,750.00	6.64%			
State Super	3,500.00	6.19%	312.60	3,812.60	6.75%
TOTAL	56,517.25	100.00%	3,750.00	56,517.25	100.00%

The Proposed Transaction Does Not Require Approval

Duquesne Light requests that the Commission conclude that approval of the Proposed Transaction is not required by Section 1102(a)(3) of the Public Utility Code and the Commission's Statement of Policy at 52 Pa. Code § 69.901.

Section 1102(a) of the Public Utility Code provides, in pertinent part, as follows:

Upon the application of any public utility for approval of such application by the Commission evidenced by a certificate of public convenience first had and obtained, and upon compliance with existing law, it shall be lawful:

(3) For any public utility or an affiliated interest of a public utility as defined in Section 2101 . . . to acquire from, or to transfer to, any person or corporation, . . . by any method or device whatsoever, including the sale or transfer of stock and including a consolidation, merger, sale or lease, the title to, or the possession or use of, any tangible or intangible property used or useful in the public service.

66 Pa.C.S § 1102(a)(3). Section 1102(a)(3) of the Public Utility Code requires Commission approval, in the form of a certificate of public convenience, before any public utility or an affiliated interest of any public utility may "acquire" a corporation that either directly or indirectly controls a Pennsylvania public utility.

On October 22, 1994, the Commission issued a Statement of Policy to interpret the Section 1102(a) and "to establish clear standards regarding what transfer of voting interest constitutes a change in de facto control of the utility." 52 Pa. Code § 69.901. The Statement of Policy provides, in pertinent part, as follows:

(1) A transaction or series of transactions resulting in a *new controlling interest* is jurisdictional when the transaction or transactions result in a *different entity becoming the beneficial holder of the largest voting interest* in the utility or parent, regardless of the tier. A transaction or series of transactions resulting in the elimination of a controlling interest is jurisdictional when the transaction or transactions result in the dissipation of the largest voting interest in the utility or parent, regardless of the tier.

(2) For purposes of this section, a *controlling interest* is an interest, held by a person or group acting in concert, which enables *the beneficial holders to control at least 20% of the voting interest* in the utility or its parent, regardless of the remoteness of the transaction. In determining

whether a controlling interest is present, voting power arising from a contingent right shall be disregarded.

52 Pa. Code § 69.901 (emphases provided).

The plain language of the Commission's Statement of Policy requires that a transfer of shares in a utility or parent of a utility be approved by an application for a certificate of public convenience for any of the following transactions:

- (a) A transaction that creates a *new* 20% or more voting interest *and* results in a *different* entity becoming the holder of the largest voting interest in a utility or parent; or
- (b) A transaction that *eliminates* a 20% or more voting interest *and* results in a dissipation of the largest voting interest in the utility or parent.

66 Pa.C.S. § 1102(3) (emphasis provided). Under either scenario, a transaction that results in a change in the largest voting interest in a utility or its parent, regardless of the tier, requires prior approval.

Although the Proposed Transaction increases the number of shares and percentage interests of the existing Member Investors of DQE, other than GIF2-MFIT, the Proposed Transaction will not create a new controlling interest as the term is defined in the Commission's Statement of Policy. The Proposed Transaction does not change the identity of the Member Investor that holds the largest voting interest in excess of 20%. As explained above, Epsom currently is currently the largest holder of shares in DQE (28.95%). Under the terms of the Proposed Transaction, Epsom will continue to be the largest holder of the voting shares in DQE with its share of voting interests increasing only from 28.95% to 31.01%. Accordingly, the Proposed Transaction does not result in a *different* entity becoming the beneficial holder of the largest voting interest in DQE and, therefore, the Proposed Transaction does not require approval by the Commission under Section 1102 (a) (3) of the Public Utility Code and the plain language of the Statement of Policy at 52 Pa. Code § 69.901(b)(1).

Further, the proposed acquisition of MTAA's shares in DQE will not create any new Member Investor of DQE which the Commission has not considered in prior approvals, since the MTAA shares will be transferred only to existing Member Investors. The existing Member Investors, excluding MFIT-GIF2, will simply acquire the MTAA interests in similar proportion to their current interests and, therefore, essentially maintain the balance of voting interests that currently exists. The existing Member Investors have demonstrated their fitness to own Duquesne Light by meeting all prior financial and service commitments.

The Proposed Transaction also will not vest in any Member Investor in DQE, including Epsom, the power to unilaterally direct any action by DQE because all member and board actions require

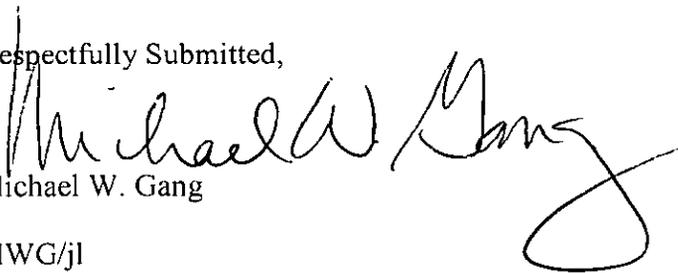
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an affirmative vote of either at least 50% or 70% of the voting interests of the Member Investors.³

For these reasons, Duquesne Light requests that the Commission issue an Order or Secretarial Letter confirming that, pursuant to Section 1102(a)(3) of the Public Utility Code and the Commission's Statement of Policy at 52 Pa. Code § 69.901, the Commission's approval is *not* required for the Proposed Transaction.

Copies have been provided to the parties to the above-referenced proceeding as indicated on the Certificate of Service.

Respectfully Submitted,



Michael W. Gang

MWG/jl

Enclosure

cc: Robert F. Young, Esquire
Certificate of Service

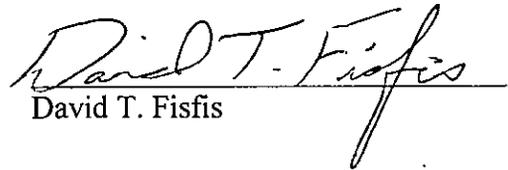
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³ Board actions requiring an affirmative vote of the board members representing 70% of the voting interests include matters concerning business planning, dividend policy, sale of material assets or subsidiaries, granting of material guarantees, entering into material contracts and appointment or dismissal of principal officers.

VERIFICATION

I, David T. Fisfis, being the Vice President, General Counsel and Corporate Secretary of Duquesne Light Company, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect that Duquesne Light Company 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: March 16, 2012


David T. Fisfis

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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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Date: March 19, 2012



Andrew S. Tubbs