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November 30, 2012

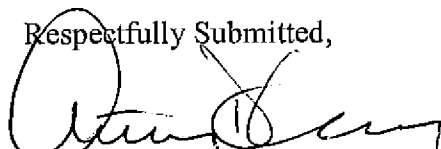
Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**RE: Petition of Duquesne Light Company For Approval To Modify Its Time-of-Use Plan
Schedule And Reporting Requirements
Docket No. P-2009-2149807**

Dear Secretary Chiavetta:

Enclosed please find the Petition of Duquesne Light Company for Approval to Modify its Time-of-Use Plan for the above-referenced proceeding. Copies will be provided as indicated on the certificate of service.

Respectfully Submitted,



Anthony D. Kanagy

ADK/skr
Enclosures
cc: Certificate of Service

CERTIFICATE OF SERVICE

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

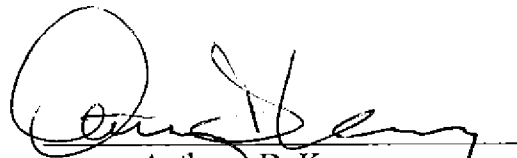
VIA E-MAIL AND FIRST CLASS MAIL

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Date: November 30, 2012


Anthony D. Kanagy

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company	:	
For Approval To Modify Its	:	Docket No. P-2009-2149807
Time-of-Use Plan Schedule And	:	
Reporting Requirements	:	

**PETITION OF DUQUESNE LIGHT COMPANY FOR
APPROVAL TO MODIFY ITS TIME-OF-USE PLAN**

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

I. INTRODUCTION

Duquesne Light Company (“Duquesne Light” or “Company”) hereby files this Petition, pursuant to 52 Pa. Code § 5.41, seeking approval to modify its Time-of-Use Plan (“TOU Plan”) schedule and reporting requirements. Specifically, Duquesne Light requests that the Pennsylvania Public Utility Commission (“Commission”) modify the schedule and plans for the fourth and final phase of its TOU Plan, primarily the TOU 3 Program, from November 30, 2012 to the date that the Company files its next default service plan, which will become effective on June 1, 2015, and also revise the Company’s data reporting requirements for the final phase of the TOU Plan as well as its other filing requirements to be consistent with the new schedule. The fourth phase of the TOU Plan was originally set to coincide with a broad deployment of smart meters in the Company’s service territory. However, under the Company’s Final Smart Meter Plan which is currently pending before the Commission, the Company proposes to take a more measured approach to deploying smart meters to customers and to utilize a two-year ramp up period to minimize the risk of unforeseen technology glitches which could have a negative impact on customers. Therefore, the Company proposes to delay the fourth phase of the TOU Plan to coincide with the Company’s updated smart meter implementation schedule.

In support of this Petition, Duquesne states as follows:

II. BACKGROUND

1. Duquesne Light is a public utility as that term is defined under Section 102 of the Public Utility Code, 66 Pa. C.S. § 102, certificated by the Commission to provide electric service in the City of Pittsburgh and in Allegheny and Beaver Counties in Pennsylvania. Duquesne Light is also an electric distribution company (“EDC”) and a default service provider as those terms is defined under Section 2803 of the Public Utility Code. 66 Pa. C.S. § 2803. Duquesne Light provides electric distribution service to approximately 579,000 customers.

2. The complete name and address of the Petitioner are:

Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219

3. Duquesne Light’s attorneys are:

Robert Hoaglund, Esquire
Assistant General Counsel
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Duquesne Light’s attorneys are authorized to receive all notices and communications regarding this proceeding.

4. On October 15, 2008, Governor Edward Rendell signed Act 129 of 2008 (“Act 129”), which took effect on November 15, 2008 and, *inter alia*, required EDCs with at least 100,000 customers to file a TOU and real-time pricing plan by January 1, 2010, or at the expiration of the EDC’s applicable generation rate cap period, whichever is later.

5. Under Act 129, default service providers must offer TOU rates and real-time pricing plans to all customers that have been provided with smart meter technology. 66 Pa.C.S. § 2807(f)(5). Real-time pricing is defined as “a rate that directly reflects the different cost of energy during each hour.” 66 Pa.C.S. § 2806.1(m). A time-of-use rate is defined as “a rate that reflects the costs of serving customers during different time periods, including off-peak and on-peak periods, but not as frequently as each hour.” *Id.*

6. The Commission adopted its Smart Meter Implementation Order on June 18, 2009, outlining its guidance for EDC’s Smart Meter Procurement and Installation program pursuant to Act 129. *Smart Meter Procurement and Installation*, Docket No. M-2009-2092655, Order entered June 24, 2009 (“*Smart Meter Implementation Order*”). The *Smart Meter Implementation Order* directed that an EDC’s smart meter technology must support several capabilities; one such capability was supporting TOU rates and real-time pricing programs. *Smart Meter Implementation Order* at 16.

7. Duquesne Light made two notable, interrelated filings in order to comply with the Act 129 requirements and the Commission’s Smart Meter Implementation Order. The first filing was the Company’s Smart Meter Procurement and Implementation Plan (“Smart Meter Plan”). The second filing was the Company’s TOU Plan. These filings are summarized below.

A. Smart Meter Plan Filing

8. On August 14, 2009, Duquesne Light filed its Initial Smart Meter Plan with the Commission. In its Initial Smart Meter Plan, the Company, among other things: (1) provided a

description of its current metering system, (2) explained how it would address customer requests for smart meters and installation of smart meters in new construction during the grace period, (3) explained its network development and installation plan within the 30 month grace period, (4) proposed a milestone and status reporting schedule during the grace period, (5) proposed a cost recovery mechanism for recovering smart meter costs, and (6) proposed a 5-year smart meter deployment schedule, which the Company explained was subject to change.

9. On May 11, 2010, the Commission entered an Order approving Duquesne Light's Initial Smart Meter Plan, with certain modifications. *Petition of Duquesne Light Company for Approval of Smart Meter Technology Procurement and Installation Plan*, Docket No. M-2009-2123948 (*"Initial Smart Meter Order"*). In summary, the Commission approved Duquesne Light's proposal to recover its smart meter costs through a reconcilable cost recovery mechanism, and set forth the details of how this mechanism would work. The Commission approved the Company's milestone and status reporting schedule during the grace period. In addition, the Commission approved the Company's proposed smart meter implementation schedule, which the Company explained was subject to change.

10. The Company made several smart meter milestone filings in compliance with the Commission's *Initial Smart Meter Order*.

11. On June 20, 2012, Duquesne Light filed its Final Smart Meter Plan. Of note, in the Final Smart Meter Plan, the Company explained that it had further evaluated smart meter deployment issues and proposed to deploy smart meters to all customers over a 7-year schedule as opposed to the 5-year schedule proposed in the Initial Smart Meter Plan. Under this revised schedule, the Company would utilize a two-year ramp up period followed by full deployment over the next five years. The Company projects to have 2,000 smart meters installed by June

2014 and hopes to have 35,000 smart meters installed by June 2015. The ramp up period would be followed with full smart meter deployment beginning in late 2015. The Company anticipates that it will complete the full deployment of its smart meters by the end of 2020.

12. In addition, the Company explained that the ramp-up period would minimize the risk of unforeseen technology glitches which could have a negative impact on customers.

13. The Final Smart Meter Plan is currently pending Commission approval.

B. TOU Filing

14. Duquesne filed its TOU Plan on December 28, 2009. The Plan involved four phases over the 2011 - 2013 period to implement TOU programs. The four phases can be summarized as follows:

- (1) conduct market analysis in 2010 and obtain PUC approval for the proposed pilot projects and schedule described herein as part of this Petition;
- (2) establish base line consumption and demand data during 2011 for two residential pilot programs (TOU-1 and TOU-2) and continue and expand customer research and enroll participants¹;
- (3) implement two TOU-1 and TOU-2 residential pilot programs in 2012 and evaluate customer response;² and
- (4) implement a more robust TOU program for smart meter customers beginning with smart meter rollout in 2013 (TOU-3 Program).

¹ The Company submitted its first TOU Plan Progress Report on November 30, 2011 describing the results the first two phases of the TOU Plan.

² The first three phases of the TOU Plan have been completed. The second TOU Plan Progress Report describing the results of the third phase of the TOU Plan is being provided in a separate filing that is being made contemporaneously with this filing.

15. The purpose of the different phases was to use the results of the early pilot programs to establish a fully developed TOU program to be applicable to customers upon the broader deployment of smart meters.

16. The TOU Plan was approved by the Commission on June 16, 2010. *Petition of Duquesne Light Company for Approval of a Time-of-Use Plan*, Docket No. P-2009-2149807, Order entered June 23, 2010 (“*TOU Order*”). The Commission set forth a filing schedule in the Order with respect to the different phases and emphasized that the Company could request modifications to the schedule if information could not be provided by the dates indicated.³ *TOU Order* at 10-11.

17. Under the TOU Plan, as approved by the Commission, the Company was required to make a filing with the Commission on November 30, 2012 regarding its TOU-3 Program, including:

- A description and design of its TOU-3 Program, including supporting research and market data;
- Proposed customer availability for TOU-3;
- Proposed rate design for TOU-3;
- Proposed tariffs incorporating TOU-3; and
- Proposed customer educational materials relating to TOU-3.

18. In addition, the Company was required to file the following information on November 30, 2013:

- Summary of the results of all three of its TOU programs, TOU-1, TOU-2, and TOU-3;

³ On August 2, 2011, the Company filed a petition to modify the supplemental filing schedule set forth in the Order from September 30th to November 30th which was granted.

- Description and design of its full TOU program, including proposed TOU rates available to all customers with smart meters, along with all supporting research and market data;
- Proposed tariffs incorporating all applicable TOU rates; and
- Proposed customer educational materials relating to its full TOU program.

19. The Company is filing this petition regarding the TOU-3 Program and is requesting modifications to the schedule for implementing its TOU-3 Program and for the filing of the other information set forth in the TOU Order.

III. REQUEST FOR MODIFICATION TO TOU-3 PROGRAM

20. As explained above, the Company initially proposed to implement its TOU-3 Program to coincide with the onset of the large scale deployment of smart meters in 2013.

21. However, under the Company's Final Smart Meter Plan, the Company is proposing to delay broader implementation of smart meters until 2015 to allow a ramp-up period to minimize the risk of unforeseen technology glitches that could have a negative impact on customers.

22. Due to the delay in broad scale deployment of smart meters, it is reasonable and necessary to delay the TOU-3 Program. Very few of the Company's customers will have smart meters installed at the end of 2015, after which the Company will begin its full deployment schedule.

23. If the Company implemented its TOU-3 Program at this time, it would be of very limited value due to the extremely limited number of customers, if any at all, that will have smart meters in 2013 and the limited ability of the Company to make hourly readings now and in 2013 and 2014.

24. Therefore, the Company requests Commission approval for the Company to submit plans for its TOU-3 Program as part of the Company's next default service filing, which will become effective on June 1, 2015, that aligns with the Company's smart meter deployment functionalities at the time.

25. This revised schedule will better align the timing of the TOU-3 Program with the onset of broader, full deployment of smart meters.

26. In addition, in the Company's current default service proceeding for the period of June 1, 2013 – May 31, 2015, the Company has explained that it will attempt to bid out TOU supply to EGSs, but stated that there will be limited opportunity for TOU rates since few smart meters will be installed. Combining the TOU-3 Program with the Company's next default service plan filing (i.e. that default service plan which will become effective June 1, 2015) will allow the Company to coordinate TOU-3 Program supply requirements with its other default supply requirements.

27. If the Commission grants Duquesne Light's request to delay implementation of the TOU-3 Program, the Company also requests that the Commission delay the filing requirements currently scheduled for November 30, 2013. This is necessary because there will be no data to report on November 30, 2013 if the TOU-3 Program is delayed, as requested, nor will the Company be in a position to propose a TOU program. Because full deployment of smart meters is scheduled to begin in late 2015, and because TOU rates will likely be in effect during summer months, the Company proposes that the next TOU report be submitted by November 30, 2016.⁴ That report will address the results of TOU rates that would be in effect in 2015 and 2016.

⁴ In the TOU Plan Progress report submitted contemporaneously with the filing, the Company discusses the effectiveness of TOU rates during the months of June through September.

28. Therefore, the Company proposes to delay its TOU-3 Program to better align with its revised smart meter deployment schedule. The Company further notes that the Commission recognized that the TOU schedule originally proposed by the Company may need to be modified which is what the Company is requesting herein. *See TOU Order* at 10.

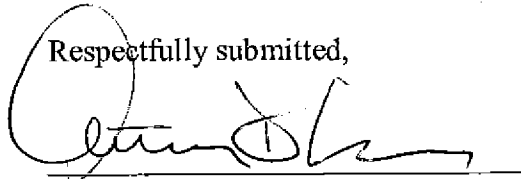
29. The TOU Plan proposes supplemental filings as the Company transitions to full smart meter deployment. Parties will have the opportunity to comment on these filings as results are submitted and programs are implemented. Once full smart meter deployment begins in 2016 and TOU, RTP and other pricing products are evaluated and designed, the Company would propose submitting annual reports to the Commission required by the Act.

30. The Company believes that this modification to its TOU-3 Program schedule and filing requirements is reasonable based on its smart meter deployment schedule, and for the other reasons described herein.

31. In the event that the Commission does not approve the Company's proposed changes to the filing schedule as set forth herein, the Company respectfully requests that the Commission grant the Company a waiver of the TOU-3 Program requirements that are due on November 30, 2012 and provide Duquesne Light with a reasonable amount of time to file such requirements with the Commission.

WHEREFORE, Duquesne Light Company requests that the Pennsylvania Public Utility Commission modify the final phase of Duquesne Light Company's TOU Plan schedule and reporting requirements to allow the Company to file its TOU-3 Program with the Company's next default service proceeding that will become effective June 1, 2015, delay the TOU-3 Program reporting requirements and other filing requirements scheduled for November 30, 2013 until November 30, 2016 and provide such other relief as the Commission deems appropriate.

Respectfully submitted,



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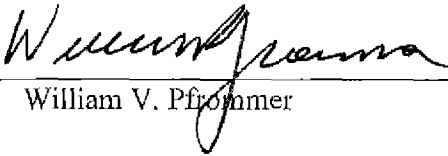
Counsel for Duquesne Light Company

November 30, 2012

VERIFICATION

I, William V. Pfrommer, being the Manager – Rates at 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 will 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: 11/29/12



William V. Pfrommer