

R-00974104

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA. 17105-3265

Public Meeting held February 26, 1998

Commissioners Present:

John M. Quain, Chairman
Robert K. Bloom, Vice Chairman
John Hanger
David W. Rolka
Nora Mead Brownell

Affiliated Interest Agreement Between
Duquesne Light Company and DQE
Communications, Inc.

Docket No.
G-00970586

RE
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OPINION AND ORDER

BY THE COMMISSION:

On October 14, 1997, an Affiliated Interest Agreement ("Agreement") between Duquesne Light Company ("Duquesne") and DQE Communications, Inc. ("DQE Communications") was filed to become effective on November 13, 1997. The period for consideration of this Agreement was extended by the Commission to January 16, 1998. On January 14, 1998, the period for consideration of this Agreement was extended until further order of the Commission.

This is an Agreement which permits DQE Communications to attach the aerial fiber optic cables, wires and associated appurtenances to Duquesne's poles, and to install those fibers in Duquesne's ducts and manholes.

Duquesne is a public utility subject to the Commission's jurisdiction and is a wholly-owned subsidiary of DQE, Inc. a Pennsylvania corporation. DQE Communications is a wholly-owned subsidiary of Duquesne Enterprises, a Pennsylvania corporation, which is also a wholly-owned subsidiary of DQE, Inc.

Duquesne currently owns, operates and maintains a fiber optic telecommunications network ("Fiber Optic Network") used in Duquesne's utility business to carry voice and data information and to supervise, protect and control Duquesne's distribution and substation system.

Two other affiliated interest agreements have been submitted by Duquesne and are interrelated and pertain to Duquesne's proposed sale of its Fiber Optic Network to DQE Communications and the lease by Duquesne of certain fiber services from DQE Communications for operation of its

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telecommunications network. These related agreements have been filed at Docket Nos. G-00970584 and G-00970585. Also related to this Agreement is an Application of Duquesne Light Company and DQE Communications, Inc. (Docket No. A-110150 F0016), for approval of the transfer by sale of a fiber optic network from Duquesne Light Company to DQE Communications, Inc., and for the lease of fiber services by Duquesne Light Company from DQE Communications, Inc.

The subject Agreement is filed in accordance with the requirements of Section 2102(b) of the Public Utility Code, 66 Pa. C.S. 2102(b).

We have examined the Agreement and have determined that it appears to be reasonable and consistent with the public interest; however, approval of the Agreement does not preclude us from investigating, during any formal proceeding, the reasonableness of charges incurred under the Agreement;
THEREFORE,

IT IS ORDERED:

1. That the Affiliated Interest Agreement between Duquesne Light Company and DQE Communications, Inc. filed on October 14, 1997, be and hereby is, approved.

2. That acceptance does not preclude the Commission from investigating during any formal proceeding the reasonableness of charges incurred under the Agreement.

3. That a copy of this order be served on the Office of Consumer Advocate, the Office of Small Business Advocate, the Office of Trial Staff and parties to the Duquesne Restructuring Proceeding at Docket No. R-00974104, and made available to other interested parties.

4. That this Docket No. G-00970586 be marked closed.

BY THE COMMISSION

James J. McNulty
James J. McNulty,
Secretary

(SEAL)

ORDER ADOPTED: February 26, 1998

ORDER ENTERED: FEB 26 1998