



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

March 2, 1999

Re: Application of Duquesne Light Company for Approval  
of Its Restructuring Plan Under Section 2806  
of the Public Utility Code,  
Docket No. R-00974104

To: All parties to Docket No. R-00974104

By this letter, the Commission is advising the Administrative Law Judge and all parties to the above-referenced proceeding that the Commonwealth Court has issued an order disposing of the appeal of our May 28, 1998 order in this proceeding brought by System Council U-10 of the International Brotherhood of Electrical Workers (IBEW). In its Petition for Review, IBEW claimed that the PUC improperly forced Duquesne to divest its generation assets. It also charged that the Commission did not consider the impact of the divestiture on the employees who work at those plants.

In early December 1998, the Commission and IBEW jointly sought an order from Commonwealth Court remanding jurisdiction to the Commission. The court granted that request on December 31, 1998<sup>1</sup> stating, in part, that:

1. The issues raised in the Petition for Review in No. 1724 C.D. 1998 are remanded to the Pennsylvania Public Utility Commission for further proceedings.
2. The Pennsylvania Public Utility Commission shall consolidate these issues on remand with the proceeding that is currently before the Commission at Docket No. R-00974104 concerning the Generation Auction Plan of Duquesne Light Company.

**DOCKETED**  
MAR 04 1999

<sup>1</sup> Hospital Shared Services, et al. v. Pa. P.U.C.; System Council U-10, International Brotherhood of Electrical Workers v. Pa. P.U.C., Commonwealth Court Docket Nos. 1593 and 1724 C.D. 1998, Order (December 31, 1998).

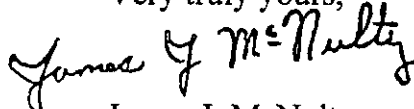
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3. This remand is without prejudice to the right of Petitioner to address the issues that it raises in its Petition for Review, if necessary, through the filing of a subsequent Petition for Review upon the conclusion of the consolidated proceedings before the Pennsylvania Public Utility Commission.

At this time, Duquesne Light Company's (Duquesne) plan for the sale by auction of its generating assets is before us at Docket No. R-00974104 -- the same docket which was the subject of IBEW's appeal. Therefore, pursuant to the court's order of December 31, 1998, IBEW may pursue those issues relating to the future welfare of Duquesne's employees in the current proceedings at R-00974104. We note that the treatment of employees is already an issue with respect to the auction plan. With regard to the Commission's legal authority to allow Duquesne to divest its generation assets as raised in IBEW's Petition for Review of our May 28, 1998 order, this issue is settled with respect to the record before the Commission and will not be litigated again. However, pursuant to the court's order, if IBEW so chooses, it may take these issues back to Commonwealth Court when the Commission issues a final order with respect to the auction plan.

It should also be noted at this juncture that on February 1, 1999 counsel for Duquesne filed a letter in this proceeding informing the Commission that the Company and IBEW have entered into an agreement which appears to settle their differences with respect to the treatment of employees. A copy of that agreement is attached to the letter. Moreover, in a February 9 letter, counsel for IBEW has acknowledged this agreement and stated that, if Duquesne abides by the terms of the agreement, the IBEW will not pursue its legal remedies before the Commission.

Very truly yours,



James J. McNulty  
Secretary

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