

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

Public Meeting held June 22, 2000

Commissioners Present:

John M. Quain, Chairman
Robert K. Bloom, Vice Chairman
Nora Mead Brownell
Aaron Wilson, Jr.
Terrance J. Fitzpatrick

DOCKETED
JUN 27 2000

Application of Duquesne Light Company for
Certificate of Public Convenience and for
Commission Approval of the Transfer of Property
Used or Useful in the Public Service

Docket Number:
A-00110150 F0023

Pennsylvania Public Utility Commission

R-00995028

v.

Duquesne Light Company

Application of Duquesne Light Company to
Approve Restructuring Plan Pursuant to
66 Pa. C.S. §2806(d)

R-00974104

ORDER

BY THE COMMISSION:

Pursuant to 52 Pa. Code §1.15, on June 6, 2000 Duquesne Light Company ("Duquesne") submitted a Motion for Extension of Time in which to file a reconciliation of proceeds from the auction of its generation assets to Orion Power Holdings ("Orion"), which was completed on April 28, 2000. Through such motion, Duquesne requests that it be given an additional 30-days, or until July 27, 2000, to file such reconciliation.

EEF

Procedurally, on December 17, 1998, the Commission approved Duquesne's plan to divest its generating assets through an auction, and on July 15, 1999, we approved Duquesne's plan to swap with FirstEnergy Corp. ("FirstEnergy") certain of Duquesne's minority interests in several generation stations for several of FirstEnergy's plants. Subsequently, Duquesne auctioned its generation assets and those acquired from FirstEnergy to the highest bidder, Orion, for \$1.705 billion, and on December 22, 1999, Duquesne submitted an application for approval of the divestiture with the Commission. By Order adopted on April 13, 2000, we approved Duquesne's proposed divestiture and ordered that it submit, within sixty days after the auction closing, a reconciliation filing that includes a reconciliation of auction proceeds and transaction costs. Additionally, we directed that Duquesne submit, by July 1, 2000, its proposal for continuing as the provider of last resort after the completion of the transition period ("POLR II").

Duquesne states that the auction closed on April 28, 2000, thereby causing its reconciliation filing to be due on June 27, 2000. However, at the same time, Duquesne has been diligently working with other parties in developing its POLR II proposal such that it may meet the July 1, 2000, filing deadline for such proposal. Duquesne explains that as a result of this collaborative effort it has been unable to devote the necessary resources to developing its reconciliation filing.

Duquesne asserts that its counsel and management are developing a plan for POLR II that will be acceptable to all market participants. Accordingly, a short extension of time to file the reconciliation will permit Duquesne to continue devoting the necessary resources to completing that process. Additionally, Duquesne asserts that no

prejudice will result from delaying the reconciliation filing, as the benefits to ratepayers of the \$1.705 billion purchase price for Duquesne's assets will be unaffected. In the event that the Commission grants its request, Duquesne states that it will make the required reconciliation filing by July 27, 2000.

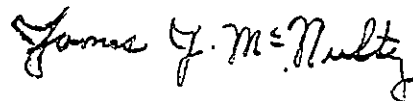
Pursuant to 52 Pa. Code §1.15, the specified time within which an act is required to be done pursuant to Commission direction may, for good cause, be extended upon motion made before expiration of the period originally prescribed.

Here, Duquesne has shown that good cause exists for extending the time within which it must file a reconciliation of the auction proceeds. Numerous resources have been devoted by Duquesne and collaborating parties in developing a POLR II proposal such that it may meet the July 1, 2000, filing deadline for that proposal. As the POLR II proposal will have an impact on those customers served by Duquesne, it is in the best interests of those customers that such proposal be filed as of the original deadline. Moreover, a 30-day delay in the filing of a reconciliation will not affect the benefits to ratepayers of the \$1.705 billion purchase price for Duquesne's assets.

THEREFORE, IT IS ORDERED:

That the Motion filed by Duquesne on June 6, 2000, for an extension of time to file a reconciliation of proceeds from the auction of its generation assets to Orion Power Holdings ("Orion"), is hereby granted as described herein.

BY THE COMMISSION:



James J. McNulty
Secretary

(SEAL)

Order Adopted: June 22, 2000

Order Entered: JUN 22 2000