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Re: Pa. P.U.C. v. Duquesne Light Company, Docket No. R-00974104  
Petition for Approval of Plan for Post-Transition Period POLR Service

RECEIVED  
00 DEC - 1 PM 11:08  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Harrisburg, PA 17105-3265

Dear Mr. McNulty:

After much discussion, the Board of Directors of the Mid-Atlantic Power Supply Association ("MAPSA") has decided to sign the Joint Settlement filed at the above-captioned docket. Although MAPSA is a signatory to the settlement, it is not without serious reservations.

MAPSA supports the collaborative process used in this instance and many of the elements of the proposed settlement. MAPSA hopes that the proposed settlement will preserve, and may advance, the nascent competitive market in Duquesne Light Company's ("Duquesne") distribution territory. We trust, however, that the Commission will remain vigilant of the status of competition in Duquesne's service territory and, to the extent that it becomes necessary to do so, will provide a forum for resolving problems that may threaten the ability of customers to receive the benefits anticipated from a robust competitive electric services industry.

In this regard, MAPSA remains concerned that continuing regulation beyond the transition period in a manner such as that which is proposed in the Joint Settlement will adversely impact the development of the competitive market. The settlement provides for a provider of last resort service ("POLR") structure that ordinarily MAPSA would not accept for a post-transition market. Given the immediate need for a post-transition market for Duquesne's territory, however, MAPSA has agreed to support the settlement despite its concerns about the POLR structure proposed there. In proceedings which are certain to arise in the future, MAPSA

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will continue to advocate for a post-competitive market structure which is more consistent with MAPSA's ultimate goal of a vibrant and liquid competitive market.

Accordingly, MAPSA offers its support of the Joint Settlement.

Very truly yours,

RHOADS & SINON LLP

By:

  
Kathryn G. Sophy

Cc: Parties and Intervenors  
to the Joint Settlement

RECEIVED  
00 DEC - 1 PM 4: 08  
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SECRETARY'S BUREAU