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File #: 150740

March 11, 2013

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 of Default Service Plan for the
Period June 1, 2013 Through May 31, 2015
Docket No. P-2012-2301664**

Dear Secretary Chiavetta:

Enclosed for filing is Duquesne Light Company's Revised Retail Market Enhancement Program Design and Cost-Recovery Proposal. This filing is being made pursuant to the Pennsylvania Public Utility Commission's Order entered on January 25, 2013 in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,


Michael W. Gang

MWG/skr
Attachment

cc: Honorable Katrina L. Dunderdale
Certificate of Service

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company :
For Approval of Default Service Plan :
For The Period June 1, 2013 : Docket No. P-2012-2301664
Through May 31, 2015 :

**DUQUESNE LIGHT COMPANY'S REVISED RETAIL MARKET
ENHANCEMENT PROGRAM DESIGN AND COST-RECOVERY PROPOSAL**

I. INTRODUCTION

On January 25, 2013, the Pennsylvania Public Utility Commission ("Commission") entered its Opinion and Order ("*January 25 Order*") regarding the Petition of Duquesne Light Company ("Duquesne Light" or the "Company") for Approval of a Default Service Program and Procurement Plan for the period June 1, 2013 through May 31, 2015 ("DSP VI") at the above-captioned docket. Therein, the Commission approved, with certain modifications, Duquesne Light's proposed default supply procurement plans for Residential, Small Commercial and Industrial ("Small C&I"), Medium Commercial and Industrial ("Medium C&I") and Large Commercial and Industrial ("Large C&I") customers.¹ The Commission further directed the Company to collaborate with the parties in the proceeding to: (1) make certain modifications to its proposed Retail Market Enhancement ("RME") programs, including its Retail Opt-In Program ("Opt-In Program") and Standard Offer Program ("SO Program"), (2) attempt to develop consensus regarding RME Program Rules and Agreements, and (3) attempt to develop consensus regarding RME Program cost recovery. The Commission further directed Duquesne

¹ For purposes of the DSP VI Procurement Plan, the Residential customer group includes both Residential and Lighting customers. Small C&I customers are non-Residential customers with monthly metered demands less than 25 kW. Medium C&I customers are customers with monthly metered demands equal to or greater than 25 kW and less than 300 kW. Large C&I customers are customers with monthly metered demands equal to or greater than 300 kW.

Light to submit revised proposals to the Commission regarding these issues within 45 days of the entry date of the Order, or by March 11, 2013.

Pursuant to the Commission's *January 25 Order*, Duquesne Light hereby submits its revised RME Program Proposals.² Below, Duquesne Light describes the collaborative process that it has undertaken to attempt to reach a consensus on the RME issues. During the collaborative process, Duquesne Light was able to reach a consensus with many of the parties on many issues. However, the parties were not able to reach a consensus on all issues. Duquesne Light understands the varying range of interests of all parties in this proceeding and, where there is disagreement, has attempted to propose solutions that balance the interests of the parties, while at the same time, recognize the Company's operational constraints associated with implementing two new RME Programs.

Consistent with the process adopted in the PECO default service proceeding, Duquesne Light proposes that the Commission adopt a Comment and Reply Comment period for parties to respond to the proposals made in this filing and in the Company's revised Default Service Plan compliance filing that the Company intends to make on March 22, 2013. Specifically, the Company requests that the Commission direct Parties to file Comments on both the March 11, 2013 and March 22, 2013 filings by April 1, 2013 and that Reply Comments be due on April 10, 2013. Duquesne Light further requests that the Commission issue an Order with respect to the issues raised in the Comments and Reply Comments by May 10, 2013, so that Duquesne Light can implement the revised RME Programs pursuant to the schedule set forth herein and in the Commission's *January 25 Order*.

² The Commission's *January 25 Order* also requires Duquesne Light to submit a Revised Default Service Plan, including associated tariff supplements, which reflect all the revisions set forth in the *January 25 Order* by March 26, 2013. As explained herein, Duquesne Light intends to submit its Revised Default Service Plan by March 22, 2013, to allow the Commission more time to review and approve the Revised Default Service Plan prior to June 1, 2013.

II. COLLABORATIVE PROCESS

1. Duquesne Light held its first collaborative meeting with interested parties on February 25, 2013 in Pittsburgh, Pennsylvania. Parties were given the option of attending the February 25, 2013 collaborative in person at Duquesne Light's offices or participating in a webinar which allowed parties to view the PowerPoint slides, listen to the presentation and ask questions to program presenters.

2. Prior to the February 25, 2013 collaborative meeting, Duquesne Light revised the Program Rules, Application and Agreement for the Opt-In and Standard Offer Program in compliance with the Commission's Order. Duquesne Light then sent parties the Company's proposed Opt-In Electric Generation Supplier Service Program Rules including the Participant Application, Opt-In Supplier Agreement and Opt-In Supplier Enrollment Preferences Proposal. Duquesne Light also sent parties the proposed SO Customer Referral Program Rules, including the Standard Offer Supplier Application and Agreement.

3. At the February 25, 2013 collaborative meeting, the Company presented a PowerPoint presentation which provided an overview of the Company's proposed RME Program rules, agreements and cost recovery proposals.

4. *The participants at the collaborative meeting engaged in substantive discussions regarding the Company's proposals and the issues associated therewith.*

5. Following the February 25, 2013 collaborative meeting, Duquesne Light received written counter-proposals from several parties addressing proposed revisions to the Company's RME Program rules, agreements and cost-recovery proposals.

6. Duquesne Light carefully considered all of the proposals offered by the other Parties, and responded by accepting many of these proposals and offering compromise proposals

designed to achieve consensus. Duquesne Light sent revised RME Program documents to Parties in advance of the second collaborative meeting, which was held on March 5, 2013.

7. The March 5, 2013 collaborative meeting was held at the Post & Schell, P.C. office in Harrisburg, Pennsylvania. Parties were invited to attend this collaborative in person or could also participate by webinar.

8. At the collaborative meeting, Duquesne Light provided another PowerPoint presentation which summarized the RME Program revisions that Duquesne Light proposed in response to other Parties' proposals. Duquesne Light also had discussions with parties regarding the proposals that the Company was not proposing to adopt and further explained the reasons why it was not adopting these parties' proposals.

9. After further discussion at the March 5, 2013, collaborative meeting, Duquesne Light made further revisions to its RME Programs to address Parties' concerns and to incorporate further solutions that were discussed at the collaborative and are designed to be acceptable to as many of the Parties as possible.

10. Duquesne Light believes that the collaborative process to address the RME Program issues has been a success. The collaborative process has given Duquesne Light and Parties a better understanding of the Parties' perspective on issues and concerns. In addition, the collaborative process has led to a consensus on many issues.

11. Below, Duquesne Light explains its revised RME Program proposals, which take into account many of the proposals offered by the collaborative participants. Duquesne Light also explains some of the changes that it has made to the RME Program proposals based upon comments received by collaborative participants.

III. RME PROGRAM PROPOSALS

A. OPT-IN PROGRAM

1. **Summary Of The Revised Opt-In Program**

12. In the *January 25 Order*, the Commission directed Duquesne Light to adopt an Opt-In Program with a 12-month product, comprised of a 4-month guaranteed discount of 5% off the PTC in effect at the time of enrollment, an EGS-provided fixed-price product for the remaining 8 months, and a bonus payment of \$50 to customers who remain in the Opt-In Program for at least the initial 4-month period. *January 25 Order*, p. 101.

13. Pursuant to the *January 25 Order*, Duquesne Light has proposed a revised Opt-In Program that meets all of the Commission's requirements, including an Opt-In Product that is comprised of a 4-month guaranteed discount of 5% off of the PTC at the time of enrollment, an EGS-fixed price product for the remaining 8 months and a bonus payment of \$50 to customers who remain in the Opt-In Program for at least the initial 4-month period. A summary of the proposed Opt-In Program is set forth in Appendix A hereto.

14. The revised Opt-In Program Rules are set forth in Appendix B hereto. Appendix B also contains the *Opt-In Participant Application*, *Opt-In Supplier Agreement*, *Opt-In Supplier Letter Allocation Preferences* and an Example of how Duquesne Light will allocate customers to EGSs. For the convenience of the Commission and the parties, the Company is providing clean and redlined versions of the documents contained in Appendix B, as compared to those originally filed in this proceeding.

15. Under the Opt-In Program, Opt-In Suppliers must submit an application and commit to providing the Opt-In Products, including the \$50 bonus payment, described in Paragraph 13 above. Opt-In Suppliers will be able to specify whether they wish to enroll Residential and/or Small C&I customers in the Opt-In Program. Each Opt-In Supplier can also

specify the maximum number of letters that the Company could mail on its behalf. As explained below, Duquesne Light will charge EGSs \$1.00 for each letter sent on behalf of the EGS. Duquesne Light will not charge EGSs any other costs for the Opt-In Program. In addition, customers will not be charged for the Opt-In Program.

16. After it receives proposals from the Opt-In Suppliers, the Company will randomly assign customers to each Opt-In Supplier. The Company will then mail the Opt-In offer-letters to customers. Each letter will contain an enrollment tear off coupon and a return envelope with prepaid postage. Customers will be able to accept an Opt-In Supplier offer by returning the coupon to the Opt-In Supplier, by calling the Opt-In Supplier, or by submitting information electronically on the Opt-In Supplier's website.

17. An Opt-In Supplier must submit the EDI enrollment transactions to Duquesne Light to enroll Opt-In customers. Service will commence on the respective customer's meter read date in accordance with the Company's Supplier Tariff.

2. Opt-In Program Rules And Opt-In Program Agreement

18. In the *January 25 Order*, the Commission directed Duquesne Light to work with parties in the collaborative to ensure that the Company's proposed Opt-In Supplier Agreement does not impose unreasonable or unnecessary requirements on EGSs as a condition of their participation in the Opt-In Program.

19. Duquesne Light has collaborated with the parties regarding its proposed Opt-In Agreement and is proposing to adopt many of the modifications suggested by the parties. Duquesne Light believes that the Opt-In Agreement is necessary for EGSs to participate in the Opt-In Program and that it does not impose unreasonable or unnecessary requirements on EGSs.

20. Pursuant to the parties' requests during the collaborative process, Duquesne Light has agreed to revise the customer allocation process under its Opt-In Program Rules to allow

EGSs to designate the maximum number of letters that will be sent on their behalf. The initial allocation for each Opt-In Supplier will be an equal share of the letters to be mailed by Duquesne Light. However, if any Opt-In Supplier specifies a maximum number of letters in its Proposal, its allocation of letters will be capped at the specified maximum and the excess number of letters will be allocated equally to the Opt-In Suppliers whose maximums have not been reached or who did not specify a maximum. EGSs will have the flexibility to participate in either the Residential Opt-In Program or the Small C&I Opt-In Program, or alternatively, both Opt-In Programs, and can specify a different maximum number of letters for each program in its Proposal.

21. Participating EGSs will be charged \$1 for each letter sent on their behalf and designating the EGS as an Opt-In Supplier. This approach will allow EGSs to know the costs that they will incur under the Opt-In Program. The current draft of the Opt-In letter that will be sent to customers is provided as Appendix C hereto.

22. For a given customer class, the maximum number of customers that an Opt-In Supplier shall be permitted to enroll under the Program will be equal to: (1) the percentage share of the letters that are mailed on that Opt-In Supplier's behalf, multiplied by (2) the Customer Participation Cap for the Program. This is the same as 50% of the letters allocated to an Opt-In Supplier.

23. *If the Opt-In Suppliers in aggregate do not indicate a willingness to fund letters for all customers who should be eligible to receive a letter, then DLC will inform the Opt-In Suppliers of the shortage and allow Opt-In Suppliers to increase the maximum number of letters in their proposals.*

24. Duquesne Light believes that all eligible customers should receive the letter. If after the second round solicitation, Opt-In Suppliers in aggregate are not willing to fund letters

for all customers in a particular customer class who should be eligible to receive a letter, then the Program will not be launched (*i.e.*, no letters will be sent at all).

25. In this proceeding, Duquesne Light also proposed not to send Opt-In letters to customers that have affirmatively elected to have their personal data and account information withheld from the eligible customer list (“ECL”) in 2012 or after.³ Although no Party objected to this in the DSP VI proceeding, EGSs requested during the collaborative that Duquesne Light send letters to customers not on the ECL. Duquesne Light has some concerns that these customers will not want to receive the Opt-In letter due to their recent election to withhold their account information and that this will increase customer complaints. However, as part of the collaborative process, the Company has agreed to send Opt-In letters to these customers. In order to mitigate customer concerns, Duquesne Light will indicate in the Opt-In Letter that it is not sending customer information to EGSs for those customers that have asked Duquesne Light not to release their customer information.

26. During the collaborative process, certain EGS parties requested that the Company provide each Opt-In Supplier with customer data for customers that have been sent a letter on behalf of the Opt-In Supplier. Duquesne Light has agreed to provide a list of customer accounts with account information to EGSs participating in the Opt-In Program. Each EGS will receive such information for all customers that receive the letter from Duquesne Light on the EGS’s behalf, except for those customers that have affirmatively instructed Duquesne Light in 2012 or later not to release their account information to EGSs.

27. During the collaborative process, certain Parties also requested that Opt-In Suppliers be permitted to send the \$50 bonus payment by cash-equivalent gift card in addition to

³ This is consistent with the Commission’s Final Order on Reconsideration regarding Interim Guidelines For Eligible Customer Lists at Docket No. M-2010-2183412 entered on November 15, 2011, wherein the Commission held that customers have the right to withhold all of their customer information from the ECL.

being able to send the \$50 bonus payment by check. Duquesne Light has agreed to allow Opt-In Suppliers to send the \$50 bonus payment by cash-equivalent gift card, only if: (1) the gift card is equivalent to cash, (2) the gift card does not have an expiration date, (3) the Opt-In Supplier can track that the gift card has been sent to the customer and activated, and (4) the customer will not be charged any fee for using the gift card.

28. In addition, EGSs have requested that additional language be added to the Opt-In Program rules regarding their ability to advertise the Opt-In Program. In response to these concerns, Duquesne Light has agreed to revise its Opt-In Program rules to clarify that Opt-In Suppliers are not required to obtain Duquesne Light's consent before advertising the Opt-In Program provided that the advertising does not use the Company name. EGSs will be allowed to use the phrase "Opt-In Program in Duquesne Light's service territory" without Duquesne Light's written consent.

3. Opt-In Program Cost Recovery

29. RME Program cost recovery issues were among the most contentious issues in the DSP VI proceeding. EGSs were concerned about the overall levels of RME costs and argued that customers should bear costs of the RME Programs. Other parties argued that EGSs should bear all of the costs of the RME Programs because the RME Programs are designed to benefit EGSs.

30. In its Order entered February 14, 2013 in the PECO default service proceeding, the Commission provided clarity regarding the recovery of PECO's RME Program costs. *Petition of PECO Energy Company for Approval of its Default Service Program II*, Docket No. P-2012-2283641 ("*February 14 PECO Order*").

31. With respect to Opt-In Program cost recovery, the Commission determined in the *February 14 PECO Order* that a fee of \$1 per assigned customer or actual Opt-In Program costs

to EGS participants was appropriate, with any remaining costs recovered by one of two ways, either: (1) through a non-bypassable surcharge, or (2) by collecting 50% of remaining costs through the POR discount and 50% from Residential and Small Commercial default customers.

32. Duquesne Light has proposed an Opt-In cost-recovery proposal that is consistent with the Commission's cost-recovery directives set forth in the *February 14 PECO Order*, while at the same time providing additional cost certainty for Parties.

33. Under its proposal, Duquesne Light will charge each Opt-In Supplier a fixed \$1 fee for each customer letter allocated to an EGS. Because Duquesne Light has designed its program to limit costs, the Company believes that it can recover all costs of the Opt-In Program through the \$1 per letter charge. Therefore, Duquesne Light is willing to fix the charge at \$1 per letter and the Company will not use a non-bypassable charge, POR discount or other charge to default service customers to recover any excess costs of the Opt-In Program. As a result, customers will not incur any costs for Duquesne Light's proposed Opt-In Program.

34. However, Duquesne Light can only adopt this cost-recovery approach if its Opt-In Program is adopted without modification. If there are any modifications to Duquesne Light's Opt-In Program, Duquesne Light requests that the Commission approve recovery of costs above \$1 per customer letter through a Commission-defined and Commission-approved cost recovery methodology.

35. Duquesne Light believes that all Parties that participated in the collaborative process support the Company's Opt-In Program design and cost recovery proposal.

B. SO PROGRAM

1. Summary Of The Revised SO Program

36. Under the SO Program, EGSs will submit applications agreeing to become SO Suppliers. Each SO Supplier must agree to provide a 7% discount off of Duquesne Light's PTC, in effect at the time of the offer, for a 12 month period.

37. Duquesne Light will present the SO to non-shopping Residential and Small C&I customers that call the Company with a: (1) new or mover request, (2) high bill complaint, or (3) inquiry about customer choice. Duquesne Light also will present the SO to other eligible Residential and Small C&I customers that express interest in participation.

38. When eligible Residential or Small C&I customers state that they are interested in the SO Program, Duquesne Light will transfer their calls to SO Suppliers in a fair and impartial manner. If a customer requests a particular SO Supplier, Duquesne Light will transfer the customer to that supplier.

39. Any call that is transferred by Duquesne Light as described above is considered to be a customer "referral." Upon receiving any call that is transferred by Duquesne Light to the SO Supplier per the Program, the SO Supplier shall present to the customer the terms and conditions of the Standard Offer, including the pricing and other terms of service for the initial 12-consecutive-month billing cycle period, how the terms may change after the initial 12-month period, and the date by which the customer must take action to exercise his or her options at the end of the Standard Offer Period.

40. In order to enroll a customer, a SO Supplier must submit a switching request via the appropriate EDI transaction to Duquesne Light for that customer. Standard Offer enrollment will adhere to the Company's meter reading schedule and will follow the switching protocols in the Company's Supplier Tariff and Electric Service Schedule of Rates Tariff.

41. A summary of the SO Program is provided in Appendix D. In addition, Duquesne Light's proposed Standard Offer Customer Referral Program Rules and Standard Offer Application and Agreement are included in Appendix E. For the convenience of the Commission and the parties, the Company is providing clean and redlined versions of the documents contained in Appendix E, as compared to those originally filed in this proceeding.

42. In its testimony in the DSP VI proceeding, Duquesne Light explained that it was not feasible to implement its SO Program, as proposed, until June 1, 2014 due to significant IT constraints associated with the Company's ongoing project to replace its Customer Information System ("CIS"). Duquesne Light St. No. 6-R, p. 6. Duquesne Light explained that there were significant IT issues that would prevent the Company from enrolling customers on the SO Program prior to June 1, 2014. See Duquesne Light St. No. 6-RJ, pp. 2-3.

43. Certain EGS parties disagreed with Duquesne Light and argued that Duquesne Light should be able to implement the SO Program by June 1, 2013. In its Reply Brief, RESA stated as follows:

... the [SO] program should not be delayed for technical or operational reasons. As FES points out, customers are switching today in the Duquesne service territory. Duquesne should be able to accommodate a switch that occurs through the standard offer program just as it has accommodated switches for the past several years.

RESA Reply Brief at 36 (footnote omitted).

44. The Commission accepted RESA's and FES' argument that the Company should be able to accommodate a switch that occurs through the SO Program just as it has accommodated switches outside of RME Programs for many years. *January 25 Order* at 151. As a result, the Commission directed Duquesne Light to implement an SO Program beginning on August 1, 2013. Furthermore, the Commission urged EGSs, Duquesne and other Parties to reach

agreement on how to minimize costs associated with the RME Programs. *January 25 Order* at 178.

45. Duquesne Light's revised SO Program is responsive to the Commission's directives and Parties' arguments. Duquesne Light is proposing to revise its SO Program so that the Company can implement it on August 1, 2013 in compliance with the *January 25 Order*. It is also proposing to revise and simplify its SO Program to switch customers through the SO Program just as it has accommodated switches outside of the RME Programs. In addition, the proposed revisions will dramatically reduce the SO Program costs as also requested by the Commission. *January 25 Order*, pp. 162, 178.

46. Under the revised SO Program, Duquesne Light will present the standard offer to non-shopping Residential and Small C&I customers who call the Company with a: (a) new or mover request, (b) high bill complaint, or (c) inquiry about customer choice. The SO Program will also be explained to other eligible customers who become aware of the SO Program through other means and inquire about the SO Program.

47. When a customer expresses interest after being advised of the SO Program, the customer will be transferred to an SO Supplier in a fair and impartial manner. Upon receiving the transferred call, the SO Supplier will present to the customer the terms and conditions of the Standard Offer. If the customer decides to enroll in the SO Program, then the SO Supplier will enroll the customer, just as it would for enrollments outside of the SO Program.

48. By making these revisions to its SO Program proposal, Duquesne Light will be able to shorten implementation time, avoid considerable expenses and the difficulties of running the SO Program. Duquesne Light believes it has proposed a cost effective, efficient approach that benefits the customer and all EGSs through a lower cost alternative. The Company's

proposal will mitigate the incremental cost of the program and minimize the issues associated with cost recovery by all parties. The Company's proposal is more effective in that EGSs already have personnel trained to discuss their products and answer customer questions. This allows the EGS to keep and expand their core competency by direct conversation of their product offering to customers. In addition, these revisions are necessary to implement the SO Program by August 1, 2013, consistent with the Commission's January 25 Order.

49. Under this simplified and efficient process, Duquesne Light will not need to employ a Choice Referral Team as originally proposed nor implement significant IT system changes. This will dramatically reduce total program costs, from an estimated \$2.1 million for a one-year Residential SO Program as initially proposed to only an estimated \$300,000 to \$500,000 for the Residential and Small C&I SO Programs combined for the two-year DSP VI period. Duquesne Light's revised SO Program also will eliminate the need to make capital expenditures. As part of the collaborative process, the Company has agreed to update and present its estimate of the revised SO Program costs at its technical conference scheduled in June 2013.

50. Importantly, the revised proposal also facilitates the interaction between customers and EGSs when the customer makes its service decisions, allowing non-shopping customers to experience the process of enrolling directly with an EGS, which Duquesne Light believes is important for making customers accustomed to the competitive retail marketplace. While Duquesne Light's revised proposal for the SO Program converts a customer contact with the Company to a customer referral to an EGS, it does not require EGSs to do any more work in enrolling the customers than they do in their normal course of business.

2. SO Program Rules and SO Program Agreement

51. Duquesne Light's Proposed Standard Customer Referral Program Rules and Standard Offer Application and Agreement are included as Appendix E hereto.

52. In the *January 25 Order*, the Commission directed Duquesne Light to collaborate with the Parties regarding its SO Program Rules and SO Agreement.

53. Duquesne Light has collaborated with the Parties regarding its proposed SO Program Rules and SO Program Agreement and has agreed to adopt many of the modifications suggested by the Parties in the collaborative process. As with the Opt-In Agreement, Duquesne Light believes that the proposed SO Agreement is necessary for EGSs to participate in the SO Program and does not impose unreasonable or unnecessary requirements on EGSs.

54. For example, as a result of comments by collaborative participants, Duquesne Light is agreeing to allow participating EGSs to elect to make offers only to Residential customers, only to Small C&I customers or to both customer classes as opposed to requiring EGSs to make offers to both customer classes.

55. Duquesne Light also has added language to the SO Program Rules clarifying that it will inform any EGS of any deficiency in its application.

56. In addition, in response to EGS comments, Duquesne Light has revised the SO Program Rules to clarify that SO Program Suppliers are not required to obtain Duquesne Light's consent before advertising the SO Program provided that they do not use Duquesne Light's name. EGSs are allowed to use the phrase "Standard Offer Program in Duquesne Light's service territory" without Duquesne Light's written consent.

3. SO Program Cost Recovery

57. As with the Opt-In Program, the Commission has provided parties with clarity regarding the recovery of PECO's SO Program cost recovery in the *February 14 PECO Order*.

Therein, the Commission held that a participating EGS can be charged a fee of the lesser of \$30/customer or actual costs per customer acquired. The Commission further stated that any remaining costs should be either: (1) recovered through a non-bypassable surcharge applied to all residential and small commercial and industrial customers, or (2) by recovering 50% of remaining costs through the POR discount and recovering 50% from Residential and Small Commercial default service customers. *February 14 PECO Order* at 13.

58. Duquesne Light is proposing an SO Program cost-recovery proposal that is consistent with the Commission's cost-recovery directives set forth in the *February 14 PECO Order* and that complies with its direction in the Company's DSP VI Order.

59. Duquesne Light's cost recovery proposal is summarized as follows. The SO Program supplier fee to be charged for enrollments through August 2014 has been reduced from \$30 to a fixed amount of \$25 per enrolled customer. Duquesne Light will track the difference between actual program costs incurred, and the supplier fees collected for enrollments through June 30, 2014. Based upon its experience through June 30, 2014, Duquesne Light will adjust the supplier fee prospectively up or down with a floor of \$0 and a cap of \$30 per enrolled customer effective September 1, 2014. Any excess costs above the amounts collected in supplier fees will be recovered from customers through a non-bypassable charge effective September 1, 2014, with a true-up to the non-bypassable charge at the end of DSP VI. A more detailed description of the cost recovery methodology and an illustrative example is provided in Appendix F hereto.

60. Under Duquesne Light's proposed program, there will be no SO Program capital expenditures, and therefore, no cost recovery method is required for such costs.

61. The cornerstone of Duquesne Light's proposal is to present an effective referral plan and limit the costs of the SO Program, while providing the customer referrals and

facilitating the interaction between customers and EGSs in order to make customers more accustomed to the competitive retail market. At an estimated total program cost of \$300,000 to \$500,000 (and a \$25 supplier fee), only enrollments of 6,000 to 10,000 customers per year will be required during the DSP VI period to cover the estimated total program costs from the supplier fees. Even if enrollments are less than these levels, the costs to be recovered from customers in the form of the non-bypassable charge would be very limited. At the extreme end of the spectrum, if there were no customer enrollments at all, which appears unlikely, customers would pay only \$0.53 to \$0.88 per customer over the entire two year DSP VI period. These calculations are provided in Appendix G. This low-cost structure is a critical feature of Duquesne Light's SO Program, as it became apparent during the collaborative process that the Parties simply cannot reach consensus on the recovery method for costs that are in excess of the supplier fee collections. Duquesne Light has attempted to balance various parties' competing interests by adopting a low-cost SO Program structure that provides cost certainty for EGSs, lowers the initial supplier fee from \$30 to \$25, allows EGS to benefit from a lower supplier fee effective September 2014 if customer enrollments due to the SO Program are relatively high, and reduces the risk for customers to incur large costs in the form of non-bypassable charges necessary to cover the SO Program costs that exceed the supplier fee collections.

62. Duquesne Light supports its proposed SO Program cost-recovery approach only if the currently proposed lower-cost program structure is approved. Duquesne Light has worked diligently to propose a SO Program that it can reasonably implement by August 1, 2013, and that reduces costs while preserving the program's benefits. If Duquesne Light's low-cost SO Program is adopted, then Duquesne Light is amenable to recovering any costs above those

recovered in supplier fees through a non-bypassable charge because Duquesne Light believes that any such costs will be relatively small.

63. However, if the Company's SO Program is modified and the modifications require the Company to incur substantial additional costs, then Duquesne Light requests that the Commission approve a \$30 supplier fee. In addition, in this circumstance, the Company requests that the recovery of the costs which are not recovered through the supplier fees be shared equally between suppliers and default service customers.⁴ The 50% share for default service customers should be included as an administrative cost of upcoming default service solicitations and be recovered in default service rates. The EGS 50% share should be recovered through a Commission-defined and Commission-approved cost recovery methodology.

64. Duquesne Light has proposed a low-cost SO Program to address the concerns of many parties and the Commission. Based on discussions during the collaborative process, the Company is hopeful that several EGSs will support the Company's proposed low-cost structure with a firm SO supplier fee cost cap and recovery of any additional costs through a non-bypassable charge. If, however, EGSs request that Duquesne Light modify the SO Program to their benefit, EGSs should be required to pay for the modifications.

IV. PROPOSED SCHEDULE FOR REVIEW OF DUQUESNE LIGHT'S REVISED RME PROGRAMS

65. The Commission directed Duquesne Light in the *January 25 Order* to file its Revised RME Program proposals, including cost recovery proposals, by March 11, 2013. In addition, the Commission directed the Company to file its revised Default Service Plan, including associated tariff supplements, reflecting all the revisions set forth in the *January 25*

⁴ If the Commission expands the SO Program and the Company incurs additional costs that it experiences delay in recovering, the Commission should allow the Company to earn a return on the balances.

Order by March 26, 2013. As explained above, Duquesne Light intends to make this filing by March 22, 2013.

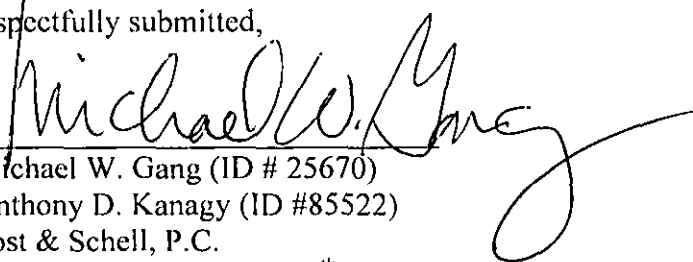
66. Duquesne Light requests that the Commission adopt a Comment and Reply Comment period to allow parties an opportunity to comment on the Company's revised plan, as set forth in both this March 11, 2013 filing and the Company's March 22, 2013 filing. In order to give parties this opportunity and to provide sufficient time to implement the RME Programs, the Company proposes the following schedule:

April 1, 2013	Comments to Duquesne Light's Revised Plan
April 10, 2013	Reply Comments
May 10, 2013	Commission Order

V. CONCLUSION

WHEREFORE, Duquesne Light Company requests that the Pennsylvania Public Utility Commission issue an Order by May 10, 2013, accepting the Company's revised RME Program proposals, as set forth herein, including the Company's RME cost recovery proposals.

Respectfully submitted,



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Date: March 11, 2013

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Appendix A

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Opt-In EGS Service Program Summary

Program Basics

- Opt-In Service Product: an initial four-month fixed-price product with a price that is 5% lower than the PTC for the rate schedule applicable to the customer as of June 1, 2013, followed by an eight-month fixed-price product, for a total term of twelve consecutive billing cycles beginning on or after July 1, 2013. The eight-month fixed price could be different from the four-month fixed price and may differ among Opt-In Suppliers. Opt-In Suppliers will also pay a \$50 bonus payment, in the form of a check or a qualifying gift card, to any and all customers who remain with the Program for four complete billing cycles.
- Eligible Customers: "Eligible Customers" include all non-shopping default service Residential and Small C&I (<25 kW) customers excluding CAP customers. While Duquesne Light will send letters on behalf of Opt-In Suppliers only to Eligible Customers, Opt-In Suppliers must extend offers to Residential and Small C&I customers who are not default service customers, upon the customer's request, under the same terms and conditions.

Opt-In Supplier Qualification

- An EGS interested in participating in this Program first must submit a completed Participant Application to Duquesne Light on or before May 31, 2013, and execute the Opt-In Supplier Agreement.
- After receiving a notice of qualification, and on or before June 14, 2013, a Participant may submit its Proposal, in which the Participant will determine:
 - Whether it wishes to enroll Residential and/or Small C&I customers in the Program;
 - The maximum number, if any, of letters that Duquesne Light will mail to Residential customers on behalf of the Participant; and
 - The maximum number, if any, of letters that Duquesne Light will mail to Small C&I customers on behalf of the Participant.
- All qualified Participants who submit a Proposal will become Opt-In Suppliers and become eligible to serve customers in the Program.

Customer Letter Allocation

- In late June 2013, Duquesne Light will mail standardized offer letters and pre-paid return envelopes to Eligible Customers on behalf of the Opt-In Supplier(s). Each letter will have a particular Opt-In Supplier identified and that Opt-In Supplier's contact information. Duquesne Light will mail to each Eligible Customer no more than one letter on behalf of any Opt-In Supplier.
- The process for determining the number of Residential and Small C&I customer letters to be mailed by Duquesne Light on behalf of any given Opt-In Supplier will be performed separately by customer class taking into consideration maximum letter preferences set forth in the Opt-In Suppliers' Proposals, and shall be as follows:
 - Each Opt-In Supplier initially will be allocated an equal share of the number of customers who are eligible to receive a letter under the Program, subject to the maximum number, if any, of customer letters specified by Opt-In Suppliers.

- If any Opt-In Supplier's initial allocation is greater than the maximum specified in its Proposal, the excess number of customer letters will be allocated equally to the Opt-In Suppliers whose maximums have not been reached or who did not specify a maximum.
- This process will be repeated until all customer letters are allocated in a manner that does not exceed any Opt-In Supplier's stated maximum letter preference.
- If, for a given customer class, the Opt-In Suppliers' Proposals in aggregate do not show a willingness for the Opt-In Suppliers to be allocated at least as many customer letters as the number of customers who are eligible to receive a letter under the Program, then Duquesne Light will inform the Opt-In Suppliers of the shortage and allow each Opt-In Supplier to increase the maximum number of customer letters that the Opt-In Supplier is willing to have allocated to it under the Program.
- If after this request for revised Proposals, the Opt-In Suppliers' revised Proposals in aggregate do not show a willingness for the Opt-In Suppliers to be allocated at least as many customer letters as the number of customers who are eligible to receive a letter under the Program, then no letters will be mailed on behalf of any Opt-In Supplier under the Program for the given customer class.
- The specific individual customer accounts to which letters will be mailed on behalf of a given Opt-In Supplier will be determined pursuant to a random selection process.
- Not later than two business days following Duquesne Light's notification of the final Opt-In Suppliers and the number of customer letters allocated to each Opt-In Supplier, Duquesne Light shall provide each Opt-In Supplier a list of customer accounts with account information (account number, rate class, and rate schedule) for the customer accounts selected to have Duquesne Light mail a letter on behalf of the Opt-In Supplier, except for those default service customers that have affirmatively instructed Duquesne Light in 2012 or later not to release their information to EGSs.

Enrollment

- For each customer class, overall customer enrollment in the Opt-In EGS Service Program is limited in number to 50% of Eligible Customers.
- For a given customer class, the maximum number of customers that a given Opt-In Supplier shall be permitted to enroll under the Program shall be the product of: (1) 50%; and (2) the number of letters that are mailed pursuant to the Program to customers within that customer class by Duquesne Light on behalf of that Opt-In Supplier.
- Customers may accept an Opt-In Supplier's offer by contacting the Opt-In Supplier by mail, phone or website.
- If Duquesne Light receives a request to enroll in the Program by a shopping customer or an Eligible Customer who becomes aware of the offer, Duquesne Light will enable the customer to select from participating Opt-In Suppliers if the customer does not specify a particular Opt-In Supplier during the inquiry.
- The Opt-In Supplier will enroll the customer and submit a switching request via the appropriate EDI transaction to Duquesne Light.
- The deadline for Opt-In Suppliers to submit customer enrollments to Duquesne Light is July 31, 2013.

- Supply to Opt-In Supplier Customers will commence beginning with the first billing cycle on or after July 1, 2013, depending upon when the customer is eligible to receive service based upon the Supplier Tariff.

Other Terms and Conditions

- All Opt-In Supplier billing for customers who accept offers under the Program shall be Consolidated EDC Billing.
- There are no switching fees or other penalties associated with the Opt-In Program supply product.
- Each Opt-In Supplier must file the terms and conditions of its eight-month product offering with the Commission at least forty-five days before the offers for the eight-month fixed-price product are extended to customers.

Cost Recovery

- Each Opt-In Supplier shall be responsible for the product of: (1) \$1.00; and (2) the number of letters mailed by Duquesne Light to Eligible Customers on behalf of the Opt-In Supplier.
- There shall be no charge to customers for the recovery of Program costs.

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Appendix B

Duquesne Light Company

**Opt-In Electric Generation Supplier
Service Program
Rules**

**(including Participant Application, Opt-In Supplier Agreement, and
Opt-In Supplier Letter Allocation Preferences Proposal)**

March 11, 2013

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OPT-IN EGS SERVICE PROGRAM
RULES

ARTICLE 1
INTRODUCTION

- 1.1 **Program Overview.** Duquesne Light Company ("Duquesne Light" or the "Company") is soliciting applications and proposals by electric generation suppliers ("EGSs") to provide competitive retail offers to its non-shopping default service Residential customers (on rate schedules RS, RA, and RH, exclusive of Customer Assistance Program ("CAP") customers) and to its non-shopping default service small commercial and industrial customers (on rate schedules GS, GM, and GMH) with annual peak loads less than 25 kW ("Eligible Customers"). Participating EGSs in the Opt-In EGS Service Program ("Program") will provide an initial four-month fixed-price product with a price that is 5% lower than Duquesne Light's applicable price-to-compare as of June 1, 2013 ("June 2013 Duquesne Light PTC"), followed by an eight-month fixed-price product¹ for a total term of twelve consecutive billing cycles beginning on or after July 1, 2013 ("Opt-In Service Period"). This document describes the process by which EGSs may qualify to participate in the Program, the rules with which participating suppliers ("Opt-In Suppliers") must comply, the process for allocation of letters that will be mailed on behalf of Opt-In Suppliers to Eligible Customers, and the standard terms and conditions for Opt-In Supplier offers to customers under this Program. In addition, although marketing, notifications, and consumer education efforts for this Program will be targeted to Eligible Customers, Opt-In Suppliers must extend offers to Residential and small commercial and industrial (less than 25 kW)("Small C&I") shopping customers, upon a customer's request, under the same terms and conditions.
- 1.2 **Participant Application.** There is a two-step process for EGSs to participate in the Program. An EGS interested in participating in this Program ("Participant") must first qualify by submitting an application ("Participant Application") to Duquesne Light on or before May 31, 2013, demonstrating its qualifications, as described in Section 3.2. These qualifications include a current EGS license issued by the Pennsylvania Public Utility Commission ("the Commission") and the ability to comply with provisions of Duquesne Light's Electric Generation Supplier Coordination Tariff ("Supplier Tariff"). As part of the qualifying process, a Participant will be required to execute an Opt-In Supplier Agreement in which the Participant agrees to various requirements, including payment of a pro rata portion of the costs of this Program in the event the Participant becomes an Opt-In Supplier.

¹ The four-month price will be the same for all Opt-In Suppliers serving customers in a particular rate schedule. The eight-month fixed price could be different from the four-month fixed price, may be lower or higher than, or equal to, the applicable June 2013 Duquesne Light PTC, and can differ among Opt-In Suppliers. Opt-In Suppliers, however, must offer the same eight-month fixed price to all customers within the same rate schedule.

- 1.3 **Opt-In Supplier Letter Allocation Preferences Proposal.** Following qualification, and on or before June 14, 2013, a Participant may submit its preferences for the *maximum number of letters that Duquesne Light will mail to Residential and/or Small C&I customers* (“Opt-In Supplier Letter Allocation Preferences” or “Proposal”) on its behalf, pursuant to the Program Rules. The Proposal shall consist of two components: (1) the maximum number, if any, of letters that Duquesne Light will mail to Residential customers on behalf of the Participant; and (2) the maximum number, if any, of letters that Duquesne Light will mail to Small C&I customers on behalf of the Participant. Duquesne Light will mail to each Eligible Customer no more than one letter on behalf of any Opt-In Supplier, pursuant to the Program Rules.
- 1.4 **Aggregation Program.** All qualified Participants who submit a Proposal will become Opt-In Suppliers and become eligible to serve customers in the Program.
- 1.5 **Customer Letter Allocation.** The process for determining the number of Residential and Small C&I customer letters to be mailed by Duquesne Light on behalf of any given Opt-In Supplier will be performed separately by customer class taking into consideration Opt-In Supplier preferences as set forth in Attachment 2 submitted in the Proposals received by Duquesne Light. The specific individual customer accounts to which letters will be mailed on behalf of a given Opt-In Supplier will be determined pursuant to a random selection process as described further in Article 6.
- 1.6 **Customer Enrollment.** Duquesne Light will mail, at the Opt-In Supplier’s expense, a standardized offer letter and pre-paid return envelope to the Eligible Customers for each Opt-In Supplier.² Each letter will have a particular Opt-In Supplier identified and that Opt-In Supplier’s contact information. If a customer wishes to accept an Opt-In Supplier’s offer and enroll in the Program (becoming an “Opt-In Supplier Customer”), the customer will be required to contact the Opt-In Supplier. The Opt-In Supplier will enroll the customer and submit a switching request via the appropriate EDI transaction to Duquesne Light for each customer in accordance with the Supplier Tariff. A customer’s participation in the Program will be indicated in the EDI transaction through the use of a special rate code applicable only to the Program.
- 1.7 **Program Rules.** The Commission has approved the Opt-In EGS Service Program Rules (“Program Rules”) described in this document by order dated [____], 2013, in Commission Docket No. P-2012-2301664. The Participant Application and Proposal process will be managed by Duquesne Light. **Potential Participants are strongly urged to review the Program Rules and the Opt-In Supplier**

² All of the Eligible Customers would receive the standard Opt-In EGS Service offer letter. Non-CAP Residential and Small C&I Customers who do not receive the letter could also enroll in the Program if they become aware of the Program through other means.

Agreement and to consult with counsel with respect to requirements and obligations under the Program Rules and the Opt-In Supplier Agreement.

- 1.8 This document includes the following attachments:
- Attachment 1: Participant Application (including Opt-In Supplier Agreement)
 - Attachment 2: Opt-In Supplier Letter Allocation Preferences (“Proposal”)
 - Attachment 3: Illustrative Example of Opt-In EGS Service Program Customer Eligibility and Allocation of Customer Letters

**ARTICLE 2
PROGRAM SCHEDULE AND PARTICIPANT INFORMATION**

- 2.1 **Program Schedule.** The following table sets forth significant dates for the Program (“Program Schedule”). The time for each deadline on each specified date is 4:00 pm Eastern Prevailing Time (EPT). *Duquesne Light reserves the right to modify these dates at its discretion.*

Update to Determination of the Number of Eligible Customers Receiving Duquesne Light Program Letter	April 30, 2013
Determination of June 2013 Duquesne Light PTCs ³	May 16, 2013
Notification to EGSs of Estimated Number of Eligible Customers	On or before May 24, 2013
Program Overview and Pre-Proposal Technical Conference	May 24, 2013
Participant Application Due Date	On or before May 31, 2013
Notification of Participant Qualification	On or before June 7, 2013
Participant Inquiries Deadline	June 7, 2013
Opt-In Supplier Shall Provide Duquesne Light with the Following Information: Mailing Address for the Response Post Card; Toll-Free Phone Number for Enrollments Under the Program; and Website Address for Enrollments Under the Program	Within three business days of being notified as a Qualified Participant
Opt-In Supplier Letter Allocation Preferences / Proposal Due Date	On or before June 14, 2013
Duquesne Light Notification of Final Opt-In Suppliers and Number of Customer Letters Allocated to Opt-In Supplier, and Filing of Confidential Report	On or before June 20, 2013
Duquesne Light Provides Opt-In Suppliers with Account Information (Account Number, Rate Class, and Rate Schedule) for the Customer Accounts Selected for Letters	On or before June 24, 2013

³ Duquesne Light also will post estimated June 2013 Duquesne Light PTCs in accordance with Commission requirements.

Mailed on Behalf of that Supplier	
Duquesne Light Mails Offer Letters to Default Service Customers	Late June 2013
Customer Opt-In Period	From time letter is received through July 30, 2013
Opt-In Supplier Notification to Duquesne Light that it has Met its Enrollment Cap for a Particular Customer Class	Within one business day (if this occurs)
Deadline for Opt-In Supplier Submission of Customer Enrollments to Duquesne Light	July 31, 2013
Commencement of Supply by Opt-In Suppliers	Beginning with the first billing cycle on and after July 1, 2013 for which the customer is eligible to receive service based upon the Supplier Tariff
Initial Confidential Report by Opt-In Suppliers to Duquesne Light Regarding Program Enrollment	August 6, 2013
Initial Report by Duquesne Light to Commission on Enrollment Results of the Program	August 2013 (within 30 days of end of customer enrollment period)
Each Opt-In Supplier Must File the Terms and Conditions of its Eight-Month Fixed-Price Product Offering with the Commission	No later than forty-five days before offers are extended to Opt-In Customers
Each Opt-In Supplier Must Provide the Eight-Month Product Offering and Associated Notices to Opt-In Customers	In accordance with Commission Orders and regulations
Opt-In Suppliers Mail \$50 Bonus Payments to All Opt-In Customers Who Have Been Participating in the Program for Four Complete Billing Cycles	After customers qualify and in time for customers to receive bonus payment before the end of the customer's fifth billing cycle

Final Opt-In Supplier Confidential Report to Duquesne Light on Results of the Program	Within 60 days of the completion of the Program's Opt-In Service Period
Final Duquesne Light Report to the Commission on Results of the Program	Within 90 days of completion of the Opt-In Service Period

- 2.2 **Web Technical Conference.** On May 24, 2013, at 10:00 a.m. EPT, Duquesne Light will conduct a web conference to outline the Program, including the process for completing the Participant Application and Opt-In Supplier Letter Allocation Preferences Proposal. Duquesne Light will notify all registered EGSs of the technical conference by EGS bulletin and by email to the Commission/OCMO email distribution list. Potential Participants are urged to review the Program Rules, including attachments, prior to the teleconference. Duquesne Light will answer questions raised at this teleconference. Any party wishing to participate in this technical conference must send an email to dlc_ssc@duqlight.com with the subject line "Opt-In EGS Service Program." Duquesne Light will provide participation information for the web conference by return e-mail.
- 2.3 **Participant Inquiries.** On or before the Participant Inquiries Deadline, Participants may submit questions to Duquesne Light via electronic mail, dlc_ssc@duqlight.com. To the extent possible, questions submitted prior to the Technical Conference will be addressed by Duquesne Light at the Technical Conference. Additional questions submitted and answered by Duquesne Light thereafter shall be posted. The person or company submitting the question shall not be identified. While Duquesne Light will review and attempt to answer questions in good faith, Duquesne Light reserves the right not to answer any question. The Technical Conference and this Participant inquiry procedure are the exclusive methods for inquiring about this Program, and questions submitted to individual Duquesne Light employees or the Company by other means will not be answered and may result in disqualification of the Participant.
- 2.4 **Informational Website and Updates.** Duquesne Light's supplier website <http://supplier.customer-choice.com/> will contain electronic copies of Program materials, posting of questions and answers, and other updates on this Program. The website will also include the Program offer letter. Participants are encouraged to review this website regularly. In its sole discretion, Duquesne Light will endeavor to provide e-mail notification of important website updates to qualified Participants.

ARTICLE 3 PARTICIPANT APPLICATION AND QUALIFICATIONS

- 3.1 **Participant Application.** In order to qualify to submit a Proposal, a Participant must submit a Participant Application for approval by Duquesne Light using the form

attached entitled Participant Application. All Participant Applications shall be submitted by email to the submission address specified in Section 8.2. Applications which are incomplete, do not conform to the form attached hereto, or otherwise do not satisfy all requirements of these Program Rules shall not be considered. Submission of a Participant Application constitutes a Participant's agreement to and acceptance of all terms and conditions of this Program.

- 3.2 **Participant Qualifications.** In order to qualify to submit a Proposal, a Participant must demonstrate and document in the Participant Application that it satisfies the following criteria (the "Participant Qualifications"):
- (a) The Participant is fully certified by Duquesne Light to provide coordination services in compliance with the Supplier Tariff at the time of the Participant Application Due Date;
 - (b) The Participant certifies that it has the financial resources to make a bonus payment of \$50.00 to each customer who enrolls with the Participant and who remains with the Program for four complete billing cycles.
 - (c) The Participant certifies that it has the capability to provide customers with three ways to accept its offer: (1) processing a written response from the customer, included in the offer mailing; (2) through calls on a toll-free phone number provided by the Opt-In Supplier; and (3) through a website provided by the Opt-In Supplier.
- 3.3 **Opt-In Supplier Agreement.** Each Participant must also execute an Opt-In Supplier Agreement in the form included in the attached Participant Application.
- 3.4 **Additional Information.** Duquesne Light may, but is not obligated to, request additional information and materials from any Participant for evaluation of a Participant Application. Information submitted by a Participant absent a request by Duquesne Light which is not in the nature of a correction or clarification to the Participant Application will not be considered by Duquesne Light. If any information in a Participant Application is no longer true, Participant shall immediately notify Duquesne Light of the changed information. Failure to provide such notification or respond to a request for additional information and materials may result in disqualification of the Participant and rejection of any Proposal.
- 3.5 **Application Evaluation and Notification of Applicants.** Duquesne Light will evaluate each Participant Application using a standard protocol for its completeness and satisfaction of the Participant Qualifications. Duquesne Light will provide each Participant with notice of its satisfaction or failure to satisfy the Participant Qualifications by the date for Notification of Participant Qualification set forth in the Program Schedule. *In the notice of failure to satisfy the Participant Qualifications,* Duquesne Light shall inform each Participant of any deficiency in its Application, which will result in disqualification of the Participant if such deficiency is not remedied within two business days after written notice.

- 3.6 **Duquesne Light Affiliates.** Affiliates of Duquesne Light are permitted to submit Participant Applications, and if an affiliate satisfies the Participant Qualifications, it may participate in this Program to the same extent as any other entity.

ARTICLE 4 PROCEDURE FOR SUBMISSION OF PROPOSALS

- 4.1 **Notification of Estimated Number of Eligible Customers and the June 2013 Duquesne Light PTCs.** Duquesne Light will provide qualified Participants with the total number of Eligible Customers by customer class (Residential and Small C&I) and the applicable June 2013 Duquesne Light PTCs by rate schedule. Qualified Participants will not be required to submit Proposals until this information has been provided.
- 4.2 **Submission of Proposals.** Only Participants who submit an Application and receive notice of qualification as provided in Article 3 will be permitted to submit a Proposal. Duquesne Light will provide Proposal forms to qualified Participants, such as the form attached. A Participant must send by email a copy of its Proposal to the email address specified on the Proposal form provided by Duquesne Light no later than the Proposal Due Date and time.
- 4.3 **Price.** The introductory four-month price (“Introductory Offer Price”) in all Proposals must be a fixed price on a cents per kWh basis, which is five percent (5%) lower than the applicable June 2013 Duquesne Light PTC for each applicable rate schedule.⁴ The Participant must commit to being ready and willing to serve a Residential or Small C&I customer for four consecutive monthly billing periods at the Introductory Price Offer under the standard terms and conditions of the Program beginning on a customer’s next meter read date on or after July 1, 2013. The four-month price will be the same for all Opt-In Suppliers serving a particular rate schedule. The Participant must also commit to being ready and willing to serve a Residential or Small C&I customer for eight consecutive monthly billing periods at a fixed price immediately after the four-month period. Each Opt-In Supplier must file the terms of its eight-month fixed-price product offering with the Commission no later than forty-five days before offers are extended to Opt-In Customers. The eight-month fixed-price could be different from the Introductory Price Offer, may be

⁴ Note the applicable June 2013 Duquesne Light PTCs vary by rate schedule (RS, RA, RH, GS, GM, GMH). The supply rate component of the June 2013 Duquesne Light PTC is expressed on a cents per kilowatt-hour basis for all Eligible Customers. Residential customers have the same supply rate component, while Small C&I customers have the same supply rate component but at a different level than Residential customers. The transmission rates vary by rate schedule and some rate schedules (GM and GMH) include both energy and demand charges. The applicable June 2013 Duquesne Light PTC for each applicable rate schedule will be calculated on a cents per kWh basis for an average customer in that rate schedule.

lower or higher than, or equal to, the applicable June 2013 Duquesne Light PTC, and can differ among Opt-In Suppliers.

- 4.4 **Customer Participation Cap.** For each customer class, overall customer enrollment in the Opt-In EGS Service Program is limited in number to 50% of Eligible Customers (“Customer Participation Cap”).
- 4.5 **Opt-In Supplier Preference for Potential Maximum Number of Customers Sent Letters.** Each Opt-In Supplier can specify in its Proposal whether it wishes to enroll Residential and/or Small C&I customers in the Program. Further, each Opt-In Supplier can specify its preference, by customer class, for the maximum number, if any, of letters that Duquesne Light will mail on its behalf, pursuant to the Program Rules (“Potential Maximum Number of Customers Sent Letters”). An Opt-In Supplier also can choose in its Proposal not to self-impose a limit on the number of customer letters allocated to it. Duquesne Light will mail to each Eligible Customer no more than one letter on behalf of any Opt-In Supplier, pursuant to the Program Rules.
- 4.6 **Other Limitations.** Proposals that are incomplete, unsigned, or otherwise do not conform to the form of the Proposal shall be rejected by Duquesne Light. No Proposal may be conditioned on any other Proposal. Any Proposal that is contingent in any way shall be rejected as non-conforming. Duquesne Light may reject any Proposal which it determines, in its sole discretion, is submitted by a Participant in violation of these limitations. Duquesne Light shall inform each Participant of any deficiency in its Proposal, which will result in the disqualification of the Participant if such deficiency is not remedied within two business days after written notice.
- 4.7 **Participant Relief from the Commission.** Nothing in this document shall restrict a Participant from seeking relief from the Commission in the event that the Participant believes that Duquesne Light has not acted in accordance with the terms of this Program.

ARTICLE 5 EVALUATION OF PROPOSALS

- 5.1 **Evaluation of Proposals.** Duquesne Light will evaluate Proposals to ensure consistency with these Program Rules. All compliant Proposals will be accepted. Once a Proposal is accepted, the qualified Participant becomes an Opt-In Supplier.
- 5.2 **Notification of Final Opt-In Suppliers and Number of Customer Letters Allocated to Opt-In Supplier.** Upon completion of the evaluation of Proposals, Duquesne Light shall prepare a report identifying the successful and unsuccessful Participants (if any), along with successful and unsuccessful Proposals (if any). Duquesne Light will notify Participants of their individual results and will provide on a confidential basis the report to the Commission, the Office of Consumer Advocate, and the Office of Small Business Advocate, in accordance with the Program Schedule.

ARTICLE 6
CUSTOMER LETTER ALLOCATION AND CUSTOMER OFFERS

- 6.1 **Opt-In Supplier Allocation Share.** This section pertains to the case in which, for a given customer class, the Opt-In Suppliers' Proposals, in aggregate, show a willingness for the Opt-In Suppliers to be allocated at least as many letters as the number of customers who are eligible to receive a letter under the Program. Once all Proposals have been submitted by Opt-In Suppliers, Duquesne Light will know for each customer class: a) the number of Opt-In Suppliers participating in the Program, b) the maximum number of letters that each Opt-In Supplier is willing to have mailed by Duquesne Light on its behalf, and c) the maximum number of customers that can enroll in the Program (the Customer Participation Cap). This information will be used to calculate the number of letters mailed by Duquesne Light on behalf of each Opt-In Supplier, or the "Allocated Customer Letters." To determine this number for each Opt-In Supplier, each Opt-In Supplier initially will be allocated an equal share of the number of customers who are eligible to receive a letter under the Program, subject to the maximum number, if any, of customer letters specified by Opt-In Suppliers.⁵ If any Opt-In Supplier's initial allocation is greater than the maximum specified in its Proposal, the excess number of customer letters will be allocated equally to the Opt-In Suppliers whose maximums have not been reached or who did not specify a maximum. This process will be repeated until all customer letters are allocated in a manner that does not exceed any Opt-In Supplier's Preference for Potential Maximum Number of Customers Sent Letters. The "Opt-In Supplier Allocation Share" for a given Opt-In Supplier is the number of customer letters allocated to that Opt-In Supplier divided by the total number of customers who are eligible to receive a letter under the Program. This same allocation process will be applied separately for Residential customers and for Small C&I customers.
- 6.2 **Program Undersubscription.** If, for a given customer class, the Opt-In Suppliers' Proposals in aggregate do not show a willingness for the Opt-In Suppliers to be allocated at least as many customer letters as the number of customers who are eligible to receive a letter under the Program, then Duquesne Light will inform the Opt-In Suppliers of the shortage and allow each Opt-In Supplier to increase the maximum number of customer letters that the Opt-In Supplier is willing to have allocated to it under the Program. If after this request for revised Proposals, the Opt-In Suppliers' revised Proposals in aggregate do not show a willingness for the Opt-In Suppliers to be allocated at least as many customer letters as the number of customers who are eligible to receive a letter under the Program, then no letters will be mailed on behalf of any Opt-In Supplier under the Program for the given customer class.

⁵ If a given Opt-In Supplier's Proposal does not specify a potential maximum number of letters to be allocated to it, then Duquesne Light will assume that the Opt-In Supplier has no preferred maximum.

- 6.3 **Allocation Methodology.** The number of letters that will be mailed by Duquesne Light on behalf of any given Opt-In Supplier under the Program will be based on that supplier's Opt-In Supplier Allocation Share. The specific individual customer accounts to which letters will be mailed on behalf of a given Opt-In Supplier will be determined pursuant to a random selection process. The process for determining the specific individual customer accounts to which letters will be mailed on behalf of a given Opt-In Supplier will be performed separately by customer class, by rate schedule, and by customers requesting that their information not be released to EGSs such that each Opt-In Supplier receives a random assortment of customer accounts within a particular customer class in accordance with its Opt-In Supplier Allocation Share.
- 6.4 **Illustrative Example.** For purposes of clarity, Duquesne Light has attached an example (Attachment 3) to illustrate the procedures for determining the number of customer letters to be allocated to each Opt-In Supplier, as described within these Program Rules.
- 6.5 **Provision of Customer Accounts.** Not later than two (2) business days following Duquesne Light's notification of the final Opt-In Suppliers and the number of customer letters allocated to each Opt-In Supplier, Duquesne Light shall provide each Opt-In Supplier a list of customer accounts with account information (account number, rate class, and rate schedule) for the customer accounts selected to have Duquesne Light mail a letter on behalf of the Opt-In Supplier, except for those default service customers that have affirmatively instructed Duquesne Light in 2012 or later not to release their information to EGSs
- 6.6 **Offer Process.** All Opt-In Suppliers shall provide offers to their allocated customers in the following manner:
- 6.6.1 Duquesne Light shall mail the applicable customers an offer package before July 1, 2013 which includes an offer letter with the four-month fixed price which is 5% lower than the June 2013 Duquesne Light PTC, a description of the Program terms and conditions for the four-month offer, an explanation that the Opt-In Supplier will provide a fixed-price offer for the subsequent eight-month period in advance of the end of the four-month period, and the fact that the customer can accept the offer by mail, phone or website. The offer shall be valid until the end of the Customer Opt-In Period specified in the Program Schedule. The Opt-In Supplier shall provide Duquesne Light with the following information, within three business days of being notified as a final Participant: mailing address for the response post card; toll-free phone number for enrollments under the Program; and website address for enrollments under the Program. The offer package will instruct the customer to contact the Opt-In Supplier for more information and to enroll in the Program. The Commission staff, OCA, OSBA, and EGSs will have the opportunity to review a draft of the Offer Package template. Duquesne Light will make a good faith effort to resolve all feedback and will provide a final version by _____, 2013.

- 6.6.2 Offer letters will be mailed by Duquesne Light in accordance with the Program Schedule. Duquesne Light will evenly distribute the mailing of letters among Opt-In Suppliers to the extent practicable.
- 6.6.3 Customers will be able to accept an Opt-In Supplier offer by either mailing the enrollment post card to the Opt-In Supplier, or by calling the Opt-In Supplier, or by submitting information electronically on the Opt-In Supplier's website. Contact information for Duquesne Light will not be included in the offer package.
- 6.6.4 Offers are open to both Residential and Small C&I default service and shopping Residential and Small C&I customers. If Duquesne Light receives a request to enroll in the Program by a shopping customer or an Eligible Customer who becomes aware of the offer, Duquesne Light will enable the customer to select from participating Opt-In Suppliers if the customer does not specify a particular Opt-In Supplier during the inquiry. Duquesne Light will transfer the call directly to the Opt-In Supplier selected by the customer. If the customer is currently shopping, Duquesne Light will suggest that the customer contact their current supplier prior to proceeding.
- 6.6.5 Offers must comply with the terms and conditions of the Agreement, including a commitment to offer a fixed price for four consecutive billing cycles at the established applicable introductory price followed by a fixed price for eight consecutive billing cycles, as well as a \$50 bonus payment after four complete months of service.
- 6.7 **EDI Enrollment.** An Opt-In Supplier must submit the EDI enrollment transactions to Duquesne Light for the customers who have accepted the supplier's offer and chosen to participate in the Program. The EDI enrollment transaction will contain a rate code specific to the Program and the customer's rate schedule. Service will commence on the respective customer's meter read date in accordance with the Supplier Tariff.
- 6.8 **Customer Participation Cap.** As described in Section 4.4, overall customer enrollment in the Opt-In EGS Service Program is limited in number to 50% of Eligible Customers. A separate Customer Participation Cap shall be calculated for Residential customers and for Small C&I customers.
- 6.9 **Opt-In Supplier Enrollment Cap.** For a given customer class, the maximum number of customers that a given Opt-In Supplier shall be permitted to enroll under the Program shall be the product of: (1) 50%; and (2) the number of letters that are mailed pursuant to the Program to customers within that customer class by Duquesne Light on behalf of that Opt-In Supplier ("Opt-In Supplier Enrollment Cap"). An Opt-In Supplier shall be solely responsible for administering this requirement and shall inform Duquesne Light by email (dlc_ssc@duqlight.com) within one business day if an Opt-In Supplier reaches this enrollment cap for a particular customer class.

- 6.10 **Reports to Commission.** To the extent necessary, Opt-In Suppliers must cooperate with Duquesne Light in the preparation of reports to the Commission in accordance with the Program Schedule that will allow the Commission to better assess the relative benefits and costs of this new retail market initiative.
- 6.10.1 In order for Duquesne Light to comply with its reporting obligations to the Commission (which includes providing a confidential copy to the Office of Consumer Advocate and the Office of Small Business Advocate) and in accordance with the Program Schedule, each Opt-In Supplier shall prepare and submit a confidential report to Duquesne Light by August 6, 2013, with the following Program Statistics. Tracking of enrolled accounts, including the method of customer enrollment, will be the sole responsibility of Opt-In Suppliers:
- 6.10.1.1 Number of customer accounts that accepted the introductory four-month price offer by rate schedule; and
- 6.10.1.2 Form of acceptance by rate schedule (*i.e.*, % by mail, % by website; and % by phone, totaling 100%).
- 6.10.2 Duquesne Light will use this and other information collected to file a report with the Commission within 30 days of the end of the customer enrollment period that includes: (1) Number of customer accounts sent offer packages (by rate schedule); (2) the number of participating customers and the percentage of the Residential and Small C&I customer class these numbers represent; (3) the participating suppliers; (4) the rates being charged to program participants; and (5) a brief description of customer feedback based on any calls received by the Duquesne Light, including a summary of concerns and/or questions posed by callers.
- 6.10.3 In order for Duquesne Light to comply with its reporting obligations to the Commission (which includes providing a confidential copy to the Office of Consumer Advocate and the Office of Small Business Advocate) and in accordance with the Program Schedule, each Opt-In Supplier shall prepare and submit a confidential report to Duquesne Light within 60 days of the completion of the Program's Opt-In Service Period, with the following Program Statistics. Tracking of enrolled accounts will be the responsibility of Opt-In Suppliers:
- 6.10.3.1 Number of customer accounts that accepted the introductory four-month price offer by rate schedule;
- 6.10.3.2 Number of customer accounts that were sent a bonus payment by rate schedule;
- 6.10.3.3 Number of customer accounts sent an eight-month fixed-price offer by rate schedule; and

6.10.3.4 Number of customer accounts that currently remain with Opt-In Supplier by rate schedule.

6.10.4 Within 90 days of completion of the Program's Opt-In Service Period, Duquesne Light will submit another report to the Commission that includes (1) the number of participating customers and the percentage of the Residential and Small C&I customer class these numbers represent; (2) how many of the participating customers returned to default service during the course of the program; (3) how many of the participating customers returned to default service at the conclusion of the program; and (4) a brief description of customer feedback based on any calls received by the Duquesne Light, including a summary of the concerns or questions posed by callers; and (5) a summary of Duquesne Light's costs associated with the program. Failure to comply with reporting requirements will lead to the loss of eligibility to participate in Duquesne Light's Standard Offer Program.

ARTICLE 7 OPT-IN SUPPLIER STANDARD TERMS AND CONDITIONS

The following standard terms and conditions shall apply to all Opt-In Suppliers:

- 7.1 **Consolidated Billing.** All Opt-In Supplier billing for customers who accept offers under the Program shall be Consolidated EDC Billing.
- 7.2 **Customer Switching Options.** Each customer shall have the option to return to Duquesne Light default service or to switch to another EGS, or to the Opt-In Supplier under a different offer, at any time and without incurring switching fees or other penalties.
- 7.3 **Bonus Payment.** The Opt-In Supplier shall pay a fifty dollar (\$50.00) bonus payment to any and all customers who remain with the Program for four complete billing cycles as a condition for receiving the bonus.
- 7.3.1 The bonus payment shall be in the form of a check to the customer name on the account or a cash-equivalent gift card, and shall be mailed to the billing address for the account. A gift card may be used by an Opt-In Supplier as the form of bonus payment to a customer only if the gift card is equivalent to cash, it does not have an expiration date for its usage, the extent of the use of the gift card can and will be tracked by the Opt-In Supplier, and under no circumstance would a fee of any amount be incurred by the customer for using the gift card.
- 7.3.2 All bonus payments shall be mailed shortly after the customer completes four complete billing cycles on the program, and such that the customer receives the bonus payment before the end of the subsequent billing cycle.

- 7.3.3 The Opt-In Supplier may not impose any additional requirements on the customer as a condition of receiving the bonus payment and the bonus payment cannot be tied to receiving service from the Opt-In Supplier after the four-month introductory period is completed.
- 7.3.4 The Opt-In Supplier shall track the following information related to the payment of the bonus payment, and shall provide this information to Commission Staff and/or the Office of Consumer Advocate (“OCA”) for Residential customers and/or the Office of Small Business Advocate (“OSBA”) for Small C&I customers, on a confidential basis, upon request: Customer Name; Address; Account Number; date that the customer qualified to receive the bonus payment; form of bonus payment; date the bonus payment was mailed; copy of cover letter; and an indicator of whether the bonus check was cashed or the extent to which the gift card was used by the customer.
- 7.3.5 Within ten business days of satisfying all of its bonus payment obligations under the Program, the Opt-In Supplier shall provide written notice (by email) of such satisfaction to the Commission Staff, the OCA (for Residential customers) and the OSBA (for Small C&I customers).
- 7.3.6 Any offers made by a customer’s Opt-In Supplier to the customer to switch to another product before the completion of the four billing cycles required to qualify for the bonus payment shall include clear language explaining the risk of forfeiting the bonus payment.
- 7.3.7 The Opt-In Supplier shall have sole responsibility to make bonus payments. Duquesne Light has no liability to the customer for bonus payments if the Opt-In Supplier defaults on its obligation.
- 7.4 **Service Termination Rights.** Only Duquesne Light shall be entitled to terminate service to customers for non-payment of EGS charges under the terms of its approved Purchase of Receivables program. Except as otherwise permitted in the Supplier Tariff, in no event may an Opt-In Supplier discontinue service to a customer who accepted its offer under the Program before the end of the Opt-In Service Period. An Opt-In Supplier also shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders.
- 7.5 **Eight-Month Product Offering and Commission Filing.** Each Opt-In Supplier must offer an eight-month fixed-price product, with terms and conditions, for the eight months immediately following the initial four-month 5% discount period. Such offers and associated notices of any renewal and/or price change shall be as required under Commission regulations and orders. Each Opt-In Supplier must file the terms and conditions of its eight-month product offering with the Commission at least forty-five days before the offers for the eight-month fixed-price product are extended

to customers. An EGS that elects to participate in the Opt-In Program may submit its filing in advance of that deadline but will not be required to do so.

- 7.6 **Renewal/Price Change Notices.** All Opt-In Suppliers must provide notice prior to the end of the Opt-In Service Period regarding any renewal and/or price change as required under Commission regulations and orders.

ARTICLE 8 ADDITIONAL PROGRAM CONDITIONS

- 8.1 **Program Costs.** Each Opt-In Supplier shall be responsible for the product of: (1) \$1.00; and (2) the number of letters mailed by Duquesne Light to Eligible Customers on behalf of the Opt-In Supplier. Duquesne Light shall invoice each Opt-In Supplier within thirty days of the Opt-In Supplier customer letter allocation, with the amount due payable within thirty days of the date of the invoice. If an Opt-In Supplier fails to make the required payment, Duquesne Light may reduce the amount due to that Opt-In Supplier from that Opt-In Supplier's next Purchase of Receivable ("POR") payment by the Opt-In EGS Service Program amount due (but not from amounts that are subject to a bona fide POR payment dispute).
- 8.2 **Address for Application and Proposal Submissions.** All submissions to Duquesne Light, unless otherwise communicated at the Participant Conference and subsequently posted to the <http://supplier.customer-choice.com/> website, for this Program shall be delivered via email to the following address: dlc_ssc@duqlight.com by 4:00 p.m. EPT. Participant is solely responsible for the timely delivery of any submission for this Program. Participant Applications and other materials received after the applicable date specified in the Program Schedule shall be accepted only in Duquesne Light's sole discretion; however, any Proposal submitted after the date and time specified will not be considered.
- 8.3 **No Unauthorized Modifications.** No interpretation or change to this Program shall be valid unless it is signed by a duly authorized representative designated by an Officer of Duquesne Light.
- 8.4 **Ownership of Program Materials.** All materials submitted to Duquesne Light pursuant to this Program shall be the property of Duquesne Light.
- 8.5 **Presentation and Formatting.** All information submitted by a Participant must be in the English language.
- 8.6 **Costs.** Duquesne Light shall have no responsibility for the costs of any Participant in considering or responding to this Program, including but not limited to any costs of preparing any materials submitted to Duquesne Light.
- 8.7 **Publicity.** Each Opt-In Supplier understands and agrees that Duquesne Light does not participate in, nor does it allow, Opt-In Suppliers to utilize media releases of any kind to publicize the Opt-In Supplier's business relationship with Duquesne Light.

Each Opt-In Supplier shall not use any trade name, trademark, service mark or any other information which identifies Duquesne Light in such Opt-In Supplier's sales, marketing and publicity activities, including interviews with representatives of any written publication, or television or radio station or network, without Duquesne Light's *express prior written consent*. This prohibition, however, shall not be construed to require Duquesne Light's express consent before advertising this program. Such advertisement shall be allowed to use the phrase "Opt-In Program in Duquesne Light's service territory" without the written consent of Duquesne Light.

- 8.8 **Disclaimer.** Each Participant is responsible for making its own evaluation of information and data contained in the Program Rules and Opt-In Supplier Agreement and in submitting responses to this Program. The issuance of this Program and the receipt of information in response to this Program shall not, in any way, cause Duquesne Light to incur any liability (whether contractual, financial or otherwise) to any Participant participating in the Program. By submitting a Participant Application, Participant releases Duquesne Light, its affiliates, officers, employees, and agents from any and all claims, demands, actions, losses, liabilities, and expenses (including reasonable legal fees and expenses) (collectively, "Claims") relating to this Program and agrees to indemnify Duquesne Light, its affiliates, officers, employees and agents from any Claims arising from any false representation or violation of these Program Rules by Participant.
- 8.9 **Not an Offer.** This document is issued to elicit responses to Duquesne Light's inquiry and is not an offer. The issuance of the Program and the submission of Participant's information do not create any obligation upon Duquesne Light. No contract or other binding obligation on Duquesne Light will be implied unless and until an agreement has been executed on terms and conditions acceptable to Duquesne Light. Duquesne Light also reserves the right to not execute agreements with any or all Participants should the Company determine, in its sole discretion, that such agreement would violate existing regulatory standards.
- 8.10 **Non-Conforming Participant Applications and Proposals.** Duquesne Light reserves the right to reject any Participant Application or Proposal at any time on the grounds that it does not conform to the terms and conditions of the Program, subject to the notice and opportunity to cure requirements of Section 3.5 and 4.6.

PARTICIPANT APPLICATION

Name of Participant:			
Contact:		Title:	
E-mail:		Phone:	
Address:	City:	State:	Zip Code:
<p><u>INSTRUCTIONS</u></p> <p>A signed and scanned original of the Opt-In Supplier Agreement must be attached to Participant's original Application. All terms used herein have the meaning set forth in Duquesne Light's Opt-In EGS Service Program Rules and Opt-In Supplier Agreement.</p>			
<p>As an officer of the Participant, I certify that:</p> <p>(a) The Participant is fully certified by Duquesne Light to provide coordination services in compliance with the Supplier Tariff;</p> <p>(b) The Participant certifies that it has the financial resources to make a bonus payment of \$50.00 to each customer who enrolls with the Participant and who remains with the Program for four complete billing cycles.</p> <p>(c) The Participant certifies that it has the capability to provide customers with three ways to accept its offer: (1) processing a response post card from the customer, included in the offer mailing, and pre-populated with as much customer information as possible; (2) through calls on a toll-free phone number provided by the Opt-In Supplier; and (3) through a website provided by the Opt-In Supplier.</p>			
<p><u>SIGNATURE OF AUTHORIZED REPRESENTATIVE</u></p>			
<p>I am an officer of the Participant and certify that all of the information and certifications in this Application are true and acknowledge that this submission constitutes acceptance and agreement to all terms of the Opt-In EGS Service Program Rules.</p>			
Signature:		Date:	
Name:		Title:	

Don't forget to attach signed and scanned original "Opt-In Supplier Agreement" to this Application.

OPT-IN SUPPLIER AGREEMENT

This Agreement (“Agreement”) is made as of _____, 2013 (the “Effective Date”), by and between [Opt-In Supplier] and Duquesne Light Company, a public utility authorized to supply electric service in the Commonwealth of Pennsylvania (“Duquesne Light”) (each a “Party” and collectively the “Parties”).

1. Definitions. All capitalized terms not otherwise defined herein shall have the meaning set forth in the Opt-In Electric Generation Supplier Service Program Rules issued by Duquesne Light on _____ 2013 (the “Program”) and Duquesne Light’s Electric Generation Supplier Coordination Tariff (the “Supplier Tariff”).

- a) Duquesne Light is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal corporate office in Pittsburgh, Pennsylvania. Duquesne Light is an electric distribution company under Pennsylvania law and provides electric delivery service to approximately 585,000 retail customers in Southwestern Pennsylvania. Duquesne Light is also the default service provider in its service territory, and currently provides electric generation service to Residential customers and Small C&I customers with annual peak loads less than 25 kW.
- b) Opt-In Suppliers are electric generation suppliers that submitted a Participant Application to Duquesne Light and satisfied all of the Program requirements to become a qualified supplier in the Program.

2. Term. This Agreement shall commence on the Effective Date and shall remain in effect until 45 days after the Opt-In Service Period (the “Term”) unless terminated as provided in this Agreement.

3. Opt-In Enrollment Offer. In accordance with the Program, Duquesne Light shall mail a standardized offer letter for electric generation service to the Eligible Customers allocated to the Opt-In Supplier.

4. Fixed Price to Customers. In accordance with the Program, the Opt-In Supplier shall provide fixed-price competitive electricity supply (including all components represented by Duquesne Light’s price-to-compare) as an initial four-month fixed-price product with a price that is 5% lower than Duquesne Light’s price-to-compare as of June 1, 2013 for the applicable rate schedule, followed by an eight-month fixed-price product for a total term of twelve consecutive billing cycles beginning on or after July 1, 2013 (the “Opt-In Service Period”) to each customer that accepts its offer under the Program (an “Opt-In Supplier Customer”) for the Opt-In Service Period.

5. Terms and Conditions. During the Term, the Opt-In Supplier agrees that: (a) all Opt-In Supplier billing for each Opt-In Supplier Customer will use Consolidated EDC Billing; (b) each Opt-In Customer shall have the option to return to Duquesne Light default service or to switch to another EGS, or to the Opt-In Supplier under a different offer, at any time and without incurring switching fees or other penalties; (c) only Duquesne Light shall be entitled to terminate service to Opt-In Supplier Customers for non-payment of EGS charges under the terms of Duquesne Light’s approved Purchase of Receivables program in the Supplier Tariff; (d) in no event may an Opt-In Supplier discontinue service to an Opt-In Supplier Customer before the end of the Opt-In Service Period; (e) the Opt-In Supplier shall provide written notice to the Opt-In Supplier Customer regarding any renewal and/or price change as required under the Supplier Tariff and/or Pennsylvania Public Utility Commission (“Commission”) regulations, orders or Policy Statements and/or under the conditions of Section 15 of this Agreement; (f) an Opt-In Supplier shall not have the right to terminate service to

its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders; and (g) the Opt-In Supplier shall abide by the other terms and conditions specified in the Opt-In EGS Service Program Rules.

6. Representations and Warranties of Opt-In Supplier. The Opt-In Supplier represents and warrants that, on the Effective Date and throughout the Term: (a) the Opt-In Supplier is fully certified by Duquesne Light to provide coordination services in compliance with the Supplier Tariff; (b) the Opt-In Supplier certifies that it has the financial resources to make a bonus payment of \$50.00 to any and all customers who enroll with them and who remain with the Program for four complete billing cycles; and (c) the Opt-In Supplier certifies that it has the capability to provide customers with three ways to accept its offer: (1) processing a response post card from the customer, included in the offer mailing, and pre-populated with as much customer information as possible; (2) through calls on a toll-free phone number provided by the Opt-In Supplier; and (3) through a website provided by the Opt-In Supplier.

7. Termination. This Agreement may be terminated by Duquesne Light upon written notice of a material breach of this Agreement by the Opt-In Supplier.

8. Payment of Program Costs. Each Opt-In Supplier shall be responsible for the product of: (1) \$1.00; and (2) the number of letters mailed by Duquesne Light to Eligible Customers on behalf of the Opt-In Supplier. Duquesne Light shall invoice each Opt-In Supplier within thirty days of the Opt-In Supplier customer letter allocation, with the amount due payable within thirty days of the date of the invoice. If an Opt-In Supplier fails to make the required payment, Duquesne Light may reduce the amount due to that Opt-In Supplier from that Opt-In Supplier's next Purchase of Receivable ("POR") payment by the Opt-In EGS Service Program amount due (but not from amounts that are subject to a bona fide POR payment dispute).

9. Limitations. Notwithstanding any provision of this Agreement or the Program, the Opt-In Supplier acknowledges that (a) the Opt-In Supplier has obtained certain benefits from participating in the Program, but that Duquesne Light has made no representation regarding the number of customers (if any) the Opt-In Supplier may obtain as a result of the Program, or the amount of electric load that will be required by such customers; (b) Duquesne Light has no obligation to provide electric supply other than default service in accordance with the Pennsylvania Public Utility Code to any customer that may be served by the Opt-In Supplier in the event that the Opt-In Supplier no longer serves that customer for any reason; and (c) the Opt-In Supplier waives any right to claim any loss of business, consequential damage or any monetary or other direct damages from Duquesne Light of any kind whatsoever arising from or relating to this Agreement or the Program.

10. Indemnification. The Opt-In Supplier shall indemnify, save and hold Duquesne Light harmless from and against any and all third party losses, costs, liabilities, damages and expenses (including, without limitation, attorneys' fees and expenses) incurred or suffered as a result of or in connection with the Opt-In Supplier's material breach of this Agreement, failure to comply with any applicable laws, or intentional, negligent or willful misconduct.

11. Consolidated EDC Billing. All Opt-In Suppliers will use consolidated EDC billing for customers that elect service under the Program.

12. Customer Switching Options. Each customer shall have the option to return to Duquesne Light default service or to switch to another EGS, or to the Opt-In Supplier under a different offer, at any time and without incurring switching fees or other penalties.

13. Bonus Payment Requirements. The Opt-In Supplier shall pay a fifty dollar (\$50.00) bonus payment to any and all customers who remain with the Program for four complete billing cycles as a condition for receiving the bonus.

- a) The bonus payment shall be in the form of a check to the customer name on the account or a cash-equivalent gift card, and shall be mailed to the billing address for the account. A gift card may be used by the Opt-In Supplier as the form of bonus payment to a customer only if the gift card is equivalent to cash, it does not have an expiration date for its usage, the Opt-In Supplier can track that the gift card has been sent to the customer and activated, and under no circumstance would a fee of any amount be incurred by the customer for using the gift card.
- b) All bonus payments shall be mailed shortly after the customer completes four complete billing cycles on the program, and such that the customer receives the bonus payment before the end of the subsequent billing cycle.
- c) The Opt-In Supplier may not impose any additional requirements on the customer as a condition of receiving the bonus payment and the bonus payment cannot be tied to receiving service from the Opt-In Supplier after the four-month introductory period is completed.
- d) The Opt-In Supplier shall track the following information related to the payment of the bonus payment, and shall provide this information to Commission Staff and/or the Office of Consumer Advocate ("OCA") for Residential customers and/or the Office of Small Business Advocate ("OSBA") for Small C&I customers, on a confidential basis, upon request: Customer Name; Address; Account Number; date that the customer qualified to receive the bonus payment; form of bonus payment; date the bonus payment was mailed; and an indicator of whether the bonus check was cashed or the extent to which the gift card was used by the customer.
- e) Within ten business days of satisfying all of its bonus payment obligations under the Program, the Opt-In Supplier shall provide written notice (by email) of such satisfaction to the Commission Staff, the OCA (for Residential customers) and the OSBA (for Small C&I customers).
- f) Any offers made by a customer's Opt-In Supplier to the customer to switch to another product before the completion of the four billing cycles required to qualify for the bonus payment shall include clear language explaining the risk of forfeiting the bonus payment.
- g) The Opt-In Supplier shall have sole responsibility to make bonus payments. Duquesne Light has no liability to the customer for bonus payments if the Opt-In Supplier defaults on its obligation.

14. Service Termination. Only Duquesne Light shall be entitled to terminate service to customers for non-payment of EGS charges under the terms of its approved Purchase of Receivables program. In no event may an Opt-In Supplier discontinue service to a customer who accepted its offer under the Program before the end of the Opt-In Service Period.

15. Notice Requirements. All Opt-In Suppliers must comply with all applicable notice requirements of the Pennsylvania Public Utility Commission.

16. Change in Rules, Regulations, Tariffs. Notwithstanding any language in the Supplier Tariff to the contrary, an Opt-In Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders.

17. Other Provisions. This Agreement represents the entire agreement between Duquesne Light and Opt-In Supplier and no amendment of this Agreement will be valid unless in writing and signed by representatives of both parties. Each Party represents that this Agreement is a legally valid and

binding obligation enforceable against it in accordance with its terms, and that the execution, delivery and performance of this Agreement are within its powers and have been duly authorized by all necessary action and do not violate any terms and conditions in its governing documents, any contracts to which it is a party, or any applicable law, rule, regulation or order. Neither Party may assign this Agreement without consent of the other Party, not to be unreasonably withheld. All notices required under this Agreement shall be provided to the parties and addresses listed directly below or to such other address as either party may designate from time to time by providing written notice to the other Party. Nothing in this Agreement is intended to convey benefits, rights or remedies to any person other than Opt-In Supplier and Duquesne Light, and no third party shall have the right to enforce the provisions of this Agreement, except that the Commission may enforce the provisions of this Agreement, the Program, the Supplier Tariff and any provision of the Pennsylvania Public Utility Code or Commission regulations applicable to this Agreement. This Agreement is not intended to create any partnership or joint venture between Duquesne Light and the Opt-In Supplier, and neither Party shall have the power to bind or obligate the other Party. In the event that any provision of the Agreement shall be found to be void or unenforceable, such findings shall not be construed to render any other provision either void or unenforceable, and all other provisions shall remain in full force and effect unless the provisions which are void or unenforceable shall substantially affect the rights or obligations granted to or undertaken by either Party. This Agreement shall be construed according to the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws provisions. Venue and jurisdiction shall be in Pittsburgh, PA. In the event of any conflict between this Agreement, the Program, and the Supplier Tariff, this Agreement shall be controlling.

Duquesne Light Company

[OPT-IN SUPPLIER]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Duquesne Light Company
c/o [____],
[__ floor]
411 Seventh Avenue
Pittsburgh, PA 15219
Phone:
Fax:
Email:

[Company Name]
[Address]

Phone:
Fax:
Email:

RECEIVED

MAR 11 2013

Attachment 2

OPT-IN SUPPLIER LETTER ALLOCATION PREFERENCES (PROPOSAL)
(not to be submitted with Participant Application)

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Legal Name of Participant:	
RESIDENTIAL OPT-IN EGS SERVICE PROGRAM	
Fixed Price for initial four monthly billing cycle periods:	95% of Applicable June 2013 Duquesne Light PTC by Rate Schedule
Opt-In Supplier Letter Allocation Preferences (CHECK ONE):	
<input type="checkbox"/> We do not wish to participate in the Residential Opt-In EGS Service Program	
<input type="checkbox"/> No specified maximum	
<input type="checkbox"/> Potential Maximum _____ (#) of Customers to which the Opt-In Supplier is willing to have Duquesne Light mail a letter on its behalf under the Residential Program (specify maximum)	
Note: No single supplier shall be permitted to enroll more customers than 50% of the number of Residential letters allocated to that Opt-In Supplier. The Potential Maximum Number of Customers Enrolled for each Opt-In Supplier will depend on the number of participating Opt-In Suppliers, among other things.	
SMALL C&I OPT-IN EGS SERVICE PROGRAM	
Fixed Price for initial four monthly billing cycle periods:	95% of Applicable June 2013 Duquesne Light PTC by Rate Schedule
Opt-In Supplier Letter Allocation Preferences (CHECK ONE):	
<input type="checkbox"/> We do not wish to participate in the Small C&I Opt-In EGS Service Program	
<input type="checkbox"/> No specified maximum	
<input type="checkbox"/> Potential Maximum _____ (#) of Customers to which the Opt-In Supplier is willing to have Duquesne Light mail a letter on its behalf under the Small C&I Program (specify maximum)	
Note: No single supplier shall be permitted to enroll more customers than 50% of the number of Small C&I letters allocated to that Opt-In Supplier. The Potential Maximum Number of Customers Enrolled for each Opt-In Supplier will depend on the number of participating Opt-In Suppliers, among other things.	
I hereby certify that I am an officer of the Participant named above and submit this Proposal on behalf of the Participant. By submitting this Proposal, Participant acknowledges and accepts all terms of Duquesne Light's Program Rules dated [_____, 2013].	
By: _____ (signature) Name: _____ Title: _____	Date: _____

NOTE: Once qualified, all Applicants must complete this form to become an Opt-In Supplier.

**Illustrative Example of Opt-In EGS Service Program Customer Eligibility and
Allocation of Customer Letters
(Residential Customers)**

	Residential Customer Accounts	% of Total Customer Accounts					
Total Residential	526,423	100%					To Be Updated
- Currently Shopping	190,219	36%					To Be Updated
- CAP Customers on Default Service	37,280	7%					To Be Updated
Eligible Customers who will receive mailing from Duquesne Light	298,924	57%					
Customer Participation Cap (50%) _1/	149,462						
Opt-In Suppliers = 5	EGS A	EGS B	EGS C	EGS D	EGS E	Total	
Opt-In Supplier Maximum Number of Letters (Submitted in Proposals) _2/	<i>None</i>	<i>100,000</i>	<i>160,000</i>	<i>40,000</i>	<i>20,000</i>		
Opt-In Supplier Maximum Number of Letters (Submitted in Proposals) _3/	298,924	100,000	160,000	40,000	20,000	618,924	
Allocated Customer Letters (Letters sent on behalf of each Opt-In Supplier)	79,641	79,641	79,641	40,000	20,000	298,924	
Opt-In Supplier Allocation Share	26.6%	26.6%	26.6%	13.4%	6.7%	100.0%	
Opt-In Supplier Enrollment Cap (=Customer Participation Cap)	39,821	39,821	39,821	20,000	10,000	149,462	
COST RECOVERY	EGS A	EGS B	EGS C	EGS D	EGS E	Total	
Fixed Cost Per Letter Allocated to Opt-In Supplier	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	
Costs for Residential Opt-In Program to be Collected Using Some Other Cost Recovery Method						\$0.0	
_1/ Default service customers can enroll in the Opt-In EGS Service Program on a first-come, first-served basis.							
_2/ Opt-In Suppliers would not be permitted to specify a maximum in excess of the letters being mailed by Duquesne Light.							
_3/ If no maximum is specified, it is assumed the Opt-In Supplier would allow Duquesne Light to mail letters on its behalf to all customers eligible to receive a letter.							
Note: A similar table would be prepared for Small C&I customers.							

RECEIVED

MAR 11 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Duquesne Light Company

Opt-In Electric Generation Supplier Service Program Rules

~~Request for Proposals and Agreement May~~
~~—(including Participant Application, Opt-In Supplier Agreement, and~~
~~Opt-In Supplier Letter Allocation Preferences Proposal)~~

March 11, 2013

OPT-IN EGS SERVICE PROGRAM
REQUEST FOR PROPOSALS
RULES

ARTICLE 1
INTRODUCTION

- 1.1 ~~In this Request for Proposals (“RFP”),~~ **Program Overview.** Duquesne Light Company (“Duquesne Light” or the “Company”) is soliciting applications and proposals by electric generation suppliers (“EGSs”) to provide competitive retail offers to eligible residential default service customers its non-shopping default service Residential customers (on rate schedules RS, RA, and RH, exclusive of Customer Assistance Program (“CAP”) customers) and to its non-shopping default service small commercial and industrial customers (on rate schedules GS, GM, and GMH) with annual peak loads less than 25 kW (“Eligible Customers”). Participating EGSs in the Opt-In EGS Service Program (“Program”) will submit bids to offer a fixed price to residential customers provide an initial four-month fixed-price product with a price that is 5% lower than Duquesne Light’s applicable price-to-compare as of June 1, 2013 (“June 2013 Duquesne Light PTC”), followed by an eight-month fixed-price product¹ for a total term of twelve consecutive billing cycles beginning on or after June 1, 2013, July 1, 2013 (“Opt-In Service Period”). This document describes the process by which ~~bidders~~ EGSs may qualify and submit bids and to participate in the Program, the rules with which ~~winning bidders~~ participating suppliers (“Opt-In Suppliers”) must comply, the process for allocation of ~~default service residential customer accounts to~~ letters that will be mailed on behalf of Opt-In Suppliers for offer mailings to Eligible Customers, and the standard terms and conditions for Opt-In Supplier offers to customers under this Program. In addition, although marketing, notifications, and consumer education efforts for this Program will be targeted to ~~non-shopping residential default service customers~~ Eligible Customers, Opt-In Suppliers must extend offers to ~~residential~~ Residential and small commercial and industrial (less than 25 kW) (“Small C&I”) shopping customers, upon a customer²’s request, under the same terms and conditions.

¹ The four-month price will be the same for all Opt-In Suppliers serving customers in a particular rate schedule. The eight-month fixed price could be different from the four-month fixed price, may be lower or higher than, or equal to, the applicable June 2013 Duquesne Light PTC, and can differ among Opt-In Suppliers. Opt-In Suppliers, however, must offer the same eight-month fixed price to all customers within the same rate schedule.

1.2 ~~Duquesne Light is implementing this RFP in two stages. Bidders~~ **Participant Application.** ~~There is a two-step process for EGSs to participate in the Program. An EGS interested in participating in this Program (“Participant”) must first qualify by submitting an application (an “Participant Application”) to Duquesne Light on or before May 31, 2013, demonstrating their qualifications, as described in detail in Section 3.2. These qualifications include a current EGS license issued by the Pennsylvania Public Utility Commission (“the Commission”) and the ability to comply with provisions of Duquesne Light’s Electric Generation Supplier Coordination Tariff (“Supplier Tariff”). As part of the qualifying process, a bidder~~ **Participant** ~~will be required to execute a Bidder an Opt-In Supplier Agreement in which the bidder~~ **Participant** ~~agrees to various requirements, including payment of a pro rata portion of the costs of this Program in the event the bidder~~ **Participant** ~~becomes an Opt-In Supplier.~~

1.3 **Opt-In Supplier Letter Allocation Preferences Proposal.** ~~Following qualification, bidders may submit a bid proposal (“Bid Proposal”) on May [__], 2013, which consists of two components: (1) a fixed price, in cents per kilowatt hour, which the bidder is prepared to offer residential customers for a twelve-month billing cycle period (the “Opt In Service Period”) beginning on or after June 1, 2013; and (2) the number of tranches (where each tranche represents 10% of the Eligible Customer[†] accounts), with a minimum bid quantity of one tranche (10% of the Eligible Customers) and a maximum bid quantity of five tranches (50% of Eligible Customers). The fixed price offered by a bidder must be at least five percent (5%) lower than Duquesne Light’s applicable price to compare for the quarterly period beginning on June 1, 2013 (“June 2013 Duquesne Light PTC”).~~ **and on or before June 14, 2013, a Participant may submit its preferences for the maximum number of letters that Duquesne Light will mail to Residential and/or Small C&I customers (“Opt-In Supplier Letter Allocation Preferences” or “Proposal”) on its behalf, pursuant to the Program Rules. The Proposal shall consist of two components: (1) the maximum number, if any, of letters that Duquesne Light will mail to Residential customers on behalf of the Participant; and (2) the maximum number, if any, of letters that Duquesne Light will mail to Small C&I customers on behalf of the Participant. Duquesne Light will mail to each Eligible Customer no more than one letter on behalf of any Opt-In Supplier, pursuant to the Program Rules.**

1.4 ~~Duquesne Light will accept the EGS bids that offer the greatest amount of customer savings until all ten tranches (100%) are filled. In order to determine which EGSs are successful bidders, the bids will first be ranked in ascending order by price. The Company or RFP Monitor will then sum the number of tranches until the cumulative total number of tranches reaches 10. All bids associated with each tranche up to 10 will be considered a successful bid assigned to the respective EGS. The bid price associated with the tenth tranche will then be defined as the “Clearing Price”. The~~

[†] ~~Eligible Customers are defined as residential customers on default service, excluding CAP customers. However, Opt-In Suppliers must extend offers to residential shopping customers, upon a customer’s request, under the same terms and conditions.¹~~

~~Clearing Price will be the offer that all successful bidders will offer to eligible retail customers. The winners of the solicitation will be based solely on price. In the event of a tie where a tranche or tranches cannot be fully awarded to a single bidder, the tranches will be allocated pro-rata based on the number of tranches bid at that price level among the successful EGS bidders for the remainder of the supply. Upon approval of the results by the Commission, each winning bidder who offered the Clearing Price or lower will be an Opt-In Supplier and will be allocated a portion of the Eligible Customers corresponding to the total tranches awarded through the ranking and award process. In the event that less than ten qualified bid tranches are received, all Eligible Customers still will be assigned to an Opt-In Supplier based on each Opt-In Supplier's percentage share of the total number of awarded tranches. This will allow all Eligible Customers to receive an Opt-In program offer letter as described below in Section 1.5. However, an EGS will not be required (or permitted) to serve more tranches than it bid. No subsequent RFPs will be conducted.~~**Aggregation Program. All qualified Participants who submit a Proposal will become Opt-In Suppliers and become eligible to serve customers in the Program.**

1.5

1.6 **Customer Letter Allocation.** The process for determining the number of Residential and Small C&I customer letters to be mailed by Duquesne Light on behalf of any given Opt-In Supplier will be performed separately by customer class taking into consideration Opt-In Supplier preferences as set forth in Attachment 2 submitted in the Proposals received by Duquesne Light. The specific individual customer accounts to which letters will be mailed on behalf of a given Opt-In Supplier will be determined pursuant to a random selection process as described further in Article 6.

1.7 ~~1.5~~ **Customer Enrollment.** Duquesne Light will mail, at the Opt-In Supplier's expense, a standardized offer letter and pre-paid return envelope to the allocated customers Eligible Customers for each Opt-In Supplier.² The offer letter will include a response post card or tear-off coupon for customers to return to Duquesne Light. If customers wish to accept the offer, they can complete the post card or coupon and return it to the Company. Residential customers may also sign up for the Program through Duquesne Light's website or by using an interactive voice response ("IVR") system maintained and operated by Duquesne Light. Customer referrals received via the completed and returned post card or coupon, the Company's website, or the IVR system will be forwarded. Each letter will have a particular Opt-In Supplier identified and that Opt-In Supplier's contact information. If a customer wishes to accept an Opt-In Supplier's offer and enroll in the Program (becoming an "Opt-In Supplier Customer"), the customer will be required to contact the Opt-In Supplier daily. The Opt-In Supplier must then will enroll the customer and submit a switching request via the appropriate EDI transaction to Duquesne Light for each customer in accordance with the Supplier Tariff. A customer's participation in the Program will be indicated in the EDI transaction through the use of a special rate code applicable only to the Program.

1.8 ~~1.6~~ **Program Rules.** The Commission has approved the procedures and rules Opt-In EGS Service Program Rules ("Program Rules") described in this RFP document by order dated [____], 2012, 2013, in Pa. PUC Commission Docket No. P-2012-[____]. The RFP 2301664. The Participant Application and Proposal process will be managed by Duquesne Light, with the qualification of bidders and opening and ranking of bids monitored by [company name] (the "RFP Monitor"). **Potential bidders, Potential Participants are strongly urged to review this RFP the Program Rules and the Opt-In EGS Service Program Supplier Agreement ("Agreement") and to consult with counsel with respect to**

² All of the Eligible Customers would receive the standard Opt-In EGS Service offer letter, except for those residential default service customers that have affirmatively instructed Duquesne Light in 2012 or later not to release their address to EGSs. These and other non-targeted residential customers (e.g., shopping customers) could also enroll in the Program if they hear about the Program through other means than the offer letter.² All of the Eligible Customers would receive the standard Opt-In EGS Service offer letter. Non-CAP Residential and Small C&I Customers who do not receive the letter could also enroll in the Program if they become aware of the Program through other means.

requirements and obligations under ~~this RFP~~ the Program Rules and the Opt-In Supplier Agreement.

1.9 ~~1.7~~ This RFP document includes the following attached documents/attachments:

- Bidder Application
 - Opt-In EGS Service Program Attachment 1: Participant Application (including Opt-In Supplier Agreement)
 - Bid Proposal Form
- Attachment 2: Opt-In Supplier Letter Allocation Preferences (“Proposal”)
Attachment 3: Illustrative Example of Opt-In EGS Service Program Customer Eligibility and Allocation of Customer Letters

ARTICLE 2

PROGRAM SCHEDULE AND BIDDER PARTICIPANT INFORMATION

2.1 **RFP Program Schedule.** The following table sets forth significant dates (the “RFP Schedule”) for the Program (“Program Schedule”). The time for each deadline on each specified date is 4:00 pm Eastern Prevailing Time (EPT). *Duquesne Light reserves the right to modify these dates at its discretion.*

<u>Update to Determination of the Number of Eligible Customers Receiving Duquesne Light Program Letter</u>	<u>April 30, 2013</u>
<u>Determination of June 2013 Duquesne Light PTCs³</u>	<u>May 16, 2013</u>
<u>Notification to EGSs of Estimated Number of Eligible Customers</u>	<u>On or before May 24, 2013</u>
<u>RFP Program Overview and Pre-Bid Proposal Technical Conference</u>	<u>April 12, May 24, 2013</u>
<u>Bidder Applications Participant Application Due Date</u>	<u>April 26, On or before May 31, 2013</u>
<u>Notification of Bidder Participant Qualification</u>	<u>May 1, On or before June 7, 2013</u>
<u>Participant Inquiries Deadline</u>	<u>June 7, 2013</u>
<u>Notification to Qualified Bidders of Estimated Opt-In Supplier Shall Provide Duquesne Light with the Following Information: Mailing Address for the Response Post Card; Toll-Free Phone Number of Eligible Customers for Enrollments Under the Program; and Website Address for Enrollments Under the Program</u>	<u>On or before May 8, 2013 Within three business days of being notified as a Qualified Participant</u>

³ Duquesne Light also will post estimated June 2013 Duquesne Light PTCs in accordance with Commission requirements.

<u>Determination of June 2013 Duquesne Light PTC³</u>	<u>May 16, 2013</u>
<u>Bid Opt-In Supplier Letter Allocation Preferences / Proposal Due Date</u>	<u>May 20, On or before June 14, 2013</u>
<u>Duquesne Light Notification of Winning Bidders-Final Opt-In Suppliers and Number of Customer Letters Allocated to Opt-In Supplier, and Filing of Confidential Report</u>	<u>May On or before June 20, 2013</u>
<u>Duquesne Light Provides Opt-In Suppliers with Account Information (Account Number, Rate Class, and Rate Schedule) for the Customer Accounts Selected for Letters Mailed on Behalf of that Supplier</u>	<u>On or before June 24, 2013</u>
<u>Duquesne Light sends Mails Offer Letters to Default Service Customers</u>	<u>Late May/June 2013</u>
<u>Customer Opt-In Period</u>	<u>From time letter is received through June/July 30, 2013</u>
<u>Opt-In Supplier Notification to Duquesne Light that it has Met its Enrollment Cap for a Particular Customer Class</u>	<u>Within one business day (if this occurs)</u>
<u>Deadline for Opt-In Supplier Submission of Customer Enrollments to Duquesne Light</u>	<u>June 30, July 31, 2013</u>
<u>Commencement of Supply by Opt-In Suppliers</u>	<u>Beginning with the first billing cycle on and after June/July 1, 2013 for which the customer is eligible to receive service based upon the Supplier tariff/Tariff</u>
<u>Initial Confidential Report by Opt-In Suppliers to Duquesne Light Regarding Program Enrollment</u>	<u>August 6, 2013</u>
<u>Initial Report by Duquesne Light to Commission on Enrollment Results of the Program</u>	<u>August 2013 (within 30 days of end of customer enrollment period)</u>
<u>Each Opt-In Supplier Must File the Terms and Conditions of its Eight-Month Fixed-Price Product Offering with the Commission</u>	<u>No later than forty-five days before offers are</u>

³ Duquesne Light also will post an estimated June 2013 Duquesne Light PTC in accordance with Commission requirements.

	<u>extended to Opt-In Customers</u>
<u>Each Opt-In Supplier Must Provide the Eight-Month Product Offering and Associated Notices to Opt-In Customers</u>	<u>In accordance with Commission Orders and regulations</u>
<u>Opt-In Suppliers Mail \$50 Bonus Payments to All Opt-In Customers Who Have Been Participating in the Program for Four Complete Billing Cycles</u>	<u>After customers qualify and in time for customers to receive bonus payment before the end of the customer's fifth billing cycle</u>

<u>Final Opt-In Supplier Confidential Report to Duquesne Light on Results of the Program</u>	<u>Within 60 days of the completion of the Program's Opt-In Service Period</u>
<u>Final Duquesne Light Report to the Commission on Results of the Program</u>	<u>Within 90 days of completion of the Program's conclusion Opt-In Service Period</u>

2.2 ~~RFP Overview and~~ **Web Technical Conference.** On ~~{April 12}~~, May 24, 2013, at ~~{_____}~~ 10:00 a.m. EPT, Duquesne Light will conduct a web conference to outline the Program, including the ~~RFP process~~. ~~Potential bidders are urged to review this RFP process for completing the Participant Application and Opt-In Supplier Letter Allocation Preferences Proposal.~~ Duquesne Light will notify all registered EGSs of the technical conference by EGS bulletin and by email to the Commission/OCMO email distribution list. Potential Participants are urged to review the Program Rules, including exhibits attachments, prior to the teleconference. Duquesne Light will answer questions raised at this teleconference. Any party wishing to participate in this web technical conference must send an email to {_____} dlc_ssc@duqlight.com with the subject line "Opt-In EGS Service Program." Duquesne Light will provide participation information for the web conference by return e-mail.

2.3 ~~Bidder~~ **Participant Inquiries.** On or before the ~~Bidder~~ Participant Inquiries Deadline, ~~bidders~~ Participants may submit questions to Duquesne Light via electronic mail (~~_____~~) dlc_ssc@duqlight.com. To the extent possible, questions submitted prior to the ~~RFP Overview~~ Technical Conference will be addressed by Duquesne Light at the ~~web conference~~ Technical Conference. Additional questions submitted and answered by Duquesne Light thereafter shall be posted ~~with answers~~. The person or company submitting the question shall not be identified. While Duquesne Light will review and attempt to answer questions in good faith, Duquesne Light reserves the right not to answer any question. The ~~RFP Overview~~ Technical Conference and this ~~bidder~~ Participant inquiry procedure are the exclusive methods for inquiring about this ~~RFP Program~~, and questions submitted to individual Duquesne Light employees, ~~or the Company, or the RFP Monitor~~ by other means will not be answered and may result in disqualification of the ~~bidder~~ Participant.

2.4 **Informational Website and Updates.** Duquesne Light ~~has established a's supplier website~~ —{www._____com/_____} for <http://supplier.customer-choice.com/> will contain electronic copies of RFP Program materials, posting of questions and answers, and other updates on this RFP Program. The website will also include the Program offer letter. ~~Bidders~~ Participants are encouraged to review this website regularly. In its sole discretion, Duquesne Light will endeavor to provide e-mail notification of important website updates to qualified ~~bidders~~ Participants.

ARTICLE 3
BIDDER QUALIFICATION
PARTICIPANT APPLICATION AND QUALIFICATIONS

- 3.1 **BidderParticipant Application.** In order to ~~qualify to~~ submit a ~~bid proposal in~~ response to this RFP, a ~~bidder~~Participant, a ~~Participant~~ must submit a ~~copy of~~ an Participant Application for approval by Duquesne Light using the form attached entitled BidderParticipant Application. All Participant Applications shall be submitted by email to the submission address specified in Section ~~7-3.8.2~~. Applications which are incomplete, do not conform to the form attached hereto, or otherwise do not satisfy all requirements of ~~this RFP~~these Program Rules shall not be considered. Submission of a BidderParticipant Application constitutes a ~~bidderParticipant's~~ agreement to and acceptance of all terms and conditions of this ~~RFP~~Program.
- 3.2 **BidderParticipant Qualifications.** In order to qualify to submit a ~~bid~~ proposal~~Proposal~~, a ~~bidder~~Participant must demonstrate and document in the Participant Application that it satisfies the following criteria (the "BidderParticipant Qualifications"):
- (a) ~~(a)~~-The ~~bidder~~Participant is fully certified by Duquesne Light to provide coordination services in compliance with the Supplier Tariff at the time of the Participant Application Due Date;
 - (b) ~~(b)~~-The ~~bidder~~Participant certifies that it has the financial resources to make a bonus payment ~~under the offer of~~ \$50.00 to all ~~customers~~each customer who ~~enroll~~enrolls with ~~them~~the Participant and who ~~remain~~remains with the ~~program~~Program for ~~three~~four complete billing cycles.
 - (c) The Participant certifies that it has the capability to provide customers with three ways to accept its offer: (1) processing a written response from the customer, included in the offer mailing; (2) through calls on a toll-free phone number provided by the Opt-In Supplier; and (3) through a website provided by the Opt-In Supplier.
- 3.3 **BidderOpt-In Supplier Agreement.** Each ~~bidder~~Participant must also execute a ~~Bidder~~an Opt-In Supplier Agreement in the form included in the ~~Bidder Application~~. In the event the bidder does not become an ~~Opt In Supplier~~, the ~~Bidder Agreement~~ will be returned to the bidder unexecuted by Duquesne Light attached Participant Application.
- 3.4 **Additional Information.** Duquesne Light may, but is not obligated to, request additional information and materials from any ~~bidder~~Participant for evaluation of ~~an~~a Participant Application. Information submitted by a ~~bidder~~Participant absent a

request by Duquesne Light which is not in the nature of a correction or clarification to the Participant Application will not be considered by Duquesne Light. If any information in ~~an~~ Participant Application is no longer true, ~~Bidder~~Participant shall immediately notify Duquesne Light of the changed information. Failure to provide such notification or respond to a request for additional information and materials may result in disqualification of the ~~bidder~~Participant and rejection of any ~~Bid-Proposal~~. ~~Duquesne Light shall have no duty to inform any bidder of any deficiency in its Application~~Proposal.

- 3.5 **Application Evaluation and Notification of Applicants.** Duquesne Light, ~~in its sole discretion,~~ will evaluate each Participant Application using a standard protocol for its completeness and satisfaction of the ~~Bidder~~Participant Qualifications. ~~The RFP Monitor will oversee this evaluation.~~ Duquesne Light will provide each ~~bidder~~Participant with notice of its satisfaction or failure to satisfy the ~~Bidder~~Participant Qualifications by the date for Notification of ~~Bidder~~Participant Qualification set forth in the ~~RFP Schedule~~. Program Schedule. In the notice of failure to satisfy the Participant Qualifications, Duquesne Light shall inform each Participant of any deficiency in its Application, which will result in disqualification of the Participant if such deficiency is not remedied within two business days after written notice.
- 3.6 **Duquesne Light Affiliates.** Affiliates of Duquesne Light ~~who satisfy the Bidder Qualifications are permitted to submit Participant Applications and to, and if an affiliate satisfies the Participant Qualifications, it may participate in this RFP Program~~ to the same extent as any other entity.

ARTICLE 4

BID-PROCEDURE AND BID FOR SUBMISSION OF PROPOSALS

- 4.1 **Notification of Estimated Number of Eligible Customers and ~~Price to Compare the June 2013 Duquesne Light PTCs.~~** Duquesne Light will provide qualified ~~bidders~~Participants with the total number of Eligible Customers by customer class (Residential and Small C&I) and the applicable June 2013 Duquesne Light PTC in accordance with the RFP Schedule. PTCs by rate schedule. Qualified Participants will not be required to submit Proposals until this information has been provided.
- 4.2 **Submission of Bid Proposals.** ~~As described in the Introduction, a Bid Proposal consists of two components: (1) a fixed price in cents per kilowatt hour, which the bidder is prepared to offer residential customers for a twelve consecutive billing cycles; and (2) the number of tranches the bidder is prepared to serve during the Opt In Service Period at that fixed price.~~ Only bidders **Proposals. Only Participants** who submit an Application and receive notice of qualification as provided in Article 3 will be permitted to submit a ~~Bid-Proposal~~. Duquesne Light will provide ~~Bid Proposal forms to qualified bidders~~Participants, such as the form attached. A ~~bidder~~Participant must send by email a copy of its ~~Bid Proposal~~ to the email address

specified on the Bid Proposal form provided by Duquesne Light no later than the Bid Proposal Due Date and time.

- 4.3 **Bid-Price.** ~~The introductory four-month price (“Introductory Offer Price”) in all Bid-Proposals must be a fixed price in on a cents per kilowatt-hour kWh basis, which is at least five percent (5%) lower than the applicable June 2013 Duquesne Light PTC. The bidder for each applicable rate schedule.⁴ The Participant must commit to being ready and willing to serve a residential Residential or Small C&I customer for twelvefour consecutive monthly billing periods at the Introductory Price Offer under the standard terms and conditions of the Program beginning on a customer’s next meter read date on or after June 1, 2013. July 1, 2013. The four-month price will be the same for all Opt-In Suppliers serving a particular rate schedule. The Participant must also commit to being ready and willing to serve a Residential or Small C&I customer for eight consecutive monthly billing periods at a fixed price immediately after the four-month period. Each Opt-In Supplier must file the terms of its eight-month fixed-price product offering with the Commission no later than forty-five days before offers are extended to Opt-In Customers. The eight-month fixed-price could be different from the Introductory Price Offer, may be lower or higher than, or equal to, the applicable June 2013 Duquesne Light PTC, and can differ among Opt-In Suppliers.~~
- 4.4 **Minimum and Maximum Bid Quantities.** ~~Bidders must bid to serve a minimum of 1-tranche (10%) of Eligible Customers, and may not bid to serve more than 5-tranches (50%) of Eligible Customers. Any bid greater than the permitted maximum bid will be deemed to be equal to the permitted maximum bid.~~ **Customer Participation Cap.** For each customer class, overall customer enrollment in the Opt-In EGS Service Program is limited in number to 50% of Eligible Customers (“Customer Participation Cap”).
- 4.5 **Multiple Bids.** ~~A bidder may submit up to five bids at different prices, all of which may be accepted by Duquesne Light. The total number of tranches in multiple bids may not exceed the maximum bid quantity (5 tranches). In the event a bidder submits multiple bids cumulatively totaling a number more than 5 tranches, the bid(s) with the highest price will be disqualified until the remaining bids are within the Maximum Bid Quantity.~~ **Opt-In Supplier Preference for Potential Maximum Number of Customers Sent Letters.** Each Opt-In Supplier can specify in its

⁴ Note the applicable June 2013 Duquesne Light PTCs vary by rate schedule (RS, RA, RH, GS, GM, GMH). The supply rate component of the June 2013 Duquesne Light PTC is expressed on a cents per kilowatt-hour basis for all Eligible Customers. Residential customers have the same supply rate component, while Small C&I customers have the same supply rate component but at a different level than Residential customers. The transmission rates vary by rate schedule and some rate schedules (GM and GMH) include both energy and demand charges. The applicable June 2013 Duquesne Light PTC for each applicable rate schedule will be calculated on a cents per kWh basis for an average customer in that rate schedule.

Proposal whether it wishes to enroll Residential and/or Small C&I customers in the Program. Further, each Opt-In Supplier can specify its preference, by customer class, for the maximum number, if any, of letters that Duquesne Light will mail on its behalf, pursuant to the Program Rules ("Potential Maximum Number of Customers Sent Letters"). An Opt-In Supplier also can choose in its Proposal not to self-impose a limit on the number of customer letters allocated to it. Duquesne Light will mail to each Eligible Customer no more than one letter on behalf of any Opt-In Supplier, pursuant to the Program Rules.

4.6 **Other Limitations.** ~~Bid-Proposals that are incomplete, unsigned, or otherwise do not conform to the form of the Bid Proposal shall be rejected by Duquesne Light. No Bid Proposal may be conditioned on any other Bid-Proposal. Any bid Proposal that is contingent in any way shall be rejected as non-conforming. Each bidder must act independently and without knowledge of other bids, and Duquesne Light may reject any Bid Proposal which it determines, in its sole discretion, is submitted by a bidder Participant in violation of these limitations or in coordination or in concert with any other bidder. Duquesne Light shall inform each Participant of any deficiency in its Proposal, which will result in the disqualification of the Participant if such deficiency is not remedied within two business days after written notice.~~

4.7 **Participant Relief from the Commission.** Nothing in this document shall restrict a Participant from seeking relief from the Commission in the event that the Participant believes that Duquesne Light has not acted in accordance with the terms of this Program.

ARTICLE 5 EVALUATION OF ~~BID~~-PROPOSALS

5.1 **Evaluation of Bid Proposals.** ~~All Bid Proposals will be opened by the RFP Monitor, who will rank proposals from the lowest price to the highest price and record the cumulative number of tranches for each bid price. The price offered under the bid, or bids, whose quantity of tranches result in the cumulative tally equaling or exceeding ten tranches (or 100% of the Eligible Customers) will determine a common Clearing Price for offers. A bidder who offers the Clearing Price (or a lower price) will be a successful bidder (an Opt In Supplier). In the event of a tie where the tranches cannot be fully awarded between one or more bidders, the customer accounts would be divided on a pro-rata basis based on the number of tranches bid at that price level among the winning EGSs for the remainder of the supply.~~ Proposals. Duquesne Light will evaluate Proposals to ensure consistency with these Program Rules. All compliant Proposals will be accepted. Once a Proposal is accepted, the qualified Participant becomes an Opt-In Supplier.

5.2 **Selection of Successful Bidders and Commission Approval Notification of Final Opt-In Suppliers and Number of Customer Letters Allocated to Opt-In Supplier.** ~~Upon completion of the evaluation of Bid-Proposals, the RFP Monitor Duquesne Light shall prepare a report of the RFP results in consultation-~~

~~with, and on behalf of Duquesne Light, summarizing the bidder qualification process and the Bid Proposals and identifying the successful and unsuccessful bidders Participants (if any), along with successful and unsuccessful Bid Proposals. The Commission will have three business days to review and approve, or disapprove results.~~

- 5.3 **Release of Winning Bid Price Information.** ~~Upon approval of any results by the Commission, Duquesne Light will release publically the total number of bidders, the names of the winning bidders, the tranche shares awarded to each bidder, and the applicable clearing price. The names and other information of the non-winning bidders will not be reported. Proposals (if any). Duquesne Light will notify Participants of their individual results and will provide on a confidential basis the report to the Commission, the Office of Consumer Advocate, and the Office of Small Business Advocate, in accordance with the Program Schedule.~~

ARTICLE 6 CUSTOMER LETTER ALLOCATION AND CUSTOMER OFFERS

- 6.1 **Allocation Methodology.** ~~Eligible Customers will be allocated to Opt-In Suppliers in accordance with their awarded tranche shares. Customers shall be selected for allocation to Opt-In Suppliers in a fair and impartial manner. Customers who have elected "Release No Information" for their account will be assigned to an Opt-In Supplier. These customers will not be included in the mailing, but will be eligible to participate in the Program upon customer request.~~ **Opt-In Supplier Allocation Share.** This section pertains to the case in which, for a given customer class, the Opt-In Suppliers' Proposals, in aggregate, show a willingness for the Opt-In Suppliers to be allocated at least as many letters as the number of customers who are eligible to receive a letter under the Program. Once all Proposals have been submitted by Opt-In Suppliers, Duquesne Light will know for each customer class: a) the number of Opt-In Suppliers participating in the Program, b) the maximum number of letters that each Opt-In Supplier is willing to have mailed by Duquesne Light on its behalf, and c) the maximum number of customers that can enroll in the Program (the Customer Participation Cap). This information will be used to calculate the number of letters mailed by Duquesne Light on behalf of each Opt-In Supplier, or the "Allocated Customer Letters." To determine this number for each Opt-In Supplier, each Opt-In Supplier initially will be allocated an equal share of the number of customers who are eligible to receive a letter under the Program, subject to the maximum number, if any, of customer letters specified by Opt-In Suppliers.⁵ If any Opt-In Supplier's initial allocation is greater than the maximum specified in its Proposal, the excess number of customer letters will be allocated equally to the Opt-In Suppliers whose maximums have not been reached or who did not specify a maximum. This process will be repeated until all customer letters are allocated in a manner that does not exceed any Opt-In Supplier's Preference for Potential

⁵ If a given Opt-In Supplier's Proposal does not specify a potential maximum number of letters to be allocated to it, then Duquesne Light will assume that the Opt-In Supplier has no preferred maximum.

Maximum Number of Customers Sent Letters. The “Opt-In Supplier Allocation Share” for a given Opt-In Supplier is the number of customer letters allocated to that Opt-In Supplier divided by the total number of customers who are eligible to receive a letter under the Program. This same allocation process will be applied separately for Residential customers and for Small C&I customers.

- 6.2 **Program Undersubscription.** If, for a given customer class, the Opt-In Suppliers’ Proposals in aggregate do not show a willingness for the Opt-In Suppliers to be allocated at least as many customer letters as the number of customers who are eligible to receive a letter under the Program, then Duquesne Light will inform the Opt-In Suppliers of the shortage and allow each Opt-In Supplier to increase the maximum number of customer letters that the Opt-In Supplier is willing to have allocated to it under the Program. If after this request for revised Proposals, the Opt-In Suppliers’ revised Proposals in aggregate do not show a willingness for the Opt-In Suppliers to be allocated at least as many customer letters as the number of customers who are eligible to receive a letter under the Program, then no letters will be mailed on behalf of any Opt-In Supplier under the Program for the given customer class.
- 6.3 **Allocation Methodology.** The number of letters that will be mailed by Duquesne Light on behalf of any given Opt-In Supplier under the Program will be based on that supplier’s Opt-In Supplier Allocation Share. The specific individual customer accounts to which letters will be mailed on behalf of a given Opt-In Supplier will be determined pursuant to a random selection process. The process for determining the specific individual customer accounts to which letters will be mailed on behalf of a given Opt-In Supplier will be performed separately by customer class, by rate schedule, and by customers requesting that their information not be released to EGSs, such that each Opt-In Supplier receives a random assortment of customer accounts within a particular customer class in accordance with its Opt-In Supplier Allocation Share.
- 6.4 **Illustrative Example.** For purposes of clarity, Duquesne Light has attached an example (Attachment 3) to illustrate the procedures for determining the number of customer letters to be allocated to each Opt-In Supplier, as described within these Program Rules.

6.5 **Provision of Customer Accounts.** Not later than two (2) business days following Duquesne Light's notification of the final Opt-In Suppliers and the number of customer letters allocated to each Opt-In Supplier, Duquesne Light shall provide each Opt-In Supplier a list of customer accounts with account information (account number, rate class, and rate schedule) for the customer accounts selected to have Duquesne Light mail a letter on behalf of the Opt-In Supplier, except for those default service customers that have affirmatively instructed Duquesne Light in 2012 or later not to release their information to EGSs

6.6 **6.2-Offer Process.** All Opt-In Suppliers shall provide offers to their allocated customers in the following manner:

6.6.1 ~~6.2.1~~ At the sole expense of the Opt-In Supplier, Duquesne Light shall mail the applicable customers an offer package before ~~June~~ July 1, 2013 which includes a ~~unique~~ offer letter with the ~~Clearing Price~~ four-month fixed price which is 5% lower than the June 2013 Duquesne Light PTC, a description of the Program terms and conditions for the ~~twelve month offer and the procedure by which~~ four-month offer, an explanation that the Opt-In Supplier will provide a fixed-price offer for the subsequent eight-month period in advance of the end of the four-month period, and the fact that the customer can accept the offer by mail, phone or website. The offer shall be valid until the end of the Customer Opt-In Period specified in the ~~RFP Schedule.~~ Program Schedule. The Opt-In Supplier shall provide Duquesne Light with the following information, within three business days of being notified as a final Participant: mailing address for the response post card; toll-free phone number for enrollments under the Program; and website address for enrollments under the Program. The offer package will instruct the customer to contact the Opt-In Supplier for more information and to enroll in the Program. The Commission staff, OCA, OSBA, and EGSs will have the opportunity to review a draft of the Offer Package template. Duquesne Light will make a good faith effort to resolve all feedback and will provide a final version by _____, 2013.

6.6.2 Offer letters will be mailed by Duquesne Light in accordance with the Program Schedule. Duquesne Light will evenly distribute the mailing of letters among Opt-In Suppliers to the extent practicable.

6.6.3 ~~6.2.2~~ Customers will be able to accept an Opt-In Supplier offer as described in Section 1.5. Duquesne Light will process any timely "opt-in" requests it receives from customers by notifying the Opt-In Supplier of the customer's decision to opt-in by either mailing the enrollment post card to the Opt-In Supplier, or by calling the Opt-In Supplier, or by submitting information electronically on the Opt-In Supplier's website. Contact information for Duquesne Light will not be included in the offer package.

- 6.6.4 ~~6.2.3~~ Offers are open to both ~~residential~~ Residential and Small C&I default service and ~~residential-shopping~~ Residential and Small C&I customers. If Duquesne Light receives a request to enroll in the Program by a shopping customer or an Eligible Customer who becomes aware of the offer, ~~Duquesne Light will notify the Opt-In Supplier of the customer's request.~~ Duquesne Light will enable the customer to select from participating Opt-In Suppliers if the customer does not specify a particular Opt-In Supplier during the inquiry. Duquesne Light will transfer the call directly to the Opt-In Supplier selected by the customer. If the customer is currently shopping, Duquesne Light will suggest that the customer contact their current supplier prior to proceeding.
- ~~6.2.4~~ The Program will cap customer participation at 50% of Eligible Customers as follows. ~~Each Opt-In Supplier may enroll a number of customers up to 50% of the number of customers allocated to the Opt-In Supplier under the Program.~~
- 6.6.5 ~~6.2.5~~ Offers must comply with the terms and conditions of the Agreement, including a ~~12 billing cycle fixed price~~ commitment to offer a fixed price for four consecutive billing cycles at the established applicable introductory price followed by a fixed price for eight consecutive billing cycles, as well as a \$50 bonus payment after ~~three~~ four complete months of service.
- 6.7 ~~6.3~~ **EDI Enrollment.** An Opt-In Supplier ~~Supplier~~ must submit the EDI enrollment transactions to Duquesne Light for the customers who have accepted the supplier's offer ~~to Duquesne Light, and chosen to participate in the Program.~~ The EDI enrollment transaction will contain a rate code specific to the Program and the customer's rate schedule. Service will commence on the respective customer's meter read date in accordance with the Supplier Tariff.
- 6.8 ~~6.4~~ **Customer Participation Cap.** ~~Overall~~ As described in Section 4.4, overall customer enrollment in the Opt-In EGS Service Program is limited in number to 50% of Eligible Customers. A separate Customer Participation Cap shall be calculated for Residential customers and for Small C&I customers.
- 6.9 ~~6.5~~ **Opt-In Supplier Participation Cap.** ~~All Eligible Customers would be divided up among the Opt-In Suppliers in proportion to the number of tranches they were awarded. Each Opt-In Supplier would have a supplier participation cap equal to 50% of the Eligible Customers that it was awarded. Both Eligible Customers and shopping residential customers could enroll on a first come, first served basis with an Opt-In Supplier up to their supplier participation cap. If a shopping residential customer who did not receive a letter wants to enroll in the Program or a customer who did receive a letter wants to enroll with another Opt-In Supplier, they can do so subject to the first come, first served enrollment period and the customer and supplier participation caps. If a customer calls and their assigned supplier's cap has been reached, then the customer will be referred to an alternative Opt-In~~

Supplier-Enrollment Cap. For a given customer class, the maximum number of customers that a given Opt-In Supplier shall be permitted to enroll under the Program shall be the product of: (1) 50%; and (2) the number of letters that are mailed pursuant to the Program to customers within that customer class by Duquesne Light on behalf of that Opt-In Supplier ("Opt-In Supplier Enrollment Cap"). An Opt-In Supplier shall be solely responsible for administering this requirement and shall inform Duquesne Light by email (dlc_ssc@duqlight.com) within one business day if an Opt-In Supplier reaches this enrollment cap for a particular customer class.

6.10 Reports to Commission. To the extent necessary, Opt-In Suppliers must cooperate with Duquesne Light in the preparation of reports to the Commission in accordance with the Program Schedule that will allow the Commission to better assess the relative benefits and costs of this new retail market initiative.

6.10.1 In order for Duquesne Light to comply with its reporting obligations to the Commission (which includes providing a confidential copy to the Office of Consumer Advocate and the Office of Small Business Advocate) and in accordance with the Program Schedule, each Opt-In Supplier shall prepare and submit a confidential report to Duquesne Light by August 6, 2013, with the following Program Statistics. Tracking of enrolled accounts, including the method of customer enrollment, will be the sole responsibility of Opt-In Suppliers:

6.10.1.1 Number of customer accounts that accepted the introductory four-month price offer by rate schedule; and

6.10.1.2 Form of acceptance by rate schedule (i.e., % by mail, % by website; and % by phone, totaling 100%).

6.10.2 Duquesne Light will use this and other information collected to file a report with the Commission within 30 days of the end of the customer enrollment period that includes: (1) Number of customer accounts sent offer packages (by rate schedule); (2) the number of participating customers and the percentage of the Residential and Small C&I customer class these numbers represent; (3) the participating suppliers; (4) the rates being charged to program participants; and (5) a brief description of customer feedback based on any calls received by the Duquesne Light, including a summary of concerns and/or questions posed by callers.

6.10.3 In order for Duquesne Light to comply with its reporting obligations to the Commission (which includes providing a confidential copy to the Office of Consumer Advocate and the Office of Small Business Advocate) and in accordance with the Program Schedule, each Opt-In Supplier shall prepare and submit a confidential report to Duquesne Light within 60 days of the completion of the Program's Opt-In Service Period, with the following

Program Statistics. Tracking of enrolled accounts will be the responsibility of Opt-In Suppliers:

6.10.3.1 Number of customer accounts that accepted the introductory four-month price offer by rate schedule;

6.10.3.2 Number of customer accounts that were sent a bonus payment by rate schedule;

6.10.3.3 Number of customer accounts sent an eight-month fixed-price offer by rate schedule; and

6.10.3.4 Number of customer accounts that currently remain with Opt-In Supplier by rate schedule.

6.10.4 6.6 Report to Commission. To the extent necessary, Opt-In Suppliers must cooperate with Duquesne Light in the preparation of reports to the Commission in accordance with the RFP Schedule that will allow the Commission to better assess the relative benefits and costs of this new retail market initiative. Specifically, Duquesne Light will file a brief report with the Commission soon after the start of the program that includes: (1) the number of participating customers and the percentage of the residential customer class this number represents; (2) the participating suppliers; (3) the rate being charged to program participants; and (4) a brief description of customer feedback based on any calls received by the Duquesne Light, including a summary of concerns and/or questions posed by callers. Additionally, ~~within~~ Within 90 days of ~~completion of the program's conclusion~~ Program's Opt-In Service Period, Duquesne Light will submit a ~~second~~ another report to the Commission that includes (1) the number of participating customers and the percentage of the ~~residential~~ Residential and Small C&I customer class ~~this number represents~~ these numbers represent; (2) how many of the participating customers returned to default service during the course of the program; (3) how many of the participating customers returned to default service at the conclusion of the program; and (4) a brief description of customer feedback based on any calls received by the Duquesne Light, including a summary of the concerns or questions posed by callers; and (5) a summary of Duquesne Light's costs associated with the program. Failure to comply with reporting requirements will lead to the loss of eligibility to participate in Duquesne Light's Standard Offer Program.

ARTICLE 7

OTHER OPT-IN SUPPLIER STANDARD TERMS AND CONDITIONS

The following standard terms and conditions shall apply to all Opt-In Suppliers:

- 7.1 **Agreement to Terms and Conditions.** By submitting a Bid, the Opt-In Supplier agrees to abide by the terms and conditions contained in this RFP and the Agreement and to implement these terms and conditions in the contracts with the customers that the Supplier gains through this **Consolidated Billing**. All Opt-In Supplier billing for customers who accept offers under the Program shall be Consolidated EDC Billing.
- 7.2 **Customer Switching Options.** Each customer shall have the option to return to Duquesne Light default service or to switch to another EGS, or to the Opt-In Supplier under a different offer, at any time and without incurring switching fees or other penalties.
- 7.3 **Bonus Payment.** The Opt-In Supplier shall pay a fifty dollar (\$50.00) bonus payment to any and all customers who remain with the Program for four complete billing cycles as a condition for receiving the bonus.
- 7.3.1 The bonus payment shall be in the form of a check to the customer name on the account or a cash-equivalent gift card, and shall be mailed to the billing address for the account. A gift card may be used by an Opt-In Supplier as the form of bonus payment to a customer only if the gift card is equivalent to cash, it does not have an expiration date for its usage, the extent of the use of the gift card can and will be tracked by the Opt-In Supplier, and under no circumstance would a fee of any amount be incurred by the customer for using the gift card.
- 7.3.2 All bonus payments shall be mailed shortly after the customer completes four complete billing cycles on the program, and such that the customer receives the bonus payment before the end of the subsequent billing cycle.
- 7.3.3 The Opt-In Supplier may not impose any additional requirements on the customer as a condition of receiving the bonus payment and the bonus payment cannot be tied to receiving service from the Opt-In Supplier after the four-month introductory period is completed.
- 7.3.4 The Opt-In Supplier shall track the following information related to the payment of the bonus payment, and shall provide this information to Commission Staff and/or the Office of Consumer Advocate (“OCA”) for Residential customers and/or the Office of Small Business Advocate (“OSBA”) for Small C&I customers, on a confidential basis, upon request: Customer Name; Address; Account Number; date that the customer qualified to receive the bonus payment; form of bonus payment; date the bonus payment was mailed; copy of cover letter; and an indicator of whether the bonus check was cashed or the extent to which the gift card was used by the customer.

- 7.3.5 Within ten business days of satisfying all of its bonus payment obligations under the Program, the Opt-In Supplier shall provide written notice (by email) of such satisfaction to the Commission Staff, the OCA (for Residential customers) and the OSBA (for Small C&I customers).
- 7.3.6 Any offers made by a customer's Opt-In Supplier to the customer to switch to another product before the completion of the four billing cycles required to qualify for the bonus payment shall include clear language explaining the risk of forfeiting the bonus payment.
- 7.3.7 The Opt-In Supplier shall have sole responsibility to make bonus payments. Duquesne Light has no liability to the customer for bonus payments if the Opt-In Supplier defaults on its obligation.
- 7.4 **Service Termination Rights.** Only Duquesne Light shall be entitled to terminate service to customers for non-payment of EGS charges under the terms of its approved Purchase of Receivables program. Except as otherwise permitted in the Supplier Tariff, in no event may an Opt-In Supplier discontinue service to a customer who accepted its offer under the Program before the end of the Opt-In Service Period. An Opt-In Supplier also shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders.
- 7.5 **Eight-Month Product Offering and Commission Filing.** Each Opt-In Supplier must offer an eight-month fixed-price product, with terms and conditions, for the eight months immediately following the initial four-month 5% discount period. Such offers and associated notices of any renewal and/or price change shall be as required under Commission regulations and orders. Each Opt-In Supplier must file the terms and conditions of its eight-month product offering with the Commission at least forty-five days before the offers for the eight-month fixed-price product are extended to customers. An EGS that elects to participate in the Opt-In Program may submit its filing in advance of that deadline but will not be required to do so.
- 7.6 **Renewal/Price Change Notices.** All Opt-In Suppliers must provide notice prior to the end of the Opt-In Service Period regarding any renewal and/or price change as required under Commission regulations and orders.

ARTICLE 8

ADDITIONAL PROGRAM CONDITIONS

- 8.1 7.2 **Program Costs.** All costs of this Program incurred by Duquesne Light, including the service of the RFP Monitor, and all incremental costs of developing, printing, and mailing the offer package, and new enrollment facilitation procedures, will be prorated and charged to Opt-In Suppliers in proportion to the awarded percentage share of Eligible Customers allocated to the supplier **Program Costs.**

Each Opt-In Supplier shall be responsible for the product of: (1) \$1.00; and (2) the number of letters mailed by Duquesne Light to Eligible Customers on behalf of the Opt-In Supplier. Duquesne Light shall invoice each Opt-In Supplier as necessary within thirty days of the Opt-In Supplier customer letter allocation, with the amount due payable within thirty days of the date of the invoice. As of the date of this RFP, Duquesne Light anticipates that the entire cost of the Program will be \$50,000. If an Opt-In Supplier fails to make the required payment, Duquesne Light may reduce the amount due to that Opt-In Supplier from that Opt-In Supplier's next Purchase of Receivable ("POR") payment by the Opt-In EGS Service Program amount due (but not from amounts that are subject to a bona fide POR payment dispute).

~~7.3~~ **Address for Submissions.** All submissions to Duquesne Light, unless otherwise communicated at the Bidder Conference and subsequently posted to the [_____] website, for this RFP shall be delivered via email to the following address: _____@duqlight.com by 4:00 EPT.

~~8.2~~ **Address for Application and Proposal Submissions.** All submissions to Duquesne Light, unless otherwise communicated at the Participant Conference and subsequently posted to the <http://supplier.customer-choice.com/> website, for this Program shall be delivered via email to the following address: dlc_ssc@duqlight.com by 4:00 p.m. EPT. Participant is solely responsible for the timely delivery of any submission for this RFP Program. Participant Applications and other materials received after the applicable date specified in this RFP the Program Schedule shall be accepted only in Duquesne Light's sole discretion; however, any Bid-Proposal submitted after the date and time specified will be returned unopened and without consideration not be considered.

~~8.3~~ ~~7.4~~ **No Unauthorized Modifications.** No interpretation or change to this RFP Program shall be valid unless it is signed by a duly authorized representative designated by an Officer of Duquesne Light.

~~8.4~~ ~~7.5~~ **Ownership of RFP Program Materials.** All materials submitted to Duquesne Light pursuant to this RFP Program shall be the property of Duquesne Light.

~~8.5~~ ~~7.6~~ **Presentation and Formatting.** All information submitted by a bidder Participant must be in the English language. All bid prices shall be in U.S. cents per kilowatt-hour.

~~8.6~~ ~~7.7~~ **Costs.** Duquesne Light shall have no responsibility whatsoever with respect to for the costs of any bidder Participant in considering or responding to this RFP Program, including but not limited to any costs of preparing any materials submitted to Duquesne Light.

- ~~7.8 Use of Duquesne Light Mark. Duquesne Light will have final approval regarding the use of any Duquesne Light mark and any other reference to Duquesne Light in the offer package and/or on the offer package envelope. The use of Duquesne Light's Mark requires written approval from Duquesne Light.~~
- ~~8.7 7.9 Publicity. Bidders are not permitted to announce or release any information regarding this RFP or Duquesne Light's evaluation process without Duquesne Light's prior written approval, which Duquesne Light may withhold approval in its sole discretion. Each bidder~~Each Opt-In Supplier understands and agrees that Duquesne Light does not participate in, nor does it allow, ~~bidders~~Opt-In Suppliers to utilize media releases of any kind to publicize ~~bidder~~the Opt-In Supplier's business relationship with Duquesne Light. Each ~~bidder~~Opt-In Supplier shall not use any trade name, trademark, service mark or any other information which identifies Duquesne Light in such ~~bidder~~Opt-In Supplier's sales, marketing and publicity activities, including interviews with representatives of any written publication, or television or radio station or network, without Duquesne Light's express prior written consent. ~~Successful bidders agree to cooperate with Duquesne Light in preparation of any press release announcing the results of this RFP~~This prohibition, however, shall not be construed to require Duquesne Light's express consent before advertising this program. Such advertisement shall be allowed to use the phrase "Opt-In Program in Duquesne Light's service territory" without the written consent of Duquesne Light.
- ~~8.8 7.10 Disclaimer. Duquesne Light makes no representations or warranties regarding the accuracy or completeness of the information contained in this RFP and its exhibits or any statements made by representatives of Duquesne Light during the RFP process. Each bidder~~Each Participant is responsible for making its own evaluation of information and data contained in ~~this RFP~~the Program Rules and Opt-In Supplier Agreement and in ~~preparing and submitting responses to this RFP~~Program. The issuance of this ~~RFP~~Program and the receipt of information in response to this ~~RFP~~Program shall not, in any way, cause Duquesne Light to incur any liability (whether contractual, financial or otherwise) to any ~~bidder~~Participant participating in the ~~RFP process~~Program. By submitting ~~an~~a Participant Application, ~~bidder~~Participant releases Duquesne Light, its affiliates, officers, employees, and agents from any and all claims, demands, actions, losses, liabilities, and expenses (including reasonable legal fees and expenses) (collectively, "Claims") relating to this ~~RFP~~Program and agrees to indemnify Duquesne Light, its affiliates, officers, employees and agents from any Claims arising from any false representation or violation of these ~~RFP rules~~Program Rules by ~~bidder~~Participant.

8.9 ~~7.11~~ **Not an Offer.** This ~~RFP~~document is issued to elicit responses to Duquesne Light's inquiry and is not an offer. The issuance of the ~~RFP~~Program and the submission of ~~bidder~~Participant's information do not create any obligation upon Duquesne Light, and Duquesne Light reserves the right to accept or reject any or all proposals received. Duquesne Light also reserves the right to amend, suspend, or terminate the ~~RFP~~ process at any time, without reason and without liability, and ~~makes no commitments, implied or otherwise, that this process will result in a business transaction with one or more bidders.~~ No contract or other binding obligation on Duquesne Light will be implied unless and until an agreement has been executed on terms and conditions acceptable to Duquesne Light. Duquesne Light also reserves the right to not execute agreements with any or all ~~bidders~~Participants should the Company determine, in its sole discretion, that such agreement would violate existing regulatory standards.

8.10 ~~7.12~~ **Non-conforming**Conforming Participant Applications and Bid Proposals. Duquesne Light reserves the right to reject any Participant Application or Bid Proposal at any time on the grounds that it does not conform to the terms and conditions of this ~~RFP~~ or the ~~bidder~~ has not complied with the provisions of this ~~RFP~~the Program, subject to the notice and opportunity to cure requirements of Section 3.5 and 4.6.

BIDDER PARTICIPANT APPLICATION**RECEIVED**

Name of Bidder <u>Participant</u> :			
Contact:		Title:	
E-mail:		Phone:	
Address:	City:	State:	Zip Code:
<u>INSTRUCTIONS</u> A signed and scanned original of the Opt-In EGS Service Program <u>Supplier Agreement</u> must be attached to Bidder <u>Participant</u>'s original Application. All terms used herein have the meaning set forth in Duquesne Light's Opt-In EGS Service Program Request for Proposals and <u>Rules and Opt-In Supplier Agreement</u>.			
As an officer or other authorized representative of the Bidder <u>Participant</u> , I certify that:			
(a) The Bidder <u>Participant</u> is fully certified by Duquesne Light to provide coordination services in compliance with the Supplier Tariff;			
(b) The Bidder <u>Participant</u> certifies that it has the financial resources to make a bonus payment under the offer of \$50.00 to all customers <u>each customer who enrolls</u> with them the Participant and who remain <u>remains</u> with the program <u>Program</u> for three <u>four</u> complete billing cycles.			
(c) <u>The Participant certifies that it has the capability to provide customers with three ways to accept its offer: (1) processing a response post card from the customer, included in the offer mailing, and pre-populated with as much customer information as possible; (2) through calls on a toll-free phone number provided by the Opt-In Supplier; and (3) through a website provided by the Opt-In Supplier.</u>			
<u>SIGNATURE OF AUTHORIZED REPRESENTATIVE</u>			
I am an officer or other authorized representative of the Bidder <u>Participant</u> and certify that all of the information and certifications in this Application are true and acknowledge that this submission constitutes acceptance and agreement to all terms of the RFP <u>Opt-In EGS Service Program Rules</u> .			
Signature:		Date:	
Name:		Title:	

Don't forget to attach signed and scanned original "Opt-In Supplier Agreement" to this Application.

OPT-IN EGS SERVICE PROGRAM SUPPLIER AGREEMENT

This Agreement ("Agreement") is made as of May 20, _____, 2013 (the "Effective Date"), by and between _____ ("Opt-In Supplier") and Duquesne Light Company, a public utility authorized to supply electric service in the Commonwealth of Pennsylvania ("Duquesne Light"). (each a "Party" and collectively the "Parties").

1. Definitions. All capitalized terms not otherwise defined herein shall have the meaning set forth in the Opt-In Electric Generation Supplier Service Program ~~Request for Proposals and Agreement Rules~~ issued by Duquesne Light on April 12, _____ 2013 (the "Program") and Duquesne Light's Electric Generation Supplier Coordination Tariff (the "Supplier Tariff").

- a) Duquesne Light is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal corporate office in Pittsburgh, Pennsylvania. Duquesne Light is an electric distribution company under Pennsylvania law and provides electric delivery service to approximately 585,000 retail customers in Southwestern Pennsylvania. Duquesne Light is also the default service provider in its service territory, and currently provides electric generation service to ~~more than 300,000 residential~~ Residential customers and Small C&I customers with annual peak loads less than 25 kW.
- b) Opt-In Suppliers are electric generation suppliers that submitted a bid ~~Participant Application to Duquesne Light's RFP, met and satisfied all of the Program requirements of the RFP and bid lower than or equal to the Clearing Price to become a qualified supplier in the Program.~~

2. Term. This Agreement shall commence on the Effective Date and shall remain in effect ~~through~~ until 45 days after the Opt-In Service Period (the "Term") unless terminated as provided in this Agreement.

3. Opt-In Enrollment Offer. In accordance with the Program, Duquesne Light shall mail a standardized offer letter for electric generation service to the Eligible Customers allocated to the Opt-In Supplier.

4. Fixed Price to Customers. In accordance with the Program, the Opt-In Supplier shall provide fixed-price competitive electricity supply (including all components of Duquesne Light's Price to Compare in its bid represented by Duquesne Light's price-to-compare) as an initial four-month fixed-price product with a price that is 5% lower than Duquesne Light's price-to-compare as of June 1, 2013 for the applicable rate schedule, followed by an eight-month fixed-price product for a total term of twelve consecutive billing cycles beginning on or after July 1, 2013 (the "Opt-In Service Period") to each customer that accepts its offer under the Program (an "Opt-In Supplier Customer") at the Clearing Price for the Opt-In Service Period.

4.5. Terms and Conditions. During the Term, the Opt-In Supplier agrees that: (a) all Opt-In Supplier billing for each Opt-In Supplier Customer will use Consolidated EDC Billing; (b) each ~~Opt-In Supplier customer~~ Customer shall have the option to return to Duquesne Light default service or to switch to another EGS, or to the Opt-In Supplier under a different ~~Opt-In Supplier offer~~, at any time and without incurring switching fees or other penalties; (c) only Duquesne Light shall be entitled to terminate service to Opt-In Supplier Customers for non-payment of EGS charges under the terms of Duquesne Light's approved Purchase of Receivables program in the Supplier Tariff; (d) in no event may an Opt-In Supplier discontinue service to an Opt-In Supplier Customer before the

end of the Opt-In Service Period; (e) the Opt-In Supplier shall provide written notice to the Opt-In Supplier Customer regarding any renewal and/or price change as required under the Supplier Tariff and/or Pennsylvania Public Utility Commission ("Commission") regulations, orders or Policy Statements and/or under the conditions of Section 15 of this Agreement; (f) an Opt-In Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders; and (g) the Opt-In Supplier shall abide by the other terms and conditions specified in the Opt-In EGS Service Program ~~RFP and Program~~ Rules.

5.6. Representations and Warranties of Opt-In Supplier. The Opt-In Supplier represents and warrants that, on the Effective Date and throughout the Term: (a) the Opt-In Supplier is fully certified by Duquesne Light to provide coordination services in compliance with the Supplier Tariff; ~~and~~ (b) the Opt-In Supplier certifies that it has the financial resources to make a bonus payment ~~under the offer~~ of \$50.00 to any and all customers who enroll with them and who remain with the ~~program for three complete billing cycles~~ Program for four complete billing cycles; and (c) the Opt-In Supplier certifies that it has the capability to provide customers with three ways to accept its offer: (1) processing a response post card from the customer, included in the offer mailing, and pre-populated with as much customer information as possible; (2) through calls on a toll-free phone number provided by the Opt-In Supplier; and (3) through a website provided by the Opt-In Supplier.

6.7. Termination. This Agreement may be terminated by Duquesne Light upon written notice of a material breach of this Agreement ~~or the Supplier Tariff~~ by the Opt-In Supplier.

7.8. Payment of Program Costs. ~~The Opt-In Supplier agrees to pay all costs of this Program incurred by Duquesne Light, including the service of the RFP Monitor, on a prorated basis with all other Opt-In Suppliers in the Program based on the Opt-In Supplier's awarded percentage share of Eligible Customers allocated to Each Opt-In Supplier shall be responsible for the product of: (1) \$1.00; and (2) the number of letters mailed by Duquesne Light to Eligible Customers on behalf of the supplier~~ Opt-In Supplier. Duquesne Light shall invoice the each Opt-In Supplier within thirty days of the Opt-In Supplier receipt of its allocated customer list letter allocation, with the amount due payable within thirty days of the date of the invoice. If an Opt-In Supplier fails to make the required payment, Duquesne Light may reduce the amount due to that Opt-In Supplier from that Opt-In Supplier's next Purchase of Receivable ("POR") payment by the Opt-In EGS Service Program amount due (but not from amounts that are subject to a bona fide POR payment dispute).

8.9. Limitations. Notwithstanding any provision of this Agreement or the Program, the Opt-In Supplier acknowledges that (a) the Opt-In Supplier has obtained certain benefits from participating in the Program, but that Duquesne Light has made no representation regarding the number of customers (if any) the Opt-In Supplier may obtain as a result of the Program, or the amount of electric load that will be required by such customers; (b) *Duquesne Light has no obligation to provide electric supply other than default service in accordance with the Pennsylvania Public Utility Code to any customer that may be served by the Opt-In Supplier in the event that the Opt-In Supplier no longer serves that customer for any reason*; and (c) the Opt-In Supplier waives any right to claim any loss of business, consequential damage or any monetary or other direct damages from Duquesne Light of any kind whatsoever arising from or relating to this Agreement or the Program.

9.10. Indemnification. The Opt-In Supplier shall indemnify, save and hold Duquesne Light harmless from and against any and all third party losses, costs, liabilities, damages and expenses (including, without limitation, attorneys' fees and expenses) incurred or suffered as a result of or in connection with the Opt-In Supplier's material breach of this Agreement, failure to comply with any applicable laws, or intentional, negligent or willful misconduct.

10.11. Consolidated EDC Billing. All Opt-In Suppliers will use consolidated EDC billing for customers that elect service under the Program.

11.12. Customer Switching Options. Each customer shall have the option to return to Duquesne Light default service or to switch to another EGS, or to the Opt-In Supplier under a different offer, at any time and without incurring switching fees or other penalties.

12.13. Bonus Payment Requirements. The Opt-In Supplier shall pay a fifty dollar (\$50.00) bonus payment to any and all customers who remain with the ~~program~~Program for ~~three~~four complete billing cycles as a condition for receiving the bonus.

- a) The bonus ~~payment~~ shall be in the form of a check to the customer name on the account ~~or a cash-equivalent gift card~~, and shall be mailed to the billing address for the account. ~~A gift card may be used by the Opt-In Supplier as the form of bonus payment to a customer only if the gift card is equivalent to cash, it does not have an expiration date for its usage, the Opt-In Supplier can track that the gift card has been sent to the customer and activated, and under no circumstance would a fee of any amount be incurred by the customer for using the gift card.~~
- b) All bonus ~~checks~~payments shall be mailed ~~within five business days~~shortly after the customer completes ~~three~~four complete billing cycles on the program, ~~and such that the customer receives the bonus payment before the end of the subsequent billing cycle.~~
- c) The Opt-In Supplier may not impose any additional requirements on the customer as a condition of receiving the bonus payment, ~~and the bonus payment cannot be tied to receiving service from the Opt-In Supplier after the four-month introductory period is completed.~~
- d) The Opt-In Supplier shall track the following information related to the payment of ~~the~~ bonus ~~checks~~payment, and shall provide this information to Commission Staff and/or the Office of Consumer Advocate ("OCA") for Residential customers and/or the Office of Small Business Advocate ("OSBA") for Small C&I customers, on a confidential basis, upon request: Customer Name; Address; Account Number; ~~Date~~date that the customer qualified to receive the bonus ~~check~~; ~~Date~~payment; form of bonus payment; ~~date~~ the bonus ~~check~~payment was mailed; and an indicator of whether the bonus check was cashed ~~or the extent to which the gift card was used by the customer.~~
- e) Within ~~three~~ten business days of satisfying all of its bonus payment obligations under the Program, the Opt-In Supplier shall provide written notice ~~(by email)~~ of such satisfaction to Duquesne Light at [_____@duqlight.com] ~~the Commission Staff, the OCA (for Residential customers) and the OSBA (for Small C&I customers).~~
- f) Any offers made by a customer's Opt-In Supplier to the customer to switch to another product before the completion of the ~~three~~four billing cycles required to qualify for the bonus ~~check~~payment shall include clear language explaining the risk of forfeiting the bonus ~~payment.~~
- g) The Opt-In Supplier shall have sole responsibility to make bonus payments. Duquesne Light has no liability to the customer for bonus payments if the Opt-In Supplier defaults on its obligation.

13.14. Service Termination. Only Duquesne Light shall be entitled to terminate service to customers for non-payment of EGS charges under the terms of its approved Purchase of Receivables program. In no event may an Opt-In Supplier discontinue service to a customer who accepted its offer under the Program before the end of the Opt-In Service Period.

~~14. Notice Requirements. All Opt-In Suppliers must mail two written notices to customers. An initial notice must be mailed 52-90 days before the end of the program, followed by a more detailed options notice which must be mailed at least 45 days before the end of the Opt-In Service Period. In that mailing, Opt-In Suppliers are required to clarify that customers: a) will remain with the Opt-In Supplier on a monthly product without any customer switching restrictions absent any customer action, or b) they can affirmatively elect to: (i) remain with the Opt-In Supplier under a new contract, (ii) switch to another EGS, or (iii) return to Duquesne Light's default service rate. The second notice must include the new terms and conditions, pricing and a date by which the customer must take action, as determined by the Commission's rules, orders and regulations.~~
15. Notice Requirements. All Opt-In Suppliers must comply with all applicable notice requirements of the Pennsylvania Public Utility Commission.

~~15.16. Change in Rules, Regulations, Tariffs.~~ Notwithstanding any language in the Supplier Tariff to the contrary, an Opt-In Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders.

~~16.17. Other Provisions.~~ This Agreement and the RFP attached hereto represents the entire agreement between Duquesne Light and Opt-In Supplier. ~~The RFP is specifically incorporated into this Agreement and made a part thereof. No and no~~ amendment of this Agreement ~~or the RFP~~ will be valid unless in writing and signed by representatives of both parties. ~~In the event of any inconsistency between this Agreement and the RFP, the Agreement shall control.~~ Each party Each Party represents that this Agreement is a legally valid and binding obligation enforceable against it in accordance with its terms, and that the execution, delivery and performance of this Agreement are within its powers and have been duly authorized by all necessary action and do not violate any terms and conditions in its governing documents, any contracts to which it is a party, or any applicable law, rule, regulation or order. ~~Opt-In Supplier~~ Neither Party may not assign this Agreement without ~~Duquesne Light's consent of the other Party, not to be unreasonably withheld.~~ All notices required under this Agreement shall be provided to the parties and addresses listed directly below or to such other address as either party may designate from time to time by providing written notice to the other ~~party~~ Party. Nothing in this Agreement is intended to convey benefits, rights or remedies to any person other than Opt-In Supplier and Duquesne Light, and no third party shall have the right to enforce the provisions of this Agreement, except that the Commission may enforce the provisions of this Agreement, the Program, the Supplier Tariff and any provision of the Pennsylvania Public Utility Code or Commission regulations applicable to this Agreement. This Agreement is not intended to create any partnership or joint venture between Duquesne Light and the Opt-In Supplier, and neither ~~party~~ Party shall have the power to bind or obligate the other ~~party~~ Party. In the event that any provision of the Agreement shall be found to be void or unenforceable, such findings shall not be construed to render any other provision either void or unenforceable, and all other provisions shall remain in full force and effect unless the provisions which are void or unenforceable shall substantially affect the rights or obligations granted to or undertaken by either ~~party~~ Party. This Agreement shall be construed according to the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws provisions. Venue and jurisdiction shall be in Pittsburgh, PA. In the event of any conflict between this Agreement, the Program, and the Supplier Tariff, this Agreement shall be controlling.

Duquesne Light Company

[OPT-IN SUPPLIER]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Duquesne Light Company
c/o [____],
[__ floor]
411 Seventh Avenue
Pittsburgh, PA 15219
Phone:
Fax:
Email:

Title: _____

[Company Name]
[Address]

Phone:
Fax:
Email:

MAR 11 2013

PA PUBLIC UTILITY COMMISSION Attachment 2
SECRETARY'S BUREAU

BID-
OPT-IN SUPPLIER LETTER ALLOCATION PREFERENCES (PROPOSAL-FORM)

(not to be submitted with Bidder Participant Application)

<u>Legal Name of Participant:</u>	
<u>Fixed Price for initial four monthly billing cycle periods:</u>	<u>95% of Applicable June 2013 Duquesne Light PTC by Rate Schedule.</u>
<u>Opt-In Supplier Letter Allocation Preferences (CHECK ONE):</u>	
<input type="checkbox"/>	<u>We do not wish to participate in the Residential Opt-In EGS Service Program</u>
<input type="checkbox"/>	<u>No specified maximum</u>
<input type="checkbox"/>	<u>Potential Maximum _____ (#) of Customers to which the Opt-In Supplier is willing to have Duquesne Light mail a letter on its behalf under the Residential Program (specify maximum)</u>
<u>Note: No single supplier shall be permitted to enroll more customers than 50% of the number of Residential letters allocated to that Opt-In Supplier. The Potential Maximum Number of Customers Enrolled for each Opt-In Supplier will depend on the number of participating Opt-In Suppliers, among other things.</u>	
<u>SMALL C&I OPT-IN EGS SERVICE PROGRAM</u>	
<u>Fixed Price for initial four monthly billing cycle periods:</u>	<u>95% of Applicable June 2013 Duquesne Light PTC by Rate Schedule</u>
<u>Opt-In Supplier Letter Allocation Preferences (CHECK ONE):</u>	
<input type="checkbox"/>	<u>We do not wish to participate in the Small C&I Opt-In EGS Service Program</u>
<input type="checkbox"/>	<u>No specified maximum</u>
<input type="checkbox"/>	<u>Potential Maximum _____ (#) of Customers to which the Opt-In Supplier is willing to have Duquesne Light mail a letter on its behalf under the Small C&I Program (specify maximum)</u>
<u>Note: No single supplier shall be permitted to enroll more customers than 50% of the number of Small C&I letters allocated to that Opt-In Supplier. The Potential Maximum Number of Customers Enrolled for each Opt-In Supplier will depend on the number of participating Opt-In Suppliers, among other things.</u>	
<u>I hereby certify that I am an officer of the Participant named above and submit this Proposal on behalf of the Participant. By submitting this Proposal, Participant acknowledges and accepts all terms of Duquesne Light's Program Rules dated [_____, 2013].</u>	
By: _____ (signature) Name: _____ Title: _____	Date: _____

NOTE: Once qualified, all Applicants must complete this form to become an Opt-In Supplier.

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Attachment 3

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Illustrative Example of Opt-In EGS Service Program Customer Eligibility and Allocation of Customer Letters
(Residential Customers)

Legal Name of Bidder:		
Duquesne Light Company's Price To Compare ("PTC"): (June 1, 2013 – May 31, 2014)		_____ (cents/kWh) ⁴
<p>Bid Price. The price in all Bid Proposals must be a fixed price in cents per kWh. The bidder must commit to be ready and willing to serve a residential customer for a twelve month period under the terms and conditions of the Program.</p> <p>Maximum Bid Price. Each bid, expressed as a fixed price must provide a 5% or more percentage discount off Duquesne Light's PTC that will become effective June 1, 2013 (shown above). As a result, the Maximum Bid Price is [_____] (¢/kWh).</p> <p>Minimum and Maximum Bid Quantities. Bidders must bid to serve a minimum of 1 tranche (10%) of eligible default service residential customers, and may not bid to serve more than 5 tranches (50%) of the eligible default service residential customers.</p> <p>Multiple Bids. A bidder may submit up to five bids at different prices, all, some, a portion or none of which may be accepted by Duquesne Light.</p>		
	Bid Quantity (# of Tranches) [Maximum = 5 (50%), Minimum = 1 (10%)]	Fixed Price (¢/kWh) [for 12 consecutive customer billing cycles]
Bid-1	_____ tranche(s)	@ _____ ¢/kWh for Bid-1 tranche(s)
Bid-2	_____ (optional)	@ _____ ¢/kWh for Bid-2 tranche(s) (optional)
Bid-3	_____ (optional)	@ _____ ¢/kWh for Bid-3 tranche(s) (optional)
Bid-4	_____ (optional)	@ _____ ¢/kWh for Bid-4 tranche(s) (optional)
Bid-5	_____ (optional)	@ _____ ¢/kWh for Bid-5 tranche(s) (optional)
Total	_____ (total not to exceed 5)	(All bid prices above must be equal to or less than the Maximum Bid Price.)

⁴The PTC includes Supply and Transmission Service Charges (including Gross Receipts Tax ("GRT") at 5.9%. The PTC also includes part 2 of the State Tax Adjustment Surcharge ("STAS") (Rider No. 10), which appears as a separate line item on Duquesne Light's customer bill to adjust for changes in GRT. This rider is currently set at 0.000% but could increase or decrease if the GRT is adjusted in the future. The STAS applies to all portions of the customer bill, including the supply and transmission charges included in the PTC, as they may change from time to time.

I hereby certify that I am an officer or other authorized representative of the Bidder named above and submit this Bid Proposal on behalf of the Bidder. By submitting this Bid Proposal, Bidder acknowledges and accepts all terms of Duquesne Light's Request for Proposal dated [May __, 2013].

By: _____ Name: _____ Title: _____	Date: _____
--	-------------

	Residential Customer Accounts	% of Total Customer Accounts					
Total Residential	526,423	100%					To Be Updated
- Currently Shopping	190,219	36%					To Be Updated
- CAP Customers on Default Service	37,280	7%					To Be Updated
Eligible Customers who will receive mailing from Duquesne Light	298,924	57%					
Customer Participation Cap (50%) _1/	149,462						
Opt-In Suppliers = 5	EGS A	EGS B	EGS C	EGS D	EGS E	T	
Opt-In Supplier Maximum Number of Letters (Submitted in Proposals) _2/	None	100,000	160,000	40,000	20,000		
Opt-In Supplier Maximum Number of Letters (Submitted in Proposals) _3/	298,924	100,000	160,000	40,000	20,000	618	
Allocated Customer Letters (Letters sent on behalf of each Opt-In Supplier)	79,641	79,641	79,641	40,000	20,000	298	
Opt-In Supplier Allocation Share	26.6%	26.6%	26.6%	13.4%	6.7%	100	
Opt-In Supplier Enrollment Cap (=Customer Participation Cap)	39,821	39,821	39,821	20,000	10,000	149	
COST RECOVERY	EGS A	EGS B	EGS C	EGS D	EGS E		
Fixed Cost Per Letter Allocated to Opt-In Supplier	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$	
Costs for Residential Opt-In Program to be Collected Using Some Other Cost Recovery Method						<input type="checkbox"/>	

_1/ Default service customers can enroll in the Opt-In EGS Service Program on a first-come, first-served basis.
 _2/ Opt-In Suppliers would not be permitted to specify a maximum in excess of the letters being mailed by Duquesne Light.
 _3/ If no maximum is specified, it is assumed the Opt-In Supplier would allow Duquesne Light to mail letters on its behalf to all customers eligible to receive a letter.
 Note: A similar table would be prepared for Small C&I customers.

Document comparison by Workshare Compare on Monday, March 11, 2013
12:12:15 PM

Input:	
Document 1 ID	interwovenSite://DMS/ACTIVE/10537253/1
Description	#10537253v1<ACTIVE> - Original Opt-In EGS Service Program
Document 2 ID	interwovenSite://DMS/ACTIVE/10535312/1
Description	#10535312v1<ACTIVE> - DLC POLR VI - Appendix B Opt-In EGS Service Program documents
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	491
Deletions	419
Moved from	9
Moved to	9
Style change	0
Format changed	0
Total changes	928

Appendix C

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SWITCH AND SAVE 5% AND GET \$50



Date

<Customer Name>
<Address 1>
<Address 2>
<City>, PA <Zip>

For Service to:
<Street Address>
<Address>
<City, State, Zip>

**Switch and Save 5% and Get \$50 from <Supplier Name>
See Below for Details!**

Dear <Customer Name>,

Did you know that you can purchase your electricity from a competitive electric generation supplier? For a limited time only, <Supplier Name> will offer select Duquesne Light customers a 5% discount on Duquesne Light's June 2013 Price to Compare (PTC), of <x.xx> per kWh. You can take advantage of this exciting offer from <Supplier Name> by signing up for Duquesne Light's *Switch and Save Program*.

Your introductory price will remain fixed for four months, but space is limited. You must sign up and be enrolled in the program by July 30, 2013. If you stay with the program for four complete months, you will receive a *\$50 bonus from <Supplier Name>. Before the four months expire, <Supplier Name> will offer you another fixed-price offer that is good for the next eight months. You have the option to choose another offer from <Supplier Name>, choose to purchase from a different competitive electric-generation supplier or you can purchase your electric supply from Duquesne Light.

If you choose the *Switch and Save Program*, you can change electric-generation suppliers at any time during the initial four month period or during the eight-month period – *with no fees or penalties to switch from this program*. But, no matter which supplier you choose to provide you with electricity, Duquesne Light will continue to deliver electricity safely, provide billing and customer support and respond to outages and other emergencies for all customers in our territory.

You can enroll in one of three easy ways; simply return the form below in the enclosed postage paid envelope, or contact <Supplier Name> at <xxx-xxx-xxxx> or visit www.<Supplier.com>.

NOTE: Duquesne Light acknowledges that some customers have placed a restriction on the release of their account information. You are receiving this Pennsylvania Public Utility Commission directed mailing as information about the available savings for this program offering. Duquesne Light respects the customer's right restrict release of information until otherwise directed by the customer.



Duquesne Light Company Switch and Save Program

For information, call <Supplier Name> at <xxx-xxx-xxxx> or visit www.<Supplier.com>

<Account Number>
<Customer Name>
<Address 1>
<Address 2>
<City>, PA <Zip>

<Supplier Name>
<Address 1>
<Address 2>
<City, State, Zip>

YES I want to take advantage of the Switch and Save Program and purchase my electricity from <Supplier Name>

*This program is approved by the Pennsylvania Public Utility Commission (PUC). Customers accepting this offer will be purchasing the electricity they use from <Supplier Name> at X.XX cents per kWh. This rate will reflect a 5% discount off Duquesne Light Company's June 2013 Price to Compare (PTC). This introductory price will not change for the first four billing periods. *Customers must stay with the introductory program for four complete months to receive a \$50 bonus from <Supplier Name>.*

Appendix D

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Standard Offer Program Summary

Program Basics

- **Term of Program:** The Program will be offered each month beginning August 1, 2013, through May 31, 2015, the end of Duquesne Light's Default Service Plan VI period (unless subsequently extended by the Company with Commission approval).
- **Standard Offer Product:** a fixed price, in cents per kilowatt-hour, for electric generation service spanning twelve consecutive billing cycles, that is seven percent lower than the Duquesne Light default service PTC in effect at the time of the offer for the rate schedule applicable to the eligible customer.
- **Eligible Customers:** Residential and Small C&I (<25 kW) customers. CAP customers are not currently eligible to participate in the Program but will be in the future per applicable Commission orders.

Customer Referrals and Enrollment

- Duquesne Light will present the Standard Offer to:
 - Any non-shopping eligible customer who calls Duquesne Light with:
 - New or mover request;
 - High bill complaint; or
 - Inquiry about customer choice.
 - Any eligible customer who becomes aware of the program through other means and expresses interest.
- Each interested eligible customer will be transferred to a Standard Offer Supplier of his/her choosing, or to a Standard Offer Supplier chosen by Duquesne Light in a fair and impartial manner.
- Upon receiving the call, the Standard Offer Supplier will present to the customer the terms and conditions of the Standard Offer.
- The Standard Offer Supplier will enroll eligible customers who request to be enrolled, by submitting a switching request via the appropriate EDI transaction to Duquesne Light for that customer.
- Each Standard Offer Supplier will send a sales agreement, which meets all Commission regulations and includes the terms and conditions of the Standard Offer, to the customer no later than three business days after sending the EDI enrollment transaction.
- Standard Offer Suppliers may participate in the Residential Standard Offer Program, the Small C&I Standard Offer Program, or both Standard Offer Programs.

Other Terms and Conditions

- Standard Offer Suppliers must submit a completed Standard Offer Supplier Application to Duquesne Light and must execute the Standard Offer Supplier Agreement.
- Duquesne Light will activate Standard Offer Suppliers for whole calendar months.
- There are no switching fees or other penalties associated with the Standard Offer.
- Any Standard Offer Customer who is enrolled with a Standard Offer Supplier and who does not make an affirmative election with regard to his/her supply service effective at the end of the

twelve billing cycles associated with the Standard Offer will be provided service by the Standard Offer Supplier in the form of a monthly product without any customer switching restrictions.

- After the Program terminates or the Standard Offer Supplier exits the Program, any customer already enrolled in the Program with the Standard Offer Supplier will be eligible to continue to receive service from the Standard Offer Supplier according to the terms and conditions of the Agreement throughout that customer's entire twelve billing cycles.
- All Standard Offer Supplier billing for each Standard Offer Customer shall be Consolidated EDC Billing.
- Duquesne Light will assist each Standard Offer Supplier's call center in determining the appropriate approach for identifying any transferred call under the Standard Offer Program as a "Duquesne Light Standard Offer Call."

Cost Recovery

- Each Standard Offer Supplier will be charged a Customer Acquisition Fee, which will be applied to the sum of: (a) the number of EDI transactions submitted by the Standard Offer Supplier to Duquesne Light for the Standard Offer; and (b) the number of EDI transactions submitted by the Standard Offer Supplier to Duquesne Light for any other service (that is not the Standard Offer) corresponding to customers which Duquesne Light referred to the Standard Offer Supplier at any time during the five-business-day period prior to the EDI transaction being submitted for the customer.
 - From August 2013 through August 2014, the Customer Acquisition Fee shall be \$25 per EDI transaction.
 - Effective September 2014, the Customer Acquisition Fee shall be revised based on cost and enrollment experience through June 2014, but the revised Customer Acquisition Fee shall not be greater \$30 per EDI transaction.
- All other program costs will be recovered through a non-bypassable charge on Residential and Small C&I customers.

Appendix E

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Duquesne Light Company

Standard Offer Customer Referral Program Rules

(Including Standard Offer Supplier Application and Agreement)

March 11, 2013

STANDARD OFFER CUSTOMER REFERRAL PROGRAM RULES

ARTICLE 1 INTRODUCTION

- 1.1 **Program Overview.** Duquesne Light Company ("Duquesne Light" or the "Company") is soliciting electric generation suppliers ("EGSs") to provide competitive retail service to Residential and Small Commercial and Industrial ("Small C&I") customers under a customer referral program with uniform terms and conditions.¹ EGSs participating in this program (the "Standard Offer," "Standard Offer Program," or "Program") will offer fixed prices to Residential and Small C&I customers for service spanning twelve consecutive billing cycles. Participating EGSs may elect to make offers only to Residential customers, only to Small C&I customers, or to both customer classes. This document ("Program Rules") describes the process by which EGSs may qualify and submit applications, the rules with which each accepted Standard Offer supplier ("Standard Offer Supplier") must comply, and the standard terms and conditions for service provided by the Standard Offer Supplier under this Program. The Standard Offer Program will begin August 2013 subject to the terms and conditions herein.
- 1.2 **Application.** Participating EGSs must qualify by submitting an application ("Standard Offer Supplier Application" or "Application") to Duquesne Light demonstrating their qualifications to become a Standard Offer Supplier as described in Section 3.1 and Section 3.2. These qualifications include a current EGS license issued by the Pennsylvania Public Utility Commission ("the Commission") and the ability to comply with provisions of Duquesne Light's Electric Generation Supplier Coordination Tariff ("Supplier Tariff"). As part of the qualifying process, the Applicant will be required to execute a "Standard Offer Supplier Agreement" in which the Applicant agrees to various requirements.
- 1.3 **Fixed Price to Customers.** In the Standard Offer Supplier Agreement, the Applicant agrees to offer interested customers who are eligible for the Program a fixed price ("Standard Offer Price"), in cents per kilowatt-hour, for electric generation service (including all components represented by Duquesne Light's Price-to-Compare) spanning twelve consecutive billing cycles (the "Standard Offer Period"). In the Standard Offer Supplier Application, the Applicant may elect to make offers only to eligible Residential customers, only to eligible Small C&I customers, or to eligible customers within both customer classes. The fixed price to be offered to a given Residential or Small C&I customer by the Applicant must be seven percent (7%) lower than the Duquesne Light default service "Price-to-Compare" ("PTC") in effect at the time of the offer for the rate schedule applicable to that customer.² For example, an EGS could submit an Application in July 2013 to participate in the Program beginning in August 2013. If an EGS qualifies and participates in the Program starting in August 2013, then the price offered to a given customer by that EGS during August 2013 under the Program must be 7% lower than the

¹ Residential customers are defined as those customers on rate schedules RS, RA, and RH. Customer Assistance Program ("CAP") customers are not currently eligible to participate in the Program but will be in the future per applicable Pennsylvania Public Utility Commission orders. Small C&I customers are defined as non-Residential customers on rate schedules GS, GM, and GMH with annual peak loads less than 25 kW.

² The PTC for each applicable rate schedule will be calculated on a cents per kWh basis for an average customer in that rate schedule.

PTC in effect during August 2013 for the rate schedule applicable to that customer. If that EGS continues to participate in the Program in September 2013, then the price offered to a new customer by that EGS during September 2013 under the Program must be 7% lower than the PTC in effect during September 2013 for the rate schedule applicable to that customer. Duquesne Light's PTC for each rate schedule within the Residential and Small C&I customer classes will be made available as required by Commission regulations. Once a customer is enrolled in the Program and therefore becomes a "Standard Offer Customer" with a Standard Offer Supplier, that Standard Offer Supplier must continue to provide that customer with service at the same fixed price until the end of the twelve consecutive billing cycles corresponding to that customer's Standard Offer Period or the time in which the customer switches to a different service offering, whichever is earlier.

1.4 **Standard Offer Supplier Entry and Exit from the Program.** Although Applications may be submitted at any time, Duquesne Light will activate Standard Offer Suppliers only for whole calendar months. An Applicant must be deemed qualified by Duquesne Light at least ten business days before the first day of the next calendar month in order to be approved as a Standard Offer Supplier for that month. Similarly, a Standard Offer Supplier may request removal from the list of Standard Offer Suppliers upon written notice to Duquesne Light received at least ten business days before the first day of the next calendar month. Absent a request to be removed from the list, Standard Offer Suppliers will continue to be listed from month to month. The Commission has approved the procedures and Program Rules described in this document by order dated [____], 2013, in Pa. PUC Docket No. P-2012-2301664. Applicants are strongly urged to review the Program Rules and attached Standard Offer Supplier Application and Standard Offer Supplier Agreement, and to consult with counsel regarding the Program requirements and obligations under this Agreement.

1.5 The following documents are attached:

- Standard Offer Supplier Application
- Standard Offer Supplier Agreement

ARTICLE 2 SCHEDULE AND STANDARD OFFER SUPPLIER INFORMATION

2.1 **Program Schedule.** Below are significant dates each month (the "Program Schedule") for the Standard Offer Program. The time for each deadline on each specified date is 4:00 pm Eastern Prevailing Time (EPT). *Duquesne Light reserves the right to modify these dates at its discretion.*

Determination of June 2013 Duquesne Light PTCs ³	May 16, 2013
Standard Offer Overview and Technical Conference; Duquesne Light to Provide Estimate of Costs	June __, 2013
Standard Offer Application Due Date ⁴	At least twenty business days before the start of a Standard Offer Month
Notification of Standard Offer Qualifications	At least ten business days before the start of a Standard Offer Month
Standard Offer Month	Calendar month
Commencement of Supply by Standard Offer Supplier	Based on the date in which the enrolled customer elected EGS service under the Program and the first billing cycle thereafter for which commencement of service can begin per the Supplier Tariff
Standard Offer Supplier Reports to Duquesne Light	Within 10 business days after each calendar month
Completion of Standard Offer Supply Pursuant to the Program	Once 12 billing cycles are completed for each Standard Offer Customer
Standard Offer Supplier Exit from the Program	At least ten business days before the start of a Standard Offer Month

2.2 **Application Overview and Technical Conference.** Duquesne Light will conduct a web conference in June 2013 to outline the Standard Offer Program, including the Application process. Duquesne Light will notify all registered EGSs of the technical conferences by EGS bulletin and by email to the PUC/OCMO distribution list. Potential Applicants are urged to review the Program Rules, including the attached Standard Offer Supplier Application and Standard Offer Supplier Agreement, prior to the web conference. Duquesne Light will answer questions raised at this web conference to the extent possible. Any party wishing to participate in this web conference must send an email to dlc_ssc@duqlight.com with the subject line "Standard Offer Program." Duquesne Light will provide participation information for the web conference by return e-mail.

2.3 **Applicant Inquiries.** Before the web conference, Applicants may submit questions to Duquesne Light via electronic mail dlc_ssc@duqlight.com. To the extent possible, questions submitted prior to the web conference will be addressed by Duquesne Light at the conference. Additional questions submitted to Duquesne Light shall be posted with answers on the Company's website. The person or company submitting the question shall

³ Duquesne Light also will post estimated June 2013 Duquesne Light PTCs in accordance with Commission requirements.

⁴ EGSs must submit an application to Duquesne Light demonstrating their qualifications to become a Standard Offer Supplier once, not each and every month. However, EGSs are required to inform Duquesne Light of any changes that would result in the EGS no longer being qualified to be a Standard Offer Supplier.

not be identified. While Duquesne Light will review and attempt to answer questions in good faith, Duquesne Light reserves the right not to answer any question. The conference and this Applicant inquiry procedure are the exclusive methods for inquiring about this Program, and questions submitted to individual Duquesne Light employees or the Company by other means will not be answered.

- 2.4 **Informational Website and Updates.** Duquesne Light has established a website – <http://supplier.customer-choice.com/> – for electronic copies of Program materials, posting of questions and answers, and other updates on the Standard Offer Program. Applicants are encouraged to review this website regularly. In its sole discretion, Duquesne Light will endeavor to provide e-mail notification of important website updates to qualified Applicants.

ARTICLE 3 STANDARD OFFER SUPPLIER QUALIFICATION

- 3.1 **Standard Offer Supplier Application.** In order to qualify as a Standard Offer Supplier, an Applicant must submit an Application for approval by Duquesne Light using the attached Standard Offer Supplier Application. All Applications shall be submitted by email to the submission address specified in Section 5.3. Applications which are incomplete, do not conform to the form attached hereto, or otherwise do not satisfy all requirements of the Program Rules shall not be considered. Submission of a Standard Offer Supplier Application constitutes an Applicant's agreement to and acceptance of all terms and conditions of the Program Rules.
- 3.2 **Standard Offer Supplier Qualifications.** In order to qualify to participate in the Program, an Applicant must demonstrate and document in the Application that it satisfies the following criteria (the "Standard Offer Supplier Qualifications"):
- (a) The Applicant is fully certified by Duquesne Light to provide coordination services in compliance with the Supplier Tariff; and
 - (b) The Applicant will abide by all Standard Offer Program Rules and procedures.
- 3.3 **Standard Offer Supplier Agreement.** Each Applicant must also execute a Standard Offer Supplier Agreement in the form included in the Standard Offer Supplier Application at the time of submission of the Application.
- 3.4 **Additional Information.** Duquesne Light may, but is not obligated to, request additional information and materials from any Applicant for evaluation of an Application. Information submitted by an Applicant absent a request by Duquesne Light which is not in the nature of a correction or clarification to the Application will not be considered by Duquesne Light. If any information in an Application or Standard Offer Supplier Agreement is no longer true, the Applicant shall immediately notify Duquesne Light of the changed information. Failure to provide such notification or respond to a request for additional information and materials may result in disqualification of the Applicant and rejection of its Application.

- 3.5 **Prior Qualification.** An Applicant who has previously qualified under the Standard Offer Program is not required to submit a second Application for succeeding months, but must inform Duquesne Light of any change in its status or ability to satisfy the qualification requirements as provided in Section 3.2. An Applicant who has previously qualified under the Standard Offer Program need not execute a new Standard Offer Supplier Agreement unless requested by Duquesne Light. In order for an Applicant, who has previously qualified under the Standard Offer Program, to change the combination of customer classes to which it agrees to make offers under the Standard Offer Program starting at the beginning of an upcoming calendar month, it must provide written notice to Duquesne Light received at least ten business days before the first day of that calendar month.
- 3.6 **Application Evaluation and Notification of Applicants.** Duquesne Light will evaluate each Application using a standard protocol for its completeness and satisfaction of the Standard Offer Supplier Qualifications. Duquesne Light will provide each Applicant with notice of its satisfaction or failure to satisfy the Standard Offer Supplier Qualifications by the date for Notification of Standard Offer Supplier Qualification set forth in the Program Schedule. In the notice of failure to satisfy the Standard Offer Supplier Qualifications, Duquesne Light shall inform each Applicant of any deficiency in its Application, which will result in disqualification of the Applicant if such deficiency is not remedied within two business days after written notice.
- 3.7 **Duquesne Light Affiliates.** Affiliates of Duquesne Light who satisfy the Standard Offer Supplier Qualifications are permitted to submit Applications and to participate in this Program to the same extent as any other entity.

ARTICLE 4 CUSTOMER ENROLLMENT

- 4.1 **Available Standard Offer.** For any given rate schedule within a customer class to which the Standard Offer Supplier has agreed to make offers under the Standard Offer Program, the Standard Offer Supplier must offer a uniform price to all customers eligible for the Program within that rate schedule: a fixed price in cents per kWh, for twelve consecutive billing cycles, that is 7% lower than the PTC in effect at the time of the offer for the applicable rate schedule. The Standard Offer Supplier shall not reject any customer who is eligible for the Program, who was referred to the Standard Offer Supplier (as described in Section 4.2 of the Program Rules), who requests to enroll in the Program, and who is within a customer class to which the Standard Offer Supplier has agreed to make offers under the Standard Offer Program.
- 4.2 **Customer Referrals.** Duquesne Light will present the Standard Offer to non-shopping Residential and Small C&I customers who are eligible for the Program and who call Duquesne Light with a (a) new or mover request; (b) high bill complaint; or (c) inquiry about customer choice. Duquesne Light also will present the Standard Offer to eligible Residential and Small C&I customers who become aware of the Program through other means, and express interest in Program participation. If any Residential or Small C&I customer who is eligible for the Program, including a shopping customer, states that

he/she is interested in enrolling in the Program or in learning more about the Program in order to make a decision whether or not to be enrolled, then Duquesne Light will transfer the call to the call center of the Standard Offer Supplier with whom the customer states that he/she is considering being enrolled. If a customer does not choose a specific Standard Offer Supplier to which to be transferred, then Duquesne Light will refer the customer to a Standard Offer Supplier and transfer the call to that Standard Offer Supplier. Customers will be referred to participating Standard Offer Suppliers in a fair and impartial manner. If the customer is currently shopping, Duquesne Light will suggest that the customer contact their current supplier prior to proceeding. Duquesne Light will maintain a list of current Standard Offer Suppliers for each calendar month. Standard Offer Suppliers will initially be listed randomly. If a customer does not choose a specific Standard Offer Supplier, Duquesne Light will transfer a customer interested in the Program to the Standard Offer Supplier on the top of the list and that Standard Offer Supplier shall move to the bottom of the list for subsequent customer referrals. Two separate lists will be maintained by Duquesne Light, one for Standard Offer Suppliers who have agreed to make offers to eligible Residential customers, and one for Standard Offer Suppliers who have agreed to make offers to eligible Small C&I customers. Any call that is transferred by Duquesne Light as described above is considered to be a customer "referral." Upon receiving any call that is transferred by Duquesne Light to the Standard Offer Supplier per the Program, the Standard Offer Supplier shall present to the customer the terms and conditions of the Standard Offer, including the pricing and other terms of service for the initial 12-consecutive-month billing cycle period, how the terms may change after the initial 12-month period, and the date by which the customer must take action to exercise his or her options at the end of the Standard Offer Period.

- 4.3 **Customer Enrollment.** The Standard Offer Program is voluntary for customers. Standard Offer Suppliers will enroll customers in the Program. A customer cannot be enrolled with a Standard Offer Supplier under the Program unless the customer is eligible for the Program and the customer has requested to be enrolled with that Standard Offer Supplier. In order to enroll a customer, a Standard Offer Supplier must submit a switching request via the appropriate EDI transaction to Duquesne Light for that customer. Standard Offer enrollment will adhere to the Company's meter reading schedule and will follow the switching protocols in the Company's Supplier Tariff and Electric Service Schedule of Rates Tariff.
- 4.4 **Customer Sales Agreement Upon Enrollment.** Each Standard Offer Supplier shall send a sales agreement, which meets all Commission regulations and includes the terms and conditions of the Standard Offer, to the customer no later than three business days after sending the EDI enrollment transaction. The sales agreement will provide the terms of service for the initial 12-consecutive-month billing cycle period and also provide information about how the terms may change after the initial 12-month period. This shall include the date by which the customer must take action to exercise his or her options at the end of the term.
- 4.5 **Enrollment and Program Reports to Commission.** In order to monitor the success of the Standard Offer Program, Duquesne Light will produce two confidential reports, and each will be submitted to the Commission, the Office of the Consumer Advocate, and the Office of the Small Business Advocate. The first report will be submitted within 45 days

after Duquesne Light has operated the program for twelve months. The second report will be submitted by July 15, 2015. In order to obtain statistics to prepare these reports, each Standard Offer Supplier shall provide information on a monthly basis within 10 business days after the completion of each calendar month in the form of electronic reports to Duquesne Light, including, for each calendar month, information pertaining to the number of calls transferred to the Standard Offer Supplier from Duquesne Light under the Program, the number of EDI transactions for the Standard Offer, the number of EDI transactions for non-Standard Offer service corresponding to customers which Duquesne Light referred to the Standard Offer Supplier at any time during the five-business-day period prior to the EDI transaction being submitted for the customer (as described in Section 5.2 of the Program Rules), the total number of customers being served under the Standard Offer, the number of customers who switched off of the Standard Offer before the customer's Standard Offer Period had expired, the number of customers whose Standard Offer Period expired, and the number of such customers who did not make an affirmative service election for the period starting after the expiration of their Standard Offer Period. Each of these numbers shall be reported separately by rate schedule. In each of its two confidential reports to the Commission, Duquesne Light will summarize this information and also will include a summary of the costs that it incurred to develop and administer the Standard Offer Program. Standard Offer Suppliers must cooperate with Duquesne Light in the preparation of its reports to the Commission. Duquesne Light will provide a template for this reporting to facilitate compilation of data. Failure to comply with reporting requirements will lead to the loss of eligibility to participate in Duquesne Light's Program.

- 4.6 **Standard Offer Referral Term and Limitations.** The Standard Offer Program will be offered each month beginning August 1, 2013, through May 31, 2015, the end of Duquesne Light's Default Service Plan VI period (unless subsequently extended by the Company with Commission approval). However, after the Program terminates, any customer already enrolled in the Program with a Standard Offer Supplier will be eligible to continue to receive service according to the terms and conditions of the Program throughout that customer's entire Standard Offer Period.

ARTICLE 5 OTHER TERMS AND CONDITIONS

- 5.1 **Agreement to Terms and Conditions.** By submitting an Application, the Standard Offer Supplier agrees to abide by the terms and conditions contained in the Program Rules and the Standard Offer Supplier Agreement, and to implement these terms and conditions in the contracts with the customers that the Standard Offer Supplier gains through this Program.
- 5.2 **Program Costs.** Each Standard Offer Supplier shall be charged a fee ("Customer Acquisition Fee") that will be applied to the sum of: (a) the number of EDI transactions submitted by the Standard Offer Supplier to Duquesne Light for the Standard Offer (as described in Section 4.1 of the Program Rules); and (b) the number of EDI transactions submitted by the Standard Offer Supplier to Duquesne Light for any other service (that is not the Standard Offer) corresponding to customers which Duquesne Light referred to the

Standard Offer Supplier (as described in Section 4.2 of the Program Rules) at any time during the five-business-day period prior to the EDI transaction being submitted for the customer. For EDI transactions submitted between August 1, 2013, and August 31, 2014, the Customer Acquisition Fee shall be \$25 per EDI transaction. Effective September 1, 2014, the Customer Acquisition Fee shall be revised. The revised fee shall not be less than \$0 per EDI transaction, shall not exceed \$30 per EDI transaction, and otherwise shall be calculated as: (1) the costs of the Program incurred by Duquesne Light through June 2014, divided by (2) the number of applicable EDI transactions through June 2014 across all Standard Offer Suppliers. Amounts due are payable within thirty days of the date of the invoice. If a Standard Offer Supplier fails to make the required payment, Duquesne Light may reduce the amount due to that Standard Offer Supplier from that Standard Offer Supplier's next Purchase of Receivable ("POR") payment by the Standard Offer Program amount due (but not from amounts that are subject to a bona fide POR payment dispute).

- 5.3 **Address for Submissions.** All submissions to Duquesne Light for this Program, unless otherwise communicated at a technical conference and subsequently posted to <http://supplier.customer-choice.com/>, shall be delivered via email to the following address: dlc_ssc@duqlight.com.
- 5.4 **No Unauthorized Modifications.** No interpretation or change to the Program Rules or Standard Offer Supplier Agreement shall be valid unless it is signed by a duly authorized representative designated by an Officer of Duquesne Light.
- 5.5 **Ownership of Program Materials.** All materials submitted to Duquesne Light pursuant to this Program shall be the property of Duquesne Light.
- 5.6 **Presentation and Formatting.** All information submitted by an Applicant must be in the English language.
- 5.7 **Costs.** Duquesne Light shall have no responsibility whatsoever with respect to the costs of any Applicant in considering or responding to this Program, including but not limited to any costs of preparing any materials submitted to Duquesne Light.
- 5.8 **Publicity.** Each Standard Offer Supplier understands and agrees that Duquesne Light does not participate in, nor does it allow, Standard Offer Suppliers to utilize media releases of any kind to publicize the Standard Offer Supplier's business relationship with Duquesne Light. Each Standard Offer Supplier shall not use any trade name, trademark, service mark or any other information which identifies Duquesne Light in such Standard Offer Supplier's sales, marketing and publicity activities, including interviews with representatives of any written publication, or television or radio station or network, without Duquesne Light's express prior written consent. This prohibition, however, shall not be construed to prohibit publicity about this program. Standard Offer Suppliers may use the phrase "Standard Offer Program in Duquesne Light's service territory" without Duquesne Light's express consent.
- 5.9 **Disclaimer.** Duquesne Light makes no representations or warranties regarding the accuracy or completeness of the information contained in the Program Rules and its exhibits or any statements made by representatives of Duquesne Light. Each Applicant is

responsible for making its own evaluation of information and data contained in the Program Rules. The issuance of the Program Rules and the receipt of information in response to the Program Rules shall not, in any way, cause Duquesne Light to incur any liability (whether contractual, financial or otherwise) to any Applicant. By submitting an Application, Applicant releases Duquesne Light, its affiliates, officers, employees, and agents from any and all claims, demands, actions, losses, liabilities, and expenses (including reasonable legal fees and expenses) (collectively, "Claims") relating to the Program Rules and agrees to indemnify Duquesne Light, its affiliates, officers, employees and agents from any Claims arising from any false representation or violation of the Program rules by Applicant.

- 5.10 **Not an Offer.** The Program Rules is designed to elicit responses to Duquesne Light's inquiry and is not an offer. The issuance of the Program Rules and the submission of Applicant's information do not create any obligation upon Duquesne Light, and Duquesne Light reserves the right to accept or reject any or all Applications received. Duquesne Light also reserves the right to amend, suspend, or terminate the Applications process at any time, without reason and without liability, and makes no commitments, implied or otherwise, that the submittal of an Application will result in a business transaction with one or more Applicants. No contract or other binding obligation on Duquesne Light will be implied unless and until an agreement has been executed on terms and conditions acceptable to Duquesne Light. Duquesne Light also reserves the right to not execute agreements with any or all Applicants should the Company determine, in its sole discretion, that such agreement would violate existing regulatory standards.
- 5.11 **Non-Conforming Applications.** Duquesne Light reserves the right to reject any Application at any time on the grounds that it does not conform to the terms and conditions of the Program Rules. Duquesne Light shall inform each Applicant of any deficiency in its Application, which will result in disqualification of the Applicant if such deficiency is not remedied within two business days after written notice.

STANDARD OFFER SUPPLIER APPLICATION

Name of Applicant:			
Contact:		Title:	
E-mail:		Phone:	
Address:	City:	State:	Zip Code:
<p><u>INSTRUCTIONS</u></p> <p>A signed and scanned original of the Standard Offer Supplier Agreement must be attached to Applicant's original Application. All terms used herein have the meanings set forth in Duquesne Light's Standard Offer Customer Referral Program Rules and Supplier Agreement.</p>			
<p>As an officer of the Applicant, I certify that: (a) the Applicant is fully certified by Duquesne Light to provide coordination services in compliance with the Supplier Tariff; and (b) the Applicant will abide by all Standard Offer Program Rules and procedures.</p> <p> <input type="checkbox"/> The Applicant agrees to make offers only to eligible Residential customers under the Program. <input type="checkbox"/> The Applicant agrees to make offers only to eligible Small C&I customers under the Program. <input type="checkbox"/> The Applicant agrees to make offers to both eligible Residential customers and eligible Small C&I customers under the Program. </p>			
<p><u>SIGNATURE OF AUTHORIZED REPRESENTATIVE</u></p>			
<p>I am an officer of the Applicant and certify that all of the information and certifications in this Application are true and acknowledge that this submission constitutes acceptance and agreement to all terms of the Standard Offer Customer Referral Program Rules.</p>			
Signature:		Date:	
Name:		Title:	

STANDARD OFFER SUPPLIER AGREEMENT

This Agreement ("Agreement") is made as of [_____, 201_] (the "Effective Date"), by and between _____ "Standard Offer Supplier" and Duquesne Light Company, a public utility authorized to supply electric service in the Commonwealth of Pennsylvania ("Duquesne Light") (each a "Party" and collectively "the Parties").

1. Definitions. All capitalized terms not otherwise defined herein shall have the meaning set forth in the Standard Offer Customer Referral Program Rules and Supplier Agreement issued by Duquesne Light on [_____, 2013] (the "Program") and Duquesne Light's Electric Generation Supplier Coordination Tariff (the "Supplier Tariff").

- a) *Duquesne Light is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal corporate office in Pittsburgh, Pennsylvania. Duquesne Light is an electric distribution company under Pennsylvania law and provides electric delivery service to approximately 585,000 retail customers in Southwestern Pennsylvania. Duquesne Light is also the default service provider in its service area, and currently provides electric generation service to Residential customers and Small Commercial and Industrial ("Small C&I") customers.*
- b) *Standard Offer Suppliers are approved electric generation suppliers that submitted an application to Duquesne Light and met all the requirements of the Program Rules and application process.*

2. Term. The "Term" of this Agreement shall commence on the Effective Date and shall conclude when this Agreement is terminated as provided in this Agreement.

3. Fixed Price to Customers. In accordance with the Program, for any given customer class to which the Standard Offer Supplier has agreed to make offers under the Program, the Standard Offer Supplier shall offer all interested customers who are eligible for the Program a fixed price ("Standard Offer Price"), in cents per kilowatt-hour, for electric generation service (including all components represented by Duquesne Light's Price-to-Compare) spanning twelve consecutive billing cycles (the "Standard Offer Period"). The fixed price to be offered to a given Residential or Small C&I customer by the Standard Offer Supplier must be seven percent (7%) lower than the Duquesne Light default service "Price-to-Compare" ("PTC") in effect at the time of the offer for the rate schedule applicable to that customer. Duquesne Light's PTC for each rate schedule within the Residential and Small C&I customer classes will be made available as required by Commission regulations. Once a customer is enrolled in the Program and therefore becomes a "Standard Offer Customer" with a Standard Offer Supplier, the Standard Offer Supplier must continue to provide that customer with service at the same fixed price until the end of the twelve consecutive billing cycles corresponding to that customer's Standard Offer Period or the time in which the customer switches to a different service offering, whichever is earlier.

4. Terms and Conditions. During the Term, the Standard Offer Supplier agrees that: (a) all Standard Offer Supplier billing for each Standard Offer Customer shall be Consolidated EDC Billing; (b) each Standard Offer Customer shall have the option to return to Duquesne Light default service or to switch to another EGS, or to the Standard Offer Supplier under a different offer (which may be the new Standard Offer Price being offered to customers, or which may be an offer that is not associated with the Standard Offer Program), at any time and without incurring switching fees or other penalties; (c) only Duquesne Light shall be entitled to terminate

service to Standard Offer Customers for non-payment of EGS charges under the terms of Duquesne Light's approved Purchase of Receivables program in the Supplier Tariff; (d) except as otherwise permitted in the Supplier Tariff, in no event may a Standard Offer Supplier discontinue service to a Standard Offer Customer before the end of the Standard Offer Period; (e) the Standard Offer Supplier shall provide notice prior to the end of the Standard Offer Period regarding any renewal and/or price change as required under the Supplier Tariff and/or Commission regulations, orders or Policy Statements; (f) customers interested in the Program may choose to be transferred to the Standard Offer Supplier of their choice or may choose to have Duquesne Light refer and transfer them to a Standard Offer Supplier using a fair and impartial process; (f) the Standard Offer Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders; and (g) the Standard Offer Supplier shall abide by the other terms and conditions specified in the Standard Offer Customer Referral Program Rules.

5. Representations and Warranties of Standard Offer Supplier. The Standard Offer Supplier represents and warrants that, on the Effective Date and throughout the Term: (a) the Standard Offer Supplier is fully certified by Duquesne Light to provide coordination services in compliance with the Supplier Tariff; and (b) the Standard Offer Supplier will abide by all Standard Offer Program Rules. The Standard Offer Supplier also represents and warrants that it shall not reject any customer from enrolling in the Program with the Standard Offer Supplier if the customer is eligible for the Program, was referred to the Standard Offer Supplier (as described in Section 4.2 of the Program Rules), requests to enroll in the Program, and is within a customer class to which the Standard Offer Supplier has agreed to make offers under the Standard Offer Program. The Standard Offer Supplier also represents and warrants that any Standard Offer Customer who is enrolled with the Standard Offer Supplier and who does not make an affirmative election with regard to its supply service effective at the end of that Standard Offer Customer's Standard Offer Period will be provided service by the Standard Offer Supplier in the form of a monthly product without any customer switching restrictions.

6. Standard Offer Referral Term and Limitations. The Program will be offered each month beginning August 1, 2013, through May 31, 2015, the end of Duquesne Light's Default Service Plan VI period (unless subsequently extended by the Company with Commission approval). However, after the Program terminates, any customer already enrolled in the Program with the Standard Offer Supplier will be eligible to continue to receive service from the Standard Offer Supplier according to the terms and conditions of this Agreement throughout that customer's entire Standard Offer Period.

7. Termination and Withdrawal from Supplier List. This Agreement may be terminated (i) by Duquesne Light upon written notice of a material breach of this Agreement by the Standard Offer Supplier; (ii) by Duquesne Light upon the termination of the Program; or (iii) by the Standard Offer Supplier upon written notice to Duquesne Light received at least ten business days before the first day of the next calendar month, provided that the Standard Offer Supplier shall continue to provide service under the terms and conditions of this Agreement to any Standard Offer Customer who remains enrolled with the Standard Offer Supplier under the Program during the Standard Offer Period applicable to such customer. A Standard Offer Supplier shall be removed from Duquesne Light's Standard Offer Supplier list starting at the beginning of a given calendar month if the Standard Offer Supplier provides at least ten business days written notice, but the Agreement shall not terminate except as provided in the preceding sentence.

8. Program Costs. Each Standard Offer Supplier shall be charged a fee ("Customer Acquisition Fee") that will be applied to the sum of: (a) the number of EDI transactions submitted by the

Standard Offer Supplier to Duquesne Light for the Standard Offer (as described in Section 4.1 of the Program Rules); and (b) the number of EDI transactions submitted by the Standard Offer Supplier to Duquesne Light for any other service (that is not the Standard Offer) corresponding to customers which Duquesne Light referred to the Standard Offer Supplier (as described in Section 4.2 of the Program Rules) at any time during the five-business-day period prior to the EDI transaction being submitted for the customer. For EDI transactions submitted between August 1, 2013, and August 31, 2014, the Customer Acquisition Fee shall be \$25 per EDI transaction. Effective September 1, 2014, the Customer Acquisition Fee shall be revised. The revised fee shall not be less than \$0 per EDI transaction, shall not exceed \$30 per EDI transaction, and otherwise shall be calculated as: (1) the costs of the Program incurred by Duquesne Light through June 2014, divided by (2) the number of applicable EDI transactions through June 2014 across all Standard Offer Suppliers. Amounts due are payable within thirty days of the date of the invoice. If a Standard Offer Supplier fails to make the required payment, Duquesne Light may reduce the amount due to that Standard Offer Supplier from that Standard Offer Supplier's next Purchase of Receivable ("POR") payment by the Standard Offer Program amount due (but not from amounts that are subject to a bona fide POR payment dispute).

9. Limitations. Notwithstanding any provision of this Agreement or the Program, the Standard Offer Supplier acknowledges that (a) the Standard Offer Supplier has obtained certain benefits from participating in the Program, but that Duquesne Light has made no representation regarding the number of customers (if any) the Standard Offer Supplier may obtain as a result of the Program, or the amount of electric load that will be required by such customers; (b) Duquesne Light has no obligation to provide electric supply other than default service in accordance with the Pennsylvania Public Utility Code to any customer that may be served by the Standard Offer Supplier in the event that the Standard Offer Supplier no longer serves that customer for any reason; and (c) the Standard Offer Supplier waives any right to claim any loss of business, consequential damage or any monetary or other direct damages from Duquesne Light of any kind whatsoever arising from or relating to this Agreement or the Program.

10. Indemnification. The Standard Offer Supplier shall indemnify, save and hold Duquesne Light harmless from and against any and all third party losses, costs, liabilities, damages and expenses (including, without limitation, attorneys' fees and expenses) incurred or suffered as a result of or in connection with the Standard Offer Supplier's material breach of this Agreement, failure to comply with any applicable laws, or intentional, negligent or willful misconduct.

11. Customer Notice of Terms and Conditions at First Contact. At the time of the first contact between the Standard Offer Supplier and the Standard Offer Customer, and before the Standard Offer Customer enrolls in the Program, the Standard Offer Supplier shall present to the customer the terms and conditions of the Standard Offer, including the pricing and other terms of service for the initial 12-consecutive-month billing cycle period, how the terms may change after the initial 12-month period, and the date by which the customer must take action to exercise his or her options at the end of the Standard Offer Period.

12. Consolidated EDC Billing. All Standard Offer Suppliers shall use Consolidated EDC Billing for customers who accept offers under the Program.

13. Customer Switching Options. Each customer shall have the option to return to Duquesne Light default service or to switch to another EGS, or to the Standard Offer Supplier under a different offer (which may be the new Standard Offer Price being offered to customers, or which may be an offer that is not associated with the Standard Offer Program), at any time and without incurring switching fees or other penalties.

14. Service Termination. Only Duquesne Light shall be entitled to terminate service to customers for non-payment of EGS charges under the terms of its approved Purchase of Receivables program. Except as otherwise permitted in the Supplier Tariff, in no event may a Standard Offer Supplier *discontinue service to a customer who accepted its offer under the Program* before the end of the Standard Offer Period.

15. Notice Requirements. All Standard Offer Suppliers must comply with all applicable notice requirements of the Pennsylvania Public Utility Commission.

16. Change in Rules, Regulations, Tariffs. Notwithstanding any language in the Supplier Tariff to the contrary, a Standard Offer Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders.

17. Other Provisions. This Agreement represents the entire Agreement between Duquesne Light and Standard Offer Supplier and no amendment of this Agreement will be valid unless in writing and signed by representatives of both parties. Each party represents that this Agreement is a legally valid and binding obligation enforceable against it in accordance with its terms, and that the execution, delivery and performance of this Agreement are within its powers and have been duly authorized by all necessary action and do not violate any terms and conditions in its governing documents, any contracts to which it is a party, or any applicable law, rule, regulation or order. Standard Offer Supplier may not assign this Agreement without Duquesne Light's consent. All notices required under this Agreement shall be provided to the parties and addresses listed directly below or to such other address as either party may designate from time to time by providing written notice to the other party. Nothing in this Agreement is intended to convey benefits, rights or remedies to any person other than Standard Offer Supplier and Duquesne Light, and no third party shall have the right to enforce the provisions of this Agreement, except that the Commission may enforce the provisions of this Agreement, the Program, the Supplier Tariff and any provision of the Pennsylvania Public Utility Code or Commission regulations applicable to this Agreement. This Agreement is not intended to create any partnership or joint venture between Duquesne Light and the Standard Offer Supplier, and neither party shall have the power to bind or obligate the other party. In the event that any provision of the Agreement shall be found to be void or unenforceable, such findings shall not be construed to render any other provision either void or unenforceable, and all other provisions shall remain in full force and effect unless the provisions which are void or unenforceable shall substantially affect the rights or obligations granted to or undertaken by either party. This Agreement shall be construed according to the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws provisions. In the event of any conflict between this Agreement, the Program, and the Supplier Tariff, this Agreement shall be controlling.

Duquesne Light Company

[STANDARD OFFER SUPPLIER]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Duquesne Light Company

[Company Name]

c/o [____],
[__ floor]
411 Seventh Avenue
Pittsburgh, PA 15219
Phone:
Fax:
Email:

[Address]

Phone:
Fax:
Email:

RECEIVED

MAR 11 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Duquesne Light Company

Standard Offer Customer Referral Program Rules

**(Including Standard Offer Supplier Application and ~~Supplier~~
Agreement)**

May —, 2014
March 11, 2013

STANDARD OFFER CUSTOMER REFERRAL PROGRAM RULES

ARTICLE 1 INTRODUCTION

- 1.1 **Program Overview.** Duquesne Light Company ("Duquesne Light" or the "Company") is soliciting electric generation suppliers ("EGSs") to provide competitive retail service to ~~residential~~Residential and Small Commercial and Industrial ("Small C&I") customers ~~in~~under a new customer referral program with a uniform product and uniform terms and conditions.¹ EGSs participating in ~~this program~~ (the "~~Standard Offer Customer Referral Program~~" "~~Standard Offer Program~~," or "~~Program~~") will ~~have the opportunity to submit a fixed price offer to residential~~offer fixed prices to Residential and Small C&I customers for ~~service spanning twelve consecutive billing cycles beginning on or after June 1, 2014.~~Participating EGSs may elect to make offers only to Residential customers, only to Small C&I customers, or to both customer classes. This document ("~~Program Rules~~") describes the process by which EGSs may qualify and submit applications, the rules with which each accepted Standard Offer supplier ("~~Standard Offer Supplier~~") must comply, and the standard terms and conditions for service provided by the Standard Offer Supplier under this Program. The Standard Offer Program will begin ~~June 2014 and the final Standard Offer month will be May 2015.~~August 2013 subject to the terms and conditions herein.
- 1.2 **Application.** Participating EGSs must qualify by submitting an application (an "~~Standard Offer Supplier Application~~" or "~~Application~~") to Duquesne Light demonstrating their qualifications to become a Standard Offer Supplier as described in ~~Section 3.1.3.1 and Section 3.2.~~ These qualifications include a current EGS license issued by the Pennsylvania Public Utility Commission ("the Commission") and the ability to comply with provisions of Duquesne Light's Electric Generation Supplier Coordination Tariff ("~~Supplier Tariff~~"). As part of the qualifying process, an ~~applicant~~the Applicant will be required to execute a "Standard Offer Supplier Agreement" in which the ~~applicant~~Applicant agrees to various requirements. ~~In the Standard Offer Supplier Agreement, the applicant agrees to offer all interested residential customers a fixed price, in cents per kilowatt hour, for which the supplier is prepared to provide electric generation service to residential customers for twelve consecutive billing cycles (the "Standard Offer Period"). The fixed price to be offered by the applicant must be seven percent (7%) lower than the applicable Duquesne Light default service rate (the "Price to Compare" or "PTC") that is known at the time of the offer. For example, EGSs could submit an Application in May 2014 for supply to begin in June 2014. In this case, the Standard Offer must be 7% lower than the PTC applicable in June 2014. Duquesne Light's PTC will be made available as required by Commission regulations.~~
- 1.3 **Fixed Price to Customers.** ~~In the Standard Offer Supplier Agreement, the Applicant agrees to offer interested customers who are eligible for the Program a fixed price ("Standard Offer Price"), in cents per kilowatt-hour, for electric generation service~~

¹ Residential customers are defined as those customers on rate schedules RS, RA, and RH. Customer Assistance Program ("CAP") customers are not currently eligible to participate in the Program but will be in the future per applicable Pennsylvania Public Utility Commission orders. Small C&I customers are defined as non-Residential customers on rate schedules GS, GM, and GMH with annual peak loads less than 25 kW.

(including all components represented by Duquesne Light's Price-to-Compare) spanning twelve consecutive billing cycles (the "Standard Offer Period"). In the Standard Offer Supplier Application, the Applicant may elect to make offers only to eligible Residential customers, only to eligible Small C&I customers, or to eligible customers within both customer classes. The fixed price to be offered to a given Residential or Small C&I customer by the Applicant must be seven percent (7%) lower than the Duquesne Light default service "Price-to-Compare" ("PTC") in effect at the time of the offer for the rate schedule applicable to that customer.² For example, an EGS could submit an Application in July 2013 to participate in the Program beginning in August 2013. If an EGS qualifies and participates in the Program starting in August 2013, then the price offered to a given customer by that EGS during August 2013 under the Program must be 7% lower than the PTC in effect during August 2013 for the rate schedule applicable to that customer. If that EGS continues to participate in the Program in September 2013, then the price offered to a new customer by that EGS during September 2013 under the Program must be 7% lower than the PTC in effect during September 2013 for the rate schedule applicable to that customer. Duquesne Light's PTC for each rate schedule within the Residential and Small C&I customer classes will be made available as required by Commission regulations. Once a customer is enrolled in the Program and therefore becomes a "Standard Offer Customer" with a Standard Offer Supplier, that Standard Offer Supplier must continue to provide that customer with service at the same fixed price until the end of the twelve consecutive billing cycles corresponding to that customer's Standard Offer Period or the time in which the customer switches to a different service offering, whichever is earlier.

1.4 ~~1.3~~ **Standard Offer Supplier Entry and Exit from the Program.** Although Applications may be submitted at any time, Duquesne Light will activate Standard Offer Suppliers only for whole calendar months. An ~~applicant~~ Applicant must be deemed qualified by Duquesne Light at least ten business days before the first day of the next calendar month in order to be approved as a Standard Offer Supplier for that month. Similarly, a Standard Offer Supplier may request removal from the list of Standard Offer Suppliers upon written notice to Duquesne Light ~~with~~ received at least ten business days before the first day of the next calendar month. Absent a request to be removed from the list, Standard Offer Suppliers will continue to be listed from month to month. The Commission has approved the procedures and Program ~~rules~~ Rules described in this document by order dated [____], ~~2012, 2013~~, in Pa. PUC Docket No. P-2012-[____]-2301664. Applicants are strongly urged to review the Program ~~rules~~ Rules and attached Standard Offer Supplier Application and Standard Offer Supplier Agreement, and to consult with counsel regarding the Program requirements and obligations under this Agreement.

1.5 ~~1.4~~ The following documents are attached:

- Standard Offer Supplier Application
- Standard Offer Supplier Agreement

² The PTC for each applicable rate schedule will be calculated on a cents per kWh basis for an average customer in that rate schedule.

ARTICLE 2
SCHEDULE AND STANDARD OFFER SUPPLIER INFORMATION

2.1 **Program Schedule.** Below are significant dates each month (the "Program Schedule") for the Standard Offer Program. The time for each deadline on each specified date is 4:00 pm Eastern Prevailing Time (EPT). *Duquesne Light reserves the right to modify these dates at its discretion.*

<u>Determination of June 2013 Duquesne Light PTCs³</u>	<u>May 16, 2013</u>
<u>Standard Offer Overview and Technical Conference; Duquesne Light to Provide Estimate of Costs</u>	<u>May/June , 2014/2013</u>
<u>Standard Offer Application due date⁴ Due Date⁴</u>	<u>May 5, 2014/At least twenty business days before the start of a Standard Offer Month</u>
<u>Notification of Standard Offer Qualifications</u>	<u>May 19, 2014/At least ten business days before the start of a Standard Offer Month</u>
<u>Standard Offer Month</u>	<u>June 2014 and each Calendar month thereafter subject to the Program rules</u>
<u>Commence/Commencement of Supply by Standard Offer Supplier</u>	<u>Begins with/Based on the date in which the enrolled customer elected EGS service under the Program and the first billing cycle on or after June 1, 2014/thereafter for which the customer is eligible to receive commencement of service based upon can begin per the Supplier Tariff</u>
<u>Standard Offer Supplier Reports to Duquesne Light</u>	<u>Within 10 business days after each calendar month</u>
<u>Completion of Standard Offer Supply Pursuant to the Program</u>	<u>Once 12 billing cycles are completed for each Standard Offer Customer</u>
<u>Standard Offer Supplier Exit from the Program</u>	<u>At least ten business days before the start of a Standard Offer Month</u>

2.2 **Application Overview and Technical Conference.** On _____, Duquesne Light will post a schedule to conduct a web conference in early May 2014/June 2013 to outline the

³ Duquesne Light also will post estimated June 2013 Duquesne Light PTCs in accordance with Commission requirements.

⁴ EGSs must submit an application to Duquesne Light demonstrating their qualifications to become a Standard Offer Supplier once, not each and every month. However, EGSs are required to inform Duquesne Light of any changes that would result in the EGS no longer being qualified to be a Standard Offer Supplier.

⁴ EGSs must submit an application to Duquesne Light demonstrating their qualifications to become a Standard Offer Supplier once, not each and every month. However, EGSs are required to inform Duquesne Light of any changes that would result in the EGS no longer being qualified to be a Standard Offer Supplier.

Standard Offer Program, including the Application process. ~~Potential applicants~~ Duquesne Light will notify all registered EGSs of the technical conferences by EGS bulletin and by email to the PUC/OCMO distribution list. Potential Applicants are urged to review the Program ~~rules~~ Rules, including the attached Standard Offer Supplier Application and Standard Offer Supplier Agreement, prior to the ~~teleconference~~ web conference. Duquesne Light will answer questions raised at this ~~teleconference~~ web conference to the extent possible. Any party wishing to participate in this web conference must send an email to ~~{_____}~~ dlc_ssc@duqlight.com with the subject line "Standard Offer Program." Duquesne Light will provide participation information for the web conference by return e-mail.

2.3 **Applicant Inquiries.** Before ~~each technical~~ the web conference, ~~applicants~~ Applicants may submit questions to Duquesne Light via electronic mail ~~{_____}~~ dlc_ssc@duqlight.com. To the extent possible, questions submitted prior to the ~~technical~~ web conference will be addressed by Duquesne Light at the conference. Additional questions submitted to Duquesne Light shall be posted with answers on the Company's website. The person or company submitting the question shall not be identified. While Duquesne Light will review and attempt to answer questions in good faith, Duquesne Light reserves the right not to answer any question. The conference and this ~~applicant~~ Applicant inquiry procedure are the exclusive methods for inquiring about this Program, and questions submitted to individual Duquesne Light employees or the Company by other means will not be answered.

2.4 **Informational Website and Updates.** Duquesne Light has established a website – ~~{www._____}~~ http://supplier.customer-choice.com/{_____} – for electronic copies of Program materials, posting of questions and answers, and other updates on the Standard Offer Program. Applicants are encouraged to review this website regularly. In its sole discretion, Duquesne Light will endeavor to provide e-mail notification of important website updates to qualified ~~applicants~~ Applicants.

ARTICLE 3 STANDARD OFFER SUPPLIER QUALIFICATION

3.1 **Standard Offer Supplier Application.** In order to qualify as a Standard Offer Supplier, an ~~applicant~~ Applicant must submit an Application for approval by Duquesne Light using the attached Standard Offer Supplier Application. All Applications shall be submitted by email to the submission address specified in Section 5.3. Applications which are *incomplete, do not conform to the form attached hereto, or otherwise do not satisfy all requirements of ~~these program rules~~ the Program Rules* shall not be considered. Submission of a Standard Offer Supplier Application constitutes an ~~applicant~~ Applicant's agreement to and acceptance of all terms and conditions of ~~these~~ the Program ~~rules~~ Rules.

3.2 **Standard Offer Supplier Qualifications.** In order to qualify to participate in the Program, an ~~applicant~~ Applicant must demonstrate and document in the Application that it satisfies the following criteria (the "Standard Offer Supplier Qualifications"):

- (a) The ~~applicant~~Applicant is fully certified by Duquesne Light to provide coordination services in compliance with the Supplier Tariff; and
- (b) The ~~applicant~~Applicant will abide by all Standard Offer Program ~~rules~~Rules and procedures.

3.3 **Standard Offer Supplier Agreement.** Each ~~applicant~~Applicant must also execute a Standard Offer Supplier Agreement in the form included in the Standard Offer Supplier Application at the time of submission of the Application.

3.4 **Additional Information.** Duquesne Light may, but is not obligated to, request additional information and materials from any ~~applicant~~Applicant for evaluation of an Application. Information submitted by an ~~applicant~~Applicant absent a request by Duquesne Light which is not in the nature of a correction or clarification to the Application will not be considered by Duquesne Light. If any information in an Application or Standard Offer Supplier Agreement is no longer true, the ~~applicant~~Applicant shall immediately notify Duquesne Light of the changed information. Failure to provide such notification or respond to a request for additional information and materials may result in disqualification of the ~~applicant~~Applicant and rejection of its Application. ~~Duquesne Light shall have no duty to inform any applicant of any deficiency in its Application.~~

3.5 **Prior Qualification.** An ~~applicant~~Applicant who has previously qualified under the Standard Offer Program is not required to submit a second Application for succeeding months, but must inform Duquesne Light of any change in its status or ability to satisfy the qualification requirements as provided in Section 3.2. An ~~applicant~~Applicant who has previously qualified under the Standard Offer Program need not execute a new Standard Offer Supplier Agreement unless requested by Duquesne Light. In order for an Applicant, who has previously qualified under the Standard Offer Program, to change the combination of customer classes to which it agrees to make offers under the Standard Offer Program starting at the beginning of an upcoming calendar month, it must provide written notice to Duquesne Light received at least ten business days before the first day of that calendar month.

3.6 **Application Evaluation and Notification of Applicants.** Duquesne Light, ~~in its sole discretion,~~ will evaluate each Application using a standard protocol for its completeness and satisfaction of the Standard Offer Supplier Qualifications. Duquesne Light will provide each ~~applicant~~Applicant with notice of its satisfaction or failure to satisfy the Standard Offer Supplier Qualifications by the date for Notification of Standard Offer Supplier Qualification set forth in the Program Schedule. In the notice of failure to satisfy the Standard Offer Supplier Qualifications, Duquesne Light shall inform each Applicant of any deficiency in its Application, which will result in disqualification of the Applicant if such deficiency is not remedied within two business days after written notice.

3.7 **Duquesne Light Affiliates.** Affiliates of Duquesne Light who satisfy the Standard Offer Supplier Qualifications are permitted to submit Applications and to participate in this Program to the same extent as any other entity.

ARTICLE 4 CUSTOMER ENROLLMENT

- 4.1 **Available Standard Offer.** ~~The~~ For any given rate schedule within a customer class to which the Standard Offer Supplier has agreed to make offers under the Standard Offer Program, the Standard Offer Supplier must offer a uniform product—price to all customers eligible for the Program within that rate schedule: a fixed price in cents per kWh, for a twelve consecutive billing cycles—, that is a 7% reduction from lower than the applicable PTC that is known in effect at the time of the offer. Certain customer calls to Duquesne Light will be for the applicable rate schedule. The Standard Offer Supplier shall not reject any customer who is eligible for the Program, who was referred to the Standard Offer that is available, if any, at that time. Supplier (as described in Section 4.2 of the Program Rules), who requests to enroll in the Program, and who is within a customer class to which the Standard Offer Supplier has agreed to make offers under the Standard Offer Program.
- 4.2 **Customer Referrals.** ~~A “choice referral team” operated by Duquesne Light will answer specific customer questions about supplier shopping, refer customers to available supplier offers at www.PAPowerSwitch.com, and explain the current Standard Offer available. When customers are interested in enrolling in the Standard Offer, the “choice referral team” will send customer referral information to the applicable current Standard Offer Suppliers on a daily basis. The “choice referral team” could also transfer the customer directly to the Standard Offer Supplier’s call center for enrollment if the Standard Offer Supplier has so directed. The Standard Offer will be presented to non-shopping residential customers that Duquesne Light will present the Standard Offer to non-shopping Residential and Small C&I customers who are eligible for the Program and who call Duquesne Light with a: (a) new or mover request; (b) high bill complaint; or (c) inquiry about customer choice; or (d) other residential customers that. Duquesne Light also will present the Standard Offer to eligible Residential and Small C&I customers who become aware of the Program through other means, and express interest in Program participation. If a residential customer inquires about the Standard Offer any Residential or Small C&I customer who is eligible for the Program, including a shopping customer, he/she will be transferred to the “choice states that he/she is interested in enrolling in the Program or in learning more about the Program in order to make a decision whether or not to be enrolled, then Duquesne Light will transfer the call to the call center of the Standard Offer Supplier with whom the customer states that he/she is considering being enrolled. If a customer does not choose a specific Standard Offer Supplier to which to be transferred, then Duquesne Light will refer the customer to a Standard Offer Supplier and transfer the call to that Standard Offer Supplier. Customers will be referred to participating Standard Offer Suppliers in a fair and impartial manner. If the customer is currently shopping, Duquesne Light will suggest that the customer contact their current supplier prior to proceeding. Duquesne Light will maintain a list of current Standard Offer Suppliers for each calendar month. Standard Offer Suppliers will initially be listed randomly. If a customer does not choose a specific Standard Offer Supplier, Duquesne Light will transfer a customer interested in the Program to the Standard Offer Supplier on the top of the list and that Standard Offer Supplier shall move to the bottom of the list for subsequent customer referrals. Two separate lists will be maintained by Duquesne Light, one for Standard Offer Suppliers who have agreed to make offers to eligible Residential customers, and one for~~

Standard Offer Suppliers who have agreed to make offers to eligible Small C&I customers. Any call that is transferred by Duquesne Light as described above is considered to be a customer "referral-team." Upon receiving any call that is transferred by Duquesne Light to the Standard Offer Supplier per the Program, the Standard Offer Supplier shall present to the customer the terms and conditions of the Standard Offer, including the pricing and other terms of service for the initial 12-consecutive-month billing cycle period, how the terms may change after the initial 12-month period, and the date by which the customer must take action to exercise his or her options at the end of the Standard Offer Period.

4.3 **Customer Enrollment.** The Standard Offer Program is voluntary for customers (*i.e.*, "opt in"). Residential customers may enroll with Standard Offer Suppliers through Duquesne Light's website or by telephone using an interactive voice response ("IVR") system maintained and operated by Duquesne Light or a dedicated call center "choice-referral team." Customers may select a Standard Offer Supplier from a list, or choose to have Duquesne Light assign a Standard Offer Supplier using a fair and impartial process. Customer requests received via Duquesne Light's website, the IVR system, or the "choice-referral team" will be forwarded to the applicable Standard Offer Supplier daily, which must then will enroll customers in the Program. A customer cannot be enrolled with a Standard Offer Supplier under the Program unless the customer is eligible for the Program and the customer has requested to be enrolled with that Standard Offer Supplier. In order to enroll a customer, a Standard Offer Supplier must submit a switching request via the appropriate EDI transaction to Duquesne Light for each that customer. Standard Offer enrollment will adhere to the Company's meter reading schedule and will follow the switching protocols in the Company's Supplier Tariff and Electric Service Schedule of Rates Tariff.

4.4 **Customer Sales Agreement Upon Enrollment.** Each Standard Offer Supplier shall send a sales agreement, which meets all Commission regulations and includes the terms and conditions of the Standard Offer, to the customer within one no later than three business day days after sending the EDI enrollment transaction. The sales agreement will provide the terms of service for the initial 12 consecutive month billing cycle period and also provide information about how the terms may change after the initial 12-month period. This shall include the date by which the customer must take action to exercise his or her options at the end of the term.

4.5 **Enrollment and Program Report Reports to Commission.** In order to monitor the success of the Standard Offer Program, Duquesne Light will produce at two confidential report reports, and each will be submitted to the Commission and, the Office of the Consumer Advocate, with the and the Office of the Small Business Advocate. The first report will be submitted within 90 45 days after Duquesne Light has operated the program for twelve months. The second report will be submitted by July 15, 2015. In order to obtain statistics to prepare this report, these reports, each Standard Offer Suppliers Supplier shall provide information on a monthly basis within 10 business days after the completion of each calendar month in the form of electronic reports to Duquesne Light, including, for each Standard Offer calendar month, the number of accounts that enrolled in the program for that month, the number of accounts that have dropped from the program in each month

~~before the end of the 12-month Standard Offer Program period; and the number of accounts retained by the EGS at the time of the report. calendar month information pertaining to the number of calls transferred to the Standard Offer Supplier from Duquesne Light under the Program. the number of EDI transactions for the Standard Offer. the number of EDI transactions for non-Standard Offer service corresponding to customers which Duquesne Light referred to the Standard Offer Supplier at any time during the five-business-day period prior to the EDI transaction being submitted for the customer (as described in Section 5.2 of the Program Rules). the total number of customers being served under the Standard Offer. the number of customers who switched off of the Standard Offer before the customer's Standard Offer Period had expired. the number of customers whose Standard Offer Period expired. and the number of such customers who did not make an affirmative service election for the period starting after the expiration of their Standard Offer Period. Each of these numbers shall be reported separately by rate schedule. In each of its two confidential reports to the Commission, Duquesne Light will summarize this information and also will include a summary of the costs that it incurred to develop and administer the Standard Offer Program. Opt-In Standard Offer Suppliers must cooperate with Duquesne Light in the preparation of its report reports to the Commission. Duquesne Light will provide a template for this reporting to facilitate compilation of data. Failure to comply with reporting requirements will lead to the loss of eligibility to participate in Duquesne Light's Program.~~

- 4.6 **Standard Offer Referral Term and Limitations.** The Standard Offer Program will be offered each month beginning ~~June 1, 2014 until June 1, August 1, 2013, through May 31, 2015,~~ the end of Duquesne Light's default service Default Service Plan VI period (unless subsequently extended by the Company with Commission approval). However, if residential shopping in Duquesne Light's service area reaches two-thirds (67%) or more of total residential customer accounts, then Duquesne Light would suspend new customer referrals to the Standard Offer Program for the remainder of the default service VI period. If this threshold were met, Duquesne Light would provide written notice at least ten business days before the first day of the next calendar month to participating EGSs, the Commission, and the Office of Consumer Advocate before new customer referrals to the Standard Offer Program were suspended at the start of the next calendar month. ~~Customers after the Program terminates. any customer~~ already enrolled in the Program with an EGS a Standard Offer Supplier will be eligible to continue to receive service according to the terms and conditions of the Program ~~for the~~ throughout that customer's entire Standard Offer Period.

ARTICLE 5 OTHER TERMS AND CONDITIONS

- 5.1 **Agreement ~~To~~ Terms And and Conditions.** By submitting an Application, the Standard Offer Supplier agrees to abide by the terms and conditions contained in the Program ~~rules~~ Rules and the Standard Offer Supplier Agreement, and to implement these terms and conditions in the contracts with the customers that the Standard Offer Supplier gains through this Program.

- 5.2 **Program Costs.** ~~All costs of this Program incurred by Duquesne Light will be recovered through a discount in the Purchase of Receivables payment to all suppliers serving residential customers. Costs include incremental call center support for the Program and other associated administrative costs. Each Standard Offer Supplier shall be charged a fee (“Customer Acquisition Fee”) that will be applied to the sum of: (a) the number of EDI transactions submitted by the Standard Offer Supplier to Duquesne Light for the Standard Offer (as described in Section 4.1 of the Program Rules); and (b) the number of EDI transactions submitted by the Standard Offer Supplier to Duquesne Light for any other service (that is not the Standard Offer) corresponding to customers which Duquesne Light referred to the Standard Offer Supplier (as described in Section 4.2 of the Program Rules) at any time during the five-business-day period prior to the EDI transaction being submitted for the customer. For EDI transactions submitted between August 1, 2013, and August 31, 2014, the Customer Acquisition Fee shall be \$25 per EDI transaction. Effective September 1, 2014, the Customer Acquisition Fee shall be revised. The revised fee shall not be less than \$0 per EDI transaction, shall not exceed \$30 per EDI transaction, and otherwise shall be calculated as: (1) the costs of the Program incurred by Duquesne Light through June 2014, divided by (2) the number of applicable EDI transactions through June 2014 across all Standard Offer Suppliers. Amounts due are payable within thirty days of the date of the invoice. If a Standard Offer Supplier fails to make the required payment, Duquesne Light may reduce the amount due to that Standard Offer Supplier from that Standard Offer Supplier's next Purchase of Receivable (“POR”) payment by the Standard Offer Program amount due (but not from amounts that are subject to a bona fide POR payment dispute).~~
- 5.3 **Address for Submissions.** All submissions to Duquesne Light for this Program, unless otherwise communicated at a technical conference and subsequently posted to ~~the website to be determined~~ <http://supplier.customer-choice.com/>, shall be delivered via email to the following address: ~~_____~~ dlc_ssc@duqlight.com.
- 5.4 **No Unauthorized Modifications.** No interpretation or change to the Program Rules or Standard Offer Supplier Agreement shall be valid unless it is signed by a duly authorized representative designated by an Officer of Duquesne Light.
- 5.5 **Ownership of Program Materials.** All materials submitted to Duquesne Light pursuant to this Program shall be the property of Duquesne Light.
- 5.6 **Presentation and Formatting.** All information submitted by an ~~applicant~~ Applicant must be in the English language.
- 5.7 **Costs.** Duquesne Light shall have no responsibility whatsoever with respect to the costs of any ~~applicant~~ Applicant in considering or responding to this Program, including but not limited to any costs of preparing any materials submitted to Duquesne Light.
- 5.8 **Use of Duquesne Light Mark.** ~~Duquesne Light will have final approval regarding the use of any Duquesne Light mark and any other reference to Duquesne Light in materials related to the Standard Offer Program.~~

5.8 ~~5.9~~ **Publicity.** ~~Applicants are not permitted to announce or release any information regarding this Program or Duquesne Light's Standard Offer Program without Duquesne Light's prior written approval, which Duquesne Light may withhold approval in its sole discretion. Each applicant~~ Each Standard Offer Supplier understands and agrees that Duquesne Light does not participate in, nor does it allow, applicants ~~Standard Offer Suppliers~~ to utilize media releases of any kind to publicize applicant ~~the Standard Offer Supplier's business relationship with Duquesne Light. Each applicant~~ Standard Offer Supplier shall not use any trade name, trademark, service mark or any other information which identifies Duquesne Light in such applicant ~~Standard Offer Supplier's sales, marketing and publicity activities, including interviews with representatives of any written publication, or television or radio station or network, without Duquesne Light's express prior written consent. Standard Offer Suppliers agree to cooperate with Duquesne Light in preparation of any press release concerning the Standard Offer Program~~ This prohibition, however, shall not be construed to prohibit publicity about this program. Standard Offer Suppliers are not permitted to promote their role as Standard Offer Supplier, either before, during or after their Standard Offer Month, without Duquesne Light's prior written approval, which Duquesne Light may withhold approval in its sole discretion ~~may use the phrase "Standard Offer Program in Duquesne Light's service territory" without Duquesne Light's express consent.~~

5.9 **Disclaimer.** Duquesne Light makes no representations or warranties regarding the accuracy or completeness of the information contained in the Program Rules and its exhibits or any statements made by representatives of Duquesne Light. Each Applicant is responsible for making its own evaluation of information and data contained in the Program Rules. The issuance of the Program Rules and the receipt of information in response to the Program Rules shall not, in any way, cause Duquesne Light to incur any liability (whether contractual, financial or otherwise) to any Applicant. By submitting an Application, Applicant releases Duquesne Light, its affiliates, officers, employees, and agents from any and all claims, demands, actions, losses, liabilities, and expenses (including reasonable legal fees and expenses) (collectively, "Claims") relating to the Program Rules and agrees to indemnify Duquesne Light, its affiliates, officers, employees and agents from any Claims arising from any false representation or violation of the Program rules by Applicant.

5.10 **Not an Offer.** The Program Rules is designed to elicit responses to Duquesne Light's inquiry and is not an offer. The issuance of the Program Rules and the submission of Applicant's information do not create any obligation upon Duquesne Light, and Duquesne Light reserves the right to accept or reject any or all Applications received. Duquesne Light also reserves the right to amend, suspend, or terminate the Applications process at any time, without reason and without liability, and makes no commitments, implied or otherwise, that the submittal of an Application will result in a business transaction with one or more Applicants. No contract or other binding obligation on Duquesne Light will be implied unless and until an agreement has been executed on terms and conditions acceptable to Duquesne Light. Duquesne Light also reserves the right to not execute agreements with any or all Applicants should the Company determine, in its sole discretion, that such agreement would violate existing regulatory standards.

5.11 ~~5.10~~ **Non-Conforming Applications.** Duquesne Light reserves the right to reject any Application at any time on the grounds that it does not conform to the terms and conditions of the Program ~~rules~~ Rules. Duquesne Light shall inform each Applicant of any deficiency in its Application, which will result in disqualification of the Applicant if such deficiency is not remedied within two business days after written notice.

STANDARD OFFER SUPPLIER APPLICATION

Name of Applicant:			
Contact:		Title:	
E-mail:		Phone:	
Address:	City:	State:	Zip Code:
<p><u>INSTRUCTIONS</u></p> <p>A signed and scanned original of the Standard Offer Supplier Agreement must be attached to Applicant's original Application. All terms used herein have the meaningmeanings set forth in Duquesne Light's Standard Offer <u>Customer Referral Program Rules and Supplier Agreement.</u></p>			
<p>As an officer or other authorized representative of the Applicant, I certify that: (a) The<u>the</u> Applicant is fully certified by Duquesne Light to provide coordination services in compliance with the Supplier Tariff; and (b) The<u>the</u> Applicant will abide by all Standard Offer Program rules<u>Rules</u> and procedures.</p>			
<input type="checkbox"/>	<u>The Applicant agrees to make offers only to eligible Residential customers under the Program.</u>		
<input type="checkbox"/>	<u>The Applicant agrees to make offers only to eligible Small C&I customers under the Program.</u>		
<input type="checkbox"/>	<u>The Applicant agrees to make offers to both eligible Residential customers and eligible Small C&I customers under the Program.</u>		
<p><u>SIGNATURE OF AUTHORIZED REPRESENTATIVE</u></p>			
<p>I am an officer or other authorized representative of the Applicant and certify that all of the information and certifications in this Application are true and acknowledge that this submission constitutes acceptance and agreement to all terms of the RFP<u>Standard Offer Customer Referral Program Rules.</u></p>			
Signature:		Date:	
Name:		Title:	

STANDARD OFFER SUPPLIER AGREEMENT

This Agreement ("Agreement") is made as of [_____, 201_] (the "Effective Date"), by and between _____ "Standard Offer Supplier" and Duquesne Light Company, a public utility authorized to supply electric service in the Commonwealth of Pennsylvania ("Duquesne Light"). (each a "Party" and collectively "the Parties").

1. Definitions. All capitalized terms not otherwise defined herein shall have the meaning set forth in the Standard Offer ~~Electric Generation~~ Customer Referral Program Rules and Supplier Agreement and Program Rules issued by Duquesne Light on [_____, 2014] 2013 (the "Program") and Duquesne Light's Electric Generation Supplier Coordination Tariff (the "Supplier Tariff").

- a) Duquesne Light is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its ~~principle~~ principal corporate office in Pittsburgh, Pennsylvania. Duquesne Light is an electric distribution company under Pennsylvania law and provides electric delivery service to approximately 585,000 retail customers in Southwestern Pennsylvania. Duquesne Light is also ~~the~~ the default service provider in its service ~~territory~~ area, and currently provides electric generation service to ~~more than 300,000 residential~~ Residential customers and Small Commercial and Industrial ("Small C&I") customers.
- b) Standard Offer Suppliers are approved electric generation suppliers that submitted an application to Duquesne Light and met all the requirements of the Program Rules and application process.

2. Term. ~~This~~ The "Term" of this Agreement shall commence on the Effective Date and shall remain in effect through the Standard Offer Period (the "Term") ~~unless~~ conclude when this Agreement is terminated as provided in this Agreement.

3. Fixed Price to Customers. In accordance with the Program, for any given customer class to which the Standard Offer Supplier has agreed to make offers under the Program, the Standard Offer Supplier shall provide competitive electricity supply offer all interested customers who are eligible for the Program a fixed price ("Standard Offer Price"), in cents per kilowatt-hour, for electric generation service (including all components of represented by Duquesne Light's Price-to-Compare) to each customer that enrolls in the Program (a spanning twelve consecutive billing cycles (the "Standard Offer Customer") at the effective Standard Offer Price at the time of each customer's date of enrollment. The Standard Offer Price shall be a fixed cents/kWh comprised of a Period"). The fixed price to be offered to a given Residential or Small C&I customer by the Standard Offer Supplier must be seven percent (7 %) reduction from lower than the applicable Duquesne Light residential default service "Price-to-Compare that is known" ("PTC") in effect at the time of the standard offer is made. The Standard Offer Price will be available to the Standard Offer Customer over offer for the rate schedule applicable to that customer. Duquesne Light's PTC for each rate schedule within the Residential and Small C&I customer classes will be made available as required by Commission regulations. Once a customer is enrolled in the Program and therefore becomes a "Standard Offer Customer" with a Standard Offer Supplier, the Standard Offer Supplier must continue to provide that customer with service at the same fixed price until the end of the twelve consecutive billing cycles ("corresponding to that customer's Standard Offer Period") or the time in which the customer switches to a different service offering, whichever is earlier.

4. Terms and Conditions. During the Term, the Standard Offer Supplier agrees that: (a) all Standard Offer Supplier billing for each Standard Offer Customer shall be Consolidated EDC Billing; (b) each Standard Offer Customer shall have the option to return to Duquesne Light default service or to switch to another EGS, or to the Standard Offer Supplier under a different ~~Standard Offer Supplier offer offer (which may be the new Standard Offer Price being offered to customers, or which may be an offer that is not associated with the Standard Offer Program),~~ at any time and without incurring switching fees or other penalties; (c) only Duquesne Light shall be entitled to terminate service to Standard Offer Supplier-Customers for non-payment of EGS charges under the terms of Duquesne Light's approved Purchase of Receivables program in the Supplier Tariff; (d) except as otherwise permitted in the Supplier Tariff, in no event may a Standard Offer Supplier discontinue service to a Standard Offer Customer before the end of the Standard Offer Period; (e) the Standard Offer Supplier shall provide notice prior to the end of the Standard Offer Period regarding any renewal and/or price change as required under the Supplier Tariff and/or Commission regulations; ~~(f) Standard Offer Customers, orders or Policy Statements; (f) customers interested in the Program may choose to be assigned~~ transferred to the Standard Offer Supplier of their choice or may choose to have Duquesne Light ~~assign~~ refer and transfer them to a Standard Offer Supplier using a fair and impartial process; ~~(g) at the Standard Offer Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders; and (h) the Standard Offer Supplier shall abide by the other terms and conditions specified in the Standard Offer Customer Referral Program rules~~ Rules.

5. Representations and Warranties of Standard Offer Supplier. The Standard Offer Supplier represents and warrants that, on the Effective Date and throughout the Term: (a) ~~The~~ the Standard Offer Supplier is fully certified by Duquesne Light to provide coordination services in compliance with the Supplier Tariff; and (b) ~~The~~ the Standard Offer Supplier will abide by all Standard Offer Program ~~rules and procedures~~ Rules. The Standard Offer Supplier also represents and warrants that it shall not reject any customer from enrolling in the Program with the Standard Offer Supplier if the customer is eligible for the Program, was referred to the Standard Offer Supplier (as described in Section 4.2 of the Program Rules), requests to enroll in the Program, and is within a customer class to which the Standard Offer Supplier has agreed to make offers under the Standard Offer Program. The Standard Offer Supplier also represents and warrants that any Standard Offer Customer who is enrolled with the Standard Offer Supplier and who does not make an affirmative election with regard to its supply service effective at the end of that Standard Offer Customer's Standard Offer Period will be provided service by the Standard Offer Supplier in the form of a monthly product without any customer switching restrictions.

6. Standard Offer Referral Term and Limitations. The Program ~~would~~ will be offered each month beginning ~~June 1, 2014 until June 1, August 1, 2013, through May 31, 2015,~~ the end of Duquesne Light's ~~default service~~ Default Service Plan VI period (unless subsequently extended by the Company with Commission approval). However, if ~~residential shopping in Duquesne Light's service area reaches two-thirds (67%) or more of total residential customer accounts,~~ then Duquesne Light would suspend new referrals to the Program for the remainder of the ~~default service VI period.~~ If this threshold were met, Duquesne Light would provide written notice at least ten business days before the first day of the next calendar month to participating EGSs, the Commission, and the Office of Consumer Advocate before new customer referrals to the Standard Offer were suspended at the start of the next calendar month. ~~Customers after the Program terminates, any customer already enrolled in the Program with an EGS~~ the Standard Offer Supplier will be eligible to continue to receive service from the Standard Offer Supplier according to the terms and conditions of the Program for the this Agreement throughout that customer's entire Standard Offer Period.

7. Termination and Withdrawal from Supplier List. This Agreement may be terminated (i) by Duquesne Light upon written notice of a material breach of this Agreement ~~or the Supplier-Tariff by the Standard Offer Supplier;~~ (ii) by Duquesne Light upon the termination ~~or suspension~~ of the Program; or (iii) by the Standard Offer Supplier upon written notice to Duquesne Light ~~with received~~ at least ten business days before the first day of the next calendar month, provided that the Standard Offer Supplier ~~will~~ shall continue to provide service under the terms and conditions of this Agreement to any Standard Offer Customers ~~who remain on a fixed rate offered by~~ Customer who remains enrolled with the Standard Offer Supplier under the Program during the Standard Offer Period applicable to such customer. A Standard Offer Supplier shall be removed from Duquesne Light's Standard Offer Supplier list starting at the beginning of a given calendar month if the Standard Offer Supplier provides at least ten business days written notice, but the Agreement shall not terminate except as provided in the preceding sentence.

8. Program Costs. Each Standard Offer Supplier shall be charged a fee ("Customer Acquisition Fee") that will be applied to the sum of: (a) the number of EDI transactions submitted by the Standard Offer Supplier to Duquesne Light for the Standard Offer (as described in Section 4.1 of the Program Rules); and (b) the number of EDI transactions submitted by the Standard Offer Supplier to Duquesne Light for any other service (that is not the Standard Offer) corresponding to customers which Duquesne Light referred to the Standard Offer Supplier (as described in Section 4.2 of the Program Rules) at any time during the five-business-day period prior to the EDI transaction being submitted for the customer. For EDI transactions submitted between August 1, 2013, and August 31, 2014, the Customer Acquisition Fee shall be \$25 per EDI transaction. Effective September 1, 2014, the Customer Acquisition Fee shall be revised. The revised fee shall not be less than \$0 per EDI transaction, shall not exceed \$30 per EDI transaction, and otherwise shall be calculated as: (1) the costs of the Program incurred by Duquesne Light through June 2014, divided by (2) the number of applicable EDI transactions through June 2014 across all Standard Offer Suppliers. Amounts due are payable within thirty days of the date of the invoice. If a Standard Offer Supplier fails to make the required payment, Duquesne Light may reduce the amount due to that Standard Offer Supplier from that Standard Offer Supplier's next Purchase of Receivable ("POR") payment by the Standard Offer Program amount due (but not from amounts that are subject to a bona fide POR payment dispute).

9. Limitations. Notwithstanding any provision of this Agreement or the Program, the Standard Offer Supplier acknowledges that (a) the Standard Offer Supplier has obtained certain benefits from participating in the Program, but that Duquesne Light has made no representation regarding the number of customers (if any) the Standard Offer Supplier may obtain as a result of the Program, or the amount of electric load that will be required by such customers; (b) Duquesne Light has no obligation to provide electric supply other than default service in accordance with the Pennsylvania Public Utility Code to any customer that may be served by the Standard Offer Supplier in the event that the Standard Offer Supplier no longer serves that customer for any reason; and (c) the Standard Offer Supplier waives any right to claim any loss of business, consequential damage or any monetary or other direct damages from Duquesne Light of any kind whatsoever arising from or relating to this Agreement or the Program.

9.10. Indemnification. The Standard Offer Supplier shall indemnify, save and hold Duquesne Light harmless from and against any and all third party losses, costs, liabilities, damages and expenses (including, without limitation, attorneys' fees and expenses) incurred or suffered as a result of or in connection with the Standard Offer Supplier's material breach of this Agreement, failure to comply with any applicable laws, or intentional, negligent or willful misconduct.

10.11. Customer Notice of Terms and Conditions at First Contact. At the time of the first contact between the Standard Offer Supplier and the Standard Offer Customer, and before the Standard Offer Customer enrolls in the Program, the Standard Offer Supplier shall present to the customer will be reminded of the terms and conditions of the Standard Offer, including the pricing and other terms of service for the initial 12-consecutive-month billing cycle period, how the terms may change after the initial 12-month period, and the date by which the customer must take action to exercise his or her options at the end of the term: Standard Offer Period.

11.12. Consolidated EDC Billing. All Standard Offer Suppliers shall use Consolidated EDC Billing for customers who accept offers under the Program.

12.13. Customer Switching Options. Each customer shall have the option to return to Duquesne Light default service or to switch to another EGS, or to the Standard Offer Supplier under a different offer (which may be the new Standard Offer Price being offered to customers, or which may be an offer that is not associated with the Standard Offer Program), at any time and without incurring switching fees or other penalties.

13.14. Service Termination. Only Duquesne Light shall be entitled to terminate service to customers for non-payment of EGS charges under the terms of its approved Purchase of Receivables program. ~~In~~ Except as otherwise permitted in the Supplier Tariff, in no event may a Standard Offer Supplier discontinue service to a customer who accepted its offer under the Program before the end of the Standard Offer Period.

~~14. Notice Requirements. All Standard Offer Suppliers must mail two written notices to customers. An initial notice must be mailed 52-90 days before the end of the program, followed by a more detailed options notice which must be mailed at least 45 days before the end of the Standard Offer Service Period. In that mailing, Standard Offer Suppliers are required to clarify that customers: a) will remain with the Standard Offer Supplier on a monthly product without any customer switching restrictions absent any customer action, or b) they can affirmatively elect to: (i) remain with the Standard Offer Supplier under a new contract, (ii) switch to another EGS, or (iii) return to Duquesne Light's default service rate. The second notice must include the new terms and conditions, pricing and a date by which the customer must take action, as determined by the Commission's rules, orders and regulations.~~
15. Notice Requirements. All Standard Offer Suppliers must comply with all applicable notice requirements of the Pennsylvania Public Utility Commission.

15.16. Change in Rules, Regulations, Tariffs. Notwithstanding any language in the Supplier Tariff to the contrary, a Standard Offer Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders.

16.17. Other Provisions. This Agreement ~~and the Program rules attached hereto~~ represents the entire Agreement between Duquesne Light and Standard Offer Supplier. ~~No and no~~ amendment of this Agreement ~~or Program rules~~ will be valid unless in writing and signed by representatives of both parties. ~~The Program rules are specifically incorporated into this agreement and made a part thereof. In the event of any inconsistency between this Agreement and the Program rules, the Agreement shall control.~~ Each party represents that this Agreement is a legally valid and binding obligation enforceable against it in accordance with its terms, and that the execution, delivery and performance of this Agreement are within its powers and have been duly authorized by all necessary action and do not violate any terms and conditions in its governing documents,

any contracts to which it is a party, or any applicable law, rule, regulation or order. Standard Offer Supplier may not assign this Agreement without Duquesne Light's consent. All notices required under this Agreement shall be provided to the parties and addresses listed directly below or to such other address as either party may designate from time to time by providing written notice to the other party. Nothing in this Agreement is intended to convey benefits, rights or remedies to any person other than Standard Offer Supplier and Duquesne Light, and no third party shall have the right to enforce the provisions of this Agreement, except that the Commission may enforce the provisions of this Agreement, the Program, the Supplier Tariff and any provision of the Pennsylvania Public Utility Code or Commission regulations applicable to this Agreement. This Agreement is not intended to create any partnership or joint venture between Duquesne Light and the Standard Offer Supplier, and neither party shall have the power to bind or obligate the other party. In the event that any provision of the Agreement shall be found to be void or unenforceable, such findings shall not be construed to render any other provision either void or unenforceable, and all other provisions shall remain in full force and effect unless the provisions which are void or unenforceable shall substantially affect the rights or obligations granted to or undertaken by either party. This Agreement shall be construed according to the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws provisions. In the event of any conflict between this Agreement, the Program, and the Supplier Tariff, this Agreement shall be controlling.

Duquesne Light Company

[STANDARD OFFER SUPPLIER]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Duquesne Light Company
c/o [____],
[__ floor]
411 Seventh Avenue
Pittsburgh, PA 15219
Phone:
Fax:
Email:

[Company Name]
[Address]

Phone:
Fax:
Email:

Document comparison by Workshare Compare on Monday, March 11, 2013
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Input:	
Document 1 ID	interwovenSite://DMS/ACTIVE/10537248/1
Description	#10537248v1<ACTIVE> - OriginalStandard Offer Program Rules and Agreement
Document 2 ID	interwovenSite://DMS/ACTIVE/10535340/1
Description	#10535340v1<ACTIVE> - DLC POLR VI - Appendix E Standard Offer Program Rules and Agreement
Rendering set	Standard

Legend:	
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Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
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Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

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Moved to	15
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Format changed	0
Total changes	478

Appendix F

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Standard Offer Program Cost Recovery Description and Example

Description

Costs will be recovered from Standard Offer Suppliers through a “Customer Acquisition Fee,” which will be applied to the sum of: (a) the number of EDI transactions submitted by the Standard Offer Supplier to Duquesne Light for the Standard Offer; and (b) the number of EDI transactions submitted by the Standard Offer Supplier to Duquesne Light for any other service (that is not the Standard Offer) corresponding to customers which Duquesne Light referred to the Standard Offer Supplier at any time during the five-business-day period prior to the EDI transaction being submitted for the customer (collectively, the “Applicable EDI Transactions”). Any additional costs will be recovered from Residential and Small C&I customers through a non-bypassable charge.

From August 2013 through August 2014, the Customer Acquisition Fee for Standard Offer Suppliers will be \$25 per EDI transaction. There will be no non-bypassable charge to customers.

From September 2014 through May 2015, the Customer Acquisition Fee will not be less than \$0 per EDI transaction, will not exceed \$30 per EDI transaction, and otherwise will be calculated as: (1) the costs of the Program incurred by Duquesne Light through June 2014, divided by (2) the number of Applicable EDI Transactions through June 2014.

A non-bypassable charge will be assessed on customers during the September 2014 through May 2015 period only if the total Customer Acquisition Fees for EDI transactions submitted through June 2014 are less than the costs of the Program incurred by Duquesne Light through June 2014. In this case, the non-bypassable charge assessed on customers during the September 2014 through May 2015 period will be calculated as follows:

1. Subtract: (1) the total Customer Acquisition Fees for EDI transactions submitted through June 2014; from (2) the costs of the Program incurred by Duquesne Light through June 2014. This is the “Excess Costs.”
2. Divide the Excess Costs by the total kWh load of all Residential and Small C&I customers from September 2013 through May 2014 (which is the preceding September through May period). The result is the non-bypassable charge that will be assessed on a \$/kWh basis to Residential and Small C&I customers during September 2014 through May 2015.

Standard Offer Suppliers will be assessed the Customer Acquisition Fee in effect for May 2015 for any Applicable EDI Transactions submitted in June 2015 pertaining to referrals made in May 2015.

From July 1, 2015, through May 31, 2016, a non-bypassable charge will be assessed on a \$/kWh basis on Residential and Small C&I customers if the total costs of the Standard Offer Program were in excess of the Customer Acquisition Fees and non-bypassable charges through June 2015. The charge will be set to fully recover the unrecovered costs.

Illustrative Example of the Cost Recovery Methodology for the Standard Offer Program

	(1) Program Costs (\$)	(2) Applicable EDI Transactions (Transactions)	(3) Customer Acquisition Fee (\$/Transaction)	(4) = (2) x (3) Customer Acquisition Fees (\$)	(5) = (1) - (4) Excess Costs (\$)
Totals through June 2014	165,000	3,000	\$25	75,000	90,000

Any program costs through June 2014 not recovered through the Customer Acquisition Fees will be recovered through the non-bypassable charge.

Calculation of Customer Acquisition Fee for 9/14-5/15:		
Actual Program Cost per EDI Transaction through 6/14:	\$55	(6) = (1) / (2)
Customer Acquisition Fee Cap = \$30		
Customer Acquisition Fee Floor = \$0		
Customer Acquisition Fee for 9/14-5/15 (\$/transaction):	\$30	(7) = max [min [30 , (6)] , 0]
Calculation of Non-Bypassable Charge for 9/14-5/15 (if needed):		
Excess Costs (\$)	90,000	(5)
Res + Small C&I kWh Load (May-Sept. most recent year):	3,310,000,000	(8)
Non-Bypassable Charge for 9/14-5/15 (\$/kWh):	0.0000272	(9) = (5) / (8)

	(1) Program Costs (\$)	(2) Applicable EDI Transactions (Transactions)	(3) Customer Acquisition Fee (\$/Transaction)	(4) = (2) x (3) Customer Acquisition Fees (\$)	(10) Res + Small C&I Load (kWh)	(11) Non-Bypassable Charge (\$/kWh)	(12) = (10) x (11) Non-Bypassable Charges (\$)
July 2014 through May 2015							
Jul-14	15,000	300	25	7,500	610,000,000	N/A	0
Aug-14	15,000	300	25	7,500	500,000,000	N/A	0
Sep-14	15,000	300	30	9,000	380,000,000	0.0000272	10,332
Oct-14	15,000	300	30	9,000	320,000,000	0.0000272	8,701
Nov-14	15,000	300	30	9,000	370,000,000	0.0000272	10,060
Dec-14	15,000	300	30	9,000	420,000,000	0.0000272	11,420
Jan-15	15,000	300	30	9,000	400,000,000	0.0000272	10,876
Feb-15	15,000	300	30	9,000	380,000,000	0.0000272	10,332
Mar-15	15,000	300	30	9,000	340,000,000	0.0000272	9,245
Apr-15	15,000	300	30	9,000	310,000,000	0.0000272	8,429
May-15	15,000	300	30	9,000	390,000,000	0.0000272	10,604
Total Jul 14-May 15	165,000	3,300		96,000	4,420,000,000		90,000

Summary for DSP VI Period		
Total Customer Enrollment (#)		6,300 (2)
Total Program Costs (\$):	\$	330,000 (1)
Total Customer Acquisition Fees (\$):	\$	171,000 (4)
Non-Bypassable Charges through May 2015 (\$):	\$	90,000 (12)
Future Non-Bypassable Charges 7/15-5/16 (\$):	\$	69,000 (1) - (4) - (12)

Note: Duquesne Light only recommends the use of a non-bypassable charge to recover excess costs under its proposed low-cost Standard Offer Program structure.

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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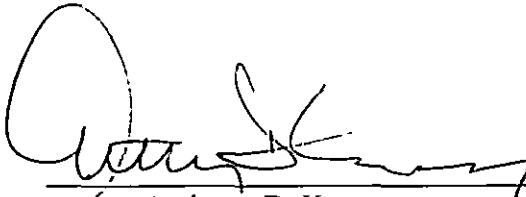
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Consultant for OSBA

Date: March 11, 2013



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