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April 11, 2014

VIA ELECTRONIC FILING

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: Pennsylvania Public Utility Commission, et al. v. Duquesne Light Company
Docket No. R-2013-2372129, et al.

Dear Secretary Chiavetta:

Enclosed please find the Reply of Duquesne Light Company to Exceptions of NRG Power Midwest LP, NRG Energy Center Pittsburgh LLC, and Reliant Energy Northeast LLC in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,

Michael W. Gang

MWG/skr
Enclosure

cc: Certificate of Service
Honorable Conrad A. Johnson

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).

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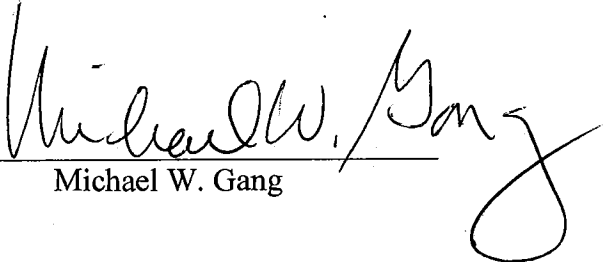
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Date: April 11, 2014



Michael W. Gang

I. INTRODUCTION

Duquesne Light Company (“Duquesne Light” or the “Company”) files this brief Reply to the Exceptions of NRG Power Midwest LP, NRG Energy Center Pittsburgh LLC and Reliant Energy Northeast LLC (the “NRG Companies”).

II. REPLY EXCEPTIONS

A. REPLY TO NRG COMPANIES EXCEPTION NO. 1

In its Exception No. 1, the NRG Companies request that the Commission direct the ALJ to issue a Recommended Decision on the Rider 18 issues in time to allow the Commission to consider those issues at its Public Meeting scheduled for June 5, 2014.

Duquesne Light supports the timely issuance of a Recommended Decision on the Rider 18 issues, but leaves such matters to the Commission’s discretion.

B. REPLY TO NRG COMPANIES EXCEPTION NO. 2

In its Exception No. 2, the NRG Companies request that the Commission hold open its Investigation of Duquesne Light’s rates, rules and regulations, which was instituted following the filing of the Company’s proposed rate increase, until the Rider 18 issues are resolved. Duquesne Light opposes this exception and requests that the Commission close its Investigation in this proceeding upon approval of the Settlement.

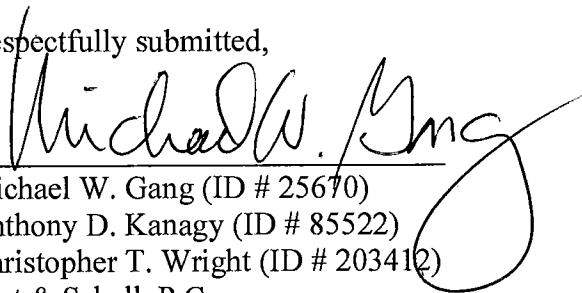
The NRG Companies’ complaint concerns a Rider in the Company’s tariff that sets the price for power purchased pursuant to pre-restructuring, small facility PURPA contracts. One of the NRG Companies, NRG Power Midwest LLC, is the successor-in-interest to the company that acquired Duquesne Light’s generation assets and generation contracts in the restructuring. Under the related contractual arrangements, NRG Power Midwest LLC is obligated to pay the price set forth in Rider 18 to the qualifying facilities which has no effect on the rates or services

to Duquesne Light's customers. Further, the NRG Companies have not contended that the price in Rider 18 falls within the definition of the term "rates" as used in Section 1301 of the Public Utility Code and such price is clearly not a rate charged to customers. 66 Pa.C.S. § 1301. For these reasons, Duquesne Light has consistently argued that the Rider 18 issues should be severed from the Commission's Investigation. The Commission clearly has the authority to determine the scope of its Investigation and to limit it to matters that affect rates and services to customers, which are resolved by the Settlement that is now before the Commission. Duquesne Light respectfully requests that the Commission sever Rider No. 18 issues from its Investigation docket by closing its Investigation and processing the NRG Companies' complaint at a separate complaint docket. *See, Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Order of October 14, 2011, at R-2010-2215623, Ordering Paragraph No. 15, where the Commission closed its Investigation despite holding the determination of CAP issues in abeyance.¹

¹ The NRG Companies contend that the effect of closing the Commission's Investigation is to place the burden of proof on NRG. Duquesne Light does not believe that the burden of proof as to NRG's allegations is to be placed on the Company simply because the NRG Companies chose to raise the issue in the rate case. See Duquesne Light Initial Brief, pp. 8 to 10; Reply Brief, pp. 2 to 7. The effect of such a determination would be to place the burden of proof on the Company for any claim that is raised in a rate case and encourage others to raise claims unrelated to a rate case in such proceedings.

For these reasons, the NRG Companies second Exception should be rejected and the Commission's Investigation should be closed upon approval of the Settlement.

Respectfully submitted,



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Date: April 11, 2014

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