

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Petition of Duquesne Light Company for :
Approval of Default Service Plan for the : Docket No. P-00072247
Period of January 1, 2008 Through :
December 31, 2010 :

NOTICE OF APPEARANCE

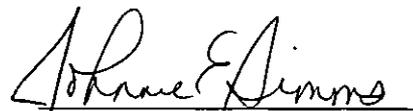
Please enter the appearance of the Office of Trial Staff of the Pennsylvania Public Utility Commission in the above-captioned proceeding. Prosecutor(s) for the Office of Trial Staff, in addition to the undersigned will be:

CHARLES DANIEL SHIELDS, ESQUIRE
Pa. Public Utility Commission
Office of Trial Staff
P.O. Box 3265
Harrisburg, PA 17105-3265
chshields@state.pa.us
(717) 787-1976

**DOCUMENT
FOLDER**

On the basis of this notice, I request a copy of each document hereafter issued by the Commission in this matter.

DOCKETED
APR 02 2007


Johnnie E. Simms
Chief Prosecutor
PA Attorney I.D. #33911

Charles Daniel Shields
PA Attorney I.D. #29363
Prosecutor for: Johnnie E. Simms
Office of Trial Staff.

Dated: February 6, 2007

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company for :
Approval of Default Service Plan for the : Docket No. P-00072247
Period of January 1, 2008 Through :
December 31, 2010 :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Notice of Appearance**, dated February 6, 2007, either personally, by first class mail, electronic mail, express mail and/or by fax upon the persons listed below:

Michael W. Gang, Esquire
Anthony Kanagy, Esquire
Post & Schell, PC
17 North Second Street 12th Floor
Harrisburg, PA 17101-1601

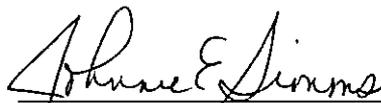
Irwin Popowsky, Esquire
Office of Consumer Advocate
555 Walnut Street
5th Floor Forum Place
Harrisburg, PA 17101-1923

Gary A. Jack, Esquire
Duquesne Light Company
411 Seventh Avenue 8th Floor
Pittsburgh, PA 15219

William Lloyd, Esquire
Office of Small Business Advocate
1102 Commerce Building
300 North Second Street
Harrisburg, PA 17101

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Philadelphia, PA 19103-2808



Johnnie E. Simms
Chief Prosecutor
Office of Trial Staff
PA Attorney I.D. #33911

Dated: February 6, 2007
Docket No. P-00072247



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
Office of Administrative Law Judge
P.O. BOX 3265, HARRISBURG, PA 17105-3265
February 16, 2007

IN REPLY PLEASE
REFER TO OUR FILE

In Re: P-000722247

(SEE LETTER DATED 1/31/07)

Petition of Duquesne Light Company for Approval of Default Service
Plan for the Period January 1, 2008 through December 31, 2010

CORRECTED Hearing Notice

This is to inform you that the notice dated + on the above-captioned case contained incorrect information. The purpose of this notice is to correct that information. All corrections will be double underlined.

Type: Pre-Hearing Conference
Date: Wednesday, February 28, 2007
Time: 10:30 a.m.
Location: 11th floor hearing room
Pittsburgh State Office Building
300 Liberty Avenue
Pittsburgh, PA 15222

DOCUMENT
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and

Hearing Room 1 - Harrisburg Parties
Plaza Level
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

DOCKETED
FEB 20 2007

BA

Presiding: **Administrative Law Judge Larry Gesoff**
1103 Pittsburgh State Office Building
300 Liberty Avenue
Pittsburgh, PA 15222
Telephone: 412-565-3550
Fax: 412-565-5692

Attention: You may lose the case if you do not come to this hearing and present facts on the issues raised.

If you intend to file exhibits, 2 copies of all hearing exhibits to be presented into evidence must be submitted to the reporter. An additional copy must be furnished to the Presiding Officer. A copy must also be provided to each party of record.

Individuals representing themselves do not need to be represented by an attorney. All others (corporation, partnership, association, trust or governmental agency or subdivision) must be represented by an attorney. An attorney representing you should file a Notice of Appearance before the scheduled hearing date.

If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call the scheduling office at the Public Utility Commission at least (2) two business days prior to your hearing:

- Scheduling Office: 717-787-1399
- AT&T Relay Service number for persons who are deaf or hearing-impaired: 1-800-654-5988

pc: Judge Gesoff
Stacy Nolan, Scheduling Officer
Beth Plantz
Docket Section
Calendar File

ORIGINAL

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 Sniscak &
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Scott T. Wyland
Todd S. Stewart
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100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmsk-law.com

February 21, 2007

VIA HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

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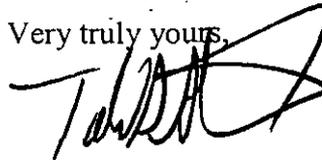
RE: Petition of Duquesne Light Company for Approval of Default Service Plan for the Period January 1, 2008, through December 31, 2010; Docket No. P-00072247;
PETITION TO INTERVENE OF DOMINION RETAIL, INC.

Dear Secretary McNulty:

Enclosed for filing with the Commission are the original and three (3) copies of a Petition to Intervene of Dominion Retail, Inc., in the above-captioned matter.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



Todd S. Stewart
Counsel for Dominion Retail, Inc.

DOCUMENT
FOLDER

TSS/bks
Enclosures
cc: Per Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company : Docket No. P-00072247
for Approval of Default Service Plan :
for the Period January 1, 2008, through :
December 31, 2010 :

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PETITION TO INTERVENE OF
DOMINION RETAIL, INC.

DOCKETED
FEB 22 2007

Dominion Retail, Inc. ("Dominion Retail"), by and through its counsel, Hawke McKeon Sniscak & Kennard LLP, pursuant to 52 Pa. Code § 5.71, *et seq.*, hereby Petitions to Intervene in the above-captioned matter. As a licensed electric generation supplier ("EGS") that serves approximately 90,000 customers in the Duquesne Light Company ("Duquesne") service territory, Dominion Retail has a unique and substantial interest in the outcome of this proceeding, which will in large part determine whether Duquesne's territory remains the most competitive in the state. While it supports certain concepts proposed in Duquesne's Provider of Last Resort plan ("POLR IV plan"), and does not oppose others, Dominion Retail is concerned that the proposed rates for residential customers do not reflect prevailing market prices. In addition, Dominion Retail is concerned by the way in which Duquesne manages POLR load versus non-POLR load which may discriminate against any supplier and the supplier's customers in favor of POLR customers. In support of its Petition, Dominion Retail states as follows:

1. Dominion Retail is a licensed EGS (A-11008) with statewide authority to provide electric generation supplier service to customers. Its Pennsylvania offices are located at 1201 Pitt Street, Pittsburgh, Pennsylvania, 15221. Dominion Retail currently provides service to

approximately 90,000 customers in Duquesne's service territory and has served customers in other service territories as well.

2. Dominion Retail is represented in this proceeding by the following counsel:

Gary A. Jeffries, Senior Counsel
Attorney I.D. No. 41481
Dominion Resources Services, Inc.
1201 Pitt Street
Pittsburgh, PA 15221
(412) 473-4129
(412) 473-4170
gjeffries@dom.com

Todd S. Stewart
Attorney I.D. No. 75556
Hawke McKeon Sniscak & Kennard LLP
P.O. Box 1778
100 N. Tenth Street
Harrisburg, PA 17105
(717) 236 1300
(717) 236 4841 (fax)
tsstewart@hmsk-law.com

All correspondence regarding this matter should be directed to the above-listed addresses.

3. Duquesne's Petition was filed with the Pennsylvania Public Utility Commission on or about January 25, 2007, although Dominion Retail did not receive a copy until February 1, 2007. Notice of the Petition was published in the Pennsylvania Bulletin on February 10, 2007. According to the published Notice, Petitions to Intervene are due on or before February 26, 2007.

4. Duquesne's POLR IV plan will establish default service rates that will directly and immediately affect the competitiveness of the retail market in its service territory. Duquesne's POLR IV plan establishes a purchase of receivables program that Dominion Retail supports. In short, Dominion Retail has a direct and immediate interest in the outcome of this proceeding, since its ability to remain as an active participant in Duquesne's service territory will be determined in large part by the outcome.

5. The Commission's regulations provide that an entity is eligible to participate in the proceeding and thereby eligible to intervene if that party has "an interest which may be directly affected and which is not adequately represented by existing participants, and, as to

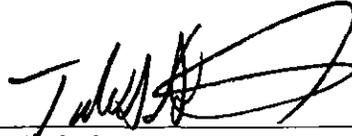
Petitioner may be bound by the action of the Commission in the proceeding.” 52 Pa. Code § 5.72(a)(2).

6. As discussed above, Dominion Retail’s status is unique because it alone serves a large number of residential customers in the Duquesne Light Service territory, and therefore its interest cannot be adequately represented by any other party. By virtue of the fact that Dominion Retail’s continuing ability to serve those customers at competitive rates is dependent upon the default service rates set by Duquesne’s POLR IV plan, its interest is direct and immediate. That is, if the rates for default service do not reflect prevailing market prices as Dominion Retail believes, then Dominion Retail may be unable to continue serving its existing customers or acquire new customers.

7. While Dominion Retail does not oppose certain elements of Duquesne’s POLR IV plan, including the purchase of receivables and the proposed three year acquisition process as part of a transition plan, Dominion Retail believes that the other aspects of the POLR IV plan as well as Duquesne’s requirements for electric generation suppliers that compete against POLR service, must be addressed in this proceeding. Dominion Retail will attempt to clarify its positions through the discovery process.

WHEREFORE, Dominion Retail, Inc., for all the foregoing reasons, respectfully requests that the Pennsylvania Public Utility Commission grant its Petition to Intervene in the above-captioned proceeding.

Respectfully submitted,



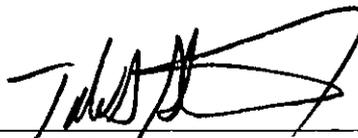
Todd S. Stewart
Attorney ID # 75556
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717-236-1300
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tsstewart@hmsk-law.com

Counsel for Dominion Retail, Inc.

Dated: February 21, 2007

AFFIDAVIT

I, Todd S. Stewart, certify that I am counsel for Dominion Retail, Inc. and that, in this capacity, I am authorized to and do make this Affidavit for them, that the facts set forth in the foregoing document are true and correct to the best of my knowledge, information and belief, and that I expect Dominion Retail, Inc. to be able to prove the same at any hearing hereof. I understand that false statements made therein are made subject to the penalties of 18 Pa. C.S. §4904, relating to unsworn falsifications to authorities.



Todd S. Stewart
Hawke McKeon Sniscak & Kennard LLP
Harrisburg Energy Center
100 North Tenth Street
PO Box 1778
Harrisburg, PA 17105
717-236-1300

Counsel for Dominion Retail, Inc.

Dated: February 21, 2007

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA FIRST CLASS MAIL

The Honorable Larry Gesoff
Pennsylvania Public Utility Commission
1103 Pittsburgh State Office Building
300 Liberty Avenue
Pittsburgh, PA 15222

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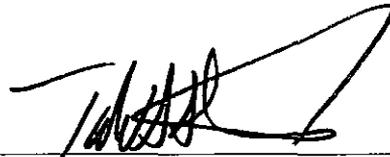
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John Hanger, Esquire
PennFuture
610 North Third Street
Harrisburg, PA 17101

Lisa Yoho
Calpine Corporation
1350 I. Street, NW
Suite 1270
Washington, D.C. 20005



Todd S. Stewart

Dated this 21st day of February, 2007.

DOCUMENT
FOLDER

Hawke

McKeon

Sniscak &

Kennard LLP

ATTORNEYS AT LAW

William T. Hawke
Kevin J. McKeon
Thomas J. Sniscak
Norman James Kennard
Lillian Smith Harris
Scott T. Wyland
Todd S. Stewart
Craig R. Burgraff

Steven D. Snyder
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Steven K. Haas
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Rikardo J. Hull
Katherine E. Lovette
Amy A. Whitney

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmsk-law.com

February 21, 2007

VIA HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street – Filing Room (2 North)
P.O. Box 3265
Harrisburg, PA 17105-3265

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SECRETARY'S BUREAU

Re: Petition of Duquesne Light Company for Approval of a Default Service Plan for the Period January 1, 2008, through December 8, 2010; Docket No. P-00072247
PREHEARING CONFERENCE MEMORANDUM OF DOMINION RETAIL, INC.

Dear Secretary McNulty:

Enclosed for filing with the Commission are the original and three (3) copies of the Prehearing Conference Memorandum of Dominion Retail, Inc. Copies have been served upon parties per the attached Certificate of Service.

If you have any questions with regard to this filing, please direct them to me. Thank you for your attention to this matter.

Regards,



Todd S. Stewart
Counsel for Dominion Retail, Inc.

TSS/bks

Enclosures

cc: Per attached Certificate of Service

10

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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SECRETARY'S

Petition of Duquesne Light Company for :
Approval of a Default Service Plan for the :
period January 1, 2008, through December : Docket No. P-00072247
8, 2010 :

DOCUMENT
FOLDER

PREHEARING CONFERENCE
MEMORANDUM OF
DOMINION RETAIL, INC.

DOCKETED
FEB 23 2007

Pursuant to the Prehearing Conference Order issued by the Presiding Administrative Law Judge Larry Gesoff on February 6, 2007, and 52 Pa. Code § 224, Dominion Retail, Inc., ("Dominion Retail"), hereby presents the following Prehearing Conference Memorandum for the consideration of the Presiding Administrative Law Judge at the Prehearing Conference currently scheduled to be held on February 28, 2007, at 10:30 a.m. Dominion Retail's Prehearing Conference Memorandum will follow the format set forth in the Prehearing Conference Order:

1. Settlement

Dominion Retail is interested in discussing settlement of the entirety of this case with Duquesne Light Company and all other parties and will engage in any such discussions.

2. Discovery

Dominion Retail has not yet initiated discovery but expects to do so shortly. Dominion Retail currently has no outstanding discovery issues.

3. Additional Discovery Rules

Dominion Retail has no proposed additional discovery rules but agrees with the Administrative Law Judge's ordinary practice of having the parties attempting to resolve discovery disputes informally before seeking a ruling from the Presiding ALJ.

4. Discovery Schedule

Dominion Retail will endeavor to conduct discovery as early as possible in this proceeding. It does not believe that a discovery schedule is necessary.

5. Admissions or Stipulations

Dominion Retail is a party to a limited stipulation with the company in this matter but has no present intention to seek any admissions or to engage in any further stipulations, but is willing to discuss the possibility of doing so.

6. Factual Issues

Dominion Retail believes that there are factual issues in this case. They are as follows: (1) Whether the default service rates proposed by Duquesne Light Company reflect a prevailing market price; and (2) Whether Duquesne's POLR IV plan will have positive or negative benefits for the competitive market in Duquesne Light Service territory. Dominion Retail reserves the right to raise additional factual issues as the case develops.

7. Legal Issues

Dominion Retail believes that at least one significant legal issue in this case is the definition of prevailing market price. Dominion Retail reserves the right to raise additional or different legal arguments as necessary in this matter.

8. Witness

Dominion Retail's witness in the above-captioned matter will be Thomas J. Butler, Director of Business Development for Dominion Retail, Inc. Mr. Butler's business address is 1201 Pitt Street, Pittsburgh, Pennsylvania, 15221. Dominion Retail reserves the right to call additional witnesses as may be necessary to respond to testimony or exhibits presented in this matter.

9. Witness Issues

Mr. Butler will address issues of the prevailing market price and the comparison of Duquesne proposed POLR IV default service rates to prevailing market prices and will discuss the competitive impact of Duquesne proposed POLR IV plans. Dominion Retail reserves the right to address additional issues as may arise in the course of this proceeding.

10. Second Prehearing Conference

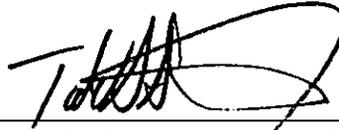
Dominion Retail does not believe that a second Prehearing Conference will be necessary.

11. Proposed Schedule

The expected parties to this proceeding met on a telephone conference call on Wednesday, February 21, 2007, and reached consensus on a schedule that Duquesne will present. Dominion Retail agrees with that consensus schedule.

WHEREFORE, Dominion Retail respectfully requests that the Presiding ALJ give due consideration to this Prehearing Conference Memorandum.

Respectfully submitted,



Todd S. Stewart (Attorney ID No. 75556)
Hawke McKeon Sniscak & Kennard LLP
Harrisburg Energy Center
100 North Tenth Street
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tsstewart@hmsk-law.com

Counsel for Dominion Retail, Inc.

Dated: February 21, 2007

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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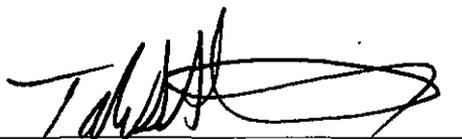
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Todd S. Stewart

Dated this 21st day of February, 2007.



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February 22, 2007

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
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Harrisburg, PA 17105-3265

ORIGINAL

**DOCUMENT
FOLDER**

RE: Petition of Duquesne Light Company for
Approval of Default Service Plain for the
Period January 1, 2008 through
December 31, 2010
Docket No. P-00072247

Dear Secretary McNulty:

Enclosed for filing, please find an original and three (3) copies of the Notice of Intervention of the Office of Consumer Advocate, in the above-referenced proceeding.

Copies have been served on the parties of record as indicated on the enclosed Certificate of Service.

Sincerely,

David T. Evrard
Assistant Consumer Advocate
PA Attorney I.D. # 33870

Enclosure

cc: Honorable Larry Gesoff
Office of Special Assistants
Parties of Record

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ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company :
for Approval of Default Service Plain : Docket No. P-00072247
for the Period January 1, 2008 through :
December 31, 2010 :

NOTICE OF INTERVENTION

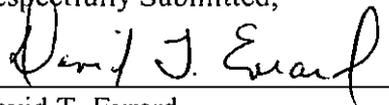
Pursuant to 52 Pa. Code Sections 5.71-74, the Office of Consumer Advocate hereby gives Notice of Intervention in the above-captioned proceeding. A copy of all correspondence and notices, documents, orders or other communications with respect to the above-captioned proceeding should be addressed to the following:

David T. Evrard
Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
5th Floor Forum Place
Harrisburg, PA 17101-1923

**DOCUMENT
FOLDER**

DOCKETED
FEB 23 2007

Respectfully Submitted,



David T. Evrard
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PUBLIC STATEMENT OF THE
OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)

DOCKETED
FEB 23 2007

Act 161 of the Pennsylvania General Assembly, 71 P.S. § 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (PUC or Commission). In accordance with Act 161, and for the following reasons, the Consumer Advocate determined to file an Answer to the Petition initiating this matter and to participate in proceedings before the Commission involving the default service plan approval and proposed rate increase requested by Duquesne Light Company (Duquesne or Company) and docketed at P-00072247.

Duquesne is engaged in the business of furnishing electric service to approximately 588,000 residential, commercial, and industrial customers in Allegheny and Beaver Counties, Pennsylvania. Duquesne has filed its proposal for offering default service (the provision of electric generation service to customers who do not choose a competitive supplier or whose supplier defaults) to its customers for the period beginning January 1, 2008 through December 31, 2010. As part of its Default Service Plan, Duquesne proposes to increase the default service rate to residential customers served under Rate RS by 17.6% over the current rate for that service. This would amount to an increase of 9.2% in a residential customer's overall electric bill. For residential heating customers, Duquesne proposes an increase of 34.2% in the default service rate for customers on Rate RH (that is a 19.3% increase in the overall electric bill) and an increase of 16.7% for customers on Rate RA (a 10.8% increase in the overall bill). Duquesne also proposes to eliminate the declining block rate structure now in place for residential heating customers by 2010. Currently, heating customers pay a lower rate for usage above 500 Kwh per month during the winter months. When this reduced rate is finally eliminated in 2010, residential heating customers will pay a uniform rate

for all of their usage and that rate will equal the rate paid by residential non-heating customers. Duquesne is further proposing to move certain charges that are now included in default service rates to its newly established Transmission Service Charge.

The Consumer Advocate will participate in this proceeding in an effort to ensure that rates proposed for residential default service, and the rate design changes being proposed for residential heating customers, are just and reasonable. Similarly, the Consumer Advocate will seek to ensure that the Company's proposal to move certain charges to its Transmission Service Charge is just and reasonable. The Consumer Advocate will represent the interests of Duquesne's consumers before the Commission to ensure that they are not charged unjust and unreasonable rates or subject to unjust or unreasonable changes in the design of their rates or improper default service programs.

CERTIFICATE OF SERVICE

ORIGINAL

Petition of Duquesne Light Company :
for Approval of Default Service Plain : Docket No. P-00072247
for the Period January 1, 2008 through :
December 31, 2010 :

I hereby certify that I have this day served a true copy of the foregoing document, the Notice of Intervention and Public Statement of the Office of Consumer Advocate, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 22nd day of February 2007.

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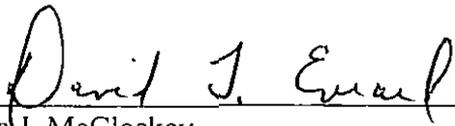
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February 22, 2007

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RE: Petition of Duquesne Light Company for
Approval of Default Service Plain for the
Period January 1, 2008 through
December 31, 2010
Docket No. P-00072247

Dear Secretary McNulty:

Enclosed for filing, please find an original and three (3) copies of the Answer of the Office of Consumer Advocate, in the above-referenced proceeding.

Copies have been served on the parties of record as indicated on the enclosed Certificate of Service.

Sincerely,

David T. Evrard
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PA Attorney I.D. # 33870

Enclosure

cc: Honorable Larry Gesoff
Office of Special Assistants
Parties of Record

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ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company :
for Approval of Default Service Plain :
for the Period January 1, 2008 through :
December 31, 2010 :

Docket No. P-0007224

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ANSWER OF THE
OFFICE OF CONSUMER ADVOCATE

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On January 25, 2007, Duquesne Light Company (Duquesne or Company) filed with the Pennsylvania Public Utility Commission (Commission) a Petition setting forth its proposed plan for rendering Default Service to its customers, beginning January 1, 2008 and continuing through December 31, 2010 (POLR IV Plan or Plan). Duquesne's proposed POLR IV Plan would take effect upon the expiration of its current Default Service Plan, commonly referred to as POLR III, which occurs on December 31, 2007.

Duquesne's proposed Plan includes different Default Service proposals for its Residential, Small Commercial & Industrial, Large Commercial & Industrial, and Lighting customer groups. For Residential customers, the POLR IV Plan proposes fixed price generation service for the three years the plan is in effect. Rates will increase on January 1, 2008 to reflect the cost of acquiring supply in the wholesale markets to serve the need of the customers over the three year term of the Plan. For the major residential rate schedule, Rate RS, the rate will remain fixed for the life of the plan. Rate RS charges for generation service would increase, on average, by 17.6% over existing POLR III rates. On a total bill basis this would amount to an average

increase of 9.2%. According to the Company, the proposed POLR IV rates for Rate RS would be 9.1% lower than the total rate for generation service prior to restructuring.

Residential heating customers, those on Rates RH and RA, are currently under a declining block rate structure during the heating season and have a lower average rate than Rate RS. Under the declining block structure, RH and RA customers pay a lower rate for all electricity used in excess of 500 kwh. Under Duquesne's proposal, Duquesne will phase out the declining block structure incrementally over the three-year period and will eliminate any differential between the residential rate schedules by 2010. Beginning January 1, 2010, all Residential customers (RS, RH and RA) will pay the same single, flat rate for all quantities of generation service. For Rate RH customers, generation rates will increase by 34.2% over POLR III rates, an increase of 19.3% on a total bill basis, by 2010. For Rate RA customers, generation rates will increase 16.7% over POLR III rates by 2010, an increase of 10.8% on a total bill basis.

The OCA is in substantial agreement with Duquesne's proposal for residential customers.¹ Duquesne's proposal for residential customers follows its successful prior POLR models where Duquesne, an EDC that has divested its generation, establishes a fixed price and enters a contract with its affiliate, Duquesne Power, to acquire the generation needed to serve its customers in the competitive wholesale markets. Through the use of a fixed rate for residential customers over a three-year term, customers will be provided rate certainty and stability at rates reflecting the purchases that must be made in the wholesale markets to serve the customers.

Of importance, Duquesne has proposed to acquire supply for residential customers in the wholesale markets through a contract with its affiliate, Duquesne Power. Duquesne Power will procure the supply from non-affiliated competitive wholesale suppliers and

¹ The OCA will only specifically address the Residential program in this Answer. The OCA anticipates that other parties representing the interests of Small Commercial & Industrial customers and Large Commercial & Industrial customers will directly address those specific programs.

can rely on a variety of market purchases, including bilateral contracts, requests for proposals, and/or purchases in the short term markets. Duquesne Power will also procure the alternative energy resources, or alternative energy credits, needed to comply with the Alternative Energy Portfolio Standards Act. Duquesne Power will assume the risks associated with procuring that supply for the term of the contract, including the risk of changes in shopping levels, changes in load shape from the rate design changes, and changes in sales levels for other reasons. The OCA submits that through this process, Duquesne Power is able to procure supply at prevailing market prices and allow Duquesne Light to provide reasonable, stable rates for residential customers.

For residential customers, Duquesne has proposed an average rate of 7.41 cents/kwh. To support the reasonableness of this rate, Duquesne compared the price to recent solicitations in New Jersey, Maryland and Pennsylvania, making the adjustments necessary to compare the prices on an apples-to-apples basis. While the OCA will continue to analyze the prices and rates to confirm the reasonableness of the charges to residential customers, the OCA's preliminary analysis indicates that the rates Duquesne has proposed for residential customers are reasonable and reflective of prevailing market prices for a three-year full requirements contract.

The OCA is also in general agreement with Duquesne's proposal to use this three-year transition period to address residential rate designs, such as the declining block rate structures, that can impede conservation and make it difficult for customers to make comparisons of competitive offerings. The OCA is concerned, however, that Duquesne's proposal to charge the residential heating rates the same per kwh rate as the regular residential rate schedule may not properly reflect the usage of the heating customers in the lower priced periods, such as the off-peak hours and lower priced winter months. The OCA submits that further analysis of the

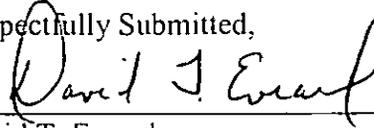
rate design proposals for residential customers may be necessary to ensure that the proposals are reasonable and appropriate.

Duquesne has proposed other market enhancements, including a purchase of receivables program, to assist in the further development of competitive offerings to residential and small C&I customers in its service territory. While the OCA has concerns with purchase of receivables programs, particularly the wide-spread use of such programs without appropriate protections, the program negotiated for the Duquesne service territory provides a number of critical consumer protections that resulted in the OCA not opposing this program. Of importance, Duquesne has agreed that it will not terminate any customer for failure to pay amounts in excess of what the customer would have paid under Duquesne's own default service rates. Given the fixed nature of Duquesne's rates for residential customers, this provision will be able to be reasonably implemented. In addition, the EGSs have agreed that they will not reject any customer based on credit-related issues. This will help to address continuing issues of the access of low-income or credit-troubled customers to potentially lower priced supply. Additionally, Duquesne has agreed to notify and educate its customers regarding this program. The OCA looks forward to working with Duquesne in developing the necessary consumer education and information materials.

Duquesne has also proposed some changes to its method of recovery of PJM administrative charges and ancillary service charges. Duquesne is proposing to recover these charges through its Transmission Service Charge (TSC) rather than in the generation rate since it has identified these as transmission-related charges. The OCA is continuing to evaluate the ancillary service charges that Duquesne proposes to move to the TSC to ensure that this proposal is reasonable and proper.

WHEREFORE, the Office of Consumer Advocate generally supports Duquesne Light Company's POLR IV Plan for residential customers, but will continue to examine certain issues to ensure that the resulting rates are just and reasonable.

Respectfully Submitted,



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Dated: February 22, 2007

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CERTIFICATE OF SERVICE

ORIGINAL

Petition of Duquesne Light Company
for Approval of Default Service Plain
for the Period January 1, 2008 through
December 31, 2010

Docket No. P-00072247

I hereby certify that I have this day served a true copy of the foregoing document, the Answer of the Office of Consumer Advocate, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 22nd day of February 2007.

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Counsel for:

Craig A. Doll, Esquire
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P.O. Box 403
Hummelstown, PA 17036
Counsel for:

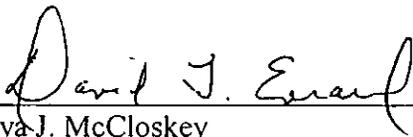
Lisa Yoho, Esquire
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Counsel for:

W. Edwin Ogden, Esquire
Alan Michael Seltzer, Esquire
Ryan Russell Ogden & Seltzer, LLP
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Counsel for:

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Material Management Services
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Tel (202) 785-9100
Fax (202) 785-9163

February 23, 2007

VIA FEDEX

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: *Petition of Duquesne Light Company for Approval of Default Service Plan for the Period January 1, 2008 Through December 31, 2010, Docket No. P-00072247*

DOCUMENT
FOLDER

Dear Secretary McNulty:

Enclosed for filing in the referenced proceeding are the original and three copies of: (1) the Petition to Intervene of Citizen Power, Inc.; (2) a Motion for Leave to Appear *Pro Hac Vice*; (3) the Notice of Appearance for the undersigned; (4) a Prehearing Conference Memorandum pursuant to the Presiding Judge's February 6, 2007 Prehearing Conference Order; and (5) a certificate of service for these submissions. Kindly date stamp the two extra enclosed copies of each submission and return them to the undersigned in the enclosed envelope.

If there are any problems with this filing, please contact the undersigned at the number above. Thank you.

Respectfully yours,

STINSON MORRISON HECKER LLP

John E. McCaffrey

An attorney for Citizen Power, Inc.

Enclosures

cc: The Honorable Larry Gesoff (via FedEx and electronic mail)
Certificate of service (via regular mail)

KANSAS CITY
OMAHA
OVERLAND PARK
PHOENIX
ST. LOUIS
WASHINGTON, D.C.
WICHITA

51

COMMONWEALTH OF PENNSYLVANIA
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company :
For Approval of Default Service Plan : Docket No. P-00072247
For The Period January 1, 2008 :
Through December 31, 2010 :

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PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PETITION TO INTERVENE OF CITIZEN POWER, INC.

Pursuant to 52 Pa. Code §§ 5.71-5.74 and the February 10, 2007 notice published in the Pennsylvania Bulletin, 37 Pa.B. 736, Citizen Power, Inc. ("Citizen Power") hereby petitions to intervene in the captioned proceeding relating to the Petition of Duquesne Light Company ("Duquesne") for approval of a Default Service Plan for the period January 1, 2008 through December 31, 2010. In support of its petition to intervene, Citizen Power states as follows:

I. DESCRIPTION OF THE PETITION

ORIGINAL

1. Duquesne petitions the Commission for (i) approval of a default service plan for the period from January 1, 2008 through December 31, 2010; and (ii) the issuance of certain other related approvals required for the implementation of the Plan. *See* Petition at 1. Duquesne notes that its current default service plan, *i.e.*, the "POLR III Plan," expires on December 31, 2007. *Id.* (citing *Petition of Duquesne Light Company for Approval of Plan For Post-Transition Period Provider of Last Resort Service*, Docket No. P-00032071 (entered August 23, 2004)). Duquesne seeks expedited approval of the Default Service Plan on or before July 1, 2007. *Id.*

2. Duquesne states that the rates proposed in its filing for Residential, Small C&I and Lighting customers reflect an average increase of 10.2%, on a total bill basis, and a 17.6% increase as compared to current POLR III supply rates. *See* Petition at 2.

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Duquesne asserts that, while such rates reflect prevailing market prices for the Default Service Plan service period, the increases are relatively modest, particularly when compared to the increases proposed in other POLR filings which have employed an RFP or auction process. *Id.*

3. Duquesne explains that, in order to procure power for Residential, Lighting and Small C&I customers, it will amend its fixed price, full requirements contract with its affiliate, Duquesne Power. *Id.* at 4. Duquesne states that Duquesne Power will rely on competitive wholesale market purchases in PJM to obtain power for Duquesne's customers. *Id.* According to the Petition, Duquesne Power also will assume regulatory approval, customer switching, load following and other regulatory and business related risks associated with default service supply. *Id.* Duquesne asserts that it carefully considered obtaining default supply through a competitive procurement process, but concluded that such an approach is not appropriate at this time. *Id.*

4. Duquesne contends that its proposed Default Service Plan contains several features designed to promote retail competition, including a purchase of receivables ("POR") program agreed to in connection with Duquesne's recent base rate case settlement in Docket No. R-00061346. *Id.* at 6. Under the POR program, Duquesne will purchase the accounts receivable, without recourse, associated with EGS sales of retail electricity to Residential and Small C&I customers. *Id.*

5. Duquesne explains that in its recent rate case settlement, it agreed to evaluate the proposals of other parties regarding energy conservation and education, time of use metering and economic development and to submit proposals that it deemed to be appropriate in this default service filing. *See* Petition at 7. Duquesne states in the

Petition that it has evaluated such proposals and has concluded that implementation of the proposals would be premature in this case. *Id.*

II. DESCRIPTION OF CITIZEN POWER AND ITS INTERESTS JUSTIFYING INTERVENTION

6. Citizen Power is a non-profit, 501(c)(3), public policy research, education and advocacy organization incorporated under the laws of the Commonwealth of Pennsylvania with its principal place of business located at 2121 Murray Avenue, Pittsburgh, Pennsylvania 15217.

7. Citizen Power devotes all of its resources to consumer (particularly low-income consumers) and environmental protection with a principal focus on the impact of the deregulation of electricity generation on these interests. Citizen Power has participated in numerous restructuring proceedings at the state and federal level. Citizen Power has been a statewide advocate for lower energy costs and increased use of renewable energy and energy-efficiency technologies.

8. Citizen Power has been a participant on behalf of customers in previous Duquesne proceedings before the Commission, including Docket No. R-00974104 (Duquesne's "POLR II" Settlement proceeding), Docket No. P-00021969 (regarding Duquesne's petition to modify its "POLR II" Plan in connection with the Company's intention to join PJM West), Docket No. P-00032071 (the POLR III proceeding), Docket No. R-00061346 (Duquesne's 2006 rate case), and Docket Nos. A-110150F0035 and A-311233F0002 (acquisition of Duquesne Light Holdings by the Macquarie Consortium). Citizen Power is a party to Duquesne's POLR II Settlement as well as the rate case settlement in Docket No. R-00061346.

9. In addition to its corporate purpose of representing the interests of low income consumers and the environment, Citizen Power has an interest in this proceeding as a Duquesne retail customer.

10. The resolution of Duquesne's Petition will affect the rates, terms and conditions under which Duquesne provides service to its Pennsylvania customers, including Citizen Power. As such, Citizen Power respectfully submits that its interests may be directly affected by the outcome of this proceeding, that such interests will not be adequately represented by other participants, and that Citizen Power may be bound by the action of the Commission in this proceeding. Further, Citizen Power submits that its participation in this case is in the public interest.

11. Citizen Power's present position with respect to the Petition is that further information and analysis of Duquesne's proposals are required before the Commission can act on the Petition.

12. Citizen Power will be represented by, and requests that all documents in this proceeding be served on, its attorneys at the following address:

Kelly A. Daly
Harvey L. Reiter*
John E. McCaffrey*
Stinson Morrison Hecker LLP
1150 18th Street, N.W., Suite 800
Washington, D.C. 20036
(202) 785-9100 (phone)
(202) 785-9163 (fax)
kdaly@stinsonmoheck.com
hreiter@stinsonmoheck.com
jmccaffrey@stinsonmoheck.com

* Mr. Reiter and Mr. McCaffrey are not admitted to practice law in the Commonwealth of Pennsylvania. Accompanying this petition is a motion by Ms. Daly for admission of Messrs. Reiter and McCaffrey *pro hac vice* pursuant to 52 Pa. Code § 1.22(b) and Rule 301(b) of the Pennsylvania Bar Admission Rules.

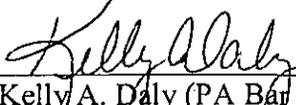
13. For the reasons set forth herein, Citizen Power respectfully petitions the Commission for leave to intervene in this proceeding and asks that it be made a party with all rights and privileges associated therewith.

IV. CONCLUSION

Based on the foregoing, Citizen Power requests that the Commission grant its petition to intervene.

Respectfully submitted,

CITIZEN POWER, INC.

By: 

Kelly A. Daly (PA Bar # 57164)
Harvey L. Reiter (D.C. Bar # 232942)
John E. McCaffrey (D.C. Bar # 457829)
STINSON MORRISON HECKER LLP
1150 18th Street, N.W., Suite 800
Washington, DC 20036
(202) 785-9100 (phone)
(202) 785-9163 (fax)

Dated: February 23, 2007

Its Attorneys

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

VERIFICATION

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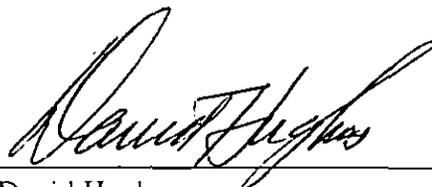
FEB 23 2007

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

VERIFICATION

I, David Hughes, hereby state that the facts set forth in the preceding Petition to Intervene of Citizen Power, Inc. are true and correct to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: 2/15/07



David Hughes
Executive Director
Citizen Power, Inc.

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

COMMONWEALTH OF PENNSYLVANIA
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company :
For Approval of Default Service Plan : Docket No. P-00072247
For The Period January 1, 2008 :
Through December 31, 2010 :

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

MOTION FOR LEAVE TO APPEAR PRO HAC VICE

Pursuant to 52 Pa. Code § 1.22(b) and Rule 301(b) of the Pennsylvania Bar Admission Rules, Kelly A. Daly of the law firm of Stinson Morrison Hecker LLP, attorneys for Citizen Power, Inc. ("Citizen Power") in the captioned proceedings, respectfully moves for leave for Harvey L. Reiter and John E. McCaffrey to appear *pro hac vice*, for all permissible purposes in the captioned proceedings. In support of this motion, the undersigned hereby states as follows:

1. The undersigned, Kelly A. Daly is an active member in good standing of the Bar of the Commonwealth of Pennsylvania (Attorney Registration No. 57164) and a partner with the law firm of Stinson Morrison Hecker LLP. Ms. Daly's principal law office is located at 1150 18th Street, N.W., Suite 800, Washington, D.C. 20036-3816.

2. Kelly A. Daly moves for the appearance of Harvey L. Reiter and John E. McCaffrey as counsel, *pro hac vice*, for Citizen Power in the captioned proceedings.

3. Mr. Reiter is a member in good standing of the Bar of the District of Columbia (#232942). He is a partner with the law firm of Stinson Morrison Hecker LLP at the same address provided for Ms. Daly.

4. Mr. McCaffrey is a member in good standing of the Bars of the District of Columbia (#457829) and the Commonwealth of Massachusetts (#55761). He is a partner with Stinson Morrison Hecker LLP at the same address provided above.

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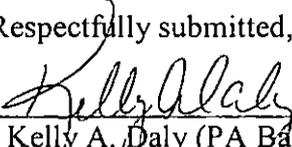
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5. Mr. Reiter and Mr. McCaffrey are experienced practitioners in the field of regulatory and energy law. They have appeared in numerous proceedings before the Federal Energy Regulatory Commission, federal courts, and state and federal administrative agencies. Mr. Reiter and Mr. McCaffrey have previously represented Citizen Power before the Federal Energy Regulatory Commission. Further, Messrs. Reiter and McCaffrey have appeared for Citizen Power before this Commission in several other proceedings.

6. As Mr. Reiter and Mr. McCaffrey have acted as Citizen Power's counsel in other utility matters and are thus familiar with its interests and concerns, their participation on its behalf would be appropriate and reasonable.

WHEREFORE, for the reasons set forth above, the undersigned hereby respectfully moves for leave for Harvey L. Reiter and John E. McCaffrey to appear as counsel, *pro hac vice*, on behalf of Citizen Power, Inc. in the captioned proceedings.

Respectfully submitted,

By: 

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STINSON MORRISON HECKER LLP
1150 18th Street, N.W.
Suite 800
Washington, DC 20036
(202) 785-9100 (phone)
(202) 785-9163 (fax)

Attorneys for Citizen Power, Inc.

Dated: February 23, 2006

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

COMMONWEALTH OF PENNSYLVANIA
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company :
For Approval of Default Service Plan : Docket No. P-00072247
For The Period January 1, 2008 :
Through December 31, 2010 :

NOTICE OF APPEARANCE

In accordance with 52 Pa. Code § 1.25, the undersigned hereby submits this notice of appearance in the above-designated matter.*

1. Please enter my appearance in the above-designated matter on behalf of Citizen Power, Inc.
2. I am authorized to accept service on behalf of said party in this matter.
3. On the basis of this notice, I request a copy of each document hereafter issued by the Commission in this matter.

Respectfully submitted



John E. McCaffrey
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1150 18th Street, N.W., Suite 800
Washington, DC 20036
202-785-9100 (phone)
1-888-811-8863 (direct fax)
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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

Admitted in the District of Columbia (#457829) and the Commonwealth of Massachusetts (#55761)

* This notice of appearance is accompanied by a motion for admission *pro hac vice* in the above-designated matter.

COMMONWEALTH OF PENNSYLVANIA
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company :
For Approval of Default Service Plan : Docket No. P-00072247
For The Period January 1, 2008 :
Through December 31, 2010 :

PREHEARING CONFERENCE MEMORANDUM OF
CITIZEN POWER, INC.

To: **The Honorable Larry Gesoff**
Presiding Administrative Law Judge

Pursuant to the February 6, 2007 Prehearing Conference Order of the Presiding Administrative Law Judge, Citizen Power, Inc. ("Citizen Power") hereby submits its prehearing conference memorandum in the captioned proceedings in advance of the February 28, 2007 prehearing conference.

I. BACKGROUND

In this proceeding, Duquesne Light Company ("Duquesne") petitions the Commission for (i) approval of a default service plan for the period from January 1, 2008 through December 31, 2010; and (ii) the issuance of certain other related approvals required for the implementation of the Plan. See Petition at 1. Duquesne notes that its current default service plan, *i.e.*, the "POLR III Plan," expires on December 31, 2007. *Id.* (citing *Petition of Duquesne Light Company for Approval of Plan For Post-Transition Period Provider of Last Resort Service*, Docket No. P-00032071 (entered August 23, 2004)). Duquesne seeks expedited approval of the Default Service Plan on or before July 1, 2007.

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

II. INFORMATION REQUIRED BY PREHEARING CONFERENCE ORDER

In accordance with the Prehearing Conference Order, Citizen Power hereby provides the following information:

A. Status of Settlement Discussions

Citizen Power is aware that there have been some settlement discussions among certain of the interested parties in this proceeding. It is Citizen Power's understanding that Duquesne intends to convene a conference call of all the parties some time after the initial prehearing conference to discuss settlement issues further.

B. Status of Discovery

Citizen Power has not yet served any discovery in this proceeding, and Citizen Power has not yet determined the extent of the discovery it will perform in this case.

C. Proposed Discovery Rules

Based on discussion among the parties on a February 21, 2007 conference call, it is Citizen Power's understanding that Duquesne intends to propose discovery rules in its prehearing conference memorandum, including accelerated deadlines for responding to discovery requests. Citizen Power is willing to work with the other parties to agree on discovery rules that are acceptable to the parties and to the Presiding Judge.

D. Proposed Schedule for Discovery

See section II.C above. Further, Duquesne has offered to engage in informal discovery with the parties.

E. Admissions or Stipulations

None proposed at this time.

F. The Factual and Legal Issues to be Addressed

At this time, Citizen Power believes that the issues raised by Duquesne's Petition require further development and evaluation through discovery and submission of testimony. Among the factual and legal issues that Citizen Power intends to evaluate further are:

- The details of Duquesne's decision to propose to meet its POLR IV requirements through an amended, fixed price, full requirements contract with its affiliate Duquesne Power, and whether this proposal is reasonable and consistent with applicable law.
- The details of Duquesne's proposal to comply with the Alternative Energy Portfolio Standards Act of 2004, and whether the proposal meets the requirements of the Act.
- The details of Duquesne's evaluation of proposals regarding energy conservation and education, time of use metering and economic development; the basis for Duquesne's conclusion that implementation of such proposals in this proceeding would be "premature;" and whether Duquesne's assessment is reasonable.

G. Identification of Witnesses and Issues They Will Address

Citizen Power has not yet made a decision regarding whether it will file testimony in this proceeding. Such decision will be based upon, *inter alia*, Citizen Power's further evaluation and assessment of the issues described in section II.F above. If Citizen Power does decide to submit witness testimony, it will promptly notify the Presiding Judge and

the parties of the identity of the witness and the anticipated subject matter of the witness' testimony.

H Second Prehearing Conference

None proposed at this time.

I. Proposed Schedule for Submission of Testimony

Based on discussion among the parties on a February 21, 2007 conference call, it is Citizen Power's understanding that Duquesne intends to propose a procedural schedule for this matter in its prehearing conference memorandum, including deadlines for several rounds of testimony, evidentiary hearings and briefs. It is Citizen Power's understanding that the schedule that Duquesne will propose is acceptable to most, if not all, of the active parties. Citizen Power is willing to work with the other parties to finalize a schedule that is acceptable to the parties and to the Presiding Judge.

J. Proposed Schedule for Evidentiary Hearings

See section II.I above.

K. Proposed Schedule and Locations for Public Input Hearings

Citizen Power is willing to work with the other parties to develop a schedule for public input hearings that is acceptable to the parties and to the Presiding Judge.

L. Proposed Briefing Schedule

See section II.I above.

M. Other Information

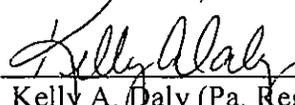
Citizen Power designates the following representative to receive service in these proceedings:

John E. McCaffrey
STINSON MORRISON HECKER LLP
1150 18th Street, N.W.
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(202) 785-9100 (phone)
(202) 785-9163 (fax)
jmccaffrey@stinsonmoheck.com

In addition, Citizen Power asks that David Hughes, Executive Director of Citizen Power, be included on any electronic distribution list used by the Presiding Judge or the parties in this proceeding. Mr. Hughes' e-mail address is: Hughes@citizenpower.com. Mr. Hughes does not wish to receive hardcopies of materials circulated electronically.

Respectfully submitted,

CITIZEN POWER, INC.

By: 

Kelly A. Daly (Pa. Reg. # 57164)
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Its Attorneys

Dated: February 23, 2007

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company :
For Approval of Default Service Plan : Docket No. P-00072247
For The Period January 1, 2008 :
Through December 31, 2010 :

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the forgoing documents: (1) Petition to Intervene of Citizen Power, Inc.; (2) Motion for Leave to Appear *Pro Hac Vice*; (3) the Entry of Appearance for John E. McCaffrey; and (4) Prehearing Conference Memorandum of Citizen Power, Inc. upon the participants listed below, in accordance with the requirements of § 1.54 (relating to service by a participant).

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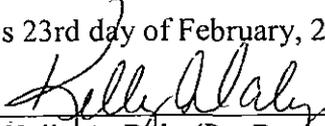
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Allan Michael Seltzer, Esquire
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Washington, D.C. 20004

Kenneth L. Wiseman, Esquire
Mark F. Sundback, Esquire
Andrews Kurth LLP
1701 Pennsylvania Avenue, N.W.
Washington, D.C. 2006

Dated at Washington, D.C., this 23rd day of February, 2007.

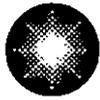
By: 

Kelly A. Daly (Pa. Reg. # 57164)
John E. McCaffrey (D.C. Bar #457829)
STINSON MORRISON HECKER LLP
1150 18th Street, N.W.,
Suite 800
Washington, DC 20036
(202) 785-9100 (phone)
(202) 785-9163 (fax)

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**



Constellation Energy

ORIGINAL

February 23, 2007

VIA MESSENGER

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
Harrisburg, PA 17120

**DOCUMENT
FOLDER**

Re: Petition of Duquesne Light Company for Approval
of Default Service Plan for The Period January 1, 2008
Through December 31, 2010. Docket No. P-00072247

Dear Secretary McNulty:

Enclosed for filing on behalf of Constellation NewEnergy, Inc. and Constellation Energy Commodities Group, Inc. (collectively, "Constellation") are an original and three copies of (1) a Notice of Appearance; (2) a Motion for Admission *Pro Hac Vice* for David I. Fein; and (3) a Motion for Admission *Pro Hac Vice* for Divesh Gupta. We are separately filing Constellation's Petition to Intervene in this proceeding.

Parties have been served according to the attached Certificate of Service.

Sincerely,

David I. Fein
Senior Regulatory Counsel

Enclosures

cc: Certificate of Service (w/encls.)

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**COMMONWEALTH OF PENNSYLVANIA
BEFORE THE PENNSYLVANIA PUBLIC
UTILITY COMMISSION**

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Petition of Duquesne Light Company :
For Approval of Default Service Plan : Docket No. P-00072247
For The Period January 1, 2008 :
Through December 31, 2010 :

**DOCUMENT
FOLDER**

NOTICE OF APPEARANCE

Please enter the appearance of David I. Fein, Esq. and Divesh Gupta, Esq. in the above-designated matter on behalf of **Constellation NewEnergy, Inc. and Constellation Energy Commodities Group, Inc.**

We are authorized to accept service on behalf of said parties in this matter.

[CHECK ONE]

On the basis of this notice, we request a copy of each document hereafter issued by the Commission in this matter.

We are already receiving or have access to a copy of each document issued by the Commission in this matter (alone, or in a consolidated proceeding) and do not on the basis of this notice require an additional copy.

Divesh Gupta
Counsel
Constellation Energy Group, Inc.
111 Market Place, Suite 500
Baltimore, Maryland 21202
Telephone: (410) 468-3468
Facsimile: (410) 468-3540
Admitted to the Bars of the District of
Columbia and the State of Texas
E-mail: divesh.gupta@constellation.com



David I. Fein

Senior Regulatory Counsel
Constellation NewEnergy, Inc.
550 W. Washington Blvd., Suite 300
Chicago, Illinois 60661
Telephone: (312) 704-8499
Facsimile: (312) 795-9270
Admitted to the Bar of the State of Illinois
E-mail: david.fein@constellation.com

Dated: February 23, 2007

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FEB 26 2007

CERTIFICATE OF SERVICE

ORIGINAL

I hereby certify that I have this day served a true copy of the foregoing document upon the parties listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA FIRST CLASS MAIL

The Honorable Larry Gesoff
Pennsylvania Public Utility Commission
1103 Pittsburgh State Office Building
300 Liberty Avenue
Pittsburgh, PA 15222

Gary A. Jack, Esquire
Duquesne Light Company
411 Seventh Avenue, 8th Floor
Pittsburgh, PA 15219

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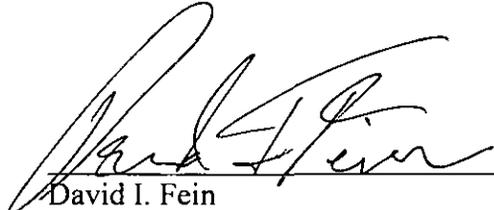
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Todd S. Stewart, Esquire
Hawke McKeon Sniscak & Kennard LLP
100 North Tenth Street
Harrisburg, PA 17101



David I. Fein

Dated this 23rd day of February, 2007.

ORIGINAL

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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2007 FEB 23 PM 4:02
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SECRETARY'S BUREAU

Petition of Duquesne Light Company
For Approval of Default Service Plan : Docket No. P-00072247
For The Period January 1, 2008 :
Through December 31, 2010 :

MOTION FOR ADMISSION PRO HAC VICE

Pursuant to 52 Pa. Code § 1.22(b) and Pa.B.A.R. 301(b), Brian J. Knipe, a member in good standing of the Pennsylvania Bar, respectfully moves for David I. Fein to be admitted to appear *pro hac vice* as counsel for Constellation NewEnergy, Inc. and Constellation Energy Commodities Group, Inc. in the above captioned proceeding, and in support thereof states the following:

1. David I. Fein is Senior Regulatory Counsel for Constellation NewEnergy, Inc. Mr. Fein is admitted to, and is a member in good standing of, the Bar of the State of Illinois. Mr. Fein is also licensed to practice before the U.S. District Court for the Northern District of Illinois.

2. Mr. Fein is an experienced practitioner in the field of regulatory law who has appeared in numerous proceedings before the Illinois Commerce Commission, and has also appeared before numerous other Public Service Commissions, including those in the States of California, Connecticut, Maryland, Massachusetts, Michigan, Ohio, New York, and Texas and has previously represented Constellation NewEnergy, Inc. and Constellation Energy Commodities Group, Inc. in numerous matters before the Pennsylvania Public Utility Commission. Mr. Fein is familiar with the issues involved in this litigation.

3. Mr. Fein's contact information is:

David I. Fein
Senior Regulatory Counsel

**DOCUMENT
FOLDER**

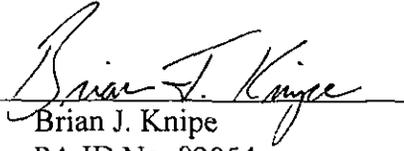
DOCKETED
FEB 26 2007

Constellation NewEnergy, Inc.
550 W. Washington Blvd., Suite 300
Chicago, Illinois 60661
Telephone: (312) 704-8499
Facsimile: (312) 795-9270
E-mail: david.fein@constellation.com

WHEREFORE, Brian J. Knipe respectfully requests that David I. Fein be specially admitted to appear *pro hac vice* in this matter on behalf of Constellation NewEnergy, Inc. and Constellation Energy Commodities Group, Inc.

Respectfully submitted,

BUCHANAN INGERSOLL & ROONEY, P.C.

By: 
Brian J. Knipe
PA ID No. 82854

One South Market Square
213 Market Street, 3rd Floor
Harrisburg, PA 17101-2121
(717) 237-4800

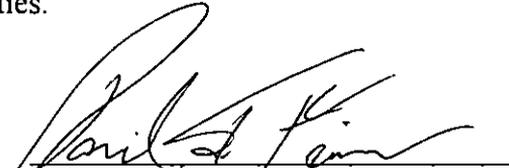
Dated: February 23, 2007

ORIGINAL

VERIFICATION

I, David I. Fein, Esquire, verify that the statements made in the foregoing Motion for Admission *Pro Hac Vice* are true and correct to the best of my personal knowledge, information, and belief. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

sl23107


David I. Fein, Esquire

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SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

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I hereby certify that I have this day served a true copy of the foregoing document upon the parties listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA FIRST CLASS MAIL

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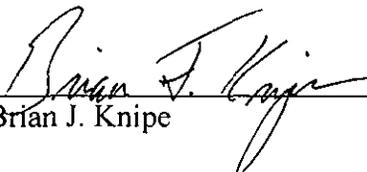
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100 North Tenth Street
Harrisburg, PA 17101



Brian J. Knipe

Dated this 23rd day of February, 2007.

ORIGINAL

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company
For Approval of Default Service Plan : Docket No. P-00072247
For The Period January 1, 2008 :
Through December 31, 2010 :

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MOTION FOR ADMISSION PRO HAC VICE

Pursuant to 52 Pa. Code § 1.22(b) and Pa.B.A.R. 301(b), Brian J. Knipe, a member in good standing of the Pennsylvania Bar, respectfully moves for Divesh Gupta to be admitted to appear *pro hac vice* as counsel for Constellation NewEnergy, Inc. and Constellation Energy Commodities Group, Inc. in the above captioned proceeding, and in support thereof states the following:

1. Divesh Gupta is Counsel for Constellation Energy Group, Inc. Mr. Gupta is admitted to, and is a member in good standing of, the Bars of the District of Columbia and the State of Texas.
2. Mr. Gupta is an experienced practitioner in the field of regulatory law who has appeared in numerous proceedings before the public service commissions of Delaware, the District of Columbia and Maryland, as well as the Illinois Commerce Commission and the New Jersey Board of Public Utilities and has previously represented Constellation Energy before the Pennsylvania Public Utility Commission. Mr. Gupta is familiar with the issues involved in this litigation.
3. Mr. Gupta's contact information is:

Divesh Gupta
Counsel
Constellation Energy Group, Inc.
111 Market Place, Suite 500
Baltimore, Maryland 21202
Telephone: (410) 468-3468

**DOCUMENT
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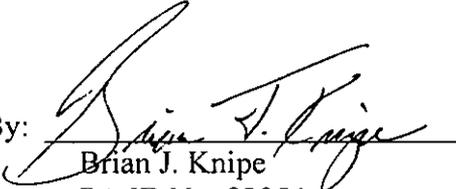
DOCKETED
FEB 26 2007

Facsimile: (410) 468-3540
E-mail: divesh.gupta@constellation.com

WHEREFORE, Brian J. Knipe respectfully requests that Divesh Gupta be specially admitted to appear *pro hac vice* in this matter on behalf of Constellation NewEnergy, Inc. and Constellation Energy Commodities Group, Inc.

Respectfully submitted,

BUCHANAN INGERSOLL & ROONEY, P.C.

By: 
Brian J. Knipe
PA ID No. 82854

One South Market Square
213 Market Street, 3rd Floor
Harrisburg, PA 17101-2121
(717) 237-4800

Dated: February 23, 2007

VERIFICATION

I, Divesh Gupta, Esquire, verify that the statements made in the foregoing Motion for Admission *Pro Hac Vice* are true and correct to the best of my personal knowledge, information, and belief. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

2/3/07

Divesh Gupta
Divesh Gupta, Esquire

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FEB 23 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S OFFICE

CERTIFICATE OF SERVICE

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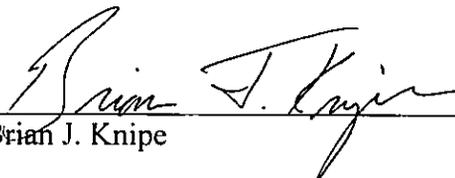
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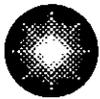
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100 North Tenth Street
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Brian J. Knipe

Dated this 23rd day of February, 2007.



Constellation Energy

February 23, 2007

VIA FED-EX

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
Harrisburg, PA 17120

ORIGINAL

Re: Petition of Duquesne Light Company for Approval
of Default Service Plan for The Period January 1, 2008
Through December 31, 2010, Docket No. P-00072247

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Constellation Energy Commodities Group, Inc. (collectively, "Constellation") are an
original and three copies of a Petition to Intervene in the above docketed proceeding.

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Sincerely,

Divesh Gupta
Counsel

**DOCUMENT
FOLDER**

Enclosures

cc: Certificate of Service (w/encls.)

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FEB 28 2007

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

50

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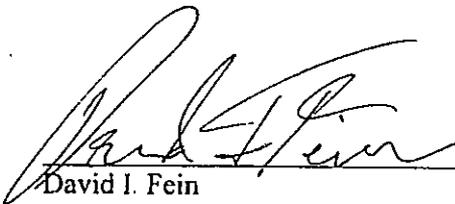
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David I. Fein

Dated this 23rd day of February, 2007.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Petition of Duquesne Light Company)
For Approval of Default Service Plan)
For The Period January 1, 2008)
Through December 31, 2010)

Docket No: P-00072247

DOCUMENT
FOLDER

PETITION TO INTERVENE OF
CONSTELLATION NEWENERGY, INC. AND
CONSTELLATION ENERGY COMMODITIES GROUP, INC.

Pursuant to 52 Pa. Code §§ 5.71-5.75, Constellation NewEnergy, Inc. ("CNE") and Constellation Energy Commodities Group, Inc. ("CCG") (collectively "Constellation") hereby file this Petition to Intervene in the above-captioned proceeding. In support of this petition, Constellation states the following:

1. The principal place of business of Constellation is:

Constellation Energy Group, Inc.
750 East Pratt Street
Baltimore, MD 21202

Scott Miller
Vice President, Regulatory Affairs
Constellation NewEnergy, Inc.
111 Market Place, Suite 700
Baltimore, MD 21202
410-230-4788
scott.miller3@constellation.com

Marjorie Philips
Vice President, Regulatory Affairs
Constellation Energy Commodities Group, Inc.
111 Market Place, 5th Floor
Baltimore, MD 21202
410-230-5802
marji.philips@constellation.com

2. The names and addresses of Constellation's counsels in the matter are:

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Chicago, IL 60661
312-704-8499
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Divesh Gupta, Esq.
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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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FEB 27 2007

Constellation's attorneys are authorized to accept service on behalf of Constellation in this proceeding. Constellation requests that the Pennsylvania Public Utility Commission ("Commission") and all parties of record serve copies of all discovery requests and answers, correspondence, Commission Orders and any other documents issued on both Constellation and Constellation's attorneys in Philadelphia.

3. On or about January 25, 2007, pursuant to Chapter 28 of the Public Utility Code and 52 Pa. Code § 5.41, Duquesne Light Company ("Duquesne Light" or the "Company") petitioned the Commission for approval of a default service plan for the period from January 1, 2008 through December 31, 2010 ("Default Service Plan" or "Plan"), and (ii) for the issuance of certain other related approvals required for the implementation of the Plan.

4. The Default Service Plan consists of three plans tailored to meet the specific needs of major customer groups. However, the Default Service Plan does not seek to utilize a competitive procurement process in order to obtain the electric supply necessary to serve default service customers.

5. The Default Service Plan also contains several important features intended by Duquesne Light to further promote retail competition.

6. Pursuant to 66 Pa. C.S. § 2807(e)(3), the Commission must determine whether the Company's Plan acquires electric energy for default service customers at prevailing market prices.

7. Further, in a long-awaited ruling, on February 8, 2007, the Commission issued an Advanced Notice of Final Rulemaking in Docket No. L-00040169 and a Proposed Policy

Statement on Default Service and Retail Electric Markets in Docket No. M-00072009, which may provide guidance in reviewing the Plan.

8. CNE is authorized to provide electricity and energy-related services to retail customers in Pennsylvania as well as in 15 other states, the District of Columbia and in two Canadian provinces, and serves over 15,000 megawatts of load and over 10,000 customers. CNE markets its services under the Constellation NewEnergy brand name. CNE is a licensed Electric Generation Supplier in the Commonwealth of Pennsylvania pursuant to 66 Pa. C.S § 2809.

9. CCG provides wholesale power and risk management services to wholesale customers (distribution utilities, co-ops, municipalities, power marketers, utilities and other large load serving entities), including through participation in load auctions, throughout the United States and Canada, in both regulated and deregulated energy markets.

10. Constellation has actively participated in proceedings regarding default service offerings in several states, including Illinois, Pennsylvania, Delaware, New Jersey, Maryland and the District of Columbia.

11. Due to the scope and early stage of this proceeding, Constellation is still formulating its position on the proposed Default Service Plan and will finalize its position after it has had an opportunity to further study and evaluate the filing, conduct discovery and obtain additional information as necessary.

12. CNE is an active participant in the retail electric market in the Duquesne service territory and CCG is a potential wholesale electric supplier for the needs of default service customers. As such, Constellation has a direct and substantial interest in this proceeding that

cannot be represented by any other party. The Plan presents very serious and fundamental policy and market structure issues that will shape the competitive landscape in Pennsylvania and the ability of suppliers like Constellation to compete in the Commonwealth's electricity market. The public interest demands that Constellation be afforded the opportunity to be heard in this proceeding.

WHEREFORE, for all the foregoing reasons, Constellation NewEnergy, Inc. and Constellation Energy Commodities Group, Inc. respectfully request that their Petition to Intervene be granted and that the Commission grant them such other relief as is just and reasonable under the circumstances.



David I. Fein
Divesh Gupta
Constellation Energy Group, Inc.

Counsel for Constellation NewEnergy, Inc., and
Constellation Energy Commodities Group, Inc.

DATE: February 23, 2007

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Legal Department

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Business Services
Company

Direct Dial: 215-841-5974

February 23, 2007

VIA FED EX

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd floor
Harrisburg, PA 17120

ORIGINAL

**Re: Petition to Intervene of Exelon Corporation and Exelon Generation
Company, LLC
Docket No. P-00072247**

Dear Mr. McNulty:

Enclosed are an original and three copies of Petition to Intervene of Exelon Corporation and Exelon Generation Company, LLC for filing in the above referenced matter. Please return a time-stamped copy in the self-addressed stamped envelope.

Sincerely,



Adrian D. Newall
Assistant General Counsel

ADN/jml
Enclosures

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company : Docket No. P-00072247

DOCKETED
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**PETITION TO INTERVENE OF EXELON CORPORATION &
EXELON GENERATION COMPANY, LLC**

Pursuant to 52 Pa. Code § 5.71 *et seq.*, Exelon Corporation and Exelon Generation Company, LLC ("ExGen") (collectively, "Exelon"), hereby file this Petition to Intervene in the above-captioned proceeding. In support hereof, Exelon states the following:

ORIGINAL

BACKGROUND

1. Exelon will be represented in this proceeding by the following counsel, who should be placed on the Pennsylvania Public Utilities Commission's ("Commission") service list and should receive copies of all correspondence and other documents:

Kent D. Murphy Acting Associate General Counsel Exelon Business Services Company 2301 Market Street, S-23-1 Philadelphia, PA 19103 (215) 841-4941 (215) 568-3389 (fax) kent.murphy@exeloncorp.com	Adrian D. Newall Assistant General Counsel Exelon Business Services Company 2301 Market Street, S-23-1 Philadelphia, PA 19103 (215) 841-5974 (215) 568-3389 (fax) adrian.newall@exeloncorp.com
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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PETITION TO INTERVENE

2. On January 25, 2007, Duquesne Light Company (“Duquesne Light”) filed with this Commission a Petition for Approval of Default Service Plan to establish the terms and conditions under which Duquesne Light will supply provider of last resort (“POLR”) service for the period of January 1, 2008 through December 31, 2010 (“Default Service Plan” or “Plan”). Under the proposed Plan, Duquesne Light would amend its fixed price, full requirements contract with its affiliate, Duquesne Power. Duquesne Light plans to procure the resources necessary to serve Residential, Lighting and Small Commercial and Industrial (“Small C&I”) customers who do not receive service from an alternative electric supplier through January 1, 2011, when the generation rate caps for most electric customers in the Commonwealth will expire. Duquesne Light states that the proposed rates for Residential, Small C&I and Lighting customers reflect an average increase of 10.2% on a total bill basis and a 17.6% increase as compared to current POLR supply rates. Duquesne Light has determined that obtaining default supply through a competitive procurement process would present considerable risks for Residential and Small C&I customers and therefore, is not pursuing such a procurement option at this time. Duquesne Light requests that the Commission issue a final order approving their Default Service Plan no later than July 1, 2007 so that it is able to take the necessary actions to implement the Plan on January 1, 2008.

3. Eligibility to intervene in Commission proceedings is governed by the Commission’s rule at 52 Pa. Code § 5.72. Under this rule, “[a] petition to intervene may be filed by a person claiming a right to intervene or an interest of such nature that intervention is necessary or appropriate to the administration of the statute under which

the proceeding is brought. That right or interest may be: “[a]n interest which may be directly affected and which is not adequately represented by existing parties, and as to which petitioners may be bound by the action of the agency in the proceeding.”

Alternatively, the interest may be of such a nature that participation of the petitioner may be in the public interest.

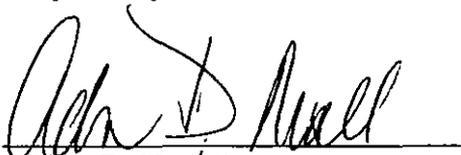
4. Exelon Corporation seeks leave to intervene in this proceeding as it, and its subsidiary, ExGen may be directly affected by the outcome of this proceeding. Exelon Corporation is a registered holding company located at 10 South Dearborn Street, Chicago, Illinois. Exelon Corporation, through its subsidiary, ExGen, manages a diverse portfolio of natural gas, coal, hydro, nuclear, solar and wind generation. As such, Exelon may be directly affected by any decision that the Commission may reach with respect to POLR rules or regulations.

5. No other party can adequately represent Exelon’s interests in this proceeding. Therefore, good cause exists to grant Exelon’s intervention and participation in this proceeding as an interested party. Exelon’s intervention is in the public interest and should be granted by the Commission.

CONCLUSION

Wherefore, in consideration of the foregoing, Exelon respectfully request that the Commission enter an order granting Exelon full status as an intervenor in this proceeding.

Respectfully submitted,



Adrian D. Newall
Assistant General Counsel
Exelon Business Services Company
2301 Market Street, S-23-1
Philadelphia, PA 19103
(215) 841-4941
(215) 568-3389 (fax)

**Counsel for Exelon Corporation and
Exelon Generation Company, LLC**

Dated: February 23, 2007

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed in the document attached via First Class Mail in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Respectfully submitted,



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**Counsel for Exelon Corporation and
Exelon Generation Company, LLC**

Dated: February 23 2007

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

**P-00072247 PETITION OF DUQUESNE LIGHT COMPANY FOR APPROVAL OF
DEFAULT SERVICE PLAN FOR THE PERIOD JANUARY 1, 2008 THROUGH
DECEMBER 31, 2010**

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February 23, 2007



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info@pennfuture.org
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James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, Pennsylvania 17105-3265

ORIGINAL

Re: Petition of Duquesne Light Company for Approval of
Default Service Plan for Period January 1, 2008 through
December 31, 2010
Docket No. ~~R-00072247~~

Dear Secretary McNulty:

P-00072247

Enclosed please find an original and three copies of the Petition to Intervene and Prehearing Memorandum filed on behalf of Citizens for Pennsylvania's Future. Copies are being served on the parties as set forth in the Certificate of Service.

If you have any questions, please contact me at (412) 258-6684.

Sincerely,

George Jugovic Jr.
Senior Attorney

**DOCUMENT
FOLDER**

cc: Hon. Larry Gesoff
Certificate of Service

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ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company for : Docket No. R-00072247-
Approval of Default Service Plan :
for the Period January 21, 2008 through :
December 31, 2010 :

P-00072247

PETITION TO INTERVENE

Through counsel, Citizens for Pennsylvania's Future ("PennFuture"), hereby files this Petition to Intervene in the above proceeding pursuant to 52 Pa. Code §§ 5.51-53, 5.73-75 (as amended, 2006). In support, Petitioner asserts as follows:

1. Petitioner is Citizens for Pennsylvania's Future (PennFuture), a Pennsylvania nonprofit corporation with offices in Harrisburg, Philadelphia, West Chester, and Pittsburgh, Pennsylvania (www.pennfuture.org). PennFuture's principal place of business is located at 610 North Third Street, Harrisburg, PA 17101, tel. (717) 214-7920. PennFuture has members who live in the Duquesne Light service territory, are customers of Duquesne Light, and receive service from Duquesne Light. PennFuture engages in policy development, public education, litigation and other strategies to achieve its goals. Among other things, PennFuture promotes the development of clean energy sources and conservation measures to reduce energy consumption.

2. The contact information of counsel for Petitioner is:

George Jugovic, Jr., Senior Attorney
Citizens for Pennsylvania's Future
425 Sixth Avenue, Suite 2770
Pittsburgh, Pennsylvania 15219
Phone: 412-258-6684
Fax: 412-258-6685
Jugovic@pennfuture.org

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3. Petitioner's members are directly and personally affected by the Proceedings, which reasonably may be expected to affect the safety, reliability, cleanliness and affordability of their public utility service. Petitioner's members depend on electric distribution service from Duquesne Light to meet basic necessities of life and risks health and financial consequences if service is not provided in a safe, reliable, clean, and affordable manner.

4. As ratepayers and members of the public, Petitioner's members have a right and interest in assuring that safe, reliable, clean and affordable public utility service, and participation in these Proceedings is an appropriate way to protect these rights and interests. Petitioners may intervene in this proceeding pursuant to 52 Pa. Code §§ 5.51-53, 5.73-75.

5. To the extent these Proceedings will result in higher rates for customers, Petitioner's members seek to mitigate the adverse economic impact of these rates by promoting energy efficiency, reducing demand, and reducing pollution.

6. Petitioner's members have interests in and perspectives on issues in this proceeding that are not adequately represented by other parties of record.

7. Petitioner and its members were a party to the Joint Petition for Settlement of All Issues filed at Docket No. R-00061346, which among other things obligated Duquesne Light to take certain actions relevant to the instant proceedings.

8. Petitioner's members intend to review and present testimony addressing issues raised by Duquesne Light's Petition for Approval of Default Service Plan, including whether the rates are just and reasonable, and whether the Default Service Plan adequately provides for safe, reliable, clean, and affordable utility service. The issues

include whether the proposals provide for adequate conservation measures and demand side management strategies as a means of meeting Duquesne Light's POLR load.

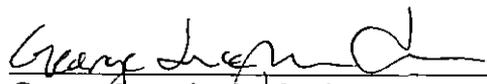
9. Petitioners reserve the right to raise additional issues as necessary and appropriate during the course of the proceeding and to respond to issues raised by other parties.

10. Petitioner understands that the Commission, by practice, seeks to have all intervenors in the case within sixty days after the filing that initiated the proceeding, which in this case occurred on or about January 25, 2007.

For the foregoing reasons, Petitioner respectfully request that the Commission grant this Petition and confer status as Intervenors in these Proceedings.

Respectfully submitted,

DATE: 2/23/07


George Jugovic, Jr. Senior Attorney
Pa. Bar Id. No. 39586
Citizens for Pennsylvania's Future
425 Sixth Avenue, Suite 2770
Pittsburgh, Pennsylvania 15219
Phone: 412-258-6684
Fax: 412-258-6685
Jugovic@pennfuture.org

VERIFICATION

I, Heather Sage, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are subject to the penalties of 18 Pa.C.S. Section 4907 (relating to unsworn falsification to authorities).

2/23/2007

Date

Heather A. Sage

Heather A. Sage
Director of Outreach
Citizens for Pennsylvania's Future
425 Sixth Avenue, Suite 2770
Pittsburgh, Pennsylvania 15219
Phone: 412-258-6681

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ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company for :
Approval of Default Service Plan : Docket No. P-
for the Period January 21, 2008 through : R-00072247
December 31, 2010 :

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PREHEARING CONFERENCE MEMORANDUM

Petitioner, Citizens for Pennsylvania's Future ("PennFuture"), hereby files this Prehearing Conference Memorandum pursuant to Prehearing Conference Order dated February 6, 2007.

1. Status of Settlement Discussions: Duquesne Light Company and PennFuture will meet to discuss settlement on March 1, 2007.
2. Status of Discovery: No discovery has been exchanged. PennFuture expects to serve initial discovery during the week of February 26, 2007.
3. Proposed Discovery Rules: PennFuture supports a rule that provides for informal resolution of disputes before involving the Administrative Law Judge.
4. Proposed Schedule for Discovery: PennFuture supports a schedule that requires responses to be provided in seven days, unless a longer period is required and agreed upon by the parties.
5. Admissions or Stipulations: No admissions or stipulations have been exchanged or agreed upon.
7. Legal Issues: Subject to further development of the record through discovery PennFuture intends to focus its participation on the following issues:

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a. Whether and how Duquesne Light's Petition ensures compliance with Pennsylvania's Alternative Energy Portfolio Standards Act ("AEPS Act"), 73 P.S. §1648.1 *et seq.*;

b. Whether and how Duquesne Light's Petition incorporates energy conservation as a means of meeting its POLR load requirements; and

c. Whether and how Duquesne Light's Petition incorporates a voluntary demand response programs into the POLR product that will be offered.

8. Factual Issues: Subject to further development of the record through discovery, PennFuture intends to focus its testimony on the issues set forth above. PennFuture anticipates that much of the underlying factual record will be agreed and stipulated to by the parties. PennFuture may seek to introduce testimony on matters such as policy issues underlying compliance with the AEPS Act; an assessment of whether and the extent to which Duquesne Light's Petition complies with the AEPS Act; the role and benefits of energy conservation in POLR products; an assessment of whether and the extent to which Duquesne Light's Petition incorporates energy conservation into its POLR products; the role and benefits of demand response programs in POLR products; an assessment of whether and the extent to which Duquesne Light's Petition provides products that incorporate a demand response program; recommendations regarding AEPS compliance, conservation programs and demand response programs.

9. Witnesses: PennFuture has not yet determined its entire witness list for this proceeding. It is likely that the following will testify, though the list may be expanded to include witnesses on demand side response and conservation programs.

- a. John Hanger, President and CEO
PennFuture
610 North Third Street
Harrisburg, PA 17101
(717) 214-7920

Mr. Hanger's testimony will address the AEPS Act; policy issues related to compliance with that statute; an assessment of whether and the extent to which Duquesne Light's Petition complies with the statute; the role and benefits of energy conservation in POLR products; an assessment of whether and the extent to which Duquesne Light's Petition effectively incorporates energy conservation mechanisms; the role of demand response programs in POLR products; and an assessment of whether and the extent to which Duquesne Light's Petition provides products that incorporate a demand response program; recommendations regarding each of those issues.

- b. Thomas J. Tuffey
Center for Energy, Enterprise and the Environment
212 West Gay Street
West Chester, PA 19380
(610) 696-8061

Dr. Tuffey's testimony will address the AEPS Act and policies underlying compliance; and the need to promptly fund cleaner, renewable energy development, including wind energy, solar energy, and biomass energy.

- c. Paul Chernick, President
Resource Insight, Inc.
5 Water Street
Arlington, MA 02176
(781) 646-1505 x207

Mr. Chernick's testimony will address the merits of developing real-time pricing programs in the Duquesne Light service territory, and address what such a program would constitute, including but not limited to rate-design options, education and marketing, price risk management, system design, and data sharing and analysis.

d. John Plunkett, Partner
Green Energy Economics Group, Inc.
1002 Jerusalem Road
Bristol, VT 05443
(802) 453-4960

Mr. Plunkett's testimony will address energy efficiency programs in the Duquesne Light service territory and resulting electricity and economic savings. These programs involve investments in cost-effective energy efficiency that will save energy, reduce pollution, and lower both the cost of energy supply and the customer's cost of service. Such programs are now being implemented, and planned for implementation, in neighboring states.

10. Proposal for Second Prehearing Conference: PennFuture will cooperate with other parties to agree on an acceptable date prior to hearing.

11. Proposed Schedule and Hearing Dates: The parties have submitted a proposed comprehensive trial schedule.

12. Proposed Public Input Hearing: PennFuture will suggest locations within the Duquesne Light service territory should public input hearings be deemed necessary.

Respectfully submitted,

DATE: 2/23/2007



George Jugovic, Jr., Senior Attorney

PA Id. No. 39586

Citizens for Pennsylvania's Future

425 Sixth Avenue, Suite 2770

Pittsburgh, Pennsylvania 15219

Phone: 412-258-6684

Fax: 412-258-6685

Jugovic@pennfuture.org

CERTIFICATE OF SERVICE

I hereby certify that the foregoing document was served by first class mail, postage prepaid, on
the following:

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[Duquesne Light Company]

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Warrendale, PA 15086-7513

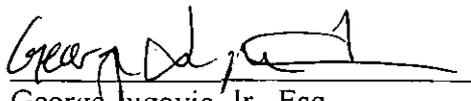
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2/23/07
Date

Kathy J. Kolich
Senior Attorney

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330-384-4580
Fax: 330-384-3875

Via Federal Express

February 23, 2007

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

**Re: *Petition of Duquesne Light Company for Approval of a
Default Service Plan for the Period January 1, 2008
through December 31, 2010
Docket No. P-00072247***

**DOCUMENT
FOLDER**

Dear Secretary McNulty:

Enclosed herein for filing is an original and four (4) copies of FirstEnergy Solutions Corp.'s Petition to Intervene in the above-referenced case. Please date stamp the additional copy and return it to me for our files.

Please contact me at the above number should you have any questions.

Sincerely,

Kathy J. Kolich

kag
Enclosures

65

DOCKETED
MAR 01 2007
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PETITION OF DUQUESNE LIGHT :
COMPANY FOR APPROVAL OF A :
DEFAULT SERVICE PLAN FOR : DOCKET NO. P-00072247
THE PERIOD JANUARY 1, 2008 :
THROUGH DECEMBER 31, 2010 :

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FEB 23 2007

PETITION TO INTERVENE
OF FIRSTENERGY SOLUTIONS CORP.

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Pursuant to the provisions of 52 Pa. Code §§ 5.71-5.75, FirstEnergy Solutions Corp. ("FES") hereby petitions to intervene in the above-captioned matter and, in support thereof, states as follows:

**DOCUMENT
FOLDER**

I. INTRODUCTION

1. On January 25, 2007, Duquesne Light Company ("DQL") filed a *Petition for Approval of a Default Service Plan for the Period January 1, 2008 through December 31, 2010* ("Petition"). Through its Petition, DQL seeks "approval for a default service plan for the period January 1, 2008 through December 31, 2010 and for the issuance of certain other related approvals." (DQL Pet., p. 1) This petition will address procedures and protocols that will affect parties interested in supplying the default service, as well as the competitive market conditions under which retail electric service providers will participate.

2. Notice of the Petition was published in the *Pennsylvania Bulletin* on February 10, 2007, and interested parties were given until February 26, 2007 to file protests or petitions to intervene (37 Pa.B. 736).

II. IDENTITY OF THE INTERVENING PARTY

3. FES is a subsidiary of FirstEnergy Corp., a diversified energy services holding company headquartered in Akron, Ohio. FES provides wholesale and retail energy and related products to customers located primarily in the Mid-Atlantic and Midwest regions. FES has actively participated in competitive wholesale power procurement auctions in the past and anticipates that it would similarly participate in the competitive procurement process for which DQL seeks the Commission's approval at this docket. In addition, FES is a licensed Electric Generation Supplier ("EGS") in Pennsylvania, having been authorized at Docket No. A-110078 to serve retail customers throughout the Commonwealth. Of the alternative service providers participating in DQL's territory, FES currently holds the largest market share in the large commercial and industrial customer market.

4. FES will be represented in this proceeding by the following counsel, whose name and address should be placed on the Commission's service list and who should receive copies of all correspondence and other documents:

Kathy J. Kolich
Senior Attorney
FirstEnergy Service Company
Legal Department
76 South Main Street
Akron, Ohio 44308

(330) 384-4580 Telephone
(330) 384-3875 Fax

kjkolich@firstenergycorp.com

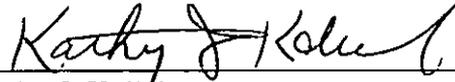
III. INTEREST IN THIS PROCEEDING

5. Intervention in Commission proceedings is governed by the Commission's rule at 52 Pa. Code § 5.72, which provides, in pertinent part, that a person is eligible to intervene upon a showing that it has an interest in the matter "which may be directly affected and which is not adequately represented by existing participants, and as to which the petitioner may be bound by the action of the Commission in the proceeding" or such other interest as to which participation "may be in the public interest."

6. FES' interest in this matter is two-fold. First, as a likely participant in the process by which DQL will procure wholesale power to meet its default service obligations, FES has a direct and substantial interest in the manner in which that process will be administered, as set forth in DQL's Petition. Second, as a licensed EGS currently serving retail customers in Pennsylvania, FES has an equally compelling interest in assuring that the terms, conditions and pricing of POLR supply implemented by DQL do not have an adverse effect on competition in general and/or on FES' ability to compete for retail sales in particular. FES' competitive interests in this regard cannot be adequately represented by any other party to this proceeding.

WHEREFORE, for all of the foregoing reasons, FirstEnergy Solutions Corp. respectfully requests that its Petition to Intervene be granted and that the Commission grant it such other relief as is just and reasonable under the circumstances.

Respectfully submitted,



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Senior Attorney
FirstEnergy Service Company
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Email: kjkolich@firstenergycorp.com

Counsel for FirstEnergy Solutions Corp.

Dated: February 23, 2007

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

FEB 23 2007

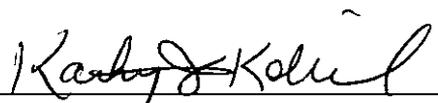
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PETITION OF DUQUESNE LIGHT :
COMPANY FOR APPROVAL OF A :
DEFAULT SERVICE PLAN FOR : DOCKET NO. P-00072247
THE PERIOD JANUARY 1, 2008 :
THROUGH DECEMBER 31, 2010 :

ORIGINAL

VERIFICATION

I, Kathy J. Kolich, hereby state that the facts set forth above are true and correct to the best of my knowledge, information and belief and that I expect FirstEnergy Solutions Corp., Petitioner herein, to be able to prove the same at any hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).



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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PETITION OF DUQUESNE LIGHT :
COMPANY FOR APPROVAL OF A :
DEFAULT SERVICE PLAN FOR : DOCKET NO. P-00072247
THE PERIOD JANUARY 1, 2008 :
THROUGH DECEMBER 31, 2010 :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing *Petition to Intervene of the FirstEnergy Solutions Corp.* upon the parties listed below in accordance with the requirements of § 1.54 (relating to service by a party).

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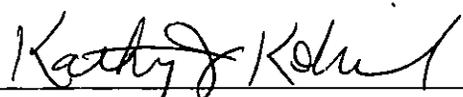
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Dated: February 23, 2007



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FEB 28 2007

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

February 26, 2007

**DOCUMENT
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VIA FEDERAL EXPRESS

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Harrisburg, PA 17120

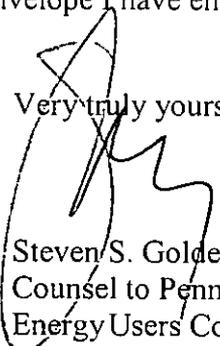
**Re: Duquesne Light Company POLR Proceeding
Docket No. P-00072247**

Dear Secretary McNulty:

Enclosed for filing are an original and four (4) copies of the Motions of the Pennsylvania Large Energy Users Coalition to Intervene in the above matter and for the Special Admission of Counsel seeking the admission *pro hac vice* of Steven S. Goldenberg, Esquire and Paul Forshay, Esquire as co-counsel for the Pennsylvania Large Energy Users Coalition. Copies of the enclosed Motions are being served upon counsel for Duquesne and the parties or their counsel set forth on the certificate of service.

Should you have any questions regarding the above, please call me at (609) 896-4586. Please date stamp and return to me in the self-addressed envelope I have enclosed, the extra copy of this letter and the Motions. Thank you for your cooperation.

Very truly yours,


Steven S. Goldenberg
Counsel to Pennsylvania Large
Energy Users Coalition

**DOCUMENT
FOLDER**

SSG:jfp
Enclosures

cc: Honorable Larry Gesoff (w/encl.) (via electronic mail and federal express)
All Parties of record as set forth on the Certificate of Service

A Pennsylvania Limited Liability Partnership

California Delaware Florida Nevada New Jersey New York Pennsylvania

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FEB 28 2007

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PETITION OF DUQUESNE LIGHT COMPANY :
FOR APPROVAL OF DEFAULT SERVICE :
PLAN FOR THE PERIOD JANUARY 1, 2008 :
THROUGH DECEMBER 31, 2010 :

Docket No. P-00072247

PETITION TO INTERVENE

ORIGINAL

TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to the provisions of 52 Pa. Code §§ 5.71 through 5.74, the Pennsylvania Large Energy Users Coalition, whose members include large volume customers serviced by Duquesne Light Company ("Duquesne"), hereby files this Petition to Intervene in the above-captioned proceeding. In support thereof, Petitioner states as follows:

1. Petitioner is the Pennsylvania Large Energy Users Coalition ("PALEUC"), a coalition whose members include large volume customers serviced by Duquesne. PALEUC's membership list is attached as an exhibit and will be updated as required during the pendency of this matter.

2. The names and addresses of Petitioner's attorneys are:

Ronald J. Shaffer, Esq.
FOX ROTHSCHILD LLP
2000 Market Street - 10th Floor
Philadelphia, PA 19103-3291
Phone: 215-299-2000
Fax: 215-299-2150

Steven S. Goldenberg, Esq.
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Phone: 609-896-4586
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MAR 05 2007

Paul F. Forshay, Esq.
SUTHERLAND, ASBILL & BRENNAN, LLP
1275 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Phone: 202-383-0100
Fax: 202-637-3593

3. All correspondence should be directed to Steven S. Goldenberg and Paul F. Forshay at the addresses provided.

4. By Petition dated January 25, 2007, Duquesne seeks approval by the *Pennsylvania Public Utility Commission (the "Commission")* of a default service plan for the period January 1, 2008 through December 31, 2010, and certain related approvals required for implementation of the plan.

5. The Petition proposes a three year default service plan as a transition to the expiration of generation rate caps on December 31, 2010. Among other things, the Petition proposes significant rate increases above current default rates for residential and small commercial customers and real time hourly rates for commercial and industrial customers.

6. PALEUC formed, in part, to monitor regulatory proceedings involving Pennsylvania's electric and natural gas utilities, including Duquesne, and intervene in regulatory and rate proceedings to the extent necessary to represent its members' common interests. Members of PALEUC take service from Duquesne under Rate Schedules L and GL. PALEUC intervened with full party status in Duquesne's last base rate case and in the Duquesne/Macquarie merger proceeding. PALEUC's members will be substantially and

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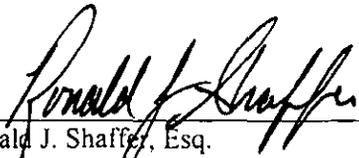
**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

specifically affected by the outcome of this proceeding and have interests not represented by any other party of record.

7. Notwithstanding its unique interests, where it is possible and practical for it to do so, PALEUC will endeavor to work cooperatively with other parties in the interest of administrative efficiency and economy. Accordingly, PALEUC satisfies the standards for intervention in the Commission's Regulations. See 52 Pa. Code §5.51 through 5.76.

WHEREFORE, the Pennsylvania Large Energy Users Coalition respectfully requests that the Pennsylvania Public Utility Commission grant this Petition to Intervene and provide PALEUC with full party status in this proceeding.

Respectfully submitted,



Ronald J. Shaffer, Esq.
FOX ROTHSCHILD LLP
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Philadelphia, PA 19103-3291
Phone: 215-299-2000
Fax: 215-299-2150

And

Steven S. Goldenberg, Esq.
FOX ROTHSCHILD LLP
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997 Lenox Drive, Building 3
Lawrenceville, NJ 08648-2311
Phone: 609-896-4586

Attorneys for Pennsylvania Large Energy Users
Coalition

Dated: February 26, 2007

APPENDIX

PENNSYLVANIA LARGE ENERGY USERS COALITION
Docket No. P-00072247

Membership List

American Beverage Corporation
Hussey Copper
United States Gypsum Company

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FEB 28 2007

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the parties listed below in accordance with the requirements of Section 1.54 (relating to service by a party).

VIA FIRST CLASS MAIL

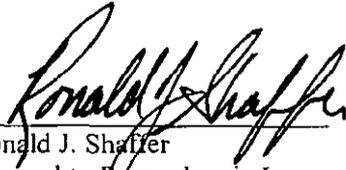
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Office of the Consumer Advocate
555 Walnut Street
Forum Place – 5th Floor
Harrisburg, PA 17101-1921

Michael W. Gang, Esq.
Andrew S. Tubbs
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601

Office of Trial Staff
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

David B. MacGregor, Esq.
Post & Schell, P.C.
Four Penn Center
1600 John F. Kennedy Blvd.
Philadelphia, PA 19103-2808



Ronald J. Shaffer
Counsel to Pennsylvania Large
Energy Users Coalition

Dated this 26th day of February, 2007, in Philadelphia, Pennsylvania.

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PETITION OF DUQUESNE LIGHT COMPANY :
FOR APPROVAL OF DEFAULT SERVICE :
PLAN FOR THE PERIOD JANUARY 1, 2008 : Docket No. P-00072247
THROUGH DECEMBER 31, 2010 :
:

MOTION FOR SPECIAL ADMISSION OF COUNSEL

Ronald J. Shaffer, Esquire respectfully moves the Pennsylvania Public Utility Commission pursuant to 52 Pa. Code § 1.22 for the special admission *pro hac vice* of Paul F. Forshay, Esquire in this matter, and in support thereof, represents as follows:

1. I am an attorney at law duly admitted to practice before the Supreme Court of Pennsylvania, attorney number 33621, and am a member in good standing of the bar of the Commonwealth.
2. I am a partner in the law firm of Fox Rothschild LLP and am counsel of record representing the Pennsylvania Large Energy Users Coalition in this matter.
3. Paul F. Forshay, Esquire is associated with me in this matter and seeks admission *pro hac vice* on behalf of the Pennsylvania Large Energy Users Coalition.
4. Paul F. Forshay, Esquire is a partner of the law firm of Sutherland, Asbill & Brennan, LLP, practicing at the firm's Washington, DC office, and is duly qualified to practice in the District of Columbia. He is a member in good standing of the above-listed court and is not under suspension or disbarment by any court. The supporting affidavit of Paul F. Forshay, Esquire is attached hereto as "Exhibit A."

LVI 464758v1 02/26/07

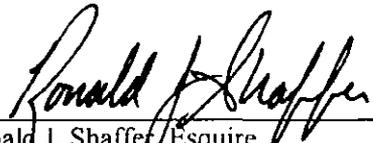
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MAR 05 2007

5. The admission of Paul F. Forshay, Esquire will materially advance the conduct of this matter on behalf of the Pennsylvania Large Energy Users Coalition and will prejudice no one.

WHEREFORE, Ronald J. Shaffer, Esquire respectfully requests that the Pennsylvania Public Utility Commission specially admit Paul F. Forshay, Esquire *pro hac vice* on behalf of the Pennsylvania Large Energy Users Coalition in this matter.

Respectfully submitted,



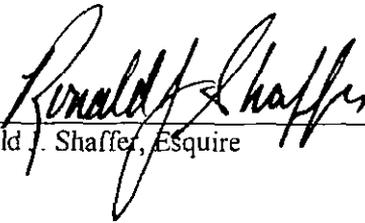
Ronald J. Shaffer, Esquire
FOX ROTHSCHILD LLP
2000 Market Street, Tenth Floor
Philadelphia, PA 19103
(215) 299-2000

Attorney for the Pennsylvania
Large Energy Users Coalition

Dated: February 26, 2007

VERIFICATION

I, Ronald J. Shaffer, Esquire do hereby verify and state that the factual statements contained in the foregoing Motion for Special Admission of Counsel are true and correct to the best of my knowledge, information and belief. I understand that false statements made herein are subject to the penalties of 18 Pa.C.S.A. § 4904, relating to unsworn falsification to authorities.


Ronald J. Shaffer, Esquire

Dated: February 26, 2007

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PETITION OF DUQUESNE LIGHT COMPANY :
FOR APPROVAL OF DEFAULT SERVICE :
PLAN FOR THE PERIOD JANUARY 1, 2008 : Docket No. P-00072247
THROUGH DECEMBER 31, 2010 :
:

AFFIDAVIT OF PAUL F. FORSHAY, ESQUIRE
IN SUPPORT OF MOTION FOR SPECIAL ADMISSION OF COUNSEL

I, Paul F. Forshay, duly sworn according to law, depose and say:

1. I am an attorney in good standing admitted to practice in the District of Columbia. I am not admitted to practice in Pennsylvania. I have no disciplinary proceedings pending against me in any jurisdiction and no discipline has been previously imposed on me in any jurisdiction.

2. I am a partner of the law firm of Sutherland, Asbill & Brennan, LLP, practicing at the firm's Washington, DC office located at 1275 Pennsylvania Avenue N.W., Washington, DC 20004. My telephone number is 202-383-0100.

3. I have previously represented industrial energy customers in rate proceedings and other matters and am presently associated with Ronald J. Shaffer, Esquire in this matter.

4. The Pennsylvania Large Energy Users Coalition desires that I participate in the trial and all other phases of this matter in Pennsylvania.

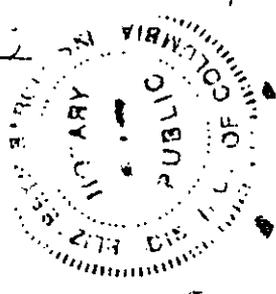
5. I understand that I will be bound by the Pennsylvania rules of procedure and professional conduct.

District of Columbia) ss:

Sworn to and subscribed before
me this 26th day of February, 2007

Christoph Barzelski
Notary Public
My commission expires October 14, 2010.

Paul F. Forshay
Paul F. Forshay



RECEIVED

FEB 28 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PETITION OF DUQUESNE LIGHT COMPANY :
FOR APPROVAL OF DEFAULT SERVICE :
PLAN FOR THE PERIOD JANUARY 1, 2008 : Docket No. P-00072247
THROUGH DECEMBER 31, 2010 :
:

ORDER

AND NOW, this ____ day of _____, 2007, upon consideration of the Motion of Ronald J. Shaffer, Esquire, for Special Admission of Paul F. Forshay, Esquire in this matter, and for good cause shown, it is hereby ORDERED:

1. that Paul F. Forshay, Esquire be and hereby is admitted *pro hac vice* to the bar of the Commonwealth of Pennsylvania under 52 Pa. Code § 1.22, as co-counsel on behalf of the Pennsylvania Large Energy Users Coalition in this matter;
2. that Paul F. Forshay, Esquire shall abide by the rules of the Pennsylvania Public Utility Commission, including all disciplinary rules;
3. that Paul F. Forshay, Esquire shall immediately notify the Pennsylvania Public Utility Commission of any matter affecting his standing at the bar of any other court where he may be admitted to practice; and
4. Ronald J. Shaffer, Esquire, the moving party herein, shall continue to be responsible as counsel of record for the conduct of this matter on behalf of the Pennsylvania Large Energy Users Coalition.

A.L.J.

LV1 464758v1 02/26/07

RECEIVED

FEB 28 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this 26th day of February, 2007, served a true copy of the foregoing Motion for Special Admission of Counsel, in the manner indicated below, in accordance with the requirements of 52 Pa. Code § 1.54, et seq. (relating to service by a participant) upon the following:

VIA FIRST CLASS MAIL

Richard Herskoritz, Esq.
Gary Jack, Esq.
Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219

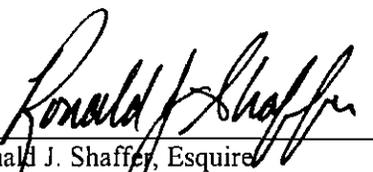
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Office of the Consumer Advocate
555 Walnut Street
Forum Place – 5th Floor
Harrisburg, PA 17101-1921

Office of Trial Staff
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Michael Gang, Esq.
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601

David MacGregor, Esq.
Post & Schell
Four Penn Centre
1600 John F. Kennedy Blvd.
Philadelphia, PA 19103-2808



Ronald J. Shaffer, Esquire
FOX/ROTHSCHILD LLP
2000 Market Street, 10th Floor
Philadelphia, PA 19103
(215) 299-2088

Attorney for the Pennsylvania
Large Energy Users Coalition

Dated: February 26, 2007

LVI 464758v1 02/26/07

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FEB 28 2007

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PETITION OF DUQUESNE LIGHT COMPANY :
FOR APPROVAL OF DEFAULT SERVICE :
PLAN FOR THE PERIOD JANUARY 1, 2008 : Docket No. P-00072247
THROUGH DECEMBER 31, 2010 :
:

MOTION FOR SPECIAL ADMISSION OF COUNSEL

Ronald J. Shaffer, Esquire respectfully moves the Pennsylvania Public Utility Commission pursuant to 52 Pa. Code § 1.22 for the special admission *pro hac vice* of Steven S. Goldenberg, Esquire in this matter, and in support thereof, represents as follows:

1. I am an attorney at law duly admitted to practice before the Supreme Court of Pennsylvania, attorney number 33621, and am a member in good standing of the bar of the Commonwealth.
2. I am a partner in the law firm of Fox Rothschild LLP and am counsel of record representing the Pennsylvania Large Energy Users Coalition in this matter.
3. Steven S. Goldenberg, Esquire is associated with me in this matter and seeks admission *pro hac vice* on behalf of the Pennsylvania Large Energy Users Coalition.
4. Steven S. Goldenberg, Esquire is a partner of the law firm of Fox Rothschild LLP, practicing at the firm's Princeton, New Jersey office, and is duly qualified to practice in the courts of New Jersey and New York. He is a member in good standing of the above-listed court and is not under suspension or disbarment by any court. The supporting affidavit of Steven S. Goldenberg, Esquire is attached hereto as "Exhibit A."

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MAR 05 2007

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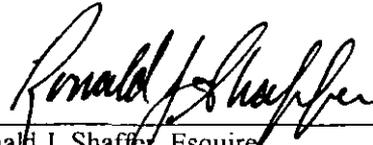
FEB 28 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

5. The admission of Steven S. Goldenberg, Esquire will materially advance the conduct of this matter on behalf of the Pennsylvania Large Energy Users Coalition and will prejudice no one.

WHEREFORE, Ronald J. Shaffer, Esquire respectfully requests that the Pennsylvania Public Utility Commission specially admit Steven S. Goldenberg, Esquire *pro hac vice* on behalf of the Pennsylvania Large Energy Users Coalition in this matter.

Respectfully submitted,



Ronald J. Shaffer, Esquire
FOX/ROTHSCHILD LLP
2000 Market Street, Tenth Floor
Philadelphia, PA 19103
(215) 299-2000

Attorney for the Pennsylvania
Large Energy Users Coalition

Dated: February 26, 2007

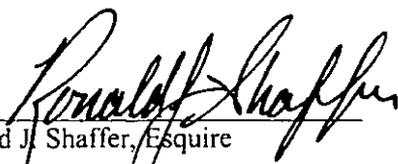
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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

VERIFICATION

I, Ronald J. Shaffer, Esquire do hereby verify and state that the factual statements contained in the foregoing Motion for Special Admission of Counsel are true and correct to the best of my knowledge, information and belief. I understand that false statements made herein are subject to the penalties of 18 Pa.C.S.A. § 4904, relating to unsworn falsification to authorities.



Ronald J. Shaffer, Esquire
Dated: 2/26/07

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

FEB 28 2007

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PETITION OF DUQUESNE LIGHT COMPANY :
FOR APPROVAL OF DEFAULT SERVICE :
PLAN FOR THE PERIOD JANUARY 1, 2008 : Docket No. P-00072247
THROUGH DECEMBER 31, 2010 :
:

**AFFIDAVIT OF STEVEN S. GOLDENBERG, ESQUIRE
IN SUPPORT OF MOTION FOR SPECIAL ADMISSION OF COUNSEL**

I, Steven S. Goldenberg, duly sworn according to law, deposes and says:

1. I am an attorney in good standing admitted to practice in the courts of New Jersey and New York, having been admitted to practice in 1981. I am not admitted to practice in Pennsylvania. I have no disciplinary proceedings pending against me in any jurisdiction and no discipline has been previously imposed on me in any jurisdiction.

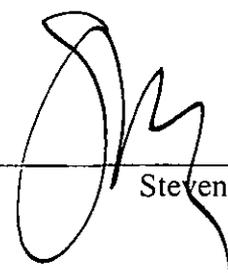
2. I am a partner of the law firm of Fox Rothschild LLP and practice at the firm's Princeton, New Jersey office located at Princeton Pike Corporate Center, 997 Lenox Drive, Building 3, Lawrenceville, NJ 08648-2311. My telephone number is 609-896-4586.

3. I have previously represented industrial energy customers in utility rate and merger proceedings and am presently associated with Ronald J. Shaffer, Esquire in this matter.

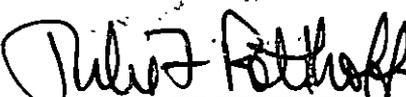
4. The Pennsylvania Large Energy Users Coalition desires that I participate in the trial and all other phases of this matter in Pennsylvania.

5. I understand that I will be bound by the Pennsylvania rules of procedure and professional conduct.

Sworn to and subscribed before
me this 26th day of February, 2007



Steven S. Goldenberg



Notary Public
JULIE F. POTTHOFF
NOTARY PUBLIC OF NEW JERSEY
LV# 103101-1-02/26/07
My Commission Expires March 17, 2009

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PETITION OF DUQUESNE LIGHT COMPANY :
FOR APPROVAL OF DEFAULT SERVICE :
PLAN FOR THE PERIOD JANUARY 1, 2008 : Docket No. P-00072247
THROUGH DECEMBER 31, 2010 :
:

ORDER

AND NOW, this ____ day of _____, 2007, upon consideration of the Motion of Ronald J. Shaffer, Esquire, for Special Admission of Steven S. Goldenberg, Esquire in this matter, and for good cause shown, it is hereby ORDERED:

1. that Steven S. Goldenberg, Esquire be and hereby is admitted *pro hac vice* to the bar of the Commonwealth of Pennsylvania under 52 Pa. Code § 1.22, as co-counsel on behalf of the Pennsylvania Large Energy Users Coalition in this matter;

2. that Steven S. Goldenberg, Esquire shall abide by the rules of the Pennsylvania Public Utility Commission, including all disciplinary rules;

3. that Steven S. Goldenberg, Esquire shall immediately notify the Pennsylvania Public Utility Commission of any matter affecting his standing at the bar of any other court where he may be admitted to practice; and

4. Ronald J. Shaffer, Esquire, the moving party herein, shall continue to be responsible as counsel of record for the conduct of this matter on behalf of the Pennsylvania Large Energy Users Coalition.

, A.L.J.

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FEB 28 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this 26th day of February, 2007, served a true copy of the foregoing Motion for Special Admission of Counsel, in the manner indicated below, in accordance with the requirements of 52 Pa. Code § 1.54, et seq. (relating to service by a participant) upon the following:

VIA FIRST CLASS MAIL

Richard Herskoritz, Esq.
Gary Jack, Esq.
Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219

Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Office of the Consumer Advocate
555 Walnut Street
Forum Place – 5th Floor
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Office of Trial Staff
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David MacGregor, Esq.
Post & Schell
Four Penn Centre
1600 John F. Kennedy Blvd.
Philadelphia, PA 19103-2808



Ronald J. Shaffer, Esquire
FOX ROTHSCHILD LLP
2000 Market Street, 10th Floor
Philadelphia, PA 19103
(215) 299-2088

Attorney for the Pennsylvania
Large Energy Users Coalition

Dated: February 26, 2007

LVI 430391v1 02/26/07

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

Nicholas A. Pasciullo, Esq.
PASCIUULLO LAW FIRM P.C.
5435 Pocusset Street
Pittsburgh, PA 15217-1910
412-551-4970
pasciullo@pasciullolawfirm.com

JNFP PC

February 26, 2007

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

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Petition of Duquesne Light Company for Approval of
Default Service Plan for Period January 1, 2008 – December 31, 2010
Docket Number ~~R-00072247~~

Dear Secretary McNulty:

P-00072247

Enclosed please find an original and three copies of the Petition to Intervene and Prehearing Memorandum filed on behalf of Conservation Consultants, Inc., which was filed and served on counsel of record this day.

Sincerely,

Nicholas Pasciullo

Nicholas A. Pasciullo

DOCKETED
MAR 01 2007

**DOCUMENT
FOLDER**

BTL

104

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Petition of Duquesne Light Company for :
Approval of Default Service Plan :
for the Period January 21, 2008 through :
December 31, 2010 :

Docket No. R-00072247

P-00072247

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PETITION TO INTERVENE

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Through counsel, Conservation Consultants, Inc. ("CCI"), hereby files this

Petition to Intervene in the above proceeding pursuant to 52 Pa. Code §§ 5.51-53, 5.73-75

(as amended, 2006). In support, Petitioner asserts as follows:

1. Petitioner is CCI, a Pennsylvania nonprofit corporation with offices at 64 South 14th Street Pittsburgh, Pennsylvania (www.ccicenter.org). CCI's principal place of business is located at 64 South 14th Street, Pittsburgh, Pennsylvania 15203, tel. (412) 431-4449. CCI is a customer of Duquesne Light Company and is a contractor of Duquesne Light Company that provides weatherization and educational services to thousands of Duquesne Light Company customers who are eligible for the Low Income Usage Reduction Program ("LIURP").

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MAR 01 2007

2. The contact information of counsel for Petitioner is:

Nicholas A. Pasciullo, Esquire
Pasciullo Law Firm P.C.
5435 Pocusset Street
Pittsburgh, Pennsylvania 15217
Phone: 412-551-4970
Email: Pasciullo@pasciullolawfirm.com

DOCUMENT
FOLDER

3. Petitioner and Duquesne Light Company's LIURP-eligible customers ("LIURP Customers") are directly and personally affected by the Proceedings, which reasonably may be expected to affect the quantity, quality and delivery of weatherization

and education under LIURP. As reflected in the program's name, a major goal of LIURP is to reduce the amount of low-income customers' electric bills by conserving energy in each residence. LIURP Customers depend upon the effective delivery of weatherization and education services, and, collectively, depend upon the efficient delivery of weatherization and education services to reach the greatest number of LIURP Customers.

4. The Default Service Plan considered in these proceedings and/or other intervening parties, may propose changes to LIURP that Petitioner asserts will increase the costs and diminish the provision of weatherization and education services to LIURP Customers. As ratepayers, beneficiaries of LIURP and members of the public, Petitioner and the LIURP Customers have a right and interest in assuring the quantity, quality and delivery of weatherization and education services under LIURP, and participation in these Proceedings is an appropriate way to protect these rights and interests. Petitioners may intervene in this proceeding pursuant to 52 Pa. Code §§ 5.51-53, 5.73-75.

6. To the extent these Proceedings will result in a modification to the LIURP program or services, Petitioner and the LIURP Customers seek to mitigate the adverse economic impact of this by promoting cost effective and efficient delivery of weatherization and educational services to the greatest number of LIURP Customers.

7. Petitioner and the LIURP Customers have interests in and perspectives on issues in this proceeding that are not adequately represented by other parties of record.

8. Petitioner and certain LIURP Customers intend to review and present testimony addressing issues raised by Duquesne Light's Petition for Approval of Default Service Plan, including whether the proposed changes to LIURP adequately provide for

the for cost-effective and efficient delivery of weatherization and education services to the maximum number of LIURP Customers.

9. Petitioners reserve the right to raise additional issues as necessary and appropriate during the course of the proceeding and to respond to issues raised by other parties.

10. Petitioner understands that the Commission, by practice, seeks to have all intervenors in the case within sixty days after the filing that initiated the proceeding, which in this case occurred on or about January 25, 2007.

For the foregoing reasons, Petitioner respectfully request that the Commission grant this Petition and confer status as Intervenors in these Proceedings.

Respectfully submitted,

DATE: 2/26/07



Nicholas A. Pasciullo, Esquire
Pa. Bar Id. No. 36785
Pasciullo Law Firm P.C.
5435 Pocusset Street
Pittsburgh, Pennsylvania 15217-1910
Phone: 412-551-4970
Email: Pasciullo@pasciullolawfirm.com

ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

P-00072247

Petition of Duquesne Light Company for	:	Docket No. P-00072247
Approval of Default Service Plan	:	
for the Period January 21, 2008 through	:	
December 31, 2010	:	

PREHEARING CONFERENCE MEMORANDUM

AND NOW, comes Petitioner, Conservation Consultants, Inc. ("CCI"), through its counsel Pasciullo Law Firm P.C., and files this Prehearing Memorandum as follows:

1. Status of Settlement Discussions: No settlement discussions have occurred to date.
2. Status of Discovery: No discovery has occurred. CCI expects to conduct discovery during March, 2007.
3. Proposed Discovery Rules: CCI supports discovery rules that provide for informal resolutions of disputes prior to involving the Administrative Law Judge.
4. Proposed Schedule for Discovery: CCI supports a schedule that requires responses to be provided in ten days.
5. Admissions or Stipulations: No admissions or stipulations have been exchanged or agreed upon.
6. Legal Issues: Subject to further development of the record, CCI asserts the legal issue of whether changes proposed to LIURP are authorized by the Public Utility Commission regulations.
7. Factual Issues: Subject to further development of the record, CCI asserts the

following factual issues:

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

a. Whether the current manner of administering weatherization and education under LIURP adversely impacts on the goals and outcomes of LIURP.

b. Whether changes proposed to manner of administering weatherization and education under LIURP adversely impacts on its goals and outcomes.

8. Witnesses: CCI has not determined all persons who it will call as witnesses in this proceeding; however, it expects the following will testify:

a. Ann Jones Gerace, Executive Director, Conservation Consultants, Inc., 64 South 14th Street, Pittsburgh, PA 15203, telephone number 412-431-4449. Ms. Gerace will address the efficiencies of the current program, the inefficiencies of proposed changes and their adverse impact on LIURP and LIURP Customers.

b. David Defide, Chief Operating Officer, Conservation Consultants, Inc., 64 South 14th Street, Pittsburgh, PA 15203, telephone number 412-431-4449. Mr. Defide will address the efficiencies of the current program, the inefficiencies of proposed changes and their adverse impact on LIURP and LIURP Customers.

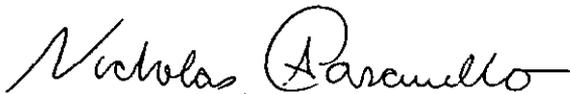
9. Proposal for Second Prehearing Conference: CCI will cooperate with other parties to agree on an acceptable date prior to hearing.

10. Proposed Schedule and Hearing Dates: CCI consents to the proposed comprehensive trial schedule previously submitted by the other parties.

11. Proposed Public Input Hearing: CCI will suggest locations within the Duquesne Light service territory convenient for representatives of the LIURP Customers.

Respectfully submitted,

DATE: 2/26/07

A handwritten signature in cursive script that reads "Nicholas A. Pasciullo". The signature is written in black ink and is positioned above a horizontal line.

Nicholas A. Pasciullo, Esquire
Pa. Bar Id. No. 36785
Pasciullo Law Firm P.C.
5435 Pocusset Street
Pittsburgh, Pennsylvania 15217-1910
Phone: 412-551-4970
Email: Pasciullo@pasciullolawfirm.com

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Petition to Intervene and Prehearing Memorandum were served by first class mail, postage prepaid upon the following this 26th day of February 2007:

Gary A. Jack
Duquesne Light Company
8th Floor
411 Seventh Avenue
Pittsburgh, PA 15219

Michael Grang
Anthony Kanagy
Post and Schell, P.C.
12th Floor
17 North Second Street
Harrisburg, PA 17101-1601

David R. MacGregor
Post and Schell, P.C.
Four Penn Center
1600 John F. Kennedy Blvd.
Philadelphia PA 19103-2808

William R. Lloyd, SBA
Steven C. Gray
Office of Small Business
Advocates
Suite 1102 Commerce Bldg.
300 North Second Street
Harrisburg, PA 17101

Charles D. Shields
Robert V. Eckenrod
Office of Trial Staff
Commonwealth Keystone
4000 North Street
3rd Floor West
Harrisburg, PA 17120

Tanya J. McClosekey
David Evard
Office of Consumer
Advocate
555 Walnut Street
5th Floor Forum Place
Harrisburg, PA 17101-1923

David Hughes
Citizen Power, Inc.
2121 Murray Avenue
Pittsburgh, PA 15217

Todd S. Stewart
Hawke McKeon Smiseak
and Kennard, LLP
100 North Tenth Street
P.O. Box 1778
Harrisburg, PA 17101-1778

Scott Rubin
Public Utility Consulting
3 Lost Creek Drive
Selinsgrove, PA 17870

Daniel Clearfield
Kevin J. Moody
Wolf Block Schorr and
Solis-Cohen
213 Market Street 9th Floor
Harrisburg, PA 17108-0865

John E. McCaffrey
Stinson, Morrison Hecker,
LLP
1150 18th Street NW
Suite 800
Washington, D.C. 20036-3816

David M. Kleppinger
Pamela C. Polacek
Adam L. Benshoff
McNees Wallace & Nurick
LLC
P.O. Box 1166
Harrisburg, PA 17108-1166

Timothy W. Merrill
NRG Energy, Inc.
111 South Commons
Pittsburgh, PA 15212

James Steffes, VP and
Chief Compliance Officer
Centrica North America
263 Tresser Boulevard
One Stamford Plaza, 8th Fl.
Stamford, CT 06901

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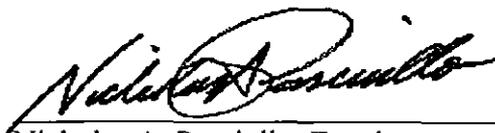
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Business Services
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Direct Dial: 215-841-5974

February 26, 2007

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

VIA FED EX

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd floor
Harrisburg, PA 17120

**Re: Prehearing Memorandum of Exelon Corporation and Exelon Generation
Company, LLC
Docket No. P-00072247**

Dear Mr. McNulty:

Enclosed are an original and three copies of the Prehearing Memorandum of Exelon Corporation and Exelon Generation Company, LLC for filing in the above referenced matter. Please return a time-stamped copy in the self-addressed stamped envelope.

Sincerely,



Adrian D. Newall
Assistant General Counsel

**DOCUMENT
FOLDER**

ADN/jml
Enclosures

106

DOCKETED
FEB 28 2007

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company
For Approval of Default Service Plan
For the Period January 1, 2008
Through December 31, 2010

Docket No. P-00062227

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**PREHEARING MEMORANDUM
OF EXELON CORPORATION AND
EXELON GENERATION COMPANY, LLC**

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

Pursuant to the Prehearing Conference Order dated February 6, 2007 in this proceeding, Exelon Corporation ("Exelon") and Exelon Generation Company, LLC ("ExGen"), (collectively, the "Exelon Companies") hereby submit this Prehearing Memorandum in the above-captioned proceeding. The Exelon Companies intend to participate in this proceeding as an "active" party.

I. HISTORY OF THE PROCEEDING

This proceeding was initiated by Duquesne Light Company ("Duquesne Light") on January 25, 2006 when they filed with this Commission a Petition for Approval of Default Service Plan to establish the terms and conditions under which Duquesne Light will supply provider of last resort ("POLR") service for the period of January 1, 2008 through December 31, 2010 ("Default Service Plan" or "Plan"). Under the proposed Plan, Duquesne Light would amend its fixed price, full requirements contract with its affiliate, Duquesne Power. Duquesne Light plans to procure the resources necessary to serve Residential, Lighting and Small Commercial and Industrial ("Small C&I") customers who do not receive service from an alternative electric supplier through January 1, 2011, when the generation rate caps for most electric customers in the Commonwealth will expire. Duquesne Light states that the proposed rates for Residential, Small C&I and Lighting customers reflect an average increase of 10.2% on

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a total bill basis and a 17.6% increase as compared to current electric generation rates. Duquesne Light has determined that obtaining default supply through a competitive procurement process would present considerable risks for Residential and Small C&I customers and therefore, is not pursuing such a procurement option at this time. Duquesne Light requests that the Commission issue a final order approving their Default Service Plan no later than July 1, 2007 so that it is able to take the necessary actions to implement the Plan on January 1, 2008.

As stated in their intervention, the Exelon Companies have a direct interest in this proceeding. ExGen manages a diverse generation portfolio and as such may be directly affected by any decision that the Commission may reach with respect to POLR rules or regulations.

II. ANTICIPATED ISSUES AND SUB-ISSUES

The Exelon Companies' preliminary review of Duquesne Light's filing indicates that this case involves general POLR procurement issues, including the structure of Duquesne Light's model and pricing options for POLR customers. The Exelon Companies anticipate that their interest in these issues will depend on Duquesne Light's response to discovery propounded by the various parties as well as the testimony of the other parties hereto.

III. PROPOSED WITNESSES

The Exelon Companies at this time do not anticipate that they will submit the testimony of any witnesses in this proceeding but will inform the other parties and the Presiding Administrative Law Judge if and when that expectation changes. The Exelon Companies may also participate in this proceeding through the submission of discovery, cross-examination of witnesses, and the submission of briefs and other pleadings, if necessary.

IV. PROPOSED SCHEDULE AND DISCOVERY RULES

The Exelon Companies are willing to accept whatever schedule the other parties to this proceeding arrange, or the Presiding Administrative Law Judge otherwise directs.

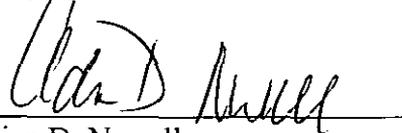
The Exelon Companies request that Duquesne Light provide all discovery responses via Internet e-mail in addition to the paper responses required under the Commission's rules of practice and procedure. Electronic responses reduce the burden of copying and otherwise increase the efficiency of reviewing the responses.

V. POSSIBILITY OF SETTLEMENT

The Exelon Companies generally believe that most, if not all issues in this proceeding are reasonably susceptible to mutual resolution and would participate in any process design to achieve that goal.

Respectfully submitted,

EXELON BUSINESS SERVICES
COMPANY

By 

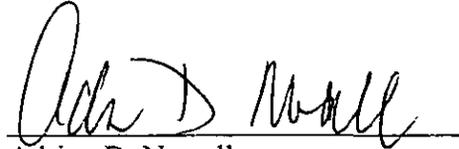
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Email: adrian.newall@exelnocorp.com
Counsel for The Exelon Companies

Dated: February 26, 2007

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed in the document attached via Email and First Class Mail in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Respectfully submitted,



Adrian D. Newall
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**Counsel for Exelon Corporation and
Exelon Generation Company, LLC**

Dated: February 26, 2007

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

**P-00072247 PETITION OF DUQUESNE LIGHT COMPANY FOR APPROVAL OF
DEFAULT SERVICE PLAN FOR THE PERIOD JANUARY 1, 2008 THROUGH
DECEMBER 31, 2010**

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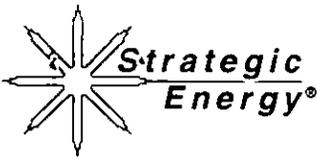
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MAR 01 2007

February 26, 2007

**DOCUMENT
FOLDER**

James J. McNulty, Secretary
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400 North Street, 2nd Floor North
P. O. Box 3265
Harrisburg, PA 17105-3265

ORIGINAL

Re: Petition of Duquesne Light Company for Approval of Default Service Plan,
Docket No. P-00072247

Dear Secretary McNulty:

Enclosed for filing with the Commission are the original and three (3) copies of Strategic Energy, L.L.C.'s Petition for Intervention in the above captioned matter.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Erin H. Creahan
Counsel for Strategic Energy, L.L.C.

EHC:cab
Enclosures
cc: Honorable Larry Gesoff
Certificate of Service

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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In re: Petition of Duquesne Light
Company For Approval of
Default Service Plan For The
Period January 1, 2008
Through December 21, 2010

PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU
P-00072247
Docket No. ~~00072247~~

ORIGINAL

Petition to Intervene of Strategic Energy, L.L.C.

Pursuant to 52 Pa. Code §§ 5.71 and 5.72, Strategic Energy, L.L.C. ("Strategic") hereby petitions to intervene in this proceeding. In support of its Petition, Strategic avers as follows:

1. On January 25, 2007, Duquesne Light Company ("Duquesne Light") filed the above-captioned petition with the Pennsylvania Public Utility Commission ("Commission") seeking expedited approval of its default service plan for the period from January 1, 2008 through December 21, 2010 ("Default Service Plan" or "Plan"), and for certain other approvals related to the implementation of this Plan.

2. Strategic is an electric generation supplier (EGS) licensed by the Commission to provide electric supply and related services in Duquesne Light's territory and throughout the Commonwealth of Pennsylvania. Strategic currently provides electric supply and related services to commercial and industrial customers in Duquesne Light's service territory and actively competes for commercial and industrial customers in Duquesne Light's service territory and, therefore, Strategic's business interests are impacted by Duquesne Light's default service generation rates. Accordingly, Strategic has an interest which may be directly affected by the outcome of this proceeding and which cannot be adequately represented by other participants to this proceeding.

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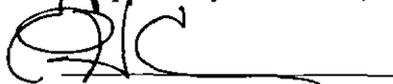
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3. Strategic is concerned that the rates proposed in Duquesne's Default Service Plan may not meet the prevailing market price standard set forth in the Electricity Generation Customer Choice and Competition Act.¹ Strategic has further concerns regarding the methodology utilized to derive the rates, because the methodology was not based on a wholesale competitive procurement process as envisioned in the Commission's proposed Advanced Notice of Final Rulemaking Order to establish regulations governing default service.

4. Strategic submits that the Commission should assign the matter for hearings to examine the factual, legal, and policy issues raised by Duquesne Light's proposal, specifically including, but not limited to, the issues raised in paragraph 3 above.

WHEREFORE, Strategic Energy, L.L.C. respectfully requests that this honorable Commission grant its intervention in the above-captioned proceeding.

Respectfully submitted,



Erin H. Creahan, Esquire
Strategic Energy, L.L.C.
Two Gateway Center
Pittsburgh, PA 15222
(412) 258-2036

Dated: February 26 2007

¹ 66 Pa. C.S. § 2807(e)(3).

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of the foregoing Petition to Intervene upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa.

Code Section 1.54.

VIA E-MAIL & FIRST CLASS MAIL

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Date: February 26, 2007

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February 26, 2007

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

James J. McNulty, 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,
Docket No. P-00072247

Dear Secretary McNulty:

Enclosed for filing with the Commission are the original and three (3) copies of Strategic Energy, L.L.C.'s Prehearing Conference Memorandum in the above captioned matter.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Erin H. Creahan
Counsel for Strategic Energy, L.L.C.

EHC:cab
Enclosures
cc: Honorable Larry Gesoff
Certificate of Service

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115

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

In re: Petition of Duquesne Light Company For Approval of Default Service Plan For The Period January 1, 2008 Through December 21, 2010 : : : : : Docket No. 00072247

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**PREHEARING CONFERENCE MEMORANDUM OF
STRATEGIC ENERGY, LLC**

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

TO ADMINISTRATIVE LAW JUDGE LARRY GESOFF:

Strategic Energy, LLC ("Strategic") hereby submits this Prehearing Memorandum for the initial prehearing conference scheduled for February 28, 2006.

I. Background and History

On January 25, 2007, Duquesne Light Company ("Duquesne Light") filed the above-captioned petition with the Pennsylvania Public Utility Commission ("Commission") seeking expedited approval of its default service plan for the period from January 1, 2008 through December 21, 2010 ("Default Service Plan" or "Plan), and for certain other approvals related to the implementation of this Plan.

Strategic filed a timely petition to intervene and protest as did its trade association, the Retail Energy Supply Association (RESA). On February 6, 2007, Administrative Law Judge Larry Gesoff issued a Hearing Notice scheduling an initial prehearing conference for February 28, 2006.

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II. Strategic's Position and Factual/Legal Issues

Strategic is concerned that the rates proposed in Duquesne's Default Service Plan may not meet the prevailing market price standard set forth in the Electricity Generation Customer Choice and Competition Act.¹ Strategic has further concerns regarding the methodology utilized to derive the rates, because the methodology was not based on a wholesale competitive procurement process as envisioned in the Commission's proposed Advanced Notice of Final Rulemaking Order to establish regulations governing default service.

Strategic reserves the right to address other issues that are identified in this proceeding and to respond to the positions taken by other parties.

III. Witnesses To Be Called at Hearing.

Strategic has not definitively decided whether it will call any witnesses. However, Strategic reserves the right to identify any and all witnesses necessary to defend its positions in this case.

IV. Proposed Discovery and Litigation Schedule

Strategic Energy does not oppose the Proposed Litigation Schedule circulated by Duquesne Light on February 21, 2007. Strategic agrees to modifications in the Commission's discovery rules consistent to those adopted in the Duquesne/Macquarie merger proceeding.

V. Settlement

Strategic intends to actively engage in settlement discussions with Duquesne as this matter progresses.

¹ 66 Pa. C.S. § 2807(e)(3).

Respectfully submitted,



Erin Creahan
Associate Counsel
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Two Gateway Center, 9th Floor
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(412) 258-2036 (phone)
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ecreahan@strategicenergy.com

Dated: February 26, 2007

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FEB 26 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of the foregoing Prehearing Conference

Memorandum upon the persons listed below in the manner indicated in accordance with

requirements of 52 Pa. Code Section 1.54.

VIA E-MAIL & FIRST CLASS MAIL

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Date: February 26, 2007

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February 26, 2007

E-mail and First Class Mail

Hon. Larry Gesoff
Administrative Law Judge
Pennsylvania Public Utility Commission
1103 Pittsburgh State Office Building
300 Liberty Avenue
Pittsburgh, PA 15222

DOCUMENT
FOLDER

**Re: Petition of Duquesne Light Company for Approval of Default Service Plan
For The Period January 1, 2008 Through December 31, 2010
Docket No. P-00072247**

Dear Judge Gesoff:

Enclosed are two copies of the Prehearing Memorandum on behalf of the Office of Small Business Advocate.

As evidenced by the enclosed certificate of service, all parties have been served as indicated.

Sincerely,

Sharon E. Webb
Assistant Small Business Advocate
Attorney ID No. 73995

Enclosures

cc: ✓ James J. McNulty, Secretary
Parties of Record
Brian Kalcic

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company :
for Approval of Default Service Plan : Docket No. P-00072247
For the Period January 1, 2008 Through :
December 31, 2010 :

OFFICE OF SMALL BUSINESS ADVOCATE
PREHEARING MEMORANDUM

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I. INTRODUCTION

The Office of Small Business Advocate ("OSBA") is authorized to represent the interests of small business consumers of utility services before the Pennsylvania Public Utility Commission ("PUC" or "Commission") pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. § 399.41 et seq. In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding.

Representing the OSBA in this matter is Assistant Small Business Advocate Sharon E. Webb. Please address all correspondence as follows:

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II. FILING BACKGROUND

On January 25, 2007, Duquesne Light Company (“Duquesne” or “Company”) filed with the Commission the Petition of Duquesne Light Company for Approval of Default Service Plan (“Petition”) for the period January 1, 2008 Through December 31, 2010. The Petition proposes a procedure for establishing default service rates which would take effect on January 1, 2008.

On February 26, 2007, the OSBA filed a Notice of Intervention, a Public Statement and an Answer to the Petition.

III. IDENTIFICATION OF WITNESS

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

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(314) 725-2022 fax
excel.consulting@sbcglobal.net

The OSBA requests that parties serve all interrogatories, answers to interrogatories, testimony, briefs, and exceptions on Mr. Kalcic as well as on Ms. Webb.

IV. IDENTIFICATION OF TENTATIVE ISSUES

Without waiving its right to pursue additional issues which may arise, the OSBA anticipates litigating at least the following:

a. Duquesne's proposal will not produce retail rates which properly reflect prevailing market prices or are otherwise just, reasonable, non-discriminatory, and lawful. Section 2807(e)(3) of the Public Utility Code, 66 Pa. C.S. § 2807(e)(3), requires Duquesne to "acquire electric energy at prevailing market prices" to serve default customers.

b. The OSBA is opposed to adjusting the rates of Small C&I customers more frequently than those of Duquesne's residential and lighting customers. Under Duquesne's proposal, Small C&I customers will be exposed to the market risk of annual pricing adjustments. For that same three year period, the residential and lighting customers will not be exposed to any market risk. The OSBA submits that Duquesne has failed to justify exposing Small C&I customers to market risk while shielding residential and lighting customers from that risk over the same three year period.

c. The OSBA is concerned that Duquesne's methodology for determining the annual adjustment for Small C&I customers will not result in the appropriate market price. In its Petition, Duquesne has indicated it will purchase electricity from Duquesne Power for three years based on prevailing market prices which Duquesne determines by comparing recent competitive auctions for full-requirements default service supply in New Jersey, Maryland, Illinois, and Pennsylvania and adjusting the results of the auctions to reflect Duquesne's particular circumstances. However, when determining the appropriate measurement of changes in the market price for purposes of the annual adjustment for Small C&I customers, Duquesne will rely solely on the Northern Illinois Hub ("NIH"). Duquesne has provided no justification to show why NIH should be the appropriate measure to determine the annual adjustment.

d. The OSBA has concerns about Duquesne's proposal to base the annual measurement of market price changes on an average of data from the 20 day trading period prior to October 1st. The 20 day-period selected by Duquesne is in the middle of the hurricane season. Therefore, Duquesne's proposal is not significantly better than Pike's decision to purchase its entire load on a single day in 2005. At a minimum, the annual adjustment should be based on data from more than one period of the year.

e. Duquesne posits that adjusting Small C&I rates annually is intended to encourage shopping. Typical Small C&I customers with a peak demand of 30 kW or below are already paying above what Duquesne has determined the market price to be as evidenced in the table set forth below. However, Duquesne has presented no evidence that any of these customers are shopping or that they are receiving offers from electric generation suppliers ("EGSs"). Duquesne has also failed to justify requiring these customers to pay rates above the market price for 2008 and 2009.

Current and Proposed Average Generation Rates*
Over Select Types of Rate GM Customers
 (¢/kWh)

<i>GM Customer</i>	<i>Market**</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
8 kW 15% Load Factor	7.34¢	11.17¢	9.46¢	8.40¢	7.34¢
30 kW 25% Load Factor	7.34¢	8.79¢	8.80¢	8.07¢	7.34¢
60 kW 35% Load Factor	7.34¢	7.19¢	7.92¢	7.63¢	7.34¢
170 kW 55% Load Factor	7.34¢	5.81¢	7.07¢	7.21¢	7.34¢
220 kW 75% Load Factor	7.34¢	5.19¢	6.67¢	7.00¢	7.34¢

*Includes ancillary services and PJM administration costs.

**Per Duquesne's POLR IV filing.

f. The OSBA submits, as shown in the table above, the rate for a typical Small C&I customer with a peak load of 60 kW is currently below what Duquesne alleges the market to be, However, it appears that the rate for that customer will be set above market in 2008 and 2009 and will not fall back to the market price until 2010.

In view of the foregoing, the OSBA submits that Duquesne must prove that declining block rates and demand charges should be phased out by 2010 rather than by 2009.

g. The OSBA is concerned Duquesne's Petition is inconsistent with the Commission's POLR regulations approved for comment at the February 8, 2007, Public Meeting. The Commission's POLR regulations were issued subsequent to Duquesne's filing. Although the POLR regulations *may* not apply to this case, the Commission presumably expects parties and the Administrative Law Judge ("ALJ") to compare the filing to the regulations and justify the differences.

V. DISCOVERY

The OSBA is in the process of preparing interrogatories.

VI. SETTLEMENT

The OSBA is willing to participate in settlement discussions.

VII. HEARING AND BRIEFING SCHEDULE

The OSBA is not opposed to the modified schedule proposed by the Company as set forth below.

March 29 Direct testimony of opposing parties due In Hand
April 13 Rebuttal testimony due In Hand
April 20 Surrebuttal testimony due In Hand
April 26-27 Evidentiary hearings
May 14 Main Briefs are due In Hand
May 22 Reply Briefs are due In Hand

Respectfully submitted,



Sharon E. Webb
Assistant Small Business Advocate
PA Attorney I.D. No. 73995

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Dated: February 26, 2007

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Petition of Duquesne Light Company for :
Approval of Default Service Plan for the : Docket No. P-00072247
Period January 1, 2008 Through :
December 31, 2010 :

Certificate of Service

I certify that I am serving two copies of the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, by e-mail and first class mail (unless otherwise noted) upon the persons addressed below:

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Sharon E. Webb
Assistant Small Business Advocate
Attorney ID No. 73995

Dated: February 26, 2007



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ORIGINAL

February 26, 2007

HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

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**Re: Petition of Duquesne Light Company for Approval of Default Service Plan For The
Period January 1, 2008 Through December 31, 2010
Docket No. P-00072247**

Dear Secretary McNulty:

I am delivering for filing today the original plus three copies of the Answer to the Petition of Duquesne Light Company for Approval of Default Service Plan for the Period January 1, 2008 Through December 31, 2010, Verification, Notice of Intervention, Public Statement, and Notice of Appearance, on behalf of the Office of Small Business Advocate in the above-captioned proceeding.

Two copies have been served today on all known parties in this proceeding. A Certificate of Service to that effect is enclosed.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Sharon E. Webb
Assistant Small Business Advocate
Attorney ID No. 73995

Enclosures

cc: Parties of Record
Brian Kalcic

75

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company :
For Approval of Default Service Plan For : Docket No. P-00072247
The Period January 1, 2008 Through :
December 31, 2010 :

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**ANSWER OF THE
OFFICE OF SMALL BUSINESS ADVOCATE
TO DUQUESNE LIGHT COMPANY'S PETITION
FOR APPROVAL OF A DEFAULT SERVICE PLAN FOR THE PERIOD
JANUARY 1, 2008, THROUGH DECEMBER 31, 2010**

On January 25, 2007, Duquesne Light Company ("Duquesne" or "Company") filed a Petition for Approval of Default Service Plan for the Period January 1, 2008 through December 31, 2010 ("Petition"). Notice of the Petition was published in the February 10, 2007, edition of the *Pennsylvania Bulletin*. The notice required that formal protests, petitions to intervene and answers must be filed with the Secretary of the Public Utility Commission ("Commission") by or before February 26, 2007. In accordance with said notice, and also with 52 Pa. Code § 5.61, the Office of Small Business Advocate ("OSBA") hereby answers the Petition as follows.

By way of explanation, only a portion of Duquesne's Petition contains numbered paragraphs. The OSBA has formatted its Answer by numbering its corresponding Answer to each paragraph contained within each subsection of Duquesne's Petition. In the first portion of its Answer, the OSBA has identified each paragraph number with a page reference. Subsequently, in that portion of Duquesne's Petition which contains

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numbered paragraphs, the OSBA's Answer follows the numbering configuration on Duquesne's Petition. Unless otherwise indicated, this Answer refers to each sentence in a paragraph as a separate averment and numbers the averments to coincide with the number of each sentence in that paragraph.

The OSBA files the following Answer in response to the un-numbered averments in the Company's Petition.

ANSWER

Response to un-numbered Introductory Paragraph

1. Paragraph 1 on Page 1. Denied. The averments of this paragraph constitute a prayer for relief to which no response is required, and therefore they are denied.

If and to the extent that a response is required, the OSBA denies that the Company should be afforded review of said Petition on an expedited basis for the reasons set forth herein below.

Duquesne has requested expedited Commission approval of its fourth Default Service Plan on or before July 1, 2007, to allow the Company time to implement the Plan on January 1, 2008. The OSBA notes that Duquesne's third provider of last resort ("POLR") plan was filed on December 9, 2003. The Commission did not enter its final order until August 23, 2004. However, Duquesne was able to implement the directives of the Commission's order and procure energy in time for the service period beginning January 1, 2005. Based on Duquesne's ability to handle a nine month schedule for POLR III, Duquesne should not require a five month schedule for POLR IV.

By way of further response, the Commission has recently denied expedited review of another default service implementation plan in the *Petition of Pike County Light &*

Power at Docket P-00072245 (“*Pike*”). In *Pike*, the Commission found that, while the public interest may be served by expedited consideration of the Petition, the issues presented in the Petition were complex and required thorough consideration. The Commission denied *Pike*’s request for expedited review by a January 31, 2007, Secretarial Letter. Although *Pike* filed its POLR plan on January 8, 2007, and requested a final decision from the Commission by or before May 15, 2007, the Commission scheduled a final decision for July 20, 2007. *Pike* filed its Petition more than two weeks before Duquesne but will not receive a decision until about three weeks after the decision date requested by Duquesne. Such a delay was appropriate for *Pike* and is appropriate for Duquesne.

Additionally, Duquesne’s Petition is inconsistent with the Commission’s POLR regulations approved for comment at the February 8, 2007, Public Meeting. The Commission’s POLR regulations were issued subsequent to Duquesne’s filing. Although the POLR regulations *may* not apply to this case, the Commission presumably expects parties and the Administrative Law Judge (“ALJ”) to compare the filing to the regulations and justify the differences. That analysis will take time.

In view of the foregoing, Duquesne’s request for expedited review should be denied.

I. Response to Executive Summary

A. Background

2. Paragraph 2 on page 1. Denied. The first two averments of paragraph 2 are arguments and a summary of the procedural history of the case to which no response is required, and therefore they are denied. Averments number three and four are

conclusions of law to which no response is required. If and to the extent that a response is required, the averments of paragraph 2 are denied.

3. Paragraph 3 on page 2. Denied. The averments of paragraph 3 are arguments and a summary of the procedural history of this case to which no response is required. If and to the extent that a response is required, the averments of paragraph 3 are denied.

4. Paragraph 4 on page 2. Denied. The first sentence of this paragraph makes reference to documents, which being writings, speak for themselves, and therefore no response is required. The remaining averments of paragraph 4 are conclusions of law to which no response is required. If and to the extent that a response is required, the averments of paragraph four are denied.

B. Proposed Default Service Rates

5. Paragraph 5 on page 3. Denied. This paragraph makes reference to the Default Service Plan, a document, which as a writing, speaks for itself, and therefore no response is required. Averment number two is a summary of the request for relief to which no response is required. Averment number three is admitted. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of the fourth factual averment in paragraph five. Averment number five is a conclusion of law to which no response is required. If and to the extent that a response is required, the averments are denied.

6. Paragraph 6 on page 3 Denied. The averments of paragraph six are a summary of the request for relief to which no response is required. If and to the extent that a response is required, the averments are denied.

7. Paragraph 7 on page 4. Denied. The first four averments in paragraph seven are a summary of the request for relief to which no response is required. Averments number five and six are conclusions of law to which no response is required. If and to the extent that a response is required, the averments of paragraph seven are denied.

C. Power Procurement

8. Paragraph 8 on page 4. Denied. The averments of paragraph eight are a summary of the request for relief to which no response is required. If and to the extent that a response is required, the averments are denied.

9. Paragraph 9 on page 4. Denied. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of the first and last factual averments in paragraph nine. Averments number two, three, and four are conclusions of law to which no response is required. If and to the extent that a response is required, the averments of paragraph nine are denied.

D. Determination of Prevailing Market Prices

10. Paragraph 10 on page 5. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of the factual averments in paragraph ten. If and to the extent that a response is required, the averments of paragraph ten are denied.

11. Paragraph 11 on page 5. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of the factual averments in paragraph eleven. If and to the extent that a response is required, the averments of paragraph eleven are denied.

E. Market Enhancements

12. Paragraph 12 on page 5. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of the factual averments in paragraph twelve. If and to the extent that a response is required, the averments of paragraph twelve are denied.

13. Paragraph 13 on page 6. Denied. The first averment in paragraph thirteen is a conclusion of law to which no response is required. The second averment in paragraph thirteen is a summary of the request for relief to which no response is required. If and to the extent that a response is required, the averments of paragraph thirteen are denied.

14. Paragraph 14 on page 6. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of the first factual averment contained in paragraph fourteen and to determine if the agreement to which the averment refers is the actual settlement to which the OSBA is a party. The second averment in paragraph fourteen is a conclusion of law to which no response is required. If and to the extent that a response is required, the averments of paragraph fourteen are denied.

15. Paragraph 15 on page 6. Denied. The averments of paragraph fifteen are a summary of the request for relief and conclusions of law to which no response is required. If and to the extent a response is required, the averments of paragraph fifteen are denied.

F. Conservation and Economic Development

16. Paragraph 16 on page 7. Denied. The first sentence in this paragraph makes reference to a document, which as a writing, speaks for itself and therefore no response is

required. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of the subsequent factual averments contained in paragraph sixteen. If and to the extent that a response is required, the averments of paragraph sixteen are denied.

17. Paragraph 17 on page 7. Denied. The first sentence in this paragraph makes reference to a document, which as a writing, speaks for itself and therefore no response is required. The second averment is a conclusion of law to which no response is required. The OSBA is without sufficient knowledge or information to form a belief concerning the truth of the remaining factual averments contained in paragraph seventeen. If and to the extent that a response is required, the averments are denied.

18. Paragraph 18 on page 8. Denied. The averments of paragraph eighteen are legal conclusions to which no response is required. If and to the extent that a response is required, the averments are denied.

G. Schedule

19. Paragraph 19 on page 8. Denied. The first averment is a summary of the request for relief to which no response is required. The remaining averments are conclusions of law to which no response is required. If and to the extent that a response is required, the averments are denied. By way of further response, based on the reasoning set forth in response to paragraph one on page one set forth herein above, the OSBA denies that Duquesne's petition should be reviewed on an expedited basis.

20. Paragraph 20 on page 8. Denied. The averments of this paragraph are a continuation of the summary of the request for relief to which no response is required. By way of further response, based on the reasoning set forth in response to paragraph one

on page one set forth herein above, the OSBA denies that Duquesne's petition should be reviewed on an expedited basis.

21. Paragraph 21 on page 8. Denied. The averment of paragraph twenty-one is a request for relief to which no response is required.

The remaining portion of Duquesne's Petition contains numbered paragraphs. The OSBA files the following Answer in response to the averments in the numbered paragraphs of the Company's Petition.

II. Description of Relevant Prior Regulatory Proceedings

1. Denied. Averments one and two of paragraph one reference documents, which being writings, speak for themselves, and therefore no response is required. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of the factual averments contained in numbered paragraph one. The remaining averments are conclusions of law to which no response is required. If and to the extent that a response is required, the averments of numbered paragraph one are denied.

2. Denied. The first averment in numbered paragraph two makes reference to a document, which as a writing, speaks for itself, and therefore no response is required. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of the factual averments contained in numbered paragraph two. If and to the extent that a response is required, the averments are denied.

3. Denied. The averments in numbered paragraph three make reference to a document, which as a writing, speaks for itself, and therefore no response is required. If

and to the extent that a response is required, the averments are denied.

4. Denied. The averments in numbered paragraph four reference a Commission Order, which as a writing, speaks for itself, and therefore no response is required. If and to the extent a response is required, the averments are denied.

5. Denied. The averments in numbered paragraph five reference a document, which as a writing, speaks for itself, and therefore no response is required. The OSBA is *without sufficient first hand knowledge or information to form a belief concerning the truth of the factual averments contained in numbered paragraph five*. If and to the extent a response is required, the averments are denied.

6. Denied. The reference in sentence one to the Competition Act is a conclusion of law to which no response is required. The remaining averments are conclusions of law to which no response is required. If and to the extent that a response is required, the averments are denied.

III. Duquesne Light's Default Service Plan

A. Introduction

7. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of the first two, and the final factual averments contained in numbered paragraph seven. The third sentence makes reference to a document, which as a writing, speaks for itself, and therefore no response is required. If and to the extent that a response is required, the averments are denied.

8. Denied. The averments in numbered paragraph eight make reference to documents, which being writings, speak for themselves, and therefore no response is required. If and to the extent a response is required, the averments are denied.

B. Proposed Default Service Rates

9. Denied. The averments in numbered paragraph nine make reference to a document, which being a writing, speaks for itself, and therefore no response is required. If and to the extent a response is required, the averments are denied.

1. Large C&I Customers

10. Denied. The averments in numbered paragraph ten make reference to a Commission Order, which as a writing, speaks for itself, and therefore no response is required. By way of further response, paragraph ten relates to the procurement of power for default service for large commercial and industrial customers. In that the OSBA's representation is limited to small commercial and industrial ("Small C&I") customers, the OSBA takes no position on the averments of paragraphs ten. If and to the extent a response is required, the averments are denied.

11. Denied. The averments in numbered paragraph eleven make reference to a tariff, which as a writing, speaks for itself, and therefore no response is required. By way of further response, paragraph eleven relates to the procurement of power for default service for large commercial and industrial customers. In that the OSBA's representation is limited to Small C&I customers, the OSBA takes no position on the averments of paragraphs eleven. If and to the extent a response is required, the averments are denied.

12. Denied. The averments in numbered paragraph twelve make reference to a document, which as a writing, speaks for itself, and therefore no response is required. By way of further response, paragraph twelve relates to the procurement of power for default service for large commercial and industrial customers. In that the OSBA's representation

is limited to Small C&I customers, the OSBA takes no position on the averments of paragraphs twelve. If and to the extent a response is required, the averments are denied.

2. Small C&I Customers

13. Denied. The averment in numbered paragraph thirteen makes reference to a document, which as a writing, speaks for itself, and therefore no response is required.

14. Denied. The averments in numbered paragraph fourteen are arguments and a summary of a request for relief to which no response is required. If and to the extent that a response is required, the averments are denied.

By way of further response, Duquesne has presented evidence of the market price for residential and Small C&I customers. Under Duquesne's proposal, the rates of residential and lighting customers will not be changed for three years. (See paragraphs 20-21 for residential and 25-27 for lighting.) However, the rates of Small C&I customers will be changed annually to reflect changes in the market. The OSBA is opposed to adjusting the rates of Small C&I customers more frequently than those of Duquesne's residential and lighting customers. Under Duquesne's proposal, Small C&I customers will be exposed to the market risk of annual pricing adjustments. For that same three year period, the residential and lighting customers will not be exposed to any market risk. The OSBA submits that Duquesne has failed to justify exposing Small C&I customers to market risk while shielding residential and lighting customers from that risk over the same three year period.

Additionally, residential customers will pay a premium of .30 cents/kWh because their rates will not change for three years. However, Small C&I customers will pay a premium of .15 cents/kWh in order to have a fixed rate through 2008. Section 2807(e)(3)

of the Public Utility Code requires rates to reflect “prevailing market prices.” The premium differential of only .15 cents/kWh is inadequate. Assuming that the proposed residential rates (with the .30 cents/kWh premium) are an accurate reflection of prevailing market prices for three years, the starting rate for Small C&I customers should be much lower than that proposed by Duquesne. Under Duquesne’s plan, because the rates for the two classes start so close together, it is likely that either the residential class or the Small C&I class will be significantly above or below the market at the end of the three year plan while the other class will be very close to market.

Further, under proposed Section 54.187(h) and (i) of the POLR regulations, both residential rates and Small C&I rates are to be adjusted quarterly. The OSBA is opposed to quarterly adjustments. However, the Commission presumably expects the parties and the ALJ to justify adjusting Small C&I rates when residential rates will not be adjusted. Duquesne has provided no such justification.

In addition, it is denied that Duquesne’s methodology for determining the annual adjustment for Small C&I customers will result in the appropriate market price. Duquesne will purchase electricity from Duquesne Power for three years based on prevailing market prices which Duquesne determines by comparing recent competitive auctions for full-requirements default service supply in New Jersey, Maryland, Illinois, and Pennsylvania and adjusting the results of the auctions to reflect Duquesne’s particular circumstances. (Petition, paragraph 39). However, when determining the appropriate measurement of changes in the market price for purposes of the annual adjustment for Small C&I customers, Duquesne will rely solely on the Northern Illinois Hub (“NIH”).

Duquesne has provided no justification to show why NIH should be the appropriate measure to determine the annual adjustment.

Further, and even more troubling, is Duquesne's proposal to base the annual measurement of market prices changes on an average of data from the 20 day trading period prior to October 1st. The 20 day-period selected by Duquesne is in the middle of the hurricane season. Therefore, Duquesne's proposal is not significantly better than Pike's decision to purchase its entire load on a single day in 2005. At a minimum, the annual adjustment should be based on data from more than one period of the year.

15. Denied. The first averment in numbered paragraph fifteen references a document which, as a writing, speaks for itself, and therefore no response is required. Averments two, three and four are arguments, a summary of the request for relief and conclusions of law to which no response is required. If and to the extent a response is required, the averments are denied.

16. Denied. The averments in numbered paragraph sixteen are arguments, a summary of a request for relief and conclusions of law to which no response is required. If and to the extent that a response is required, the averments are denied. By way of further response, Duquesne posits that adjusting Small C&I rates annually is intended to encourage shopping. Typical Small C&I customers with a peak demand of 30 kW or below are already paying above what Duquesne has determined the market price to be as evidenced in the table set forth below. However, Duquesne has presented no evidence that any of these customers are shopping or that they are receiving offers from electric generation suppliers ("EGSs"). Duquesne has also failed to justify requiring these customers to pay rates above the market price for 2008 and 2009.

Current and Proposed Average Generation Rates*
Over Select Types of Rate GM Customers
(¢/kWh)

<i>GM Customer</i>	<i>Market**</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
8 kW 15% Load Factor	7.34¢	11.17¢	9.46¢	8.40¢	7.34¢
30 kW 25% Load Factor	7.34¢	8.79¢	8.80¢	8.07¢	7.34¢
60 kW 35% Load Factor	7.34¢	7.19¢	7.92¢	7.63¢	7.34¢
170 kW 55% Load Factor	7.34¢	5.81¢	7.07¢	7.21¢	7.34¢
220 kW 75% Load Factor	7.34¢	5.19¢	6.67¢	7.00¢	7.34¢

*Includes ancillary services and PJM administration costs.

**Per Duquesne's POLR IV filing.

Further, as shown in the table above, the rate for a typical Small C&I customer with a peak load of 60 kW is currently below what Duquesne alleges the market to be, However, it appears that the rate for that customer will be set above market in 2008 and 2009 and will not fall back to the market price until 2010.

In view of the foregoing, the OSBA submits that Duquesne must prove that declining block rates and demand charges should be phased out by 2010 rather than by 2009.

17. Denied. The averments of paragraph seventeen are arguments and conclusions of law to which no response is required. If and to the extent that a response

is required, the averments are denied. By way of further response, the OSBA's Answer to numbered paragraph sixteen is incorporated herein by reference.

18. Denied. The averments of paragraph eighteen are arguments and conclusions of law to which no response is required. If and to the extent that a response is required, the averments are denied. By way of further response, the OSBA's Answer to numbered paragraph sixteen is incorporated herein by reference.

19. Denied. The averments of paragraph nineteen are arguments, a summary of the relief requested and conclusions of law to which no response is required. If and to the extent that a response is required, the averments are denied.

3. Residential Customers

20 - 24. Denied. The averments of paragraphs 20-24 relate to Duquesne's proposed POLR plan for residential customers. The OSBA takes no position on the specifics of the proposals for residential customers. The OSBA's objections to Duquesne's proposal relative to residential customers pertains to Duquesne's failure to justify subjecting Small C&I customers to market risk but protecting the residential customers from that risk through a three year fixed price option. The OSBA's objections are detailed in response to numbered paragraphs 14 – 16 above.

4. Lighting Customers

25 – 27 Denied. The averments of paragraphs 25– 27 relate to Duquesne's proposed POLR for lighting customers. The OSBA takes no position on the specifics of the proposals for lighting customers. The OSBA's objections to Duquesne's proposal relative to lighting customers pertains to Duquesne's failure to justify subjecting Small C&I customers to market risk but protecting the lighting customers from that risk through

a three year fixed price option. The OSBA's objections are detailed in response to numbered paragraphs 14 – 16 above.

C. Power Procurement

1. Duquesne Light Proposes to Acquire Default Supply from Duquesne Power at Prevailing Market Prices.

28. Denied. The averments in paragraph 28 are a summary of the request for relief to which no response is required. If and to the extent that a response is required, the averments are denied.

29. Denied. The averments in paragraph 29 are a summary of the request for relief and conclusions of law to which no response is required. If and to the extent that a response is required, the averments are denied.

30. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of factual averments one and three in paragraph 30. Averment number two is a conclusion of law to which no response is required. If and to the extent that a response is required, the averments are denied.

31. Denied. The averments in paragraph 31 make reference to documents, which being writings, speak for themselves and therefore no response is required. If and to the extent that a response is required, the averments are denied. By way of further response, under proposed Section 54.186(b)(4) of the POLR regulations, all electric generation supply should be acquired either through competitive bid solicitation processes, spot market energy purchases, or a combination of both. The Commission presumably expects the parties and the ALJ to justify procurement through a different type of competitive process.

In addition, Duquesne's reliance on the magnitude of the increases in POLR rates following other referenced competitive procurements is misplaced. Duquesne has presented no evidence of the rates for each of the referenced utilities prior to the competitive procurement process and no evidence of how those rates compared to Duquesne's present rates. Therefore, the rate increases cited by Duquesne do not prove that a competitive procurement by Duquesne would result in increases of that magnitude.

33. Denied. The averments in paragraph 33 are conclusions of law to which no response is required. If and to the extent that a response is required, the averments are denied.

34. Denied. The first and second averments in paragraph 34 make reference to documents, which being writings, speak for themselves, and therefore no response is required. The remaining averments are arguments and a summary of the request for relief to which no response is required. If and to the extent a response is required, the averments are denied.

35. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of factual averments one and two in paragraph 35. Averment number three is a conclusion of law to which no response is required. If and to the extent a response is required, the averments are denied.

2. The Default Service Plan Satisfies the Statutory Standard of "Acquiring Energy at Prevailing Market Prices."

36. Denied. Paragraph 36 is a citation to the Public Utility Code. The statute speaks for itself and no response is required.

37. The first three averments in numbered paragraph 37 are admitted. By way of response to the fourth averment, subsequent to Duquesne's filing on January 25, 2007, the Commission issued its proposed final POLR regulations on February 8, 2007.

38. Denied. The first averment in numbered paragraph 38 cites to a section of the Public Utility Code and is a conclusion of law to which no response is required. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of the second and third factual averments in paragraph 38. If and to the extent a response is required, the averments are denied.

39. Denied. The averments in numbered paragraph 39 are arguments and conclusions of law to which no response is required. If and to the extent a response is required, the averments are denied.

40. Denied. The averments in numbered paragraph 40 are arguments and conclusions of law to which no response is required. If and to the extent a response is required, the averments are denied.

41. Denied. The averments in numbered paragraph 41 are arguments and conclusions of law to which no response is required. If and to the extent a response is required, the averments are denied.

42. Denied. The averments in numbered paragraph 42 are arguments and conclusions of law to which no response is required. If and to the extent a response is required, the averments are denied.

43. Denied. The averments in numbered paragraph 43 are arguments and conclusions of law to which no response is required. If and to the extent a response is required, the averments are denied.

D. Market Enhancements

44. Denied. The averments in numbered paragraph 44 are conclusions of law and a summary of the request for relief to which no response is required. If and to the extent a response is required, the averments are denied.

45. Denied. The averments in numbered paragraph 45 are conclusions of law to which no response is required. If and to the extent a response is required, the averments are denied.

46. Denied. The averments in numbered paragraph 46 are arguments, a summary of the relief requested and conclusions of law to which no response is required. If and to the extent a response is required, the averments are denied.

1. Purchase of Receivables Program

47. Admitted and denied. The averments in paragraph 47 make reference to documents, which being writings, speak for themselves, and therefore no response is required. By way of further response, it is admitted that Duquesne met with parties to discuss the development of a Purchase of Receivables Program (“POR”). It is also admitted that Duquesne presented a proposal to the parties for review. It is denied that the POR agreement should be implemented unless Duquesne proves that it is identical to the settlement in which the OSBA joined.

48. Denied. The averments in numbered paragraph 48 are a summary of the request for relief to which no response is required. If and to the extent a response is required, the averments are denied.

49. Denied. The averments in numbered paragraph 49 are arguments and conclusions of law to which no response is required. If and to the extent a response is required, the averments are denied.

50. Denied. The averments in numbered paragraph 50 are arguments and conclusions of law to which no response is required. If and to the extent a response is required, the averments are denied.

51. Denied. The averments in numbered paragraph 51 are arguments and conclusions of law to which no response is required. If and to the extent a response is required, the averments are denied.

2. Enhancement of Duquesne Light/EGS Communications

52. Denied. The averments in numbered paragraph 52 are arguments and conclusions of law to which no response is required. If and to the extent a response is required, the averments are denied.

53. Denied. The averments in numbered paragraph 53 are arguments and conclusions of law to which no response is required. If and to the extent a response is required, the averments are denied.

3. Cost Allocation Analysis

54. Denied. The averments in numbered paragraph 54 reference documents, which being writings speak for themselves, and therefore no response is required. If and to the extent a response is required, the averments are denied.

55. Denied. The first averment in numbered paragraph 55 references documents, which being writings speak for themselves, and therefore no response is required. If and to the extent a response is required, the averments are denied. The OSBA is without

sufficient first hand knowledge or information to form a belief concerning the truth of the factual averments in numbered paragraph 55.

56. Denied. The averments in numbered paragraph 56 are arguments and conclusions of law to which no response is required.

4. Code of Conduct Review

57. Denied. The averments in numbered paragraph 57 are conclusions of law to which no response is required. If and to the extent a response is required, the averments are denied.

58. Denied. The averments in numbered paragraph 58 are a summary of the request for relief and conclusions of law to which no response is required. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of the factual averments in numbered paragraph 58. If and to the extent a response is required, the averments are denied.

E. Energy Conservation and Economic Development

59. Denied. The averments of numbered paragraph 59 make reference to a document, which, as a writing, speaks for itself, and therefore no response is required. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of the factual averments in numbered paragraph 59.

60. Admitted in part and denied in part. It is admitted that the Commission has established a Demand Side Response (“DSR”) working group at Docket No. M-00061984. By way of further response, the OSBA is an active party in the DSR working group. The remaining averments in numbered paragraph 60 are arguments and

conclusions of law to which no response is required. If and to the extent that a response is required, the remaining averments are denied.

F. Benefits of the Default Service Plan

61. Denied. The averments in numbered paragraph 61 reference a document which, as a writing, speaks for itself, and therefore no response is required. The averments also are arguments and conclusions of law to which no response is required. If and to the extent that a response is required, the averments are denied.

62. Denied. The averments in numbered paragraph 62 reference a document which, as a writing, speaks for itself, and therefore no response is required. The averments also are arguments and conclusions of law to which no response is required. If and to the extent that a response is required, the averments are denied

63. Denied. The averments in numbered paragraph 63 reference a document which, as a writing, speaks for itself, and therefore no response is required. The averments also are arguments and conclusions of law to which no response is required. If and to the extent that a response is required, the averments are denied

64. Denied. The averment in numbered paragraph 64 is a request for relief to which no response is required.

IV. Related Approvals

65. Denied. The averment in numbered paragraph 65 constitutes a prayer for relief to which no response is required and therefore is denied.

66. The averments in numbered paragraph 66 are a request for relief to which no response is required and therefore are denied.

67. The averments in numbered paragraph 67 reference a document, which as a

writing, speaks for itself, and therefore no response is required. The averments of this paragraph also constitute a prayer for relief to which no response is required, and therefore they are denied.

68. The averments in numbered paragraph 68 are a request for relief to which no response is required and therefore they are denied.

V. Customer Notification

69. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of the factual averment in numbered paragraph 69. Therefore, the averments are denied.

VI. Request for Expedited Approval

70. The averments of this paragraph constitute a prayer for relief to which no response is required, and therefore they are denied. If and to the extent that a response is required, the OSBA denies that the Company should be afforded review of said Petition on an expedited basis for the reasons set forth herein below. Duquesne has requested expedited Commission approval of its fourth Default Service Plan on or before July 1, 2007, to allow the Company time to implement the Plan on January 1, 2008. The OSBA notes that Duquesne's third POLR plan was filed on December 9, 2003. The Commission did not enter its final order until August 23, 2004. However, Duquesne was able to implement the directives of the Commission's order and procure energy in time for the service period beginning January 1, 2005. Based on Duquesne's ability to handle a nine month schedule for POLR III, Duquesne should not require a five month schedule for POLR IV.

By way of further response, the Commission has recently denied expedited review another default service implementation plan in the *Petition of Pike County Light & Power* at Docket P-00072245 ("*Pike*"). In *Pike*, the Commission found that, while the public interest may be served by expedited consideration of the Petition, the issues presented in the Petition were complex and required thorough consideration. The Commission denied Pike's request for expedited review by a January 31, 2007 Secretarial Letter. Although Pike filed its POLR plan on January 8, 2007, and requested a final decision from the Commission by or before May 15, 2007, the Commission scheduled a final decision for July 20, 2007. Pike filed its Petition more than two weeks before Duquesne but will not receive a decision until about three weeks after the decision date requested by Duquesne. Such a delay was appropriate for Pike and is also appropriate for Duquesne.

Additionally, Duquesne's Petition is inconsistent with the Commission's POLR regulations approved for comment at the February 8, 2007, Public Meeting. The Commission's POLR regulations were issued subsequent to Duquesne's filing. Although the POLR regulations *may* not apply to this case, the Commission presumably expects parties and the ALJ to compare the filing to the regulations and justify the differences. That analysis will take time.

In view of the foregoing, Duquesne's request for expedited review should be denied.

71. The averments of numbered paragraph 71 are a request for relief to which no response is required. If and to the extent that a response is required, the averments are denied. By way of further response, the OSBA notes that Duquesne's third POLR plan was filed on December 9, 2003. The Commission did not enter its final order until

August 23, 2004. However Duquesne was able to implement the directives of the Commission's order and procure energy on just four months' notice and in time for the service period beginning January 1, 2005.

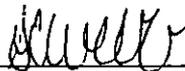
72. The averments of numbered paragraph 72 are arguments and conclusions of law to which no response is required. By way of further response, the OSBA's Answers to numbered paragraphs 70 and 71 are incorporated herein by reference.

73. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of the factual averment in numbered paragraph 73.

74. The averments of paragraph 74 are a summary of Duquesne's request for relief to which no response is required. If, and to the extent that, a response is required, the averments are denied.

WHEREFORE, the OSBA respectfully requests that the Commission deny Duquesne's request for expedited review, schedule a final decision for no earlier than the date scheduled for a final decision on Pike's pending POLR plan, assign Duquesne's Petition to the OALJ for hearings and the development of a Recommended Decision, and modify Duquesne's Petition with regard to Small C&I POLR rates as set forth in this Answer.

Respectfully submitted,



Sharon E. Webb
Assistant Small Business Advocate
Attorney I.D. No. 73995

For:

William R. Lloyd, Jr.
Small Business Advocate
Attorney I.D. No. 16452

Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101
(717) 783-2525
(717) 783-2831

Dated: February 26, 2007

VERIFICATION

I, William R. Lloyd, Jr., hereby state that the facts set forth herein above are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. §4904 (relating to unsworn falsification to authorities).

Date: February 26, 2007

William R. Lloyd, Jr.
(Signature)

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company :
For Approval of Default Service Plan For : Docket No. P-00072247
The Period January 1, 2008 Through :
December 31, 2010 :

Office of
Small Business Advocate
Notice of Intervention

ORIGINAL

The Office of Small Business Advocate, an agency of the Commonwealth authorized by the Small Business Advocate Act (Act 181 of 1988, 73. P.S. §§399.41 - 399.50) to represent the interest of small business consumers as a party in proceedings before the Pennsylvania Public Utility Commission, files this Notice of Intervention in this proceeding pursuant to the provisions of 52 Pa. Code §5.71(a)(1).

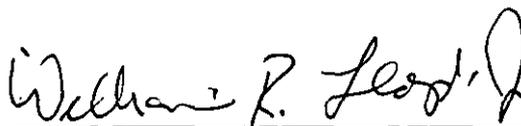
Representing the Office of Small Business Advocate in this proceeding is:

**DOCUMENT
FOLDER**

Sharon E. Webb, Esquire
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(717) 783-2525
(717) 783-2831 (fax)
swebb@state.pa.us

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DOCKETED
FEB 28 2007



William R. Lloyd, Jr.
Small Business Advocate
Attorney I.D. No. 16452

Date: February 26, 2007

ORIGINAL

**PUBLIC STATEMENT OF
SMALL BUSINESS ADVOCATE
CONCERNING THE INTEREST
OF SMALL BUSINESS CONSUMERS TO BE PROTECTED BY
THE FILING OF AN ANSWER AND INTERVENTION IN THE PETITION OF
DUQUESNE LIGHT COMPANY FOR EXPEDITED APPROVAL
OF ITS DEFAULT SERVICE PLAN FOR THE PERIOD JANUARY 1, 2008
THROUGH DECEMBER 31, 2010
AT DOCKET NO. P-00072247**

The Small Business Advocate is authorized and directed to represent the interests of small business consumers of utility services in Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50 (“the Act”). The Act further provides that the Small Business Advocate issue publicly a written statement stating concisely the specific interest of small business consumers to be protected by the initiation of or intervention in any proceeding involving those interests before the Public Utility Commission (“Commission”) or any other agency or court. This public statement relates to the filing today by the Small Business Advocate of an Answer to the Petition of Duquesne Light Company (“Duquesne”) for Expedited Approval of Its Default Service Plan (“POLR Plan”) for the period January 1, 2008, through December 31, 2010.

The Small Business Advocate is filing an Answer to Duquesne’s Petition for Expedited Approval of its POLR Plan to protect the interests of Duquesne’s small business customers. A thorough inquiry by the Commission into all elements of the POLR Plan filing must be conducted to ensure that the resulting rates are lawful, just, reasonable, and nondiscriminatory. The Small Business Advocate will participate in this proceeding to the extent necessary to identify and advance any issues that are important to small business consumers.

Dated: February 26, 2007

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DOCKETED
FEB 28 2007

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company for Approval :
Of Default Service Plan for the Period : Docket No. P-00072247
January 1, 2008 Through December 31, 2010 :

NOTICE OF APPEARANCE

The Office of Small Business Advocate, pursuant to 52 Pa. Code § 1.24, hereby enters the appearance of Sharon E. Webb, in the above-captioned proceedings.

Documents in this proceeding should now be served on the following:

Sharon E. Webb, Esquire
Office of Small Business Advocate
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300 North Second Street
Harrisburg, Pennsylvania 17101
(717) 783-2525
(717) 783-2831
swebb@state.pa.us

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in the above-captioned proceeding.

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FOLDER**



Sharon E. Webb
Assistant Small Business Advocate
Attorney ID No. 73995

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Harrisburg, PA 17101
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(717) 783-2831 (fax)

Dated: February 26, 2007

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FEB 28 2007

ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company for :
Approval of Default Service Plan for the : Docket No. P-00072247
Period January 1, 2008 Through :
December 31, 2010 :

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Certificate of Service

I certify that I am serving two copies of the Answer to the Petition of Duquesne Light Company for Approval of Default Service Plan for the Period January 1, 2008 Through December 31, 2010, Verification, Notice of Intervention, Public Statement and Notice of Appearance, on behalf of the Office of Small Business Advocate, by e-mail and first class mail (unless otherwise noted) upon the persons addressed below:

Hon. Larry Gesoff
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Pennsylvania Public Utility Commission
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Sharon E. Webb
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Dated: February 26, 2007



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February 26, 2007

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA HAND DELIVERY

Re: Petition of Duquesne Light Company for Approval of Default Service Plan for the Period January 1, 2008 Through December 31, 2010; Docket No. P-00072247

Dear Secretary McNulty:

Enclosed for filing with the Commission are the original and three (3) copies of the Petition to Intervene and Answer in Opposition of Duquesne Industrial Intervenors in the above referenced proceeding.

As shown by the attached Certificate of Service, all parties have been duly served. Please date stamp the extra copy of this transmittal letter and kindly return it to our messenger for our filing purposes.

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Very truly yours,

McNEES WALLACE & NURICK LLC

By *Pamela C. Polacek*

Pamela C. Polacek

Counsel to Duquesne Industrial Intervenors

PCP/nk

Enclosures

c: Honorable Larry Gesoff (via e-mail and first class mail)
Certificate of Service

Handwritten initials

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company :
for Approval of Default Service Plan for : Docket No. P-00072247
the Period January 1, 2008 Through :
December 31, 2010 :

**PETITION TO INTERVENE AND
ANSWER IN OPPOSITION
OF DUQUESNE INDUSTRIAL INTERVENORS**

ORIGINAL

Pursuant to Section 5.61(a) of the Pennsylvania Public Utility Commission's ("PUC" or "Commission") Regulations, 52 Pa. Code § 5.61(a), the Duquesne Industrial Intervenors ("DII") hereby file this Answer in Opposition¹ in response to the above-captioned Petition ("Petition") of Duquesne Light Company ("Duquesne" or "Company"). In addition, pursuant to Sections 5.71 through 5.74 of the Commission's Regulations, 52 Pa. Code §§ 5.71 - 5.74, DII hereby files this Petition to Intervene in the above-captioned proceeding.

In its Petition, Duquesne sets forth a proposed plan to provide Provider of Last Resort ("POLR") supply service (hereinafter, "POLR IV"). Beginning on January 1, 2008, this POLR IV plan would apply to all retail customers in Duquesne's service territory. Duquesne proposes three separate plans for: (1) Residential customers; (2) Small Commercial and Industrial ("Small C&I") customers; and, (3) Large Commercial and Industrial ("Large C&I") customers served under Rates GL, GLH, L or HVPS.

Under Duquesne's plan, Large C&I customers will be offered only a real-time Hourly Price Service ("HPS"). See Duquesne Petition, pp. 12-13. Among other issues, DII believes that

¹ Alternatively, DII's filing should be treated by the Commission as a Complaint against Duquesne's proposal pursuant to Section 5.22 of the Commission's Regulations, 52 Pa. Code § 5.22.

**DOCUMENT
FOLDER**

Duquesne should be required to offer a Fixed Price Service ("FPS") alternative, as well as a Monthly Price Service ("MPS") as proposed in the Commission's recently released Draft POLR Regulations. As set forth in more detail below, several aspects of Duquesne's Large C&I plan are inappropriate and may be contrary to the requirements of the Public Utility Code. As a result, DII respectfully requests that the Commission modify Duquesne's Large C&I plan as set forth herein.

In support of its Petition to Intervene and Answer in Opposition, DII asserts as follows:

I. PETITION TO INTERVENE

1. DII is an ad hoc association of energy-intensive commercial, industrial and institutional customers receiving electric service in Duquesne's service territory. DII has been an active participant in many PUC proceedings addressing service terms and conditions in Duquesne's territory, including Duquesne's Restructuring Proceeding filed pursuant to the Competition Act, the stakeholder process that resulted in the approval of Duquesne's first post-transition period Provider of Last Resort ("POLR") plan (i.e., POLR II), Duquesne's previous POLR proceeding ("POLR III"), and Duquesne's recent Distribution Base Rate case.

2. DII members traditionally purchase electric distribution service from Duquesne primarily under Rate Schedules GL, L, and HVPS, and associated special contracts or service riders. DII members have the option to purchase electric generation supply service from Duquesne (as the POLR) or from an Electric Generation Supplier ("EGS"). For purposes of this proceeding, DII includes the companies listed in Attachment "A" hereto. DII will update Attachment A during the course of this proceeding to reflect changes in its membership.

3. DII members are concerned with issues regarding the terms and conditions of their electricity service, including the rates and options provided by Duquesne for POLR service. The Commission's final disposition of Duquesne's Petition will directly affect the rates that

Duquesne imposes on DII members for POLR service. As Duquesne's largest customers, DII members are in a unique position to comment to the Commission on the customer impact of Duquesne's POLR plan for Large C&I customers.

4. DII members have an interest in this proceeding that is not represented by any other party of record; consequently, DII satisfies the standards for intervention under Section 5.72 of the Commission's Regulations, 52 Pa. Code § 5.72.

5. The names and address of DII's attorneys are:

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Adam L. Benshoff
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DII requests that the names and address of its attorneys be added to the Commission's and all parties' service lists. All correspondence in this proceeding from the Commission should be directed to the attention of Pamela C. Polacek at the address listed above.

II. ANSWER

6. As previously mentioned, DII questions whether several aspects of Duquesne's Large C&I POLR plan are appropriate and/or in compliance with Section 2807(e)(3) of the Public Utility Code, 66 Pa.C.S. § 2807(e)(3). Specifically, DII sets forth below four issues to be considered in this proceeding with regard to the Large C&I plan: (1) Duquesne's lack of a FPS alternative; (2) Duquesne's lack of a MPS alternative; (3) whether the proposed hourly rate adder is just and reasonable; and (4) Duquesne's request for exemption from any final POLR regulations issued by the Commission. DII respectfully requests the right, however, to raise and

address additional issues of concern during the course of the proceeding based on further review of the Petition and discovery.

A. The Commission Should Require Duquesne to Provide Large C&I Customers a Fixed Price Service Alternative.

7. Duquesne proposes to offer Large C&I customers only a real-time HPS option with no FPS alternative. Duquesne Petition, p. 12. Both the Residential and Small C&I classes, however, will receive a fixed price for three years, and one year, respectively. See Duquesne Petition, pp. 14-17. In support of the elimination of the FPS option for Large C&I customers, Duquesne states that the "competitive market" is robust, and proposes to rely on the Electric Generation Suppliers ("EGSs") to provide any FPS to Large C&I customers. See id. Duquesne also relies on the Commission's previous order in its POLR III proceeding, which permits Duquesne's current FPS option to expire on May 31, 2007. Id.

8. DII asserts that a FPS option should be available to all customers. Contrary to the unsubstantiated claims of Duquesne that Large C&I customers "do not require the same level of price stability" as other customer classes, not all Large C&I customers are able to respond to hourly market prices. See Direct Testimony of Morgan K. O'Brien, Duquesne Statement No. 1 (hereinafter, "Duquesne St. 1"), p. 18. HPS remains very complex, and subjects customers to the constantly changing, volatile market. This price volatility is simply unworkable for many Large C&I customers that may be required to rely on default service as their only supply option or an interim option while changing competitive suppliers. In addition, it is patently unfair, and unduly discriminatory to provide some classes with price stability, while others are left completely at the mercy of a market that has yet to be proven entirely competitive.

9. As evidence that a FPS alternative is unnecessary, Duquesne relies heavily on its high percentage of Large C&I customers that are currently shopping. DII questions the validity of such statistics as actual evidence that the Duquesne market is working. While DII does not

dispute that these customers are shopping, it is unclear whether these customers have shopped because of competitive pricing, or have simply been forced into the market. At a minimum, the current FPS offered by Duquesne has provided a necessary benchmark for these customers to compare offers for fixed-price service from EGSs. DII also would support redesigning FPS to produce more reasonable fixed price options for Large C&I customers.

10. Finally, Duquesne's reliance on the Commission's order in POLR III is also misplaced. While DII agrees that the Commission approved the elimination of the FPS option as of June 1, 2007, that decision was never meant to be precedential and does not prohibit Duquesne from continuing to offer a FPS alternative. See Petition of Duquesne Light Company for Approval of Plan for Post-Transition Period Provider of Last Resort Service, Docket No. P-00032071, p. 5, (August 5, 2004) (clarifying that until the issuance of final POLR regulations, its decisions were made only on general policy grounds). Moreover, the Proposed Policy Statement on default service recently issued by the Commission permits electric distribution companies ("EDCs") to offer fixed price contracts to Large C&I customers. See Default Service and Retail Electric Markets, Docket No. L-00070183, Proposed Policy Statement, § 69.1805, Annex A, p. 4, (February 9, 2007) (hereinafter "POLR Policy Statement"). The Commission anticipates that it will finalize the regulations and the policy statement by the end of this year (*i.e.*, before the new Duquesne POLR plan starts). Therefore, DII respectfully requests that the Commission reject Duquesne's proposal to only offer an HPS option for Large C&I customers, and require Duquesne to provide a FPS alternative for all customer classes.

B. A Monthly Price Service Alternative is an Appropriate Alternative Default Service Option that Should be Provided by Duquesne.

11. In addition to a FPS alternative for Large C&I, DII respectfully requests that Duquesne be required to offer a MPS option. The Commission's recently released proposed POLR Regulations include the ability to provide a monthly Price to Compare ("PTC") rate for

Large C&I customers. See Rulemaking Re Electric Distribution Companies' Obligation to Serve Retail Customers at the Conclusion of the Transition Period Pursuant to 66 Pa.C.S. § 2807(e)(2), Docket No. L-00040169, Advance Notice of Final Rulemaking Order, p. 19 (February 9, 2007) (hereinafter "POLR ANOFR). For many of the reasons indicated above for a FPS, (i.e., necessary price stability, benchmark for competitive service), to a lesser extent a MPS offers many of these same benefits for Large C&I customers. The Commission should not deprive Duquesne's Large C&I customers of the benefits of the POLR structure envisioned in the recent POLR ANOFR and POLR Policy Statement.

C. Duquesne has not Established that its Proposed Hourly Rate Adder Will Result in the Recovery of Only its Reasonable Costs to Provide POLR Service in Compliance with Section 2807(e)(3) of the Public Utility Code.

12. The Public Utility Code specifies that Duquesne is entitled to "recover fully all reasonable costs" to provide POLR service. 66 Pa. C.S. § 2807(e)(3). Duquesne bears the burden to prove that it is recovering only its reasonable costs in compliance with the Code.

13. One cost that must be carefully analyzed and may violate Section 2807(e)(3) is the HPS retail adder of \$3.97/MWh. See Direct Testimony of William V. Pfrommer, Duquesne Statement No. 4 (hereinafter, "Duquesne St. 4"), p. 20. Duquesne states that this retail adder "seeks only to recover its administrative costs of providing the hourly price default service." See id. DII is willing to support a POLR proposal that enables Duquesne to "recover fully all reasonable costs" to provide POLR service; however, DII submits that the statute entitles Duquesne to recovery only for the Company's actual costs to provide POLR service. The Company must prove that the \$3.97/MWh adder recovers only Duquesne's actual costs to provide POLR service. Absent such proof, the retail adder violates Section 2807(e)(3) and cannot be included in POLR rates.

D. If Duquesne's Large C&I POLR Proposal is Approved With Only an Hourly Price Service Option, then the Commission Cannot Grant Duquesne's Request That Its Plan Trump Any Future POLR Regulations or Changes to the Statute.

14. As part of this Petition, Duquesne requests that if the Commission's POLR regulations become effective prior to January 1, 2011, that Duquesne be granted a waiver of those regulations to the extent that they would conflict with the provisions of the proposed POLR plan. Duquesne Petition, p. 31. Duquesne states that this waiver is necessary in order for Duquesne to procure supply for its default service customers because Duquesne is assuming considerable risks under the plan. *Id.*

15. DII does not disagree with Duquesne's assessment of risk with regard to the Residential and Small C&I proposals; however, if the Commission were to approve Duquesne's proposal and permit only an HPS alternative for Large C&I customers, the Company would be assuming absolutely no risk with respect to serving this customer class. Thus, the Company has not presented any justification for a waiver with respect to the Large C&I class. Furthermore, it would be wholly inappropriate to make DII members, who must compete with companies who continue to operate in Pennsylvania service territories with rate caps and other non-restructured states, to continue to suffer under the HPS-only POLR regime that the Commission now appears to disfavor on a state-wide basis (as indicated by the monthly PTC model in the POLR ANOFR and the acknowledgement that default service providers can offer longer fixed rates to Large C&I customers in the POLR Policy Statement). Therefore, unless Duquesne provides FPS and MPS alternatives, DII respectfully requests that the Commission deny Duquesne's request for waiver of the POLR Regulations with respect to the Large C&I product.

III. CONCLUSION

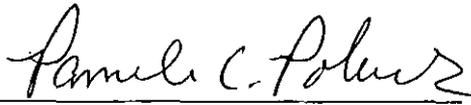
WHEREFORE, for the reasons stated above, DII respectfully requests that this Honorable Commission: (1) grant this Petition to Intervene and provide DII with full-party status

in this proceeding; and (2) deny Duquesne's Petition for Approval of a Default Service Plan, unless it is modified by:

- a. Providing a fixed price service alternative for Large C&I customers;
- b. Providing a monthly price service option for Large C&I customers;
- c. Rejecting any portion of the "retail adder" that exceeds Duquesne's actual costs to provide POLR service; and
- d. Rejecting Duquesne's request to have this plan waived from applicability of the upcoming final POLR Regulations.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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Counsel to the Duquesne Industrial Intervenors

Dated: February 26, 2007

DOCKET NO. P-00072247

DUQUESNE INDUSTRIAL INTERVENORS

The Techs (GalvTech, MetalTech and NexTech)

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**PA PUBLIC UTILITY COMMISSION
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**ATTACHMENT "A"
(February 26, 2007)**

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF DAUPHIN) SS:

PAMELA C. POLACEK, being duly sworn according to law, deposes and says that she is Counsel to Duquesne Industrial Intervenors, and that in this capacity she is authorized to and does make this affidavit for them, and that the facts set forth in the foregoing Petition to Intervene and Answer in Opposition are true and correct to the best of her knowledge, information, and belief.

Pamela C. Polacek
Pamela C. Polacek

SWORN TO and subscribed
before me this 26th day
of February, 2007.

Mary A. Sipe
Notary Public

NOTARIAL SEAL
MARY A SIPE
Notary Public
CITY OF HARRISBURG, DAUPHIN COUNTY
My Commission Expires Mar 19, 2009

(SEAL)

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CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant):

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Docket No. P-00072247
Page 2

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Pamela C. Polacek

Dated this 26th day of February, 2007, at Harrisburg, Pennsylvania.

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February 26, 2007

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BY HAND

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SECRETARY'S BUREAU

**RE: Petition of Duquesne Light Company For Approval of Default Service
Plan For The Period January 1, 2008 Through December 31, 2010
Docket No. P-00072247**

Dear Mr. McNulty:

Enclosed, please find the original and three (3) copies of the Prehearing Conference Memorandum of Duquesne Light Company in the above-referenced proceeding. As indicated on the enclosed certificate of service, copies have been served on the parties in the manner indicated.

Very truly yours,


Anthony D. Kanagy

ADK:skr

Enclosures

cc: Honorable Larry Gesoff (w/enc.)
Certificate of Service (w/enc.)

83

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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Petition of Duquesne Light Company :
For Approval of Default Service Plan : Docket No. P-00072247
For The Period January 1, 2008 :
Through December 31, 2010 :

**PREHEARING CONFERENCE MEMORANDUM OF
DUQUESNE LIGHT COMPANY**

ORIGINAL

TO ADMINISTRATIVE LAW JUDGE LARRY GESOFF:

Duquesne Light Company ("Duquesne Light" or "Company") hereby submits this Prehearing Conference Memorandum pursuant to the Prehearing Conference Order issued by Administrative Law Judge Larry Gesoff (the "ALJ") on February 6, 2007, in the above-captioned proceeding.

I. INTRODUCTION

On January 25, 2007, Duquesne Light filed the above-captioned Petition with the Pennsylvania Public Utility Commission ("Commission"). In the Petition, the Company requests that the Commission approve Duquesne Light's proposed plan to provide default service to its customers from January 1, 2008 through December 31, 2010 ("Default Service Plan" or "Plan"). Duquesne Light's current default service plan (the "POLR III Plan") expires on December 31, 2007. In its Petition, Duquesne Light also requests expedited approval to reduce the risk that Duquesne Power, LLC is incurring by holding rates open during the Plan period and to allow adequate time for Duquesne Light to provide customers notice of the changes in their Price to Compare in order to facilitate retail shopping.

Notice of the Default Service Plan was published in the Pennsylvania Bulletin on February 10, 2007. The Notice also scheduled a Prehearing Conference for February 28, 2007.

II. SETTLEMENT DISCUSSIONS

Prior to filing the Default Service Plan, Duquesne Light had discussions with multiple parties to obtain their input in developing the Plan. As a result of these discussions, both Reliant Energy, Inc. ("Reliant") and Dominion Retail, Inc. ("Dominion") have agreed to support the basic structure of the Plan. Duquesne Light is ready to enter into further discussion with other parties on all issues in this proceeding.

III. DISCOVERY, ADMISSIONS AND STIPULATIONS

Duquesne Light held a telephone conference on Wednesday, February 21, 2007 with interested parties to discuss scheduling and discovery issues. The interested parties that participated in the telephone conference with Duquesne Light included the Office of Trial Staff, the Office of Consumer Advocate, the Office of Small Business Advocate, Reliant, Dominion, Retail Energy Supply Association, Strategic Energy, LLC, Constellation NewEnergy, Inc., Exelon Generation, U.S. Energy Savings Corp., Duquesne Industrial Intervenors, Citizens for Pennsylvania's Future and Citizen Power, Inc. Recognizing that Duquesne Light has requested expedited approval of this Plan and recognizing the ALJ's preferences for resolving discovery disputes, Duquesne Light informed the parties that it intended to propose discovery rules consistent with those that were adopted by the ALJ in Duquesne Light's recent rate case at Docket No. R-00061346. No party objected to this proposal. In this regard, Duquesne Light proposes the following discovery rules:

- Answers to written interrogatories propounded prior to the submission of Direct Testimony are due within ten (10) calendar days of service of the interrogatories. Interrogatories served after 12 o'clock noon on a Friday shall be deemed to have been served the following Monday.

- Answers to written interrogatories propounded after the submission of Direct Testimony are due within seven (7) calendar days of service of the interrogatories. Interrogatories served after 12 o'clock noon on a Friday shall be deemed to have been served the following Monday.
- If a party objects to a discovery request, counsel for both parties shall try to resolve the objection over the telephone. If this is unsuccessful, the parties shall send the ALJ the interrogatories and objections (electronically if possible) and then call the ALJ for a telephone discussion to resolve the dispute.
- Responses to requests for document production and entry for inspection are due within ten (10) calendar days.
- Requests for admission shall be deemed admitted unless answered within ten (10) days or objected to within five (5) days of service.
- Answers to on-the-record data requests are due within seven (7) calendar days of the request.

Duquesne Light notes that the discovery rules that it is proposing in this proceeding vary slightly from the rules adopted in the rate case in that Duquesne Light proposes to apply the seven day response period to interrogatories propounded after the submission of direct testimony as opposed to rebuttal testimony. Duquesne Light believes this is necessary due to the shorter period of time between direct and rebuttal testimony under the proposed schedule for this proceeding.

With regard to the status of discovery, Duquesne Light notes that the parties already have started the discovery process. To date, no requests for admissions have been filed. With regard

to stipulations, as indicated above, and in the testimony of Frederick J. Eichenmiller, both Reliant and Dominion have agreed to support the basic structure of the Plan.

IV. WITNESSES AND ISSUES

As part of its direct case, Duquesne Light will present the following witnesses who will testify as to the matters explained in the following prefiled statements and exhibits:

Morgan K. O'Brien President and Chief Executive Officer Duquesne Light Holdings, LLC and Duquesne Light Company 411 Seventh Avenue Pittsburgh, PA 15219	Statement No. 1	Overview of the Plan, Background and Policy Considerations
Frederick J. Eichenmiller Director of Rates and Regulatory Affairs Duquesne Light Company 411 Seventh Avenue Pittsburgh, PA 15219	Statement No. 2	Efforts to Promote a Competitive Market, Stakeholder Participation, Conservation, and Demand Side Response Efforts
Neil S. Fisher Principal The Northbridge Group 30 Monument Square, Suite 105 Concord, MA 01742	Statement No. 3	Policy Considerations, Rates and Rate Adjustments
William V. Pfrommer Manager, Rates Duquesne Light Company 411 Seventh Avenue Pittsburgh, PA 15219	Statement No. 4	Rates and Rate Structure
Nancy J. Krajovic Manager of Regulatory Affairs Duquesne Light Company 411 Seventh Avenue Pittsburgh, PA 15219	Statement No. 5	Purchase of Receivables Program and Tariff Changes
Susan S. Betta Controller Duquesne Light Company 411 Seventh Avenue Pittsburgh, PA 15219	Statement No. 6	Cost Allocation Analysis

Duquesne is unable to provide further identification of the issues at this time because the issues that will be litigated in the proceeding ultimately will be identified at least initially by other parties. Duquesne may present additional witnesses, testimony and exhibits on matters arising during the course of the proceeding, including matters raised by other parties.

V. PROPOSED SCHEDULE

On January 31, 2007, the ALJ sent a proposed schedule for this proceeding to counsel for Duquesne Light and requested that Duquesne Light share it with counsel for other potential parties. As indicated above, Duquesne Light held a conference call on February 21, 2007, with interested parties to discuss the ALJ's proposed schedule. The parties made certain modifications to the proposed schedule during this call. As requested by the parties, Duquesne Light presented this schedule to the ALJ, and the ALJ informed Duquesne Light that the proposed hearing dates conflicted with another case presided over by the ALJ. As a result, Duquesne Light modified the schedule to eliminate the conflict and sent it to the parties for review. This proposed schedule is as follows:

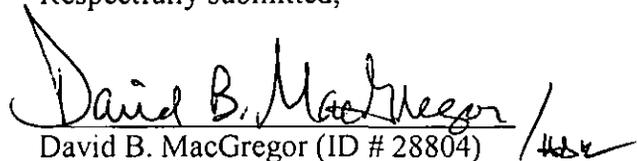
February 28, 2007	Prehearing Conference
March 29, 2007	Direct Testimony of opposing parties due in-hand
April 13, 2007	Rebuttal Testimony due in-hand
April 20, 2007	Surrebuttal Testimony due in-hand
April 26-27, 2007	Technical Evidentiary Hearings
May 14, 2007	Main Briefs due in-hand
May 22, 2007	Reply Briefs due in-hand

Duquesne Light notes that a number of parties have expressed support for this schedule.

VI. PUBLIC INPUT HEARINGS

Duquesne Light does not believe that it is necessary to hold a public input hearing for this proceeding but is willing to discuss this issue in the event other parties or the ALJ believes that a public input hearing is warranted. Duquesne Light notes that, absent unusual circumstances, the Commission has not required public input hearings in default service proceedings.

Respectfully submitted,



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Post & Schell, P.C.
Four Penn Center
1600 John F. Kennedy Boulevard
Philadelphia, PA 19103-2808
Phone: 215-587-1197
Fax: 215-320-4879
E-mail: dmacgregor@postschell.com

Michael W. Gang (ID # 25670)
Anthony D. Kanagy (ID # 85522)
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
Phone: 717-731-1970
Fax: 717-731-1985
E-mail: mgang@postschell.com
E-mail: akanagy@postschell.com

Gary A. Jack
Duquesne Light Company
411 Seventh Avenue Mail Drop 8-2
Pittsburgh, PA 15219
Phone: 412-393-1541
Fax: 412-393-1418
E-mail: gjack@duqlight.com

Of Counsel:

Post & Schell, P.C.

Date: February 26, 2007

Counsel for Duquesne Light Company

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Prehearing Conference Memorandum of Duquesne Light Company has 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 EMAIL AND FIRST CLASS MAIL

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David T. Evrard
Office of Consumer Advocate
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Kevin J. Moody
Wolf Block Schorr & Solis-Cohen LLP
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Charles C.S. Iannello
Regional Manager – U.S. Regulatory Affairs
U.S. Energy Savings Corporation
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Canada L5T 2E6

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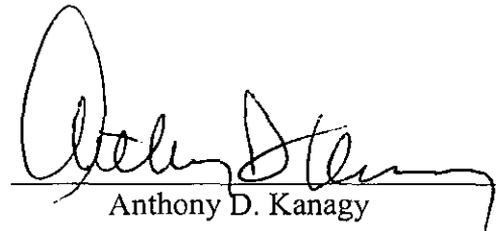
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Date: February 26, 2007



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**DOCUMENT
FOLDER**

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February 26, 2007

VIA HAND-DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
Harrisburg, PA 17120

ORIGINAL

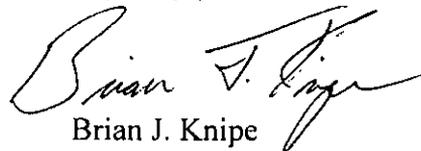
Re: Petition of Duquesne Light Company For Approval of Default Service
Plan For The Period January 1, 2008 Through December 31, 2010, Docket
No. P-00072247

Dear Secretary McNulty:

I have enclosed for filing an original and three (3) copies of the Petition to Intervene of Reliant Energy, Inc. and an original and three (3) copies of the Prehearing Memorandum of Reliant Energy, Inc. in the above-referenced matter. Copies have been served upon all parties of record as per the attached Certificate of Service.

Please contact me if you have any questions.

Very truly yours,



Brian J. Knipe

For BUCHANAN INGERSOLL & ROONEY, P.C.

BJK/eh

Enclosures

cc: The Honorable Larry Gesoff (w/encls.)
Certificate of Service (w/encls.)

#1003958-v1

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ORIGINAL

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company :
For Approval of Default Service Plan : Docket No. P-00072247
For The Period January 1, 2008 :
Through December 31, 2010 :

**DOCUMENT
FOLDER**

**PETITION TO INTERVENE OF
RELIANT ENERGY, INC.**

Pursuant to the provisions of 52 Pa. Code §§ 5.71-5.76, Reliant Energy, Inc. ("Petitioner" or "Reliant"), by and through its attorneys, hereby files this Petition to Intervene in the above-referenced docket, and in support thereof avers as follows:

1. The name and address of Petitioner are:

Reliant Energy, Inc.
c/o Mark Baird
7642 W. 450N
Sharpsville, IN 46068

2. The names and address of Petitioner's Attorneys are:

Ramona C. Cataldi, Esq.
Brian J. Knipe, Esq.
Buchanan Ingersoll & Rooney, P.C.
One South Market Square
213 Market Street, 3rd Floor
Harrisburg, PA 17101-2121

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Reliant's attorneys are authorized to accept service on behalf of Petitioner in this proceeding. Reliant requests that the Pennsylvania Public Utility Commission ("Commission") and all parties of record serve copies of all pleadings, discovery requests and answers, correspondence, Commission Orders and any other documents issued, on Reliant and its attorneys.

DOCKETED
FEB 27 2007

3. Through its subsidiaries, Reliant provides electricity and energy services to retail and wholesale customers in the Commonwealth of Pennsylvania as well as in other states.

Reliant provides retail service to approximately 1.9 million customers nationwide, with sales of approximately 68,000 GWhs. Also, through its subsidiaries, Reliant has more than 16,000 megawatts of power generation capacity in operation in the United States.

4. Reliant is committed to serving retail customers in Pennsylvania. Its subsidiary Reliant Energy Solutions East, LLC is a licensed electric generation supplier ("EGS") in Pennsylvania. Reliant's commitment to Pennsylvania is further evidenced by its substantial investment in the Commonwealth. Reliant's subsidiaries own approximately 5,000 MW of generation in Pennsylvania.

5. On January 25, 2007, Duquesne Light Company ("Duquesne") filed a *Petition of Duquesne Light Company for Approval of Default Service Plan for the Period January 1, 2008 through December 31, 2010* ("Petition").

6. Among other things, Duquesne proposes under its Default Service Plan to provide fixed-price default service for residential customers, fixed-price default service for small C&I customers with annual adjustments to reflect changes in wholesale market prices, and hourly priced default service for large C&I customers. Duquesne proposes to procure its power supply by amending its fixed-price, full-requirements contract with its affiliate Duquesne Power, which in turn will purchase 100% of its power needs from non-affiliated competitive wholesale suppliers within PJM. In acquiring power, Duquesne Power may rely on options including but not limited to bilateral negotiated contracts, RFPs, and/or purchases in the spot market.

7. Duquesne requests the Commission to approve the proposed Default Service Plan by no later than July 1, 2007.

8. On February 10, 2007, notice of this proceeding was published in the *Pennsylvania Bulletin*, with a deadline to file formal protests, petitions to intervene and answers on or before February 26, 2007.

9. As a licensed EGS in Pennsylvania which has also made a significant commitment to Pennsylvania through major investments in generation located in the Commonwealth, Reliant has a substantial interest in participating in any formal or informal proceedings which may result from the Commission's consideration of the Petition.

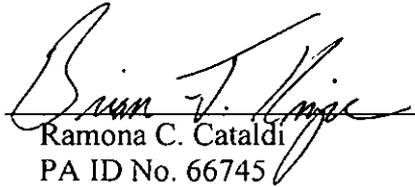
10. Reliant believes that no party can or will adequately protect its interests in this proceeding.

11. Reliant requests that it be permitted to intervene in this matter and that it be placed on the service list.

WHEREFORE, for all the foregoing reasons, Reliant Energy, Inc. requests that the Pennsylvania Public Utility Commission grant its Petition to Intervene in any and all proceedings instituted.

Respectfully submitted,

BUCHANAN INGERSOLL & ROONEY, P.C.

By: 
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PA ID No. 66745

Brian J. Knipe
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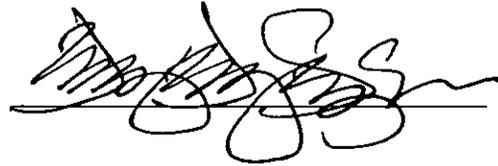
Attorneys for
Reliant Energy, Inc.

Dated: February 26, 2007

VERIFICATION

I, Jerry Langdon, am Executive Vice President for Reliant Energy, Inc. As such, I am authorized to make this verification on behalf of Reliant Energy, Inc., and I do hereby verify that the statements contained in the foregoing document are true and correct to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904, relating to unsworn falsification to authorities.

Dated: 2/22/07



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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Petition to Intervene of Reliant Energy, Inc. upon the parties listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA FIRST CLASS MAIL

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Lisa Yoho
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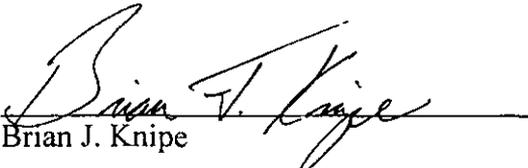
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Brian J. Knipe

Dated this 26th day of February, 2007

ORIGINAL

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company :
For Approval of Default Service Plan : Docket No. P-00072247
For The Period January 1, 2008 :
Through December 31, 2010 :

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**PREHEARING MEMORANDUM OF
RELIANT ENERGY, INC.**

Reliant Energy, Inc. ("Reliant"), by and through its undersigned attorneys, hereby submits this Prehearing Memorandum in accordance with the Prehearing Conference Order issued on February 6, 2007 by Administrative Law Judge Larry Gesoff ("ALJ").

Through its subsidiaries, Reliant provides electricity and energy services to retail and wholesale customers in the Commonwealth of Pennsylvania as well as in other states. Reliant provides retail service to approximately 1.9 million customers nationwide, with sales of approximately 68,000 GWhs. Also, through its subsidiaries, Reliant has more than 16,000 megawatts of power generation capacity in operation in the United States.

Reliant is committed to serving retail customers in Pennsylvania. Its subsidiary Reliant Energy Solutions East, LLC is a licensed electric generation supplier ("EGS") in Pennsylvania. Reliant's commitment to Pennsylvania is further evidenced by its substantial investment in the Commonwealth. Reliant's subsidiaries own approximately 5,000 MW of generation in Pennsylvania.

I. History of the Proceeding

On January 25, 2007, Duquesne Light Company ("Duquesne") filed a *Petition of Duquesne Light Company for Approval of Default Service Plan for the Period January 1,*

2008 through December 31, 2010 ("Default Service Plan"). Among other things, Duquesne proposes under its Default Service Plan to provide fixed-price default service for residential customers, fixed-price default service for small commercial and industrial ("C&I") customers with annual adjustments to reflect changes in wholesale market prices, and hourly priced default service for large C&I customers. Duquesne proposes to procure its power supply by amending its fixed-price, full-requirements contract with its affiliate Duquesne Power, which in turn will purchase 100% of its power needs from non-affiliated competitive wholesale suppliers within the PJM region. In acquiring power, Duquesne Power may rely on options including but not limited to bilateral negotiated contracts, RFPs, and/or purchases in the spot market.

Duquesne requests that the Commission approve the proposed Default Service Plan no later than July 1, 2007. On February 10, 2007, notice of this proceeding was published in the *Pennsylvania Bulletin*, with a deadline to file formal protests, petitions to intervene and answers on or before February 26, 2007.

On February 26, 2007, Reliant filed a Petition to Intervene in this proceeding. Reliant incorporates by reference the statements in its Petition to Intervene, and requests that the ALJ grant its intervention.

II. Settlement Discussions, Stipulations and Issues

As Duquesne explains in its Petition, prior to filing its Default Service Plan it participated in several meetings and extensive discussions with parties to obtain their input. As a result, Reliant reached an agreement with Duquesne Light regarding the basic

structure of its Default Service Plan. Pursuant to the agreement, Reliant supports or does not oppose the various components of the Default Service Plan's basic structure.

Reliant is in the process of reviewing the details of the Default Service Plan to determine whether there are any other factual or legal issues.

Reliant is interested in settling as many issues as possible and will work with Duquesne and the other parties to establish consensus. Reliant hereby requests to take part in any and all settlement discussions that take place in this matter.

III. Discovery Status, Rules and Schedule

Reliant has not yet served any discovery and has no outstanding discovery issues. Reliant reserves the right to serve discovery. In a telephone conference on February 21, 2007, Duquesne offered to allow parties to take informal discovery from its witnesses. Reliant agrees with the discovery rules proposed by the ALJ in the February 6, 2007 Prehearing Conference Order. Reliant will work with the ALJ and the parties to establish procedures and a schedule for discovery.

IV. List of Proposed Witnesses and Issues To Be Addressed

Assuming that this case proceeds through litigation, Reliant would likely offer as its witness:

James A. Ajello
Senior Vice President, C&I Business Development
Reliant Energy, Inc.
1000 Main Street
Houston, TX 77002
(713) 497-3870

Mr. Ajello will address factual issues which include without limitation the benefits of various components of the Default Service Plan's general structure for the development of competitive retail electric markets, as well as other issues concerning details of the Default Service Plan which Reliant may identify.

V. Procedural Schedule

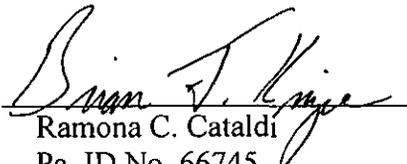
Reliant is working with Duquesne and the likely parties to this proceeding to develop a reasonable procedural schedule that allows the issues in the case to be fully addressed. The only restriction on Reliant's ability to participate in this proceeding is that its proposed witness Mr. Ajello will be out of the country and therefore not available to participate in an evidentiary hearing after 12 p.m. on April 24, 2007 until May 10, 2007.

VI. Conclusion

Reliant has a direct, immediate and substantial interest in the instant proceeding which no other party can adequately represent. Reliant stands ready to participate fully in this proceeding and requests to be accorded party status consistent with its Petition to Intervene.

Respectfully submitted,

BUCHANAN INGERSOLL & ROONEY, P.C.

By: 
Ramona C. Cataldi
Pa. ID No. 66745

Brian J. Knipe
Pa. ID No. 82854

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Telephone: (717) 237-4800
Facsimile: (717) 233-0852
ramona.cataldi@bipc.com
brian.knipe@bipc.com

Attorneys for Reliant Energy, Inc.

Dated: February 26, 2007

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Prehearing Memorandum of Reliant Energy, Inc. upon the parties listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA FIRST CLASS MAIL

The Honorable Larry Gesoff
Pennsylvania Public Utility Commission
1103 Pittsburgh State Office Building
300 Liberty Avenue
Pittsburgh, PA 15222

Gary A. Jack, Esquire
Duquesne Light Company
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Pittsburgh, PA 15219

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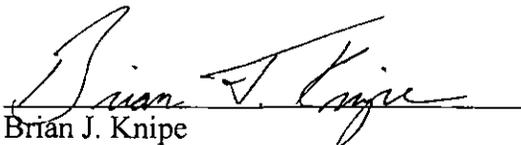
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Dated this 26th day of February, 2007