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File #: 2267-126934

May 2, 2007

VIA HAND DELIVERY

James J. McNulty  
Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
PO Box 3265  
Harrisburg, PA 17105-3265

**ORIGINAL**

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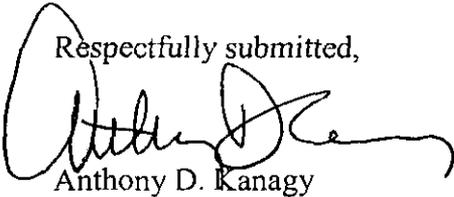
**RE: Petition of Duquesne Light Company for Approval of Default Service  
Plan for the Period January 1, 2008 through December 31, 2010  
Docket No. P-00072247**

Dear Secretary McNulty:

Enclosed for filing on behalf of Duquesne Light Company ("Duquesne Light") in the above-referenced proceeding are four copies of a stipulation ("Day-Ahead Stipulation") among Duquesne Light, Duquesne Industrial Intervenors, Dominion Retail, Inc., Reliant Energy, Inc., Constellation New Energy, Inc., Constellation Energy Commodities, Inc., the Pennsylvania Large Energy Users Coalition, Strategic Energy, LLC, Direct Energy, LLC and Retail Energy Supply Association. The Day-Ahead Stipulation was entered into evidence as Duquesne Exhibit No. 4 by Administrative Law Judge Larry Gesoff (the "ALJ") at the hearing held on April 26, 2007, in the above-referenced matter.

As indicated on the certificate of service, copies of the Day-Ahead Stipulation have been served on the parties of record.

Respectfully submitted,

  
Anthony D. Kanagy

RF

ADK/jl  
Enclosures



James J. McNulty  
May 2, 2007  
Page 2

cc: Honorable Larry Gesoff  
John A. Kelly, Commonwealth Reporting Company, Inc.  
Certificate of Service

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 :

STIPULATION

ORIGINAL

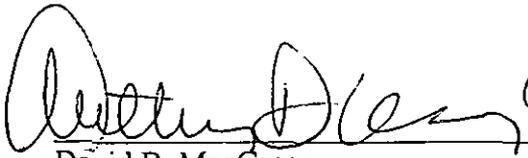
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Duquesne Light Company ("Duquesne Light"), Duquesne Industrial Intervenors ("DII"), Reliant Energy, Inc. ("Reliant"), Dominion Retail, Inc. ("Dominion"), Constellation NewEnergy, Inc. and Constellation Energy Commodities Group, Inc. (collectively "Constellation"), Direct Energy Services, LLC, ("Direct") Strategic Energy, LLC, ("Strategic") the Retail Energy Supply Association ("RESA") and the Pennsylvania Large Energy Users Coalition ("PALEUC") enter into this Stipulation to resolve all remaining issues among them in the above-captioned proceeding by joining in or agreeing not to oppose this Stipulation.

Duquesne Light will provide day ahead hourly pricing as its POLR service to its large C & I customers during the three year POLR period. Such offering shall be in accordance with the Day Ahead Pricing Guidelines, attached hereto as Exhibit A. Duquesne Light will revise its tariff in its compliance filing in this proceeding in accordance with these guidelines. It is understood the Customer shall be responsible for all operating reserve charges and other ancillary charges associated with the day-ahead hourly price service described in the attached guidelines.

It is understood and agreed among the Parties that the Stipulation is the result of compromise, and does not necessarily represent the positions that would be advanced by any party in this proceeding absent the Stipulation.

EITHER AGREED TO BY OR NOT OPPOSED BY:

 (In support)

David B. MacGregor  
Michael W. Gang  
Anthony D. Kanagy  
Gary A. Jack  
For Duquesne Light Company

Date: 5/2/07

\_\_\_\_\_  
Pamela C. Polacek  
Adam L. Benschoff  
For Duquesne Industrial Intervenors

Date: \_\_\_\_\_

\_\_\_\_\_  
David P. Zambito  
For Constellation NewEnergy, Inc. and  
Constellation Energy Commodities Group, Inc.

Date: \_\_\_\_\_

\_\_\_\_\_  
Todd S. Stewart  
Craig R. Burgraff  
Gary A. Jeffries  
For Dominion Retail, Inc.

Date: \_\_\_\_\_

\_\_\_\_\_  
Paul F. Forshay  
Steven S. Goldenberg  
For Pennsylvania Large Energy Users Coalition

Date: \_\_\_\_\_

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\_\_\_\_\_  
David B. MacGregor  
Michael W. Gang  
Anthony D. Kanagy  
Gary A. Jack  
For Duquesne Light Company

Date: \_\_\_\_\_

  
\_\_\_\_\_  
Pamela C. Polacek  
Adam L. Benshoff  
For Duquesne Industrial Intervenors

Date: 5/2/07

\_\_\_\_\_  
David P. Zambito  
For Constellation NewEnergy, Inc. and  
Constellation Energy Commodities Group, Inc.

Date: \_\_\_\_\_

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Gary A. Jeffries  
For Dominion Retail, Inc.

Date: \_\_\_\_\_

\_\_\_\_\_  
Paul F. Forshay  
Steven S. Goldenberg  
For Pennsylvania Large Energy Users Coalition

Date: \_\_\_\_\_

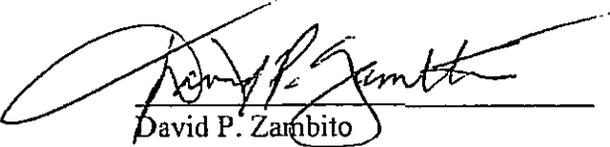
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Date: \_\_\_\_\_

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Date: \_\_\_\_\_

  
\_\_\_\_\_  
David P. Zambito  
For Constellation NewEnergy, Inc. and  
Constellation Energy Commodities Group, Inc.

Date: 5/2/07

(NOT OPPOSED BY) DPZ

\_\_\_\_\_  
Todd S. Stewart  
Craig R. Burgraff  
Gary A. Jeffries  
For Dominion Retail, Inc.

Date: \_\_\_\_\_

\_\_\_\_\_  
Paul F. Forshay  
Steven S. Goldenberg  
For Pennsylvania Large Energy Users Coalition

Date: \_\_\_\_\_

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Gary A. Jack  
For Duquesne Light Company

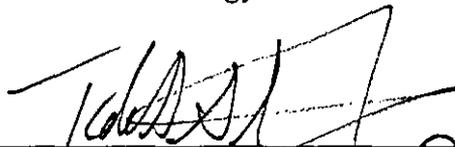
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Adam L. Benschoff  
For Duquesne Industrial Intervenors

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For Constellation NewEnergy, Inc. and  
Constellation Energy Commodities Group, Inc.

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Craig R. Burgraff  
Gary A. Jeffries  
For Dominion Retail, Inc.

Date: 5/2/07

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Paul F. Forshay  
Steven S. Goldenberg  
For Pennsylvania Large Energy Users Coalition

Date: \_\_\_\_\_

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Gary A. Jack  
For Duquesne Light Company

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Pamela C. Polacek  
Adam L. Benshoff  
For Duquesne Industrial Intervenors

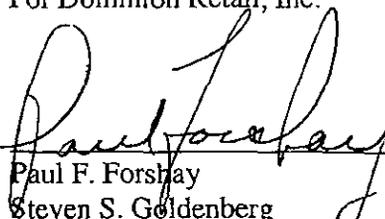
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For Constellation NewEnergy, Inc. and  
Constellation Energy Commodities Group, Inc.

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\_\_\_\_\_  
Todd S. Stewart  
Craig R. Burgraff  
Gary A. Jeffries  
For Dominion Retail, Inc.

Date: \_\_\_\_\_

  
Paul F. Forsyth  
Steven S. Goldenberg  
For Pennsylvania Large Energy Users Coalition

NOT  
OPPOSED

Date: 5/1/07

Kevin J. Moody  
Daniel Clearfield  
Kevin J. Moody  
For Retail Energy Supply Association

Date: 5/1/07

Kevin J. Moody  
Daniel Clearfield  
Kevin J. Moody  
For Direct Energy Services, LLC

Date: 5/1/07

\_\_\_\_\_  
Brian Knipe  
For Reliant Energy, Inc.

Date: \_\_\_\_\_

Kevin J. Moody  
Daniel Clearfield  
Kevin J. Moody  
For Strategic Energy, LLC

Date: 5/1/07

\_\_\_\_\_  
For Retail Energy Supply Association

Date: \_\_\_\_\_

\_\_\_\_\_  
For Direct Energy Services, LLC

Date: \_\_\_\_\_

  
\_\_\_\_\_  
Jerry Langdon  
Brian Knipe  
For Reliant Energy, Inc.

*in support*

Date: 5/2/07

\_\_\_\_\_  
For Strategic Energy, LLC

Date: \_\_\_\_\_

**Duquesne Light Company Day Ahead Pricing Guidelines**

1. Duquesne Light Company (DLC) will provide an hourly load forecast (with losses) on the DLC customer choice web site for each of the Day Ahead Pricing Customers (DAPC) by 8 AM EPT each PJM business day.
2. Each DAPC will have the option of updating the DLC forecast on the customer choice web site prior to 10 AM EPT on each PJM business day. If the customer chooses to not modify the DLC provided load forecast, DLC will use it's final forecast values for aggregation in the day ahead demand bid, which will be binding to the DPAC.
3. DLC will aggregate all of the final forecasts, derate per the mean PJM EDC loss deration factor, and submit this aggregated day ahead demand bid prior to 12 PM EPT PJM business day ahead. Aggregation of the individual forecasts will minimize the overall PJM balancing operating reserve charges due to customer diversity of forecast vs. final eSchedule.
4. PJM posts the day ahead LMP on their web site at 4PM EPT.
5. DLC will upload the aggregated preliminary eSchedule to PJM and the DLC web site by 10 AM EPT on the next PJM business day
6. DLC will upload the final aggregated eSchedule to PJM by the required PJM deadline, 1 PM EPT following a PJM business day and 5 PM EPT following a non- PJM business day)
7. PJM will calculate the day ahead charges based on day ahead demand bid. All load submitted as part of the day ahead demand bid for each DAPC will be billed to that customer at the day ahead LMP.
8. PJM will calculate the balancing charges based on the difference between the day ahead demand bid and final eSchedule. If the DAPC uses more energy than what was bid in day ahead on their behalf, the DAPC will pay real time LMP for the additional energy used. If the DAPC uses less energy than what was bid in day ahead on their behalf, the DAPC will receive a credit at real time LMP. PJM balancing operating reserve charges will be netted against each other on a total schedule basis and then any remaining imbalances will be assigned to each DAPC based on their pro rata share of deviation from their portion of the day ahead demand bid.
9. DLC will bill the DAPC with estimated charges on the customer's normal billing cycle, including DLC's administrative retail adder charge of \$6.07/ MWH .
10. DLC will upload to PJM the aggregated reconciliation data by 60 days after the calendar month end, and PJM will calculate reconciliation charges based on these eSchedules.
11. DLC will provide a true-up to the DAPC on their next normal bill after the PJM reconciliation is complete to insure that the DAPC pays all PJM-imposed charges and that DLC is made whole.
12. As part of its compliance filing in this proceeding, DLC will submit proposed tariff revisions to implement day ahead hourly service. The tariff will incorporate the above principles and will be designed to ensure that DLC fully recovers all costs incurred to provide this service.

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing 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).

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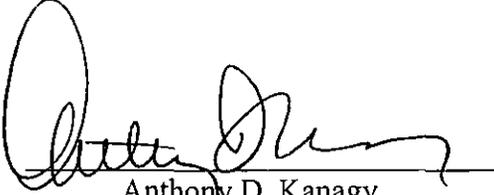
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Date: May 2, 2007



Anthony D. Kanagy

P-00072247

Petition of Duquesne Light Company

Apr: 126-27, 2007

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	<del>City: Washington State: DC Zip: 20004</del>	
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	<del>City: Akron State: OH Zip: 44308</del>	
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Telephone:	E-mail Address:	Fax Number:

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Name and Telephone Number	Address			Who are you representing?
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