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April 17, 2015

VIA E-FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Whemco-Steel Casting, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Dear Secretary Chiavetta:

On behalf of Whemco-Steel Casting, Inc., I have enclosed for electronic filing the Motion of Whemco-Steel Casting, Inc. to Determine Sufficiency of Duquesne Light Company Responses to Requests for Admission Set I, in the above-captioned proceeding.

Copies have been served on all parties as indicated in the attached Certificate of Service.

Sincerely,


John F. Povilaitis

JFP/bb

Enclosure

cc: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

WHEMCO-STEEL CASTING, INC.	:	
	:	
v.	:	DOCKET NO. C-2014-2459527
	:	
DUQUESNE LIGHT COMPANY	:	

**MOTION OF
WHEMCO-STEEL CASTING, INC. TO
DETERMINE SUFFICIENCY OF DUQUESNE LIGHT COMPANY
RESPONSES TO REQUESTS FOR ADMISSION SET I**

WHEMCO-Steel Casting, Inc. (“Whemco”), by and through its attorneys, hereby files the following Motion to Determine the Sufficiency of Responses of Duquesne Light Company to Requests for Admission (“Motion”), pursuant to Section 5.350(e) of the Pennsylvania Public Utility Commission’s (“Commission”) regulations, 52 Pa. Code § 5.350(e), and in connection therewith represents as follows:

I. Introduction

1. Through this Motion, Whemco seeks a determination that certain “denials” to Requests for Admission (“Requests”) propounded by Whemco on Duquesne Light Company (“Duquesne”) and attached as Appendix A, are insufficient and improper and should be reclassified as “admissions”. Since the purpose of the Requests was to expedite the review and evaluation of what Whemco believes to be undisputed “facts”, Duquesne’s failure to properly admit these facts will complicate and prolong this proceeding unnecessarily and needlessly occupy the time, resources and expense of the litigants – Whemco and Duquesne – as well as the Commission, in a manner that is inconsistent with the overall purpose of the Commission’s rules on discovery.

2. What makes Duquesne's failure to admit the Requests particularly vexatious is that they were based upon the answers to interrogatories Duquesne provided previously to Whemco in this proceeding and other documents authored by Duquesne. Therefore, Whemco respectfully requests that the relief requested in this Motion be granted and that Duquesne's denials of the Requests be deemed admissions as expressly provided for in 52 Pa. Code § 5.350(e).

II. Background

3. On December 23, 2014, Whemco filed with the Commission a formal complaint against Duquesne ("Formal Complaint") alleging, among other things, that Duquesne wrongfully terminated as of December 31, 2010, for its Rate L customers a certain distribution-rate related discount contained in Rider No. 5 of Duquesne's then-prevailing and Commission approved retail electric service tariff as a result of the improper implementation of a settlement of a default service proceeding that covered the period January 1, 2008 through December 31, 2010 at Docket No. P-00072247 ("Default Service Proceeding").

4. As a result of Duquesne's improper and unlawful implementation of the settlement in the Default Service Proceeding and termination of the distribution-related rate discount contained in Rider No. 5 applicable to Rate L customers like Whemco, Whemco's electric distribution service bills from Duquesne more than doubled as of January 2011. This caused Whemco's demand, for billing purposes, to increase from a monthly average of 7,287 kilowatts ("kW") in 2010 to a monthly average of 18,256 kW in 2011.

5. The Formal Complaint seeks, among other things, a refund from Duquesne under Section 1312 of the Public Utility Code ("Code"), 66 Pa. C. S. § 1312, in the amount of \$2,480,374.16, plus interest on all unpaid amounts.

6. On January 21, 2015, Duquesne filed an Answer and New Matter denying the material allegations in the Formal Complaint.

7. On February 10, 2015, Whemco filed a Reply to Duquesne's New Matter, denying the material allegations therein.

8. Prior to the appointment of an Administrative Law Judge ("ALJ") and the issuance of a Hearing Notice, the parties had commenced active discovery in this proceeding. On February 11, 2015, Whemco propounded its first set of interrogatories ("Interrogatories") upon Duquesne.

9. Duquesne provided answers to the Interrogatories in two separate filings – i.e., March 3, 2015 and March 10, 2015. In order to facilitate consideration and disposition of the relief requested in this Motion, Whemco has attached hereto as Appendix B and makes a part hereof those portions of Duquesne's answers to the Interrogatories that are pertinent to the Requests.

10. On March 9, 2015, Whemco propounded on Duquesne Requests for Admission in accordance with the provisions of 52 Pa. Code § 5. 350(a).

11. On March 27, 2015, the Commission issued a formal notice of an evidentiary hearing in this matter for May 7, 2015, along with the appointment of ALJ Jeffrey A. Watson as the presiding officer.

12. Duquesne filed responses to Whemco's Requests for Admission on March 30, 2015.

III. Argument

A. Duquesne's "Denials" of Certain of Whemco's Requests for Admission are Improper and Should be Deemed "Admissions."

13. Duquesne's responses to the following Requests contain "denials" which Whemco believes should be "admitted" and, therefore, Whemco seeks in this Motion a determination that such denials are inappropriate and must be corrected: Whemco R-1; R-2; R-3; R-4; R-5; R-6; R-7; R-8; R-9; R-10; R-11, R-12, R-13, R-14, R-15, R-16 and R-17.

14. Whemco drafted the Requests based upon Duquesne's previously supplied answers to Interrogatories and documents authored by Duquesne and on file with the Commission in the Default Service Proceeding docket. The Requests were specifically intended to be factual and "present tense" in structure, meaning they were intended to be answered based on the state of information (or lack thereof) Duquesne had as of the time the admission was being requested. This was done intentionally in recognition of Duquesne's statements in its responses to the Interrogatories that it was still endeavoring to locate documents that may change the answer to any particular Request.

15. Below is a chart containing the improperly denied Requests, along with the "source" Interrogatory upon which the specific Request was based. It is clear that Duquesne's repeated "denials" of the Requests was improper since its answers to the Interrogatories confirm the very facts Whemco seeks to have Duquesne admit.

Duquesne Interrogatory Responses/Testimony	Duquesne Responses to Requests for Admission
Whemco I-6; I-7; I-8	R-1
Whemco I-6; I-7; I-8	R-2
Whemco I-6; I-7; I-8	R-3
Whemco I-5	R-4
Whemco I-6	R-5
Whemco I-6	R-6
Whemco I-6; I-7; I-8	R-7

Duquesne Interrogatory Responses/Testimony	Duquesne Responses to Requests for Admission
Whemco I-6; I-7; I-8	R-8
Whemco I-10	R-9
Whemco I-10; I-11; I-12; I-13	R-10
Whemco I-12	R-11
Whemco I-15; I-22	R-12
Docket No. P-00072247, Duquesne St. No. 4, page 2, lines 19-24; page 10, lines 17-27	R-13
Docket No. P-00072247, Duquesne St. No. 4	R-14
Docket No. P-00072247, Duquesne St. No. 4	R-15
Docket No. P-00072247, Duquesne St. No. 4	R-16
Whemco I-22	R-17

16. For example, in Request R-1, Whemco asked Duquesne to admit the following:

Duquesne cannot presently locate in its records any copy of a bill insert sent to customers purporting to advise them of the filing and/or contents of its 2007 Application relating to the Duquesne's Default Service Proceeding before the Pennsylvania Public Utility Commission ("PaPUC) at PaPUC Docket No. P-0072247 ("DSP Proceeding").

17. Duquesne denied Request R-1, which was based on Duquesne's responses to Interrogatory Nos. I-6, 7 and 8. Rather than simply admit that it cannot presently locate any bill insert sent to customers regarding the Default Service Proceeding (as defined in Request R-1) and then proceed with the explanation that it is still looking for materials, Duquesne improperly denied the Request, which is inconsistent with the words contained in and import of its previous responses to Interrogatory Nos. Whemco I-6, I-7 and I-8. Thus, Request R-1 must be changed to reflect that it is "admitted" rather than "denied."

18. Request Nos. R-2, R-3, R-5, R-7, R-8, R-9, R-10 and R-11 have all been wrongly denied in a similar manner to Request R-1. In general, these requests simply ask Duquesne to admit it (i) does not presently have documents (e.g., R-2, R-5, R-7, R-8), (ii) does not know the substantive content of documents it has already said it does not presently have (e.g., R-9), (iii) cannot confirm if any medium used to communicate to customers about the Default Service

Proceeding addressed the elimination of Rider No. 5 (e.g., R-3), and (iv) does not know who attended meetings or the content thereof (e.g., R-10 and R-11) (again based on its representations that it has no documents on the referenced meetings). All of these “denials” should have been admissions based upon the substantive responses to the relevant Interrogatories noted in the chart above.

19. Duquesne’s responses to Request R-4 and R-6, although slightly different than the Requests identified in paragraph 18 above, should be also changed. Request R-4 was based on the sample customer letters dated August 15, 2007 and November 1, 2007 provided by Duquesne in its answer to Whemco Interrogatory No. I-5. Whemco asked Duquesne to admit that those sample customer letters *do not* make any reference to the termination of discounts associated with the then-existing Rider No. 5 to Duquesne’s retail tariff applicable to Rate L Customers. A plain reading of the letters would confirm this information. However, instead of providing a simple “admission”, Duquesne asserts that “the customer letters speak for themselves”. Rather than narrowing the issue, this type of response leaves unresolved what is a fair characterization of the content of these letters relative to the issue of notice to the customers of terminated discounts. While such an approach may be customary at the pleading stage, it is inappropriate at the request for admission stage in discovery when the clear purpose of the Requests was to elicit facts that could obviate the need to prove certain information at hearing or that could be used in a subsequent case dispositive motion. For the reasons specified above, Duquesne’s denial of R-6 (i.e., asking Duquesne to admit that a press release attached as Attachment I-6 to a response to the Interrogatories makes no reference to the termination of any discounts associated with Rider No. 5) should be changed to “admitted” because merely stating the “press release speaks for itself” does not fairly address the substance of the Request.

20. In his analysis of the relief requested in this Motion, the ALJ should completely disregard unproven and unsupported assertions about alleged prejudice to Duquesne by the timing of the filing of the Formal Complaint (e.g., Request R-3 and R-5) since such claims have nothing to do with Whemco's attempt to elicit and confirm uncontroverted "facts."

21. In Request R-12, Whemco asked Duquesne to admit that the Rider No. 5 discount applicable to Rate L customers was (i) a distribution rate, (ii) eliminated in the Default Service Proceeding, and (iii) effective December 31, 2010. Appendix A. This Request was supported by paragraph 14 of Duquesne's Answer to the Formal Complaint wherein Duquesne admitted that the elimination of Rider No. 5 was a modification of "distribution" charges. Duquesne's response to Whemco Interrogatory I-15 confirmed that the generation portion of Rider No. 5 was proposed to be eliminated in the Company's Default Service Proceeding at Docket No. P-00032071 and Duquesne's response to Whemco Interrogatory I-22 states that the remaining distribution rate portion of the Rider No. 5 discount was proposed to be terminated in the Default Service Proceeding at Docket No. P-00072247 effective December 31, 2010. Therefore, all three elements of Request R-12 have been admitted by Duquesne in a pleading or a discovery response, yet Duquesne has improperly denied Request R-12.

22. In Request R-13, Whemco requested that Duquesne admit that Mr. Pfrommer's description of the purpose of his Direct Testimony in the Default Service Proceeding makes no reference to supporting the elimination of the Rider No. 5 discount for Rate L customers. Appendix C Duquesne Statement No. 4. Duquesne denied this Request and in support of its denial made two points. First, it quoted a portion of the "purpose" section of Mr. Pfrommer's testimony in the DSP Proceeding that makes no reference to Rate L whatsoever and only generally claims the testimony will describe proposed tariff changes and the rationale for the

changes. There is no reference to Rate L or the elimination of the Rider No. 5 discount for Rate L customers in the “purpose” section of Mr. Pfrommer’s testimony. Duquesne’s second point in this denial of Request R-13 is to assert that Mr. Pfrommer’s testimony in the Default Service Proceeding stated that Rider No. 5 will be completely eliminated, citing page 10, lines 17-27 of the testimony. Appendix C. These lines of Mr. Pfrommer’s testimony cited by Duquesne that allegedly tie the reference to the elimination of Rider No. 5 to Rate L customers are in response to the question “[w]ill these proposed changes to the *small C&I rate schedules* effect (sic) any other charges applicable to *these rate schedules*?” (emphasis added). Mr. Pfrommer’s own testimony defines Rate L as a “large” C&I rate class, not a small C&I customer, and the portion of Mr. Pfrommer’s testimony that addresses large customer issues makes no reference to the elimination of Rider No. 5. See Appendix C, Duquesne Statement No. 4, pages 18-20. Rather than admit that Mr. Pfrommer’s testimony makes no reference to eliminating Rider No. 5 for large customers on Rate L, Duquesne has referred to the “purpose” section of the testimony that neither refers to Rider No. 5 or Rate L customers and then cited testimony on proposed rate changes to *small C&I rate schedules* in support of its denial. Duquesne’s response to Request R-13 must be changed to admitted.

23. Similarly, Whemco Request R-14 asks Duquesne to admit that Mr. Pfrommer’s testimony in the Default Service Proceeding with respect to Large Customer rates, makes no reference to eliminating the Rider No. 5 discount for Rate L customers. Appendix A. Duquesne denied this request on the same basis that it denied Request R-13. However, a reference in Mr. Pfrommer’s Default Service Proceeding testimony to eliminating Rider No. 5 for small C&I customers cannot serve as support for the proposition that he also testified it should be

eliminated for large Rate L customers. Therefore, the only proper response to Request R-14 is an admission. Duquesne's response to Request R-14 must be changed to admitted.

24. In Request R-15, Whemco requested an admission that Mr. Pfrommer's Direct Testimony in the Default Service Proceeding offered no explanation or supporting reasons for elimination of Rider No. 5 for Rate L customers. Appendix A. Duquesne denied this Request citing the same excerpt from Mr. Pfrommer's Default Service Proceeding testimony (Appendix C, Duquesne Statement No. 4, page 10, lines 19-27) that it relied on to support the erroneous proposition that elimination of Rider No. 5 for Rate L customers was addressed in this piece of testimony. The testimony excerpt that Duquesne argues addresses the Rate L Rider No. 5 discount is found in the portion of Mr. Pfrommer's Default Service Proceeding testimony entitled "I. Small Customer Rate Design". The specific question the testimony excerpt cited by Duquesne responds to is "[w]ill these *proposed changes to the small C&I rate schedules* effect any other charges applicable to *these* rate schedules?" (emphasis added). The context of Mr. Pfrommer's reference to completely eliminating Rider No. 5 is not large customers on Rate Schedule L, but small customer Rate Schedules GM and GMH: "Since the Company is proposing to phase out the demand charges for rates GM and GMH, it does not make sense to keep this rider for discounts applicable only to distribution charges. The Company proposes to completely eliminate this rider effective January 1, 2010."¹ See Appendix C, Duquesne Statement No. 4, page 10, lines 22-25. The discounted distribution charges referenced in this testimony excerpt are clearly rates GM and GMH distribution charges, and the context of this testimony excerpt is the elimination of Rider No. 5 for the repeatedly referenced *small C&I* customers. Despite these facts, Duquesne has denied Request R-15, which simply asks

¹ Duquesne has acknowledged that the correct date is January 1, 2011 and that 2010 represents a typographical error.

Duquesne to confirm it offered no Pfrommer testimony supporting elimination of Rider No. 5 for large Rate L customers. Duquesne's response to R-15 must be changed to admitted.

25. Whemco Request R-16 simply asked Duquesne to admit that Mr. Pfrommer's direct testimony in the Default Service Proceeding explicitly refers to eliminating Rider No. 8 and addresses revisions to Rider No. 9, but makes no reference to Rider No. 5 for Rate L customers. Appendix A. The testimony either does, or does not, refer to Rider No. 5 for Rate L customers. In its denial of this admission request, Duquesne again cites Mr. Pfrommer's testimony on small customer rate schedules GM and GMH. The response to request R-16 must be changed to admitted.

26. In Whemco Request R-17, Duquesne denies that Ms. Krajovic's Direct Testimony in the Default Service Proceeding offered no explanation or supporting reasons for the proposed elimination of the Rider No. 5 discount for Rate L customers. Appendix A. In support of its denial of this request to admit, Duquesne cites a quotation from Ms. Krajovic's Direct Testimony in the Default Service Proceeding that does not mention Rider No. 5, does not mention Rate L, but does refer to Exhibit NJDK-3 to Ms. Krajovic's testimony. Appendix D Krajovic Excerpts. Duquesne then cites one specific page of Exhibit NJDK-3, Tariff page number 84 in support of its denial. This tariff page states that Rider No. 5 will terminate on December 31, 2010.² Appendix D. This quotation from one page of a tariff in an exhibit to Ms. Krajovic's direct testimony in the Default Service Proceeding is neither an "explanation" nor a statement of "supporting reasons" for the proposed elimination of Rider No. 5 for Rate L customers. Whemco's Request R-17 asked Duquesne to confirm that no "explanation" or "supporting reasons" for the elimination of Rider No. 5 for Rate L customers can be found in Ms. Krajovic's

² The full quotation from page 84 is "[t]he availability and application of Rider No. 5 – Time of Day Discounts will terminate December 31, 2010."

direct testimony. An examination of that testimony and its exhibits show that the requested admission is indisputably true. Nevertheless, Duquesne has denied the request. Duquesne's response to Request R-17 should also be changed to admitted.

IV. Conclusion

27. It is patently unfair to allow Duquesne to evade providing direct, accurate and legally sufficient responses to these Requests. Whemco's Requests were narrowly tailored and based on indisputable facts found in Duquesne's responses to Interrogatories and documents authored by Duquesne. For the foregoing reasons, Duquesne's denials of Whemco's requests for admissions R-1 through R-17 should be ordered to be changed to admitted.

Respectfully submitted,



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APPENDIX A



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March 30, 2015

VIA E-MAIL & REGULAR MAIL

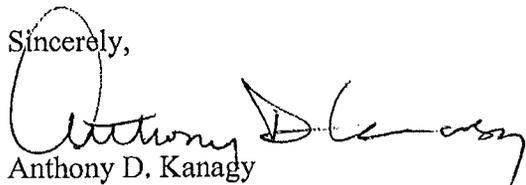
Alan M. Seltzer, Esquire
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409 N. Second Street, Suite 500
Harrisburg, PA 17101-1357

Re: Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Dear Counsel:

Enclosed please find the responses of Duquesne Light Company to the Requests for Admission of Whemco-Steel Castings, Inc. – Set I, Nos. 1 – 17. Copies will be provided as indicated on the Certificate of Service.

Sincerely,



Anthony D. Kanagy

ADK/skr
Enclosures

cc: Certificate of Service
Rosemary Chiavetta, Secretary (*letter and certificate of service only*)

CERTIFICATE OF SERVICE

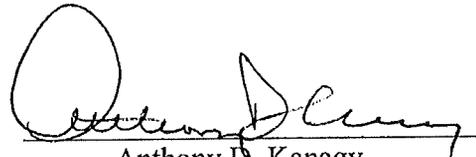
I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL AND FIRST CLASS MAIL:

Alan M. Seltzer, Esquire
John F. Povilaitis, Esquire
Buchanan Ingersoll & Rooney PC
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6200 Riverside Drive
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Date: March 30, 2015


Anthony D. Kanagy

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Jessica Rock

Whemco R-1

Duquesne cannot presently locate in its records any copy of a bill insert sent to customers purporting to advise them of the filing and/or contents of its 2007 Application relating to the Duquesne's Default Service Proceeding before the Pennsylvania Public Utility Commission ("PaPUC") at PaPUC Docket No. P-00072247 ("DSP Proceeding").

Response:

Denied. Duquesne Light is continuing to search its records to locate a copy of the bill insert that was sent to advise customers of the DSP Proceeding. Whemco has prejudiced the Company's ability to locate such records due to Whemco's failure to file its Complaint until approximately eight years after the bill insert was sent to customers.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
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Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Jessica Rock

Whemco R-2

Duquesne does not have and does not presently know the contents of any bill insert allegedly provided to customers in connection with the DSP Proceeding.

Response:

Denied. Duquesne Light is continuing to search its records to determine the contents of the bill insert that was sent to advise customers of the DSP Proceeding. Whemco has prejudiced the Company's ability to locate such records due to Whemco's failure to file its Complaint until approximately eight years after the bill insert was sent to customers.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
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Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Jessica Rock

Whemco R-3

Duquesne cannot presently confirm if, in any medium (e.g., notice, newspaper ad, press release, bill insert, letter, etc.) used to communicate with customers about the DSP Proceeding, it specifically advised that it intended to seek authorization from the PaPUC to terminate all discounts associated with then-existing Rider No. 5 of Duquesne's retail tariff applicable to Rate L customers.

Response:

Denied. Duquesne Light is continuing to search its records to locate communications with customers about the DSP Proceeding. Whemco has prejudiced the Company's ability to locate such records due to Whemco's failure to file its Complaint until approximately eight years after the DSP was filed. Moreover, Duquesne Light provided a pro forma tariff with the filing that eliminated Rider No. 5 for all customers and further explained in testimony that Rider No. 5 was being completely eliminated.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
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Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Jessica Rock

Whemco R-4

Neither of the sample customer letters dated August 15, 2007 and November 1, 2007 contained in Duquesne's response to Whemco Interrogatory I-5 makes any reference to the termination of discounts associated with then-existing Rider No. 5 of Duquesne's retail tariff applicable to Rate L customers.

Response:

Denied. The customer letters speak for themselves. The customer letters provided in response to Whemco Interrogatory I-5 make reference to changes related to the DSP.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Jessica Rock

Whemco R-5

Duquesne has no documents showing that it caused newspaper publication of the filing and/or contents of its 2007 Application relating to the DSP Proceeding.

Response:

Denied. Duquesne Light's filing letter for the DSP Proceeding stated that it was publishing notice of the filing in newspapers. Whemco has prejudiced the Company's ability to locate further records due to Whemco's failure to file its Complaint until approximately eight years after the notice was published.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
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Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Jessica Rock

Whemco R-6

The press release identified as Attachment I-6 to Whemco Interrogatory makes no reference to the termination of discounts associated with then-existing Rider No. 5 of Duquesne's retail tariff applicable to Rate L customers.

Response:

Denied. The press release speaks for itself.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Jessica Rock

Whemco R-7

Duquesne has no documents or other information to confirm that it conducted and completed the issuance of customer bill inserts relating to the DSP Proceeding.

Response:

Denied. Duquesne Light's filing letter states that Duquesne Light provided bill inserts to customers related to the DSP Proceeding. Whemco has prejudiced the Company's ability to locate further records due to Whemco's failure to file its Complaint until approximately eight years after the bill insert was sent to customers.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Jessica Rock

Whemco R-8

Duquesne has no documents or other information to confirm that it conducted and completed the publication of newspaper notice relating to the DSP Proceeding.

Response:

Denied. Duquesne Light's filing letter for the DSP Proceeding stated that Duquesne Light was publishing notice of the DSP Proceeding in newspapers. Whemco has prejudiced the Company's ability to locate further records due to Whemco's failure to file its Complaint until approximately eight years after the newspaper notice was published.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Pamela Niehaus

Whemco R-9

Duquesne cannot confirm presently and has no documents or other information to confirm what was discussed with attendees at the meeting held on December 11, 2007 at the Double Tree Hotel in Pittsburgh City Center in connection with the DSP Proceeding and the relief sought in the application filed with the PaPUC in connection therewith.

Response:

Denied. Duquesne Light is continuing to search its records to determine what documents or other records it has related to the December 11, 2007 meeting. Whemco has prejudiced the Company's ability to locate such records due to Whemco's failure to file its Complaint until approximately seven years after this meeting occurred.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Pamela Niehaus

Whemco R-10

Duquesne does not know if there was any discussion at the meeting held on December 11, 2007 at the Double Tree Hotel in Pittsburgh City Center in connection with to the termination of discounts associated with then-existing Rider No. 5 of Duquesne's retail tariff applicable to Rate L customers.

Response:

Denied. Duquesne Light is continuing to search its records to determine what documents or other records it has related to the December 11, 2007 meeting. Whemco has prejudiced the Company's ability to locate such records due to Whemco's failure to file its Complaint until approximately seven years after this meeting occurred.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Pamela Niehaus

Whemco R-11

Duquesne does not know who attended the meeting held on December 11, 2007 at the Double Tree Hotel in Pittsburgh City Center in connection with the DSP Proceeding and the relief sought in the application filed with the PaPUC in connection therewith.

Response:

Denied. Duquesne Light is continuing to search its records to determine what documents or other records it has related to the December 11, 2007 meeting. Whemco has prejudiced the Company's ability to locate such records due to Whemco's failure to file its Complaint until approximately seven years after this meeting occurred.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: William Pfrommer

Whemco R-12

The Rider No. 5 discount applicable to Rate L Customers that Duquesne claims was eliminated in the DSP Proceeding effective December 31, 2010 related to Duquesne's distribution rates.

Response:

Denied. Rider No. 5 was a legacy discount applied to bundled rates and phased out over time. The discount applicable to Rate L generation charges was eliminated as proposed in the Company's default service proceeding at Docket No. P-00032071 and the discount to the remaining applicable charges of all eligible tariff rate classes was eliminated as proposed in the Company's default service proceeding at Docket No. P-00072247 effective January 1, 2011.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: William Pfrommer

Whemco R-13

Mr. Pfrommer's description of the purpose of his Direct Testimony in the DSP Proceeding makes no reference to supporting the elimination of the Rider No. 5 discount for Rate L customers.

Response:

Denied. The first item identified as the purpose of Mr. Pfrommer's testimony states:

The purpose of my testimony is to address the following items regarding the Company's proposed default service plan:

1. Describe the proposed changes to Duquesne's retail rate structure and the rationale for those changes. This will include a description of the necessary changes to Duquesne's retail tariff to implement the proposed default service plan.

Docket No. P-00072247, Statement No. 4, Direct testimony, page 2, lines 19-24.

The testimony further states that the Rider will be completely eliminated (page 10, lines 17-27) making no provision to retain it for any rate schedule.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: William Pfrommer

Whemco R-14

Mr. Pfrommer's description of changes to Large Customer rates in his Direct Testimony in the DSP Proceeding makes no reference to eliminating the Rider No. 5 discount for Rate L customers.

Response:

Denied. The first item identified as the purpose of Mr. Pfrommer's testimony states:

The purpose of my testimony is to address the following items regarding the Company's proposed default service plan:

1. Describe the proposed changes to Duquesne's retail rate structure and the rationale for those changes. This will include a description of the necessary changes to Duquesne's retail tariff to implement the proposed default service plan.

Docket No. P-00072247, Statement No. 4, Direct testimony, page 2, lines 19-24.

The testimony further states that the Rider will be completely eliminated (page 10, lines 17-27) making no provision to retain it for any rate schedule.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: William Pfrommer

Whemco R-15

Mr. Pfrommer's Direct Testimony in the DSP Proceeding offers no explanation or supporting reasons for the proposed elimination of the Rider No. 5 discount for Rate L customers.

Response:

Denied. Mr. Pfrommer's testimony states:

In addition, Rider 5 is the Company's Time of Day discount to demand charges that is a legacy of pre-restructuring rate design when the Company owned generation. The rider provides a discount to demand charges associated with the monthly meter read. Since the Company is proposing to phase out the demand charges for rates GM and GMH, it does not make sense to keep this rider for discounts applicable only to distribution charges. The Company proposes to completely eliminate this rider effective January 1, 2010. Phasing-out this rider over time will allow customers to modify their operation to the extent possible and enable them to become accustomed to the new rate structure.

Docket No. P-00072247, Statement No. 4, Direct testimony, page 10, lines 19-27.

The testimony states that the Rider will be completely eliminated making no provision to retain it for any rate schedule.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: William Pfrommer

Whemco R-16

Mr. Pfrommer's Direct Testimony in the DSP Proceeding refers to elimination of Rider No. 8, and revisions to Rider No. 9, but makes no reference to Rider No. 5 for Rate L customers.

Response:

Denied. Mr. Pfrommer's testimony states:

In addition, Rider 5 is the Company's Time of Day discount to demand charges that is a legacy of pre-restructuring rate design when the Company owned generation. The rider provides a discount to demand charges associated with the monthly meter read. Since the Company is proposing to phase out the demand charges for rates GM and GMH, it does not make sense to keep this rider for discounts applicable only to distribution charges. The Company proposes to completely eliminate this rider effective January 1, 2010. Phasing-out this rider over time will allow customers to modify their operation to the extent possible and enable them to become accustomed to the new rate structure.

Docket No. P-00072247, Statement No. 4, Direct testimony, page 10, lines 19-27.

The testimony states that the Rider will be completely eliminated making no provision to retain it for any rate schedule.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: William Pfrommer

Whemco R-17

Ms. Krajovic's Direct Testimony in the DSP Proceeding offers no explanation or supporting reasons for the proposed elimination of the Rider No. 5 discount for Rate L customers.

Response:

Denied. Ms. Krajovic's direct testimony states:

Pages 2-2G itemize the modifications contained in the draft supplement to the Company's retail Tariff submitted as Exhibit NJDK-3. Generally, the draft supplement contains the new supply rates and rate design changes proposed by the Company and sponsored by Mr. Pfrommer in his testimony, as well as modifications to support the POR.
Docket No. P-00072247, Statement No. 5, Direct testimony, page 13, lines 24-28.

Tariff page number 84 of Ms. Krajovic's Exhibit NJDK-3 states "The availability and application of Rider No. 5 – Time of Day Discounts will terminate December 31, 2010." The applicable rate schedules, including Rate L, are identified on page number 84 of the tariff supplement.

APPENDIX B

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Jessica Rock

Whemco I-6

Provide the (i) press release, (ii) customer bill insert and (iii) newspaper publication referenced in the first bullet in paragraph 15 of Duquesne's Answer & New Matter.

Response:

(i) See attachment I-6 for the Duquesne Light Company Press Release.

(ii) The above referenced customer bill inserts were provided over seven years ago. After reasonable investigation, Duquesne Light Company has determined that due to the passage of time these customer bill inserts are no longer available. However, the Commission stated in the Order that such customer bill inserts were provided. Additionally, Duquesne Light Company notes that the Company stated in its filing notice that it provided notice to customers through a customer bill insert. See attachment I-6 for the Duquesne Light Company filing notice.

(iii) The above referenced newspaper publications were provided over seven years ago. After reasonable investigation, Duquesne Light Company has determined that due to the passage of time these newspaper publications are no longer available. However, the Commission stated in the Order that such newspaper publications were provided. Additionally, Duquesne Light Company notes that the Company stated in its filing notice that it provided notice to customers through a newspaper publication. See attachment I-6 for the Duquesne Light Company filing notice.



411 Seventh Avenue
P.O. Box 1930
Pittsburgh, PA 15219-1930

News Release

Date: Jan. 25, 2007
For Release: Upon Receipt
Contact: *Media:*
Joseph Vallarian
412-232-6848
Page 1 of 2

Financial Community:
Darrin Duda, CFA
412-393-1158

DUQUESNE LIGHT FILES 2008-2010 ENERGY SUPPLY PLAN

Proposal Fixes Residential Generation Rate Through 2010

PITTSBURGH – Duquesne Light Company today filed a petition with the Pennsylvania Public Utility Commission (PUC) requesting approval of a plan that will supply a secure source of electricity for residential and small commercial customers from 2008 through 2010. The petition is being filed now because the current supply plan for customers who have not chosen a generation supplier expires at the end of this year.

Duquesne Light's proposal, which is intended to provide a bridge to the time when generation rate caps will expire for most other major electricity distribution companies in the state, seeks approval of the following elements:

- fixed-price generation service for non-electric heat residential customers through 2010;
- fixed-price generation service for non-electric heat small commercial and industrial (C&I) customers over the same period that will be adjusted annually, in 2009 and 2010, to reflect changes, up or down, in market prices; and
- continuation of hourly pricing as the default service for large C&I customers.

"Our goal is to continue to provide a reliable, secure energy source for our customers," said Morgan K. O'Brien, president and chief executive officer. "We are pleased to present a proposal that offers residential and small commercial customers a secure, supply of electricity through 2010 at a monthly cost below what they paid in 1992. Not many products have provided that degree of price stability for customers for such a long period of time."

Residential Rates Remain Below 1992 Levels

As part of the proposal, a non-electric heating residential customer using 600 kilowatt-hours per month would see an increase of just under \$7 (approximately nine percent) in the overall monthly electric bill beginning in January 2008. Generation rates then would stay fixed through the end of 2010. By way of comparison, default service customers in other parts of the state and the region have seen dramatic increases in their monthly bills: 70 percent at Pike County (Pa.) Light & Power Co.; 59 percent at Delmarva Power (Maryland); 72 percent at Baltimore (Maryland) Gas & Electric Company; and 33 percent at Penn Power.

-more-

DUQUESNE LIGHT FILES 2008-2010 ENERGY SUPPLY PLAN
Page 2

Even with this increase, Duquesne Light customer bills still will be less than they were 15 years ago (\$78.98 compared to \$84.38 in 1992 for a non-electric heating residential customer using 600 kilowatt-hours per month). Pricing for other utilities has increased significantly since 1992. Natural gas pricing is up 139 percent; water and sewage rates have increased 76 percent; and the average cost of cable and satellite television has seen an 86-percent rise.

Seeking Balanced Transition to Fully Competitive Statewide Market

The PUC currently is developing default-service regulations that are expected to go into effect when rate caps at other major utilities in the state expire at the end of 2010. Because the retail market in Pennsylvania is not yet fully developed, Duquesne Light's supply proposal is designed to be an interim or transition plan.

"Duquesne Light has undertaken extensive efforts to meet with interested parties to develop an energy supply plan that provides a balanced and responsible transition to a fully competitive statewide market in 2011," O'Brien said. "We believe our filing, which builds on the success of our prior default-service plans, reflects the different circumstances, preferences and market conditions faced by different customer groups as competitive markets continue to develop."

Market Adjustments for Small C&I Customers

The proposed fixed rate for small C&I customers will be adjusted in 2009 and in 2010 by a market index that reflects subsequent changes in prices. These customers will benefit as energy suppliers compete and by not being exposed to short-term market price fluctuations they may not be equipped to handle.

Large C&I Fixed Rate Options Available in Market

As noted earlier, Duquesne Light will continue to provide hourly pricing as its default service for large C&I customers. The company is confident customers preferring a fixed-price option will be able to obtain alternative choices from energy suppliers. As of December 2006, approximately 98 percent of the large C&I customer load in Duquesne Light's service territory already is shopping for energy supply. In addition, Duquesne's previous efforts to obtain a fixed rate at attractive prices for these customers using a solicitation process have proven to be difficult.

Communication With Customers and Suppliers Key to Plan

The company's filing seeks approval of the petition by July 1, which will allow Duquesne Light time to communicate with customers and suppliers. It also will provide time for suppliers to communicate with customers prior to the new rates becoming effective.

About Duquesne Light Company

Duquesne Light Company is a leader in the transmission and distribution of electric energy, offering superior customer service and reliability to more than half a million customers in southwestern Pennsylvania.

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411 Seventh Avenue
8th Floor
Pittsburgh, PA 15219

Tel 412-393-1541
Fax 412-393-1418
gjack@duqlght.com

Gary A. Jack
Assistant General Counsel

January 25, 2007

VIA HAND DELIVERY

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

RECEIVED

MAY - 3 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PA PUC
SECRETARY'S BUREAU

2007 JAN 25 PM 1:50

RECEIVED

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

Dear Secretary McNulty:

Enclosed for filing, on behalf of Duquesne Light Company ("Duquesne"), please find an original and three copies of the Petition Of Duquesne Light Company For Approval Of Default Service Plan For The Period January 1, 2008 through December 31, 2010 ("Default Service Plan"). Due to the risk that Duquesne Power, LLC is incurring in holding proposed rates open under the Default Service Plan during the regulatory review period and the need to provide customers notice of the precise changes in their Price To Compare in order to facilitate retail shopping, Duquesne requests expedited approval of the Default Service Plan by July 1, 2007. To facilitate approval by this date, Duquesne has filed its direct testimony herewith and respectfully requests that the Pennsylvania Public Utility Commission ("Commission") assign this matter to the Office of Administrative Law Judge for evidentiary hearings and the issuance of a Recommended Decision as soon as possible.

Pursuant to Section 5.41(b) of the Commission' regulations, 52 Pa. Code § 5.41(b), and as indicated on the certificate of service, Duquesne is serving this Petition on the Office of Trial Staff, the Office of Consumer Advocate, and the Office of Small Business Advocate. Duquesne is also serving all parties in Duquesne's POLR III proceeding, *Petition of Duquesne Light Company for Approval of Plan for Post-Transition Period Provider of Last Resort Service*, Docket No. P-00032071, and in Duquesne's recent distribution rate proceeding at Docket No. R-00061346. Moreover, Duquesne is providing notice of the Petition to customers through a press release, newspaper publication and a bill insert.

DOCUMENT
FOLDER

DOCKETED
MAY 08 2007

Page 2
James J. McNulty, Secretary
Pennsylvania Public Utility Commission
January 25, 2007

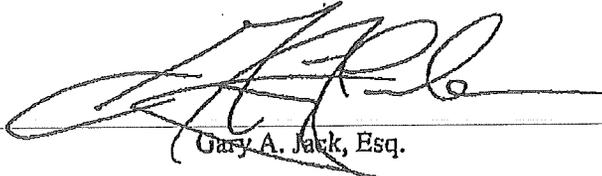
Please record me and the following attorneys as Attorneys of Record:

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

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

In addition, please direct any questions regarding this matter to the undersigned.

Very truly yours,



Gary A. Jack, Esq.

Enclosure

c: Wendell F. Holland, Chairman
James H. Cawley, Vice Chairman
Terrance J. Fitzpatrick, Commissioner
Kim Pizzingrilli, Commissioner

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Application has been served upon the following persons by first class mail on or about January 25, 2007:

VIA FIRST-CLASS MAIL AND/OR E-MAIL

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Charles Daniel Shields, Esquire
Robert V. Eckenrod, Esquire
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Harrisburg, PA 17105-3265

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Steven C. Gray, Esquire
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Harrisburg, PA 17101

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Alan Michael Seltzer, Esquire
John F. Povilaitis, Esquire
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Kenneth L. Wiseman, Esquire
Mark, F. Sundback, Esquire
Andrews Kurth LLP
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Washington, DC 20006

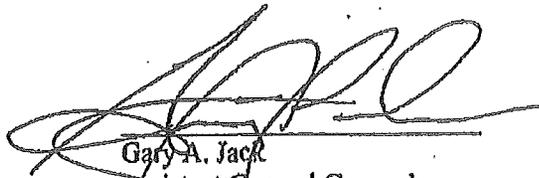
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Lisa Yoho
Calpine Corporation
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Washington, DC 20005



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Assistant General Counsel
Duquesne Light Company
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Pittsburgh, PA 15219
412-393-1541 (phone)/412-393-1418 (fax)
gjack@duqlight.com

Dated: January 25, 2007

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Jessica Rock

Whemco I-7

Provide all Documents confirming Duquesne's conduct and completion of the customer bill insert process referenced in the first bullet in paragraph 15 of Duquesne's Answer & New Matter.

- a. Identify, describe and provide all Documents provided to or filed with the Commission evidencing Duquesne's conduct and completion of the customer bill insert process referenced in the first bullet in paragraph 15 of Duquesne's Answer & New Matter.

Response:

These referenced bill insert process occurred over seven years ago. After reasonable investigation, Duquesne Light Company has determined that due to the passage of time the documents related to the bill insert process are no longer available.

- a. As these documents are no longer available due to the passage of time, Duquesne Light Company cannot provide the above referenced customer bill inserts. However, see attachment I-6 for Duquesne Light Company's filing notice which states that Duquesne Light Company provided notice through a customer bill insert.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Jessica Rock

Whemco I-8

Provide all Documents confirming the proof of publication of the newspaper publications referenced in the first bullet in paragraph 15 of Duquesne's Answer & New Matter.

- a. Identify, describe and provide all Documents provided to or filed with the Commission evidencing the proof of publication referenced in the first bullet in paragraph 15 of Duquesne's Answer & New Matter.

Response:

After reasonable investigation, Duquesne Light Company has determined that due to the passage of time the documents confirming the proof of publication are no longer available. However, the Commission stated in the Order that Duquesne Light did provide a newspaper publication. Additionally, see attachment I-6 for Duquesne Light Company's filing notice which states that Duquesne Light Company provided notice through a newspaper publication.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Pamela Niehaus

Whemco I-10

Provide all Documents provided to and/or discussed with attendees of the meeting held on December 11, 2007 at the Double Tree Hotel Pittsburgh City Center as described in Exhibit E to Duquesne's Answer & New Matter.

Response:

The above referenced meeting occurred over seven years ago. After reasonable investigation, Duquesne Light Company has determined that due to the passage of time these documents are no longer available.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Lynda Pekarsky

Whemco I-11

Provide a list containing the name and address of each person or entity to which the letter identified as Exhibit E to Duquesne's Answer & New Matter was sent.

Response:

Duquesne Light Company has determined that due to the passage of time, the name and address of each person or entity to which the letter identified as Exhibit E was sent is no longer available.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Lynda Pekarsky

Whemco I-12

Provide a list containing the names and addresses of all persons or entities that attended the meeting held on December 11, 2007 at the DoubleTree Hotel Pittsburgh City Center as described in Exhibit E to Duquesne's Answer & New Matter.

Response:

Duquesne Light Company has determined that due to the passage of time, the names and addresses of all persons or entities that attended the meeting held on December 11, 2007 at the Double Tree Hotel Pittsburgh City Center as described in Exhibit E to Duquesne's Answer & New Matter is no longer available.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: Pamela Niehaus

Whemco I-13

Provide a list containing the names, addresses, job titles and company affiliation of all Duquesne employees, contractors, consultants, agents or other persons or entities representing Duquesne that attended the meeting held on December 11, 2007 at the DoubleTree Hotel Pittsburgh City Center as described in Exhibit E to Duquesne's Answer and New Matter.

Response:

The above referenced meeting took place over seven years ago. After reasonable investigation, Duquesne Light Company has determined that due to the passage of time the documents confirming the proof of publication are no longer available.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: William Pfrommer

Whemco I-15

Provide the direct testimony of William V. Pfrommer from the Commission proceeding at Docket No. P-00032071 referenced in paragraph 23 of Duquesne's Answer & New Matter and the final Commission order entered in that proceeding.

- a. Identify and describe by page and line number(s) wherein such testimony it is noted that Rider No.5 is proposed to be eliminated for Rate L customers.

Response:

Attachment Whemco I-15 is a copy of the direct testimony and exhibits of William V. Pfrommer from Duquesne Light's Default Service proceeding at Docket No. P-00032071 and the Commission's order in that proceeding.

- a. The Company stated in paragraph 23 of Duquesne's Answer & New Matter that "the Company proposed to eliminate the time of day discounts on *generation* charges for customers on Rate Schedules GL, GLH and L." In the attached testimony, the then proposed rate design for customers on Rate Schedules GL, GLH and L is explained on lines 9-22 on page 20 and on lines 1-8 on page 21. Page 24, lines 4-11 explain that Rider No. 5 will no longer apply to the generation charges of rate schedules GL, GLH and L.

Whemco-Steel Castings, Inc. v. Duquesne Light Company
Docket No. C-2014-2459527

Whemco-Steel Castings, Inc. – Set I
To Duquesne Light Company

Witness: William Pfrommer

Whemco I-22

Identify by page and line number in the testimony of William V. Pfrommer wherein "[t]he proposal to eliminate, in its entirety, Rider No. 5-Time of Day Discounts was plainly stated..." as alleged in paragraph 62 of Duquesne's Answer and New Matter.

Response:

Page 10, lines 15-27 explain the elimination of Rider No. 5. Page 10, lines 24-25 state: "The Company proposes to completely eliminate this rider effective January 1, 2010." It is noted that this reference should have state January 1, 2011. Company witness Nancy Krajovic sponsored the tariff changes in the proceeding at Docket No. P-00072247. The proposed changes to Rider No. 5 stating that it would terminate December 31, 2010, which were part of her Exhibit NJDK-3 in that proceeding, is provided in Exhibit 3 of Duquesne's Answer and New Matter.

APPENDIX C

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-_____

RECEIVED

JAN 25 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DIRECT TESTIMONY OF
WILLIAM V. PFROMMER

Dated: January 25, 2007

DIRECT TESTIMONY OF WILLIAM V. PFROMMER

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Q. Please state your full name and business address.

A. My name is William V. Pfrommer. My business address is Duquesne Light Company, 411 Seventh Avenue, Pittsburgh, PA 15219.

Q. What is your position at Duquesne Light Company?

A. I am employed by Duquesne Light Company ("Duquesne Light", "Duquesne" or "Company") as the Manager, Rates.

Q. How long have you worked at Duquesne Light?

A. I have been employed by Duquesne Light, Duquesne Holdings or its subsidiaries for 24 years.

Q. What are your current responsibilities?

A. I am responsible for overseeing the Company's retail rates and wholesale transmission rates, which includes supervising the preparation, development and implementation of the transmission and distribution rates proposed in this proceeding. In addition, it is my responsibility to ensure the rates are properly applied to customer bills.

Q. What are your qualifications, work experience and educational background?

A. I received a Bachelor of Science Degree in Mechanical Engineering from Grove City College in 1978 and a Masters in Business Administration from the University of Pittsburgh in 1989. I was employed by Westinghouse Air Brake Company in 1978 and performed various duties as a staff engineer. I began my career at the Company in 1982 as a Project Engineer in the Engineering and Construction Division at the Beaver Valley Power Station. Over the last 24 years, I have held staff, supervisory and managerial positions in engineering, nuclear construction, customer technical services, marketing and rates. In the Rate Department at Duquesne, I was responsible for the calculations to unbundle the

1 rates to support the implementation of electric utility restructuring and customer
2 choice in Pennsylvania. I also worked at AquaSource, Inc., the previous water
3 and wastewater subsidiary of DQE, Inc. While at AquaSource, I was General
4 Manager of Rates, responsible for analyzing the adequacy of rates, providing
5 direction to regional controllers on all regulatory matters, and maintaining the
6 tariffs in the 12 states where AquaSource had utility operations. I testified before
7 the Pennsylvania Public Utility Commission ("Commission") on rate design
8 matters in the Company's Provider of Last Resort ("POLR") proceeding at Docket
9 P-00032071. I also provided rate design testimony in the form of an affidavit
10 before the Federal Energy Regulatory Commission ("FERC") at Docket No.
11 ER05-85-000 for changes to the PJM Open Access Transmission Tariff ("PJM
12 OATT") to integrate the Company into the PJM Interconnection, L.L.C. ("PJM")
13 markets and tariff effective January 1, 2005. Most recently, I testified in the
14 Company's distribution rate case proceeding at Docket R-00061346. I am a
15 licensed professional engineer in the Commonwealth of Pennsylvania.

16
17 **Q. What is the purpose of your direct testimony regarding the Company's**
18 **request for default service supply rates?**

19 **A. The purpose of my testimony is to address the following items regarding the**
20 **Company's proposed default service plan:**

- 21 1. Describe the proposed changes to Duquesne's retail rate structure and the
22 rationale for those changes. This will include a description of the
23 necessary changes to Duquesne's retail tariff to implement the proposed
24 default service plan.
- 25 2. Sponsor a schedule of the supply rates for residential, small commercial
26 and industrial ("small C&I"), and lighting customers.
- 27 3. Describe the proposed changes to the Company's transmission rates to
28 recover ancillary services and PJM administrative costs.
- 29 4. Sponsor a schedule of class average rates and comparison to current rates.
- 30 5. Describe the proposed rate for large commercial and industrial ("large
31 C&I") customers.

32
33

1 Q. Are you sponsoring any exhibits as part of your direct testimony?

2 A. Yes. I am sponsoring the following exhibits attached to my testimony:

<u>Exhibit</u>	<u>Description</u>
WVP-1	Supply Rates by Rate Schedule 2008-2010
WVP-2	Rate Class Average Rates 2008-2010
WVP-3	Supply Rate Comparison to Current Rates
WVP-4	Total Bill Comparison to Current Rates
WVP-5	Supply Rate Comparison to Restructuring Rates

3

4 Q. Please explain how these exhibits were prepared?

5 A. All exhibits were prepared either by me or under my direct supervision. They
6 were prepared, to the best of my knowledge, in accordance with Commission
7 requirements and practice.

8

9 Q. How is your testimony organized?

10 A. My testimony may be summarized as follows. First, I will discuss the proposed
11 rate design for the small customer classes, i.e., residential, small C&I and lighting
12 classes. Second, I will discuss the proposed supply rates for the small customer
13 classes including the Company's proposal to adjust retail transmission rates to
14 recover the costs for ancillary services and PJM administrative costs. Third, I will
15 discuss the proposed class average rate impact by rate schedule for the small
16 customer classes. Finally, I will describe the Company's rate proposal for large
17 C&I customers.

18

19 I. SMALL CUSTOMER RATE DESIGN

20

21 Q. What rate classes are affected by the small customer rate design?

22 A. The small customer classes include residential rates RS, RH and RA; small C&I
23 rates include GS/GM and GMH and all of the lighting classes including AL, SE,
24 SM, SH, UMS and PAL.

25

26 Q. What were your overall objectives in designing the proposed supply rates for
27 these customer classes?

1 A. There were five objectives in designing the proposed supply rates. The first
2 objective was to reset the rates to reflect prevailing market prices. This was
3 necessary to eliminate below market rates that discourage conservation and do not
4 provide customers with an opportunity to shop. This will promote competition
5 and will ensure the Company is moving forward to develop retail rates that better
6 reflect market prices.

7 The second objective was to move to a single, flat energy charge for each
8 rate class by 2010. The current rate structure for supply includes demand charges
9 and declining energy block rates. These supply charges are not indicative of
10 competitive market prices and can make it more difficult for customers to
11 compare offers from alternative electric suppliers. This objective will establish a
12 simple price comparison with electric generation supplier ("EGS") offers.

13 Third, the Company wanted to address instances of inconsistent rates
14 among rate classes that resulted from the restructuring of the Company in
15 accordance with the Electricity Generation Customer Choice and Competition Act
16 ("Competition Act"). Part of this objective is to achieve more inter-class and
17 intra-class consistency among rate classes and customer classes through rational
18 rates consistent with market prices and specific to the characteristics of each class.

19 The fourth objective was to evaluate the rate class and monthly bill
20 impacts associated with the first three objectives and mitigate significant bill
21 impacts. The Company recognizes that eliminating demand charges and
22 declining block rates to move toward a single energy-based charge in one step
23 could result in disparate impacts on certain individual customers. Therefore, the
24 Company proposes to phase-in the proposed rate design for several rate classes
25 over a three-year period (2008-2010). This is an important consideration for
26 heating class customers who currently have rates that are below market prices and
27 may experience above average increases in their rates as declining blocks are
28 eliminated.

29 Fifth, the Company wanted to align Duquesne's retail transmission rates
30 more closely with PJM's transmission charges to all load serving entities
31 (including Duquesne and EGSs). To accomplish this objective, the Company

1 recently filed and obtained Commission approval for a transmission service
2 charge ("TSC") that will adjust annually. As part of this initiative, the Company
3 proposes to move the charges for PJM administrative costs and ancillary services
4 from supply rates to the TSC so that these costs also will more closely follow
5 PJM charges.

6 This approach to rate design, as a whole, enables the Company to balance
7 its objectives of reflecting market prices, simplifying rates for customers and
8 EGSs, and mitigating disparate rate impacts. Combined, they should promote
9 retail competition and better enable retail customers to understand the charges and
10 prices of the market.

11
12 **Q. What was the starting point for developing supply rates for residential, small
13 C&I and lighting customers?**

14 **A.** I used the average energy supply rates by customer class (residential, small C&I
15 and lighting) described by Mr. Fisher and summarized in Table No. 1 as the
16 starting point for rate design. These average supply rates include adjustments for
17 rate class specific line losses and load profiles. This enabled me to analyze the
18 class and monthly impacts of implementing a single energy price and determine
19 what, if any, rate changes should be phased-in over time.

20
21 **Table No. 1 Average Supply Rates**

Customer Class	Applicable Rate Classes	Average Rate Cents/kWh
Residential	RS, RH, RA	7.156
Small C&I	GS/GM, GMH	7.083
Unmetered Service	UMS	6.718
Lighting	AL, SE, SM, SH, PAL	5.923

22
23 **Q. What changes are you proposing to the rate design of the residential rate
24 classes?**

25 **A.** Rate RS, with about 500,000 customers, is the Company's standard residential
26 service rate. This rate is currently a single flat energy charge per kilowatt-hour

1 (“kWh”). The rate will be reset to the supply rate in Table No. 1 with no changes
2 in rate design.

3 Rate RH and rate RA (with approximately 25,000 and 3,300 customers,
4 respectively) are the Company's residential space heating rates. Both have the
5 same rate structure as rate RS during the May through October non-heating
6 season, but have a declining block rate structure and a reduced rate for usage
7 greater than 500 kWh during the November through April heating season. These
8 rates for usage greater than 500 kWh (2.6133 ¢/kWh for RH and 2.702 ¢/kWh for
9 RA) are currently below current market prices, and as expected, customer
10 shopping for these classes is very low. For example, less than 1% of rate RH
11 customers are shopping with an EGS.

12 For the proposed supply rates, the same rate RS energy charge will apply
13 during the non-heating season for rate RH and RA customers since customers in
14 these three rate classes, in general, have similar usage characteristics during these
15 months. The two-step declining block rate design will be retained to mitigate rate
16 impacts during the heating season, but will be phased-out over three years. The
17 supply rate for usage up to 500 kWh per month during the heating season will be
18 the same rate applicable during the May to October non-heating season. The
19 ~~current tail block rates for usage in excess of 500 kWh per month for RH and RA~~
20 will be increased on January 1, 2008, 2009 and 2010 so that the declining block
21 structure is eliminated by 2010 and all residential customers are charged the same
22 supply rate.

23 The proposed rate structures for RH and RA are consistent with
24 simplification of the rate design, inter-class consistency, improving economic
25 price signals, and understandability by customers.

26
27 **Q. Why do you propose to phase-in the supply rate increases for rate classes RH
28 and RA?**

29 **A.** The Company believes that it is important to phase-in significant changes in rate
30 structure to mitigate rate impacts, especially for rates that have been in place for
31 over 20 years. The average rate a customer will be charged on these rate classes

1 will depend on their individual monthly usage and should be considered on an
2 annual basis. As proposed, all residential customers will pay the same rate during
3 the non-heating season and for the first 500 kWh during the heating season. The
4 Company is proposing a modest increase to the rate for usage in excess of 500
5 kWh in 2008. Therefore, the effect on the average rate on an annual basis will
6 depend on the customer's actual usage during the heating season. While not
7 moving all the way to a single energy price in 2008, this proposal provides a
8 measured approach that achieves the Company's objective in 2010.

9
10 **Q. Please describe the current rate structure applicable to small C&I rate**
11 **classes.**

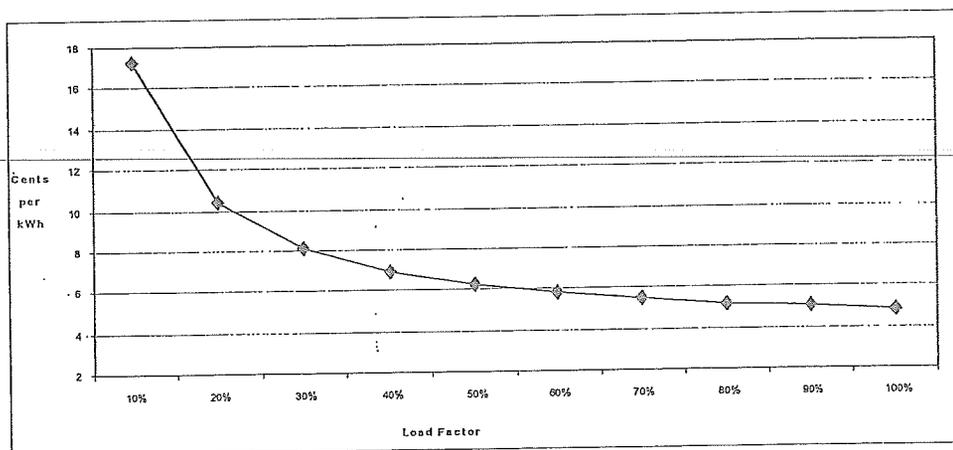
12 **A.** General service small and medium rates (GS/GM) and the general service
13 medium heating rate (GMH) constitute the small C&I rate class. Rate GS/GM,
14 with approximately 52,000 customers, has the second largest number of
15 customers of all rate schedules. Within this rate class, there are approximately
16 19,000 rate GS customers. These customers are not demand metered and their
17 average usage is less than 1,000 kWh per month. There are approximately 33,000
18 rate GM customers, all of whom are demand metered with diverse usage and load
19 profiles. Rate GM customers are billed for metered demand in excess of 5
20 kilowatts ("kW") at \$9.28/kW and for energy at a declining block energy rate of
21 3.4824 ¢/kWh, neither of which reflect current market prices.

22 Rate GMH is the complementary electric space-heating rate to general
23 service rate GM. There are approximately 3,400 customers on rate GMH. During
24 the non-heating season, these customers are billed according to the same rate
25 structure as rate GM though at different rates. During the heating season, these
26 customers are billed using a variable, two-step declining block energy rate
27 structure, the legacy of pre-restructuring rates. The current energy rate for the
28 second block (3.0442 ¢/kWh) is also below current market prices.

29
30 **Q. What changes are you proposing to the rate design of the small C&I rate**
31 **classes?**

1 A. Duquesne proposes to simplify the existing rate structure for both rate classes by
2 implementing a single energy rate for all small C&I customers. This will simplify
3 price comparisons with competitive EGS offers. By 2010, Duquesne will
4 eliminate existing demand charges that do not reflect current market prices and
5 eliminate declining energy block rates that are below market levels and
6 discourage conservation. Demand charges of the current magnitude are not
7 reflective of market prices and produce significant diversity in a customer's
8 average supply charge within rate GM depending on the customer's monthly load
9 factor. Load factor is defined as the kWh consumed by the customer divided by
10 their monthly-metered demand in kW divided by the number of hours in the
11 month. Graph No. 1 shows the average supply charge in cents per kWh for a rate
12 GM customer with a 20 kW billed meter demand at current supply rates at various
13 load factors under the current rate structure.

14
15 **Graph No. 1 Rate GM Average Supply Rate at Various Load Factors**



16
17 As shown, the average supply charge varies from just below 5 cents per kWh to
18 over 17 cents per kWh depending on load factor. This is the result of using the
19 non-coincident peak demand to determine a customer's supply-related demand
20 charge and the high level of current demand charges in today's retail rates.
21 Market capacity costs represent a relatively small component of total supply costs,
22 and there is little economic justification for this variation.

1 Combined, this proposed rate design reduces class diversity of supply
2 rates over time while mitigating rate impacts to the smallest customers,
3 simplifying the rate structure, and implementing a rate structure consistent with
4 market price structures.

5
6 **Q. Please describe how you have redesigned the small C&I rates to eliminate**
7 **demand charges and declining block rates.**

8 **A.** Similar to the residential rate design, I used the energy charge for rates GS/GM
9 and GMH in Table No. 1 as the basis for rate design.

10 Rate GS customers on average use 300 kWh/month and the majority use
11 less than 1,000 kWh/month. They are billed according to the rate GS/GM rate
12 structure which is a flat energy charge up to 1300 kWh per month. Therefore,
13 rate GS customers will continue to be charged a single rate for all usage equal to
14 the supply rate in Table No. 1.

15 For rate GM, however, a different approach was used because of the
16 diversity of the customers, as noted above. Fully eliminating demand charges and
17 declining block rates for rate GM will impact monthly bills differently depending
18 on the individual customer's load factor (i.e. their consumption relative to their
19 monthly metered demand). By fully eliminating demand charges, low load factor
20 customers would see a decrease in their monthly bill and high load factor
21 customers would see an increase. Whether a customer would see an increase or
22 decrease in their supply charges would depend on their load factor and the
23 proposed supply rate in Table No. 1. To allow customers to adjust to this change
24 in the supply charge rate structure, the Company proposes to phase-out the
25 demand charges and declining block rates to transition all customers to a flat
26 energy supply rate. The demand charges will be reduced equally each year until
27 they are completely phased-out in 2010. An offsetting increase will be made to
28 the current tail block energy rates so that by 2010 only a flat energy rate per kWh
29 will be in place. Therefore, customers will be affected based on their specific
30 load and usage characteristics while the rate class average supply charge will be
31 that shown in Table No. 1.

1

2 Q. Please describe the proposed changes to rate GMH.

3 A. The Company proposes to change the rate design using principles similar to those
4 used for residential heating rates. Heating customers will be billed the same
5 demand and energy charges as general service rate GM during the non-heating
6 season months. For the heating season, the current variable two-block energy rate
7 structure will be retained to mitigate customer rate impacts, but phased-out over
8 three years. The energy-based rates for the first energy block during the heating
9 season will be reset to equal the supply rate identified in Table No. 1. Similar to
10 the proposed rate design for the residential space heating rates, the second block
11 winter usage charge for rate GMH will be increased equally on January 1, 2008,
12 2009 and 2010 so that the declining block structure is eliminated by 2010 and the
13 supply rate equals the rate GM supply charge rate in 2010.

14

15 Q. **Will these proposed changes to the small C&I rate schedules effect any other**
16 **charges applicable to these rate schedules?**

17 A. Yes. The minimum charges associated with these rate schedules have been
18 modified to be consistent with the proposed POLR supply rates and elimination of
19 demand charges. In addition, Rider 5 is the Company's Time of Day discount to
20 demand charges that is a legacy of pre-restructuring rate design when the
21 Company owned generation. The rider provides a discount to demand charges
22 associated with the monthly meter read. Since the Company is proposing to phase
23 out the demand charges for rates GM and GMH, it does not make sense to keep
24 this rider for discounts applicable only to distribution charges. The Company
25 proposes to completely eliminate this rider effective January 1, 2010. Phasing-out
26 this rider over time will allow customers to modify their operation to the extent
27 possible and enable them to become accustomed to the new rate structure.

28

29 Q. What changes are you proposing to the rate design for the lighting classes?

30 A. Duquesne is not proposing any changes to the rate design for the lighting classes,
31 but will reset the average rate levels for each rate class to the supply price defined

1 in Table No. 1. As a group, the lighting classes currently consist of a diverse mix
2 of charges and rate design. However, the majority of lighting customers pay a flat
3 rate per fixture per month based on the lamp wattage and nominal monthly kWh
4 usage specific to each fixture. Duquesne is not proposing to change this rate
5 structure for lighting customers. Duquesne will calculate a new flat monthly rate
6 per fixture using the monthly kWh consumption per fixture and the supply price
7 defined in Table No. 1. In some cases, as a result of the legacy effects of
8 unbundling and POLR III rate design, this will result in both average rate
9 increases and decreases. However, the proposed rate design will result in all
10 lighting customers paying the same supply rate on a cents per kWh basis.
11 Implementing these proposed changes to the lighting class rates achieves the
12 objective of simplifying the rates and eliminating inconsistencies by better
13 aligning inter and intra-class charges with market price levels.

14 II. SMALL CUSTOMER RATES

15
16
17 **Q. What changes are you proposing to the rates of the small customer rate**
18 **classes?**

19 **A.** The Company is proposing three changes to the small customer rates. First, the
20 supply rates will be reset to prevailing market prices defined in Table No. 1.
21 Second, using the market index adjustment factor described by Mr. Fisher,
22 Duquesne Light will adjust the 2009 and 2010 rates up or down based on changes
23 in market prices prior to the start of each calendar year. Third, the Company
24 proposes to recover ancillary services and PJM administrative expenses in
25 transmission rates. The Company proposes to recover these costs through the
26 recently approved TSC.

27
28 **Q. Have you prepared an exhibit that summarizes the supply rates the**
29 **Company proposes to include in its retail tariff?**

1 A. Yes. Exhibit WVP-1 summarizes the proposed supply rates for each rate
2 schedule for each year for 2008-2010. These rates are also shown for each year in
3 the proposed tariff supplement sponsored by Ms. Krajovic as Exhibit NJDK-3.

4
5 Q. Please describe the second change, how you will revise the small C&I rates
6 annually based on a market price index.

7 A. Mr. Fisher describes the proposed market price multiplier that will be applied to
8 the supply rates for GS/GM and GMH shown in Exhibit WVP-1. As described by
9 Mr. Fisher, this is a transparent market index adjustment mechanism to adjust the
10 small C&I supply rates, upward or downward, depending on changes in market
11 price indices. The proposed supply rates in Exhibit WVP-1 assume no changes
12 over the 2008-2010 period (i.e., a multiplier of 1.00). The Company proposes to
13 implement the 2008 supply rates in Exhibit WVP-1 effective January 1, 2008. No
14 later than October 1, 2008, the Company will submit a filing to the Commission
15 adjusting the 2009 rates in Exhibit WVP-1 by the index multiplier described by
16 Mr. Fisher for 2009. Both the demand and energy charges will be multiplied by
17 the index multiplier to calculate new rates that will become effective for usage on
18 or after January 1, 2009. The same index multiplier will also be applied to the
19 supply charges of rate GMH shown in Exhibit WVP-1 for 2009.

20 The same methodology will be used to adjust rates in 2010. The Company
21 will apply the appropriate index multiplier for 2010 to each GS/GM and GMH
22 supply rate component shown in Exhibit WVP-1 for 2010. No later than October
23 1, 2009, the Company will submit a filing to the Commission establishing the
24 revised supply rates for GS/GM and GMH. Effective January 1, 2010, demand
25 charges, declining block energy charges, and declining block seasonal rates will
26 be eliminated and replaced with a single flat energy rate for all small C&I
27 customers.

28
29 Q. Have you prepared an example calculation showing how this market index
30 adjustment will work?

1 A. Yes. Table No. 2 provides a calculation based on a hypothetical market index
 2 adjustment for 2009 for rate GM. The 2009 proposed rates are the same rates
 3 identified in Exhibit WVP-1. These rates will simply be multiplied by the market
 4 price multiplier to calculate the adjusted rates the Company would file with the
 5 Commission on October 1, 2008.

6
 7 **Table No.2 Market Index Adjustment Example Calculation**

		2009 Rates	2009 Index Adjusted Rates
Market Price Multiplier			0.975.
Demand Charge	\$/kW/Month	\$3.09	\$3.01
First 1,300 kWh	Cents/kWh	7.0830	6.9059
Additional kWh	Cent/kWh	6.1840	6.0294

8
 9 **Q. What changes are necessary to the tariff describing this annual adjustment?**

10 A. The Company is proposing two changes to the tariff to implement this change.
 11 First, Rider No. 20 has been added to the tariff supplement attached as Exhibit
 12 NJDK-3 to Ms. Krajovic's testimony. The purpose of Rider No. 20 is to describe
 13 the process by which the Company will calculate the rate multiplier that will be
 14 applied to the supply charges in rate schedules GS/GM and GMH for 2009 and
 15 2010.

16 Second, the "Electric Charges" language of rate schedules GS/GM and
 17 GMH will be revised as follows:

18
 19 No later than October 1 of 2008, the Company will submit a filing to the
 20 Commission adjusting the 2009 Supply Charges to reflect changes in the
 21 market price of electricity. The 2009 Supply Charges will be multiplied by
 22 the Annual Market Price Adjustment described in Rider 20 to establish rates
 23 that will become effective for usage on or after January 1, 2009. No later than
 24 October 1 of 2009, the Company will submit a filing to the Commission
 25 adjusting the 2010 Supply Charges to reflect changes in the market price of
 26 electricity. The revised rates will become effective for usage on or after
 27 January 1, 2010. The 2010 Supply Charges will be multiplied by the Annual
 28 Market Price Adjustment described in Rider 20 to establish rates that will
 29 become effective for usage on or after January 1, 2010.

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Q. Please describe your third change, how you propose to recover the costs for ancillary services and PJM administrative expenses.

A. The Company is proposing to recover the costs of ancillary services and PJM administrative costs associated with default service for small customer classes through the retail transmission rates and TSC. (For large C&I customers, ancillary services and PJM administrative costs will continue to be recovered in Rider No. 9 and will adjust as PJM charges adjust.) The Commission approved the TSC by order entered December 1, 2006 at Docket R-00061346. This change will enable the Company to recover the expenses it incurs as a provider of transmission service to retail customers taking default service from the Company.

Q. Do the average supply rates in Table No. 1 and the supply rates in Exhibit WVP-1 include the costs associated with ancillary services and PJM administrative expenses?

A. No, they do not. However, the transmission rates in Exhibit WVP-1 have been adjusted to include recovery of the charges for ancillary services and PJM administrative costs.

Q. How are these costs currently recovered for residential, small C&I and lighting customers?

A. In POLR III, Duquesne fixed the PJM surcharge for residential, small C&I and lighting class customers and included the surcharge in the fixed supply rate. Similarly, ancillary service costs were fixed and bundled together in the fixed supply rate, although no separate charge was identified.

PJM administrative expenses that the Company is currently incurring are being recovered through retail tariff PJM Surcharge Rider No. 1. Rider No. 1 became effective January 1, 2005 when the Company joined PJM and as defined in its POLR III order, is effective until December 31, 2007. As described in the Company's distribution rate case at Docket R-00061346, the Company proposed

1 to retain Rider No. 1 through December 31, 2007, at which point the Company
2 proposed to roll those PJM expenses into the proposed transmission service
3 charge so the default service supply rates will not reflect any such PJM costs.
4 (Pfrommer, Direct, p. 19, l. 10)
5

6 **Q. Why is it appropriate to recover the costs associated with ancillary services
7 and PJM administrative expenses through the transmission rates?**

8 A. These are transmission related costs the Company incurs in accordance with the
9 OATT, and as such they are appropriately recovered through retail transmission
10 rates, in this case the TSC. This approach will have no effect on the price to
11 compare ("PTC") and since it is updated annually through the TSC, will ensure
12 there is no competitive distortion.
13

14 **Q. How will the Company adjust the transmission rates to recover ancillary
15 services and PJM administrative costs?**

16 A. The Company proposes to modify the definition of projected total expenses in the
17 TSC to include these expenses for all small customer classes. Both ancillary
18 service and PJM administrative costs will be recovered on the basis they are
19 incurred, primarily MWh, to ensure there is no cost shifting. The revenue
20 collected will be trued-up with expenses incurred in the subsequent TSC filing.
21

22 **Q. Have you estimated the average costs for ancillary services?**

23 A. Yes. Based on the 12 months ending December 2006, the ancillary service
24 expense the Company proposes to recover in the transmission expense will be set
25 initially at \$2.175/MWh. This rate will recover the estimated ancillary service
26 expenses for spinning reserves, operating reserves, regulation, synchronous
27 condensing charges, schedule 1A and black start service. This rate also includes
28 an adjustment for transmission and distribution line losses and Pennsylvania gross
29 receipts tax ("GRT").
30
31

1 Q. Have you estimated the average costs for PJM administrative expenses?

2 A. Yes. I used the stated rates in Schedules 9-1 to 9-5 and Schedule 9-FERC in the
3 PJM OATT to calculate a rate of \$0.408/MWh to recover PJM administrative
4 expense. Similar to derivation of the ancillary service rate, the PJM
5 administrative rate has been adjusted for transmission and distribution line losses
6 and GRT.

7
8 Q. Will you update the estimated costs for ancillary services prior to January 1,
9 2008?

10 A. Yes. The Company proposes to update the estimated cost for ancillary services
11 based on the average costs for the 12 months ending November 30, 2007. This
12 will provide an updated rate beginning January 1, 2008 using the most recent data
13 and will reduce the potential effects of adjusting these rates in April 2008, the
14 date of the then subsequent TSC filing.

15
16 Q. What changes do you propose to the retail tariff to recover these costs
17 through the TSC?

18 A. First, the "Electric Charges" section of each rate schedule will be revised to
19 explain that these costs will be recovered through the TSC which is Appendix A
20 of the tariff. Second, the Company will revise the TSC to incorporate language
21 explaining that ancillary service expenses and PJM administrative expenses are
22 part of the TSC for each rate schedule. Third, since the PJM administrative
23 expenses will be recovered through the TSC, Rider No. 1 has been eliminated.
24 Rider No. 9 has been revised to provide more discussion on the PJM surcharge.
25 All of these changes are shown in Exhibit NJDK-3 attached to Ms. Krajovic's
26 testimony.

27
28
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31

1 III. SMALL CUSTOMER CLASS AVERAGE RATE IMPACTS

2
3 Q. Have you prepared an exhibit showing the average rates by rate class?

4 A. Yes. Exhibit WVP-2 shows the class average rates for distribution, transmission
5 and supply. The transmission rates include the transmission rates in accordance
6 with the TSC and include ancillary services and PJM administrative expenses.
7 The demand charges and declining block rates are eliminated in 2010 and as such,
8 the residential and small C&I rates are identical to those in Table No. 1. When
9 divided by the monthly kWh per fixture, all of the lighting supply charges also
10 equal the average rates shown in Table No. 1.

11
12 Q. How do the proposed supply rates compare to the current supply rates?

13 A. Exhibit WVP-3 provides a comparison of the proposed supply rates to current
14 POLR III supply rates. The overall increase for the small customer classes
15 compared to current supply rates is 17.6%. The supply rate for the average
16 residential rate RS customer will increase 17.6% and the average supply rate for a
17 small C&I customer on rate GS/GM will increase 13.6%. For the lighting classes,
18 the supply rates will increase 29.5% on average. The rate impacts vary across the
19 lighting classes due to adjusting the supply rates to market levels and eliminating
20 uneconomic disparities in supply rates that were created during the unbundling
21 process in the Company's restructuring proceeding.

22
23 Q. How do the proposed class average rates compare to the current class
24 average rates on a total bill basis?

25 A. Exhibit WVP-4 provides a comparison of the proposed rates to current rates on a
26 total bill basis. The increases are much lower on a total bill basis. The overall
27 increase for the small customer classes on a total bill basis is 10.2%. The average
28 residential rate RS customer bill will increase 9.2% and the average increase for
29 small C&I rate GS/GM is 9.3%. On a total bills basis, the average increase for
30 the lighting classes will be 7.4% over current rates.

31

1 Q. How do the proposed supply rates compare to the generation rate cap
2 (including the competitive transition charge) approved in Duquesne's
3 restructuring case?

4 A. Exhibit WVP-5 provides a comparison of class average POLR I generation rate
5 caps to the proposed supply rates. For the vast majority of residential and small
6 C&I customers, the proposed supply rates remain below Duquesne's restructuring
7 generation rate caps. These modest changes in residential and small C&I customer
8 rates are particularly remarkable given the significant increase in market prices in
9 the past ten years and the relatively high levels of customer shopping in
10 Duquesne's service area. Mr. O'Brien and Mr. Fisher provide more description
11 regarding how the Company was able to mitigate stranded costs, reduce rates, and
12 at the same time, promote retail competition.
13
14

15 **V. LARGE CUSTOMER SUPPLY RATES**

16
17 Q. What changes are you proposing to the supply rates of the large C&I rate
18 classes?

19 A. Rate schedules GL, GLH, L and HVPS define the large C&I rate classes and are
20 applicable to approximately 871 customers with monthly-metered demands
21 greater than 300 kW. Currently these customers have the option to purchase
22 default service supply from the Company under fixed price service ("FPS") retail
23 tariff Rider No. 8 or hourly price service ("HPS") Rider No. 9. FPS Rider No. 8
24 is scheduled to expire May 31, 2007. As described by Mr. O'Brien, Duquesne
25 will only offer HPS service to large C&I customers effective June 1, 2007.
26 Duquesne will no longer offer large C&I customers a fixed price option (Rider
27 No. 8), but rather will rely on EGS's to provide this service.
28

29 Q. Will this change affect many customers?

30 A. No. As of December 31, 2006, there were only six of an eligible 871 customers
31 on FPS service, less than 1%. Since FPS Rider No. 8 will terminate May 31,

1 2007, no customers will be on this rate when the Company implements its default
2 service plan January 1, 2008.

3

4 **Q. How will eliminating the fixed price option affect the retail tariff?**

5 A. Retail tariff Rider No. 8 will be eliminated. Rule 45.2 regarding switching rules
6 will be revised to eliminate its applicability to large C&I rate schedules since
7 Rider No. 8 is eliminated. The Generation Rate Adjustment switching rule
8 ("GRA") described in retail tariff Rider No. 23 is applicable only to customers
9 electing FPS Rider No. 8 and will also be eliminated. Upon elimination of Rider
10 No. 23, Duquesne will have no switching restrictions in the retail tariff other than
11 the protocols defined and required by the Commission.

12

13 **Q. Are you proposing changes to HPS Rider No. 9?**

14 A. Duquesne is not proposing any changes to the formula described in Rider No. 9
15 and will continue to offer hourly price default service to large C&I customers.
16 Duquesne is proposing to recover the cost of ancillary services and PJM
17 administrative costs in the same manner as it does today as defined in the Rider
18 No. 9 formula rate. Duquesne is, however, proposing to revise the fixed retail
19 adders defined in the rider.

20

21 **Q. Please described the current fixed retail adders in Rider No. 9?**

22 A. Table No. 3 summarizes the adders approved in the POLR III proceeding. The
23 adder for each rate class consists of a risk component and an administrative
24 charge component. The administrative charge component for each rate class is
25 \$1.35/MWh. The administrative charge adder was based on the incurred costs
26 and annual costs for POLR III and a forecast level of sales for large C&I
27 customers expected to remain on POLR III supply rates when they became
28 effective January 1, 2005.

29

30

31

DUQUESNE LIGHT COMPANY
SUPPLY RATES BY RATE SCHEDULE

Rate Class		Billing Unit	2007	2008	2009	2010	
RS	All kWh	¢/kWh	6.3031	7.1560	7.1560	7.1560	
RH	May thru October	¢/kWh	7.6604	7.1560	7.1560	7.1560	
	First 500 kWh - November thru April	¢/kWh	7.6604	7.1560	7.1560	7.1560	
	Additional kWh - November thru April	¢/kWh	2.6133	4.1275	5.6418	7.1560	
RA	May thru October	¢/kWh	7.7806	7.1560	7.1560	7.1560	
	First 500 kWh - November thru April	¢/kWh	7.7806	7.1560	7.1560	7.1560	
	Additional kWh - November thru April	¢/kWh	2.7020	4.1867	5.6713	7.1560	
GS	First 1300 kWh	¢/kWh	7.9914	7.0830	7.0830	7.0830	
	Additional kWh	¢/kWh	3.4824	7.0830	7.0830	7.0830	
GM	Demand first 5 kW	\$/kW/mo.	\$0.00	\$0.00	\$0.00	\$0.00	
	Demand additional kW	\$/kW/mo.	\$9.28	\$6.19	\$3.09	\$0.00	
	First 1300 kWh	¢/kWh	7.9914	7.0830	7.0830	7.0830	
	Additional kWh	¢/kWh	3.4824	5.2849	6.1840	7.0830	
GMH	Demand first 5 kW	\$/kW/mo.	\$0.00	\$0.00	\$0.00	\$0.00	
	Demand additional kW	\$/kW/mo.	\$9.66	\$6.19	\$3.09	\$0.00	
	First 1300 kWh - June thru September	¢/kWh	8.2699	7.0830	7.0830	7.0830	
	Additional kWh - June thru September	¢/kWh	3.0442	5.2849	6.1840	7.0830	
	First block kWh - October thru May	¢/kWh	7.2685	7.0830	7.0830	7.0830	
	Additional kWh - October thru May	¢/kWh	3.0442	4.3905	5.7367	7.0830	
AL	Demand all kW	\$/kW/mo.	\$5.06	\$0.00	\$0.00	\$0.00	
	First 300 kWh	¢/kWh	7.1574	5.9230	5.9230	5.9230	
	Additional kWh	¢/kWh	1.7392	5.9230	5.9230	5.9230	
SE	All kWh	¢/kWh	3.8918	5.9230	5.9230	5.9230	
SM	Mercury Vapor (\$/fixture/month)	kWh/mo.					
	100 watts	44	\$1.60	\$2.61	\$2.61	\$2.61	
	175 watts	74	\$2.07	\$4.38	\$4.38	\$4.38	
	250 watts	102	\$2.58	\$6.04	\$6.04	\$6.04	
	400 watts	161	\$3.49	\$9.54	\$9.54	\$9.54	
	1000 watts	386	\$7.56	\$22.86	\$22.86	\$22.86	
	Sodium Vapor (\$/fixture/month)						
	70 watts	29	\$1.62	\$1.72	\$1.72	\$1.72	
	100 watts	50	\$2.07	\$2.96	\$2.96	\$2.96	
	150 watts	71	\$2.46	\$4.21	\$4.21	\$4.21	
	250 watts	110	\$3.59	\$6.52	\$6.52	\$6.52	
	400 watts	170	\$4.68	\$10.07	\$10.07	\$10.07	
	1000 watts	387	\$9.77	\$22.92	\$22.92	\$22.92	
	SH	Sodium Vapor (\$/fixture/month)	kWh/mo.				
		100 watts	50	\$5.72	\$2.96	\$2.96	\$2.96
150 watts		71	\$7.02	\$4.21	\$4.21	\$4.21	
200 watts		95	\$8.35	\$5.63	\$5.63	\$5.63	
400 watts		170	\$13.54	\$10.07	\$10.07	\$10.07	
UMS	First 1,300 kWh	¢/kWh	7.2530	6.7180	6.7180	6.7180	
(Unmetered)	Additional kWh	¢/kWh	1.6954	6.7180	6.7180	6.7180	
PAL	High Pressure Sodium (\$/fixture/month)	kWh/mo.					
	70 watts	29	\$1.62	\$1.72	\$1.72	\$1.72	
	100 watts	50	\$2.07	\$2.96	\$2.96	\$2.96	
	150 watts	71	\$2.45	\$4.21	\$4.21	\$4.21	
	250 watts	110	\$3.58	\$6.52	\$6.52	\$6.52	
	400 watts	170	\$4.67	\$10.07	\$10.07	\$10.07	
	Flood Lighting (\$/fixture/month)						
	100 watts	46	\$1.86	\$2.72	\$2.72	\$2.72	
	150 watts	67	\$2.17	\$3.97	\$3.97	\$3.97	
	250 watts	100	\$2.61	\$5.92	\$5.92	\$5.92	
	400 watts	155	\$3.34	\$9.18	\$9.18	\$9.18	
	Unmetered (\$/fixture/month)						
	70 watts	29	\$1.27	\$1.72	\$1.72	\$1.72	
	100 watts	46	\$2.02	\$2.72	\$2.72	\$2.72	
	150 watts	67	\$2.93	\$3.97	\$3.97	\$3.97	
	250 watts	100	\$4.37	\$5.92	\$5.92	\$5.92	
	400 watts	155	\$6.78	\$9.18	\$9.18	\$9.18	

DUQUESNE LIGHT COMPANY
RATE CLASS AVERAGE RATES (CENTS/KWH)

Proposed Class Average Rates 2008 (1)

Rate Class	Distribution	Transmission	Supply
RS	5.40	0.60	7.16
RH	4.11	0.42	5.87
RA	3.14	0.59	6.32
GS/GM	2.67	0.52	7.08
GMH	2.40	0.45	6.17
AL	0.94	0.26	5.92
SE	5.50	0.26	5.92
SM	30.22	0.26	5.92
SH	13.42	0.26	5.92
UMS	5.09	0.41	6.72
PAL	12.33	0.26	5.92
Weighted Avg.	4.23	0.55	6.99
Residential	5.25	0.58	7.02
Small C&I	2.64	0.52	6.99
Lighting/UMS	14.74	0.30	6.13

Total
Average
Charge

13.16
10.40
10.04
10.28
9.02
7.12
11.68
36.40
19.60
12.22
18.51

11.77

12.85

10.14

21.17

Proposed Class Average Rates 2009 (1)

Rate Class	Distribution	Transmission	Supply
RS	5.40	0.60	7.16
RH	4.11	0.42	6.51
RA	3.14	0.59	6.74
GS/GM	2.67	0.52	7.08
GMH	2.40	0.45	6.62
AL	0.94	0.26	5.92
SE	5.50	0.26	5.92
SM	30.22	0.26	5.92
SH	13.42	0.26	5.92
UMS	5.09	0.41	6.72
PAL	12.33	0.26	5.92
Weighted Avg.	4.23	0.55	7.05

Total
Average
Charge

13.16
11.04
10.46
10.28
9.48
7.12
11.68
36.40
19.60
12.22
18.51

11.83

Residential

5.25

0.58

7.09

12.92

Small C&I

2.64

0.52

7.03

10.19

Lighting/UMS

14.74

0.30

6.13

21.17

Proposed Class Average Rates 2010 (1)

Rate Class	Distribution	Transmission	Supply
RS	5.40	0.60	7.16
RH	4.11	0.42	7.16
RA	3.14	0.59	7.16
GS/GM	2.67	0.52	7.08
GMH	2.40	0.45	7.08
AL	0.94	0.26	5.92
SE	5.50	0.26	5.92
SM	30.22	0.26	5.92
SH	13.42	0.26	5.92
UMS	5.09	0.41	6.72
PAL	12.33	0.26	5.92
Weighted Avg.	4.23	0.55	7.11
Residential	5.25	0.58	7.16
Small C&I	2.64	0.52	7.08
Lighting/UMS	14.74	0.30	6.13

Total
Average
Charge

13.16
11.68
10.88
10.28
9.93
7.12
11.68
36.40
19.60
12.22
18.51

11.89

12.99

10.24

21.17

1/ Assumes no increase to distribution rates 2008-2010. Transmission rates do not reflect changes resulting from annual FERC formula filings.

DUQUESNE LIGHT COMPANY
 CLASS AVERAGE SUPPLY RATES
 CURRENT RATES VERSUS PROPOSED DEFAULT SERVICE RATES (CENTS/KWH)

Rate Class	Current	Proposed Supply Rates					
	POLR III Supply Rates (1)	2008 (2)	Change Over POLR III	2009 (2)	Change Over POLR III	2010 (2)	Change Over POLR III
RS	6.30	7.41	17.6%	7.41	17.6%	7.41	17.6%
RH	5.53	6.13	11.0%	6.77	22.6%	7.41	34.2%
RA	6.35	6.58	3.5%	6.99	10.1%	7.41	16.7%
GS/GM	6.46	7.34	13.6%	7.34	13.6%	7.34	13.6%
GMH	5.48	6.42	17.2%	6.88	25.5%	7.34	33.9%
AL	6.43	6.18	-3.9%	6.18	-3.9%	6.18	-3.9%
SE	3.89	6.18	58.8%	6.18	58.8%	6.18	58.8%
SM	4.38	6.18	41.1%	6.18	41.1%	6.18	41.1%
SH	8.72	6.18	-29.1%	6.18	-29.1%	6.18	-29.1%
UMS	7.03	6.98	-0.7%	6.98	-0.7%	6.98	-0.7%
PAL	2.87	6.18	115.5%	6.18	115.5%	6.18	115.5%
Weighted Avg.	6.27	7.25	15.7%	7.31	16.6%	7.37	17.6%
Residential	6.23	7.28	16.9%	7.35	18.0%	7.41	19.1%
Small C&I	6.36	7.24	13.9%	7.29	14.7%	7.34	15.4%
Lighting/UMS	4.93	6.39	29.5%	6.39	29.5%	6.39	29.5%

1/ Current supply rates include ancillary services and the PJM surcharge of .0708 cents per kWh per retail tariff Rider No. 1.

2/ For equivalent comparison, proposed supply rates include ancillary service costs (.2175 cents per kWh) and PJM administrative costs (.0408 cents per kWh). However, these costs will be recovered through the Company's transmission rates. Proposed supply rates also include the costs and risks with PJM RPM capacity requirements and new renewable energy supply requirements.

DUQUESNE LIGHT COMPANY
TOTAL BILL COMPARISON AT CLASS AVERAGE RATES
CURRENT RATES VERSUS PROPOSED DEFAULT SERVICE RATES (CENTS/KWH)

Rate Class	Current Rates (POLR III)				Proposed Total Average Charges (1)					
	D	T	S	Total	2008	Change Over POLR III	2009	Change Over POLR III	2010	Change Over POLR III
RS	5.40	0.34	6.30	12.05	13.16	9.2%	13.16	9.2%	13.16	9.2%
RH	4.11	0.16	5.53	9.79	10.40	6.2%	11.04	12.7%	11.68	19.3%
RA	3.14	0.33	6.35	9.82	10.04	2.3%	10.46	6.6%	10.88	10.8%
GS/GM	2.67	0.27	6.46	9.40	10.28	9.3%	10.28	9.3%	10.28	9.3%
GMH	2.40	0.19	5.48	8.07	9.02	11.7%	9.48	17.3%	9.93	23.0%
AL	0.94	0.00	6.43	7.37	7.12	-3.4%	7.12	-3.4%	7.12	-3.4%
SE	5.50	0.00	3.89	9.39	11.68	24.4%	11.68	24.4%	11.68	24.4%
SM	30.22	0.00	4.38	34.60	36.40	5.2%	36.40	5.2%	36.40	5.2%
SH	13.42	0.00	8.72	22.14	19.60	-11.5%	19.60	-11.5%	19.60	-11.5%
UMS	5.09	0.15	7.03	12.27	12.22	-0.4%	12.22	-0.4%	12.22	-0.4%
PAL	12.33	0.00	2.87	15.20	18.51	21.8%	18.51	21.8%	18.51	21.8%
Weighted Avg.	4.23	0.29	6.27	10.79	11.77	9.1%	11.83	9.7%	11.89	10.2%
Residential	5.25	0.32	6.23	11.80	12.85	8.9%	12.92	9.5%	12.99	10.1%
Small C&I	2.64	0.26	6.36	9.26	10.14	9.6%	10.19	10.1%	10.24	10.6%
Lighting/UMS	14.74	0.04	4.93	19.72	21.17	7.4%	21.17	7.4%	21.17	7.4%

1/ Assumes no increase to distribution rates 2008-2010. Proposed Total Class Average rates do not reflect changes in transmission rates resulting from annual FERC formula filings.

DUQUESNE LIGHT COMPANY
 CLASS AVERAGE SUPPLY RATES
 POLR I RATES VERSUS PROPOSED DEFAULT SERVICE RATES (CENTS/KWH)

Rate Class	POLR I Supply Rate (1)	Total Supply Cost					
		2008 (2)	Change Over POLR I	2009 (2)	Change Over POLR I	2010 (2)	Change Over POLR I
RS	8.16	7.41	-9.1%	7.41	-9.1%	7.41	-9.1%
RH	7.11	6.13	-13.8%	6.77	-4.7%	7.41	4.3%
RA	7.88	6.58	-16.6%	6.99	-11.3%	7.41	-6.0%
GS/GM	7.60	7.34	-3.4%	7.34	-3.4%	7.34	-3.4%
GMH	6.52	6.42	-1.4%	6.88	5.6%	7.34	12.6%
AL	6.38	6.18	-3.1%	6.18	-3.1%	6.18	-3.1%
SE	5.44	6.18	13.6%	6.18	13.6%	6.18	13.6%
SM	10.59	6.18	-41.6%	6.18	-41.6%	6.18	-41.6%
SH	10.90	6.18	-43.3%	6.18	-43.3%	6.18	-43.3%
UMS	9.00	6.98	-22.5%	6.98	-22.5%	6.98	-22.5%
PAL	6.88	6.18	-10.2%	6.18	-10.2%	6.18	-10.2%
Weighted Avg.	7.81	7.25	-7.1%	7.31	-6.4%	7.37	-5.6%
Residential	8.05	7.28	-9.6%	7.35	-8.7%	7.41	-7.9%
Small C&I	7.49	7.24	-3.2%	7.29	-2.6%	7.34	-1.9%
Lighting/UMS	8.36	6.39	-23.6%	6.39	-23.6%	6.39	-23.6%

1/ Average supply rates include class average competitive transition charges.
 2/ Includes ancillary services and PJM administrative costs.

Excerpts from Krajovic
St. No. 5 and Exhibit NJDK-3
in Docket no. P-00072247

APPENDIX D

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

DOCUMENT
FOLDER

DIRECT TESTIMONY OF
NANCY J. KRAJOVIC

DOCKETED **D**
MAY 08 2007

Dated: January 25, 2007

1 contain an adjustment feature that can be applied to the discount rate for an
2 individual EGS if the 60-days or older uncollectible amount for that specific EGS
3 exceeds 5% of its total annual consolidated billings. The rate of 5% is more than
4 twice Duquesne's 60-day uncollectible rate, but will provide the Company with
5 some protection from a scenario in which an EGS might engage in unusual
6 behavior under the assurances of full payment from Duquesne.

7
8 Finally, this agreement allows all parties, including the Company, to avoid
9 contentious litigation associated with the unbundling of POLR costs from
10 distribution rates since the Agreement provides that there will be no further
11 unbundling of costs during the term of the Agreement.

12
13 **Q. Given the balance of interests that you describe, what do you recommend?**

14 **A.** I recommend that the Commission approve the POR agreement without
15 modification. A considerable effort prior to this filing was made by Duquesne
16 and other parties to develop this program. The POR program will promote retail
17 competition, and at the same time continue to protect customers and avoid
18 contentious litigation associated with the unbundling of POLR costs from
19 distribution rates.

20
21 **RETAIL TARIFF MODIFICATION**

22
23 **Q. What tariff modifications are included in Exhibit NJDK-3.**

24 **A.** Pages 2 – 2G itemize the modifications contained in the draft supplement to the
25 Company's retail Tariff submitted as Exhibit NJDK-3. Generally, the draft
26 supplement contains the new supply rates and rate design changes proposed by
27 the Company and sponsored by Mr. Pfrommer in his testimony, as well as
28 modifications to support the POR.

Duquesne Light Company
Proposed Changes
to Duquesne Light Company's
Tariff Electric – PA. P.U.C. No. 24

January 23, 2007

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 5 - TIME OF DAY DISCOUNTS

(Applicable to Rates GS/GM, GL and L and to Rates GMH and GLH
during the months of June, July, August and September only)

The availability and application of Rider No. 5 – Time of Day Discounts will terminate December 31, 2010. (C)

Where a customer has a separately measured demand and is supplied by any standard service voltage and where such customer so operates that the maximum demand created during any billing period occurs during off-peak hours, the bills will be calculated using the Billing Demand defined below on the applicable rate and any other applicable riders.

CONTRACT DEMANDS

The Contract On-Peak Demand is the maximum electrical capacity in kilowatts which the Company shall be required by the contract to make available during the on-peak hours to the customer.

The Contract Off-Peak Demand is the maximum electrical capacity in kilowatts which the Company shall be required by the contract to make available during the off-peak hours to the customer. The customer's minimum Billing Demand shall be no lower than one-third (33 1/3%) of the customer's Contract Off-Peak Demand.

The customer shall not establish a demand greater than 105 percent of the individual demands specified in the customer's contract unless written approval shall first have been obtained from the Company. If the customer establishes a repeated pattern of exceeding the Contract Demand, the Contract Demand may be raised to the highest demand established for the remaining term of the contract.

DEMANDS AND ENERGIES

The On-Peak Demand is the demand during on-peak hours. The Off-Peak Demand is the demand during off-peak hours.

Demands and energies will be determined on an individual demand basis and corresponding quantities will be combined to obtain demands and energies for billing purposes.

Rates GL, GLH and L

For customers on Rates GL, GLH and L who purchase their electric supply requirements from the Company, the discounts available under the provisions of this rider will apply only to the demand charges billed for distribution. (C)
The demand charges billed for supply provided under Rider No. 9 will not be impacted by this rider. For (C)
customers on Rates GL, GLH and L who purchase their electric supply requirements from an EGS, the discounts (C)
available under the provisions of this rider will apply only to the demand charges billed for distribution service.

(C) – Indicates Change

ISSUED: XXXXXXXX XX, XXXX

EFFECTIVE: JANUARY 1, 2008

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

WHEMCO-STEEL CASTING, INC.

v.

DUQUESNE LIGHT COMPANY

:
:
:
:
:

DOCKET NO. C-2014-2459527

CERTIFICATE OF SERVICE

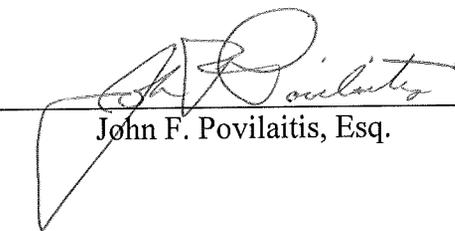
I hereby certify that I have this day served a true and correct copy of the Motion of Whemco-Steel Casting, Inc. to Determine Sufficiency of Duquesne Light Company Responses to Request for Admission Set I, upon the parties and in the manner listed below:

Via Email and First-Class Mail

Michael W. Gang
Anthony D. Kanagy
Post & Schell PC
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Tishekia E. Williams
Duquesne Light Company
411 Seventh Avenue, 16th Fl.
Pittsburgh, PA 15219
twilliams@duqlight.com

Dated this 17th day of April, 2015.



John F. Povilaitis, Esq.