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COUNSELORS AT LAW

John H. Isom
Of Counsel
717.237.4022
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ORIGINAL

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JUL 29 11:01
SECRETARY'S BUREAU

July 29, 2005

VIA HAND DELIVERY

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

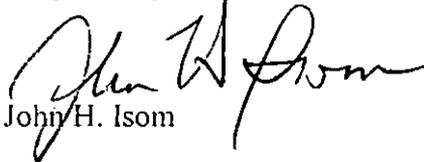
DOCUMENT
FOLDER

Re: Pennsylvania Public Utility Commission v. Duquesne Light Company
Docket No. R-00050662C0001

Dear Secretary McNulty:

Enclosed, for filing, are an original and three (3) copies of the Answer of Duquesne Light Company to the Complaint of the Small Business Advocate in the above-referenced proceeding. As indicated on the certificate of service, copies have been served on the parties in the manner indicated.

Respectfully submitted,


John H. Isom

JHI/jl

Enclosures

c: Certificate of Service

56

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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AUG 1 2005

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Pennsylvania Public Utility Commission

:

v.

Docket No. R-00050662C000

Duquesne Light Company

DOCUMENT
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ANSWER OF DUQUESNE LIGHT COMPANY
TO THE COMPLAINT OF THE SMALL BUSINESS ADVOCATE

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Duquesne Light Company ("Duquesne") hereby answers the above-captioned Complaint of William R. Lloyd, Jr., Small Business Advocate, as follows:

1. The averments of Paragraph No. 1 of the Complaint are admitted.
2. The averments of Paragraph No. 2 of the Complaint are admitted.
3. The averments of Paragraph No. 3 of the Complaint are admitted.
4. The averments of Paragraph No. 4 of the Complaint are conclusions of law to

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which no response is required.

5. In response to Paragraph No. 5 of the Complaint, it is admitted that on June 17, 2005, Duquesne filed Supplement No. 28 to Tariff Electric – Pa. P.U.C. No. 23, to become effective on August 16, 2005. There, Duquesne proposed Rider No. 7 – SECA Charge ("Rider 7"). Rider 7 is designed to recover Seams Elimination Charge Adjustment ("SECA") charges that are being billed to Duquesne by the PJM Interconnection, Inc. ("PJM") under its Open Access Transmission Tariff. The SECA charge set forth in Rider 7 is \$0.001557 per kWh. When Rider 7 is effective, this amount will be billed to all customers purchasing transmission services from Duquesne. Rider 7 is designed to produce approximately \$11 million plus applicable gross receipts tax in additional operating revenues over a sixteen-month period. Rider

7 is a reconcilable surcharge under which Duquesne will recover actual SECA charges imposed upon it by PJM and related gross receipts tax. Duquesne will cease billing the SECA charge when it has recovered fully all SECA charges imposed upon it by PJM.

6. The averments of Paragraph No. 6 of the Complaint are denied. To the contrary, Rider 7 is fully supported by the materials filed by Duquesne and is just, reasonable, and not unduly discriminatory. Further, Rider 7 complies with all applicable provisions of the Public Utility Code. In addition, Duquesne's present and proposed rates, rules and conditions of service are just, reasonable and not unduly discriminatory.

7. In response to Paragraph No. 7 of the Complaint, it is admitted that there is uncertainty with regard to the amount of SECA charges which Duquesne will ultimately be required to pay to PJM. Such uncertainty results primarily from challenges to PJM's SECA charges which are pending before the FERC and federal courts. It is admitted further that, due in part to this uncertainty, it is appropriate for Duquesne to recover the SECA charges imposed upon it by PJM under a reconcilable automatic adjustment clause so that Duquesne will recover the actual amount of SECA charges imposed upon it by PJM plus gross receipts tax but no more.

8. In response to Paragraph No. 8 of the Complaint, it is admitted that allowing Duquesne to begin to recover SECA charges from PJM is appropriate to enable electric generation suppliers ("EGSs") to charge their customers in the Duquesne service territory for SECA charges imposed upon those EGSs by PJM.

9. The averments of Paragraph No. 9 of the Complaint are conclusions of law to which no response is required. By way of further response, however, Rider 7 is just and reasonable and complies fully with Section 1307(a) of the Public Utility Code.

10. In response to Paragraph No. 10 of the Complaint, it is admitted that, unless Duquesne is permitted to collect SECA charges in the near future, Duquesne's "price to compare" could encourage customers to utilize Provider of Last Resort ("POLR") generation services provided by Duquesne and discourage customers from utilizing generation services provided by EGSs which have increased their prices to recover SECA charges that they are incurring from PJM.

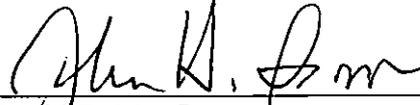
11. Duquesne admits the averments of Paragraph No. 11 of the Complaint to the extent that the OSBA does not oppose Rider 7 becoming effective in the near future. Duquesne does not object to any requirement that it refund to customers any amounts recovered under Rider 7 which have been finally determined to have been contrary to law, but Rider 7 complies fully with all applicable provisions of the Public Utility Code.

12. In response to Paragraph No. 12 of the Complaint, it is admitted that Duquesne intends to file a general increase in base rates during the first half of 2006. Duquesne believes, however, that no investigation of Rider 7 is necessary or appropriate because Duquesne has demonstrated in the supporting data that Rider 7 is just, reasonable and complies with all applicable provisions of the Public Utility Code.

13. The averments of Paragraph No. 13 of the Complaint are requests for relief to which no response is required.

WHEREFORE, for all the foregoing reasons, Duquesne Light Company respectfully requests that the Complaint of the Small Business Advocate be denied.

Respectfully submitted,



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Richard Herskovitz
Assistant General Counsel
Duquesne Light Company
411 Seventh Avenue
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Pittsburgh, PA 15219
Voice: 412.393.3662
Fax: 412.393.5602
E-mail: rherskovitz@duqlight.com

Of Counsel:

Morgan, Lewis & Bockius LLP

Date: July 29, 2005

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **“Answer of Duquesne Light Company to the Complaint of the Small Business Advocate** has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA FIRST CLASS MAIL

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

Johnnie E. Simms
Office of Trial Staff
PA Public Utility Commission
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PO Box 3265
Harrisburg, PA 17105-3265

Pamela C. Polacek
McNees, Wallace & Nurick
100 Pine Street
PO Box 1166
Harrisburg, PA 17108

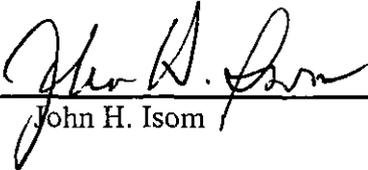
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Daniel Clearfield
Kevin J. Moody
Wolf Block Schorr and Solis-Cohen LLP
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Suite 300
Harrisburg, PA 17101

Julie Coletti
Assistant General Counsel
Strategic Energy, L.L.C.
Two Gateway Center
Pittsburgh, PA 15222

Brian Vayda
Manager, Regulatory Affairs
Strategic Energy, L.L.C.
16 Amy Lane
Sugarloaf, PA 18249

Date: July 29, 2005



John H. Isom

SECRETARY'S BUREAU

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ORIGINAL

August 2, 2005

VIA HAND DELIVERY

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

**DOCUMENT
FOLDER**

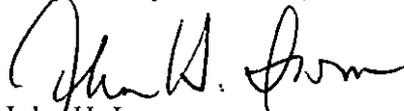
Re: Pennsylvania Public Utility Commission v. Duquesne Light Company
Docket No. R-00050662C0001

Dear Secretary McNulty:

Enclosed, for filing, are an original and three (3) copies of an Affidavit of Fred J. Eichenmiller which, as a result of an oversight, was omitted from the Answer of Duquesne Light Company to the Complaint of the Small Business Advocate that was filed on July 29, 2005 in the above-referenced proceeding.

As indicated on the certificate of service, copies of this Affidavit have been served on the parties in the manner indicated.

Respectfully submitted,


John H. Isom
JHI/jl

Enclosure

c: Certificate of Service

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2005 AUG -2 AM 11:26
SECRETARIAT'S BUREAU

6

AFFIDAVIT

STATE OF PENNSYLVANIA :
: SS.
COUNTY OF DAUPHIN :

Fred J. Eichenmiller, being duly sworn according to law, deposes and states that he is General Manager-Rates & Regulatory Affairs for Duquesne Light Company, that he is authorized to make this affidavit on behalf of Duquesne Light Company, that the facts set forth in the foregoing Answer to Complaint are true and correct to the best of his knowledge, information and belief; and that he expects Duquesne Light Company to be able to prove the same at any hearing hereof.

Fred J. Eichenmiller
Fred J. Eichenmiller

SWORN TO AND SUBSCRIBED
before me this 1st day of August, 2005

Cynthia A. Rosborough
Notary Public
My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Cynthia A. Rosborough, Notary Public
City Of Harrisburg, Dauphin County
My Commission Expires Aug. 5, 2007
Member, Pennsylvania Association Of Notaries

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AUG 04 2005

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CERTIFICATE OF SERVICE

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

VIA FEDERAL EXPRESS

Julie Coletti
Assistant General Counsel
Strategic Energy, L.L.C.
Two Gateway Center
Pittsburgh, PA 15222

Brian Vayda
Manager, Regulatory Affairs
Strategic Energy, L.L.C.
16 Amy Lane
Sugarloaf, PA 18249

VIA HAND DELIVERY

Tanya J. McCloskey
Assistant Consumer Advocate
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555 Walnut Street
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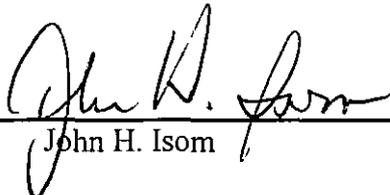
Johnnie E. Simms
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Daniel Clearfield
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Wolf Block Schorr and Solis-Cohen LLP
212 Locust Street
Suite 300
Harrisburg, PA 17101

Date: August 2, 2005



John H. Isom

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2005 AUG -2 20:11:24
SECRETARY'S BUREAU

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ORIGINAL

August 2, 2005

VIA HAND DELIVERY

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

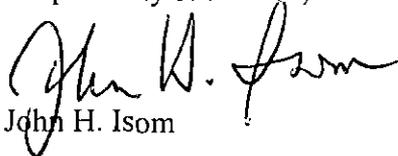
DOCUMENT
FOLDER

Re: Irwin A. Popowsky, Consumer Advocate v. Duquesne Light Company
Docket No. R-00050662C00003

Dear Secretary McNulty:

Enclosed, for filing, are an original and three (3) copies of the Answer of Duquesne Light Company to the Complaint of Irwin A. Popowsky, Consumer Advocate in the above-referenced proceeding. As indicated on the certificate of service, copies have been served on the parties in the manner indicated.

Respectfully submitted,


John H. Isom

JHI/jl

Enclosures

c: Certificate of Service

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ORIGINAL
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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AUG 04 2005 11:27
REGISTRATION BUREAU

Irwin A. Popowsky, Consumer Advocate :
v. : Docket No. R-00050662C0003
Duquesne Light Company :

**ANSWER OF DUQUESNE LIGHT COMPANY TO THE
COMPLAINT OF IRWIN A. POPOWSKY, CONSUMER ADVOCATE**

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Duquesne Light Company (“Duquesne”) hereby answers the above-captioned Complaint of Irwin A. Popowsky, Consumer Advocate, as follows:

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AUG 04 2005

1. The averments of Paragraph No. 1 of the Complaint are admitted.
2. The averments of Paragraph No. 2 of the Complaint are admitted.
3. The averments of Paragraph No. 3 of the Complaint are admitted.
4. Duquesne hereby answers each of the separately designated sub-paragraphs of

Paragraph No. 4 of the Complaint as follows.

- A. The averments of Paragraph No. 4.A. of the Complaint are admitted.
- B. The averments of Paragraph No. 4.B. of the Complaint are admitted

except that Duquesne’s proposed SECA Charge that is set forth in Rider 7, which is proposed in Supplement No. 28 to Duquesne’s Tariff Electric – Pa. P.U.C. No. 23, is designed to recover approximately \$11 million in SECA charges imposed on Duquesne by PJM Interconnection, Inc. (“PJM”) under compliance filings that have been accepted by the Federal Energy Regulatory Commission (“FERC”) plus related Pennsylvania gross receipts tax on such amount. Duquesne in Rider 7 proposes that the SECA Charge be reconcilable so that Duquesne will recover the amount of SECA charges actually imposed on Duquesne by PJM on a dollar-for-dollar basis.

C. The averments of Paragraph No. 4.C. of the Complaint are conclusions of law to which no response is required. By way of further response, however, Duquesne has demonstrated through the data submitted in support of Rider 7 – SECA Charge, that Rider 7 will not produce more than a fair rate of return and that Rider 7 will merely provide for recovery of actual SECA charges imposed upon Duquesne by PJM, on a dollar-for dollar basis.

D. The averments of Paragraph No. 4.D. of the Complaint are conclusions of law to which response is required.

E. The averments of Paragraph No. 4.E. of the Complaint are denied. To the contrary, Duquesne has demonstrated, through data filed in support of Rider 7 – SECA Charge, that it will not produce more than a fair rate of return and that it will merely provide for dollar-for-dollar recovery of SECA charges imposed upon Duquesne by PJM pursuant to compliance filings accepted by the FERC.

F. The averments of Paragraph No. 4.F. of the Complaint are conclusions of law to which no response is required. By way of further response, however, in its filing, Duquesne has demonstrated that Rider 7 - SECA Charge meets all of the legal requirements of Section 1307(a) of the Public Utility Code, 66 Pa.C.S. § 1307(a). Further, if the Commission were to conclude that further examination or investigation of Rider 7 is appropriate, because Rider 7 is a reconcilable surcharge, such investigation could be conducted after Rider 7 has become effective.

G. The averments of Paragraph No. 4.G. of the Complaint are denied. The fact that there is a degree of uncertainty with regard to the total amount of SECA charges that ultimately will be imposed upon Duquesne by PJM pursuant to final orders of the FERC does not mean that Rider 7 should not be allowed to become effective. To the contrary, to address this

issue, Duquesne has proposed that Rider 7 be a reconcilable surcharge so that it will be able to recover from customers exactly the amount of SECA charges ultimately imposed upon it by PJM. Any excess recoveries by Duquesne under Rider 7 will be refunded to customers under Rider 7 as proposed by Duquesne.

H. The averments of Paragraph No. 4.H. of the Complaint are denied. To the contrary, Duquesne's proposed Rider 7 clearly states that it would permit Duquesne to recovery, on a dollar-for-dollar basis, actual SECA charges imposed upon Duquesne by PJM. As explained in Duquesne's filing in support of Rider 7, any amount recovered by Duquesne under Rider 7 that exceeds the amount of SECA charges actually imposed upon Duquesne by PJM will be refunded to customers.

5. The averments of Paragraph No. 5 of the Complaint are requests for relief to which no response is required. By way of further response, however, Duquesne notes that, because amounts recovered by Duquesne under Rider 7 are subject to refund, any investigation of Rider 7 that the Commission determines to be appropriate could take place after Rider 7 becomes effective.

WHEREFORE, for all the foregoing reasons, Duquesne Light Company respectfully requests that the Complaint of Irwin A. Popowsky, Consumer Advocate, be denied.

Respectfully submitted,



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Morgan, Lewis & Bockius LLP
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Of Counsel:

Morgan, Lewis & Bockius LLP

Date: August 2, 2005

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Fax: 412.393.5602
E-mail:rherskovitz@duqlight.com

AFFIDAVIT

STATE OF PENNSYLVANIA :
 : SS.
COUNTY OF DAUPHIN :

Fred J. Eichenmiller, being duly sworn according to law, deposes and states that he is General Manager-Rates & Regulatory Affairs for Duquesne Light Company, that he is authorized to make this affidavit on behalf of Duquesne Light Company, that the facts set forth in the foregoing Answer to Complaint are true and correct to the best of his knowledge, information and belief; and that he expects Duquesne Light Company to be able to prove the same at any hearing hereof.

Fred J. Eichenmiller
Fred J. Eichenmiller

SWORN TO AND SUBSCRIBED
before me this 1st day of August, 2005

Cynthia A. Rosborough

Notary Public
My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Cynthia A. Rosborough, Notary Public
City Of Harrisburg, Dauphin County
My Commission Expires Aug. 5, 2007
Member, Pennsylvania Association Of Notaries

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing "Answer Duquesne Light Company to the Complaint of Irwin A. Popowsky, Consumer Advocate has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA FEDERAL EXPRESS

Julie Coletti
Assistant General Counsel
Strategic Energy, L.L.C.
Two Gateway Center
Pittsburgh, PA 15222

Brian Vayda
Manager, Regulatory Affairs
Strategic Energy, L.L.C.
16 Amy Lane
Sugarloaf, PA 18249

VIA HAND DELIVERY

Tanya J. McCloskey
Assistant Consumer Advocate
Office of Consumer Advocate
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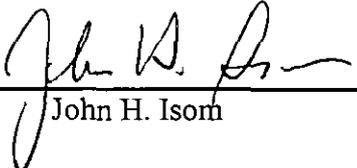
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Daniel Clearfield
Kevin J. Moody
Wolf Block Schorr and Solis-Cohen LLP
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Suite 300
Harrisburg, PA 17101

Date: August 2, 2005



John H. Isom

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ORIGINAL

August 5, 2005

VIA HAND DELIVERY

James McNulty, Secretary
PA Public Utility Commission
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P.O. Box 3265
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

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2005 AUG -5 PM 4:08
PA PUC
SECRETARY'S BUREAU

Re: PA Public Utility Commission v. Duquesne Light
Company; Docket No. R-00050662
Strategic Energy, L.L.C. v. Duquesne Light Company;
Docket No. R-00050662C0002

Dear Secretary McNulty:

Enclosed please find the original and three copies of Strategic Energy L.L.C.'s Motion for Interim Decision for filing in the above-referenced matter. As evidenced by the attached Certificate of Service, all parties of record have been served in the manner indicated.

Sincerely,



Daniel Clearfield

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

DC/jls
Enclosures

cc: Certificate of Service (w/enc)
Hon. Wendell Holland, Chairman
Hon. Joseph Cawley, Vice-Chairman
Hon. William Shane, Commissioner
Hon. Kim Pizzingrilli, Commissioner
Hon. Terrance Fitzpatrick, Commissioner
Bohdan Pankiw, Esquire
Robert A. Rosenthal, Director, FUS

HAR:60481.1/STR163-230273

51

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

2005 AUG -5 PM 4: 08
PA PUC
SECRETARY'S BUREAU

RECEIVED

Pennsylvania Public Utility Commission :
v. : Docket No. R-00050662
Duquesne Light Company :
Strategic Energy, L.L.C. :
v. : Docket No. R-00050662C0002
Duquesne Light Company :

MOTION OF STRATEGIC ENERGY, L.L.C.
FOR INTERIM DECISION

As explained in Strategic Energy, L.L.C.'s ("Strategic") complaint in this matter, if permitted to become effective as filed, Duquesne Light Company's ("Duquesne") proposed "Rider 7 – SECA Charge" is unreasonably discriminatory and inconsistent with the Electric Choice Act¹ and would seriously threaten the continued viability of retail competition in the Duquesne Zone. It must not be permitted to be put into effect – even on an interim basis. At the same time, in order to avoid Duquesne and other LSEs from being prejudiced by a delay in recovery from end users of the PJM-billed Seams Elimination Charge Adjustment ("SECA") charges, Strategic proposes that the PUC give Duquesne the option of withdrawing proposed Rider 7 and filing a tariff supplement designed to recover, subject to hearings and reconciliation, the full amount of the SECA liabilities attributable to the Duquesne Zone through a nonbypassable charge to distribution customers for the 15-month period that the SECA charges are imposed. This approach would avoid the adverse anticompetitive effects of Duquesne's proposal and allow for any necessary investigation of Strategic's "nonbypassable distribution charge" approach to collecting the SECA obligations without increasing the total SECA liability

¹ 66 Pa. C.S. Chapter 28, §§ 2801-2812.

for customers. Strategic's distribution recovery approach is similar to the approach Duquesne proposed for recovering its costs of procuring available capacity ("ACAP") "on behalf of its customers," both POLR and shopping load, when Duquesne proposed to join PJM West in May 2002 and is thus fully authorized and reasonable.

Need For Interim Order

Duquesne's proposed Rider 7 will become effective as filed on August 16, 2005, unless otherwise ordered by the Commission. The Commission's regulations provide that a request for relief not otherwise expressly provided for in the regulations may be made by motion, which may be made in writing at any time.² As the Commission's next Public Meeting (August 11, 2005) is scheduled before Duquesne's proposed Rider 7 is to become effective, Strategic suggests that it is necessary and appropriate for the Commission to consider this motion at its August 11, 2005 Public Meeting rather than assigning the motion to a presiding officer for an initial ruling.

Strategic's Complaint Establishes A Prima Facie Case That Duquesne's Proposal is Unlawful and Unreasonable.

As stated above, Strategic's complaint pointed out the serious questions raised by Duquesne's proposal concerning retail rate discrimination and competitive unfairness for retail shopping customers in violation of the Public Utility Code,³ and expressly disclaimed any challenge in this proceeding to FERC's SECA allocations.⁴ Nonetheless, Duquesne's answer to

² 52 Pa. Code § 103(a),(b).

³ Strategic Complaint at ¶s 6-16.

⁴ *Id.* at 2 ("Strategic does not challenge or seek to change that [sub-zone] allocation methodology in this proceeding because that is a matter under FERC's jurisdiction."); ¶ 8, n.8 ("Strategic is addressing these discrimination and anticompetitive issues at FERC."); and ¶ 9 ("[T]he determination of wholesale rate responsibility is clearly a matter within FERC's jurisdiction . . .").

Strategic's complaint argues that "to accomplish Strategic's goals, the Commission would have to assert jurisdiction over the SECA transmission cost increases imposed by PJM on EGSs which, under the federal authority cited above, are subject to exclusive federal regulation. The Commission does not have the authority to grant this relief."⁵

There is no merit to Duquesne's preemption argument. The jurisdictional line of demarcation is bright and clear: federal law does not preempt a state's powers to regulate the manner in which FERC-authorized costs are recovered in retail rates. Strategic's proposal for the retail recovery of the total SECA liabilities for the Duquesne Zone is squarely within the Commission's authority over retail rate structure and design. Even when dealing with FERC approved charges which must be permitted to be recovered in an EDC's retail rates, this Commission retains jurisdiction to determine the rate structure or rate design issues raised by the recovery of such charges in retail rates. In *Arkansas Power & Light Company v. Missouri Public Service Commission*, the Eighth Circuit Court of Appeals stated that the question of rate design (what classes of customers shall bear FERC-ordered wholesale costs and in what proportion) is beyond the jurisdiction of FERC.⁶ Relying on this rule, the Commonwealth Court stated that "[o]f course, although FERC has authority to regulate pipelines, . . . federal law has not preempted the states' power to regulate the recovery of costs arising out of FERC proceedings."⁷

⁵ Duquesne Answer at 3. Duquesne also misrepresents Strategic's proposal as requiring "Duquesne distribution charges to be bundled with Strategic's transmission costs" (*Id.* at 4) and requiring this Commission to exercise "jurisdiction over the recovery by Strategic of its SECA charges." *Id.* at ¶ 9 (p.100). Strategic's proposal neither requests nor requires such things. Strategic's proposal is that Duquesne's "SECA Charge" be expanded to include all distribution service customers rather than just POLR generation customers.

⁶ *Arkansas Power & Light Company v. Missouri Public Service Commission*, 839 F.2d 1444, 1452 (8th Cir. 1987).

⁷ *National Fuel Gas Distribution Corp. v. Pennsylvania Public Utility Com.*, 587 A.2d 54, 60 (Pa.Cmwth. 1991).

In addition, the Third Circuit relied upon this rule in holding that "[a] state agency . . . does not violate the supremacy clause if it maintains retail rate procedures that have the effect of delaying recovery of unavoidable, FERC-approved wholesale costs actually incurred until a later point in time."⁸

In addition, the Commission clearly has the authority under the Public Utility Code to correct the serious problems of retail rate discrimination and competitive unfairness created by Duquesne's proposal. Duquesne's retail charges to its customers are fully subject to the requirements of the Public Utility Code and Section 501 of the Code gives the Commission "full power and authority" to carry out the provisions of the Code.⁹

However, Duquesne's answer to Strategic's complaint argues that "[t]here is no authority and no precedent for the Commission to require a fixed public utility like Duquesne . . . to impose charges on its customers to recover costs incurred by EGSs"¹⁰ Duquesne's "no authority or precedent" argument is contrary to the legal discussion above as well as Duquesne's May 2002 proposal to join PJM West. As part of that proposal, Duquesne asked the Commission to approve recovery through a nonbypassable "RTO Surcharge" of Duquesne's payments to Orion Power MidWest, L.P. ("Orion") for providing "qualifying capacity on behalf of its customers," capacity that LSEs (including EGSs) would otherwise have been required to provide pursuant to the PJM OATT provisions applicable to PJM West.¹¹ Thus, Duquesne was proposing that it

⁸ *Kentucky West Virginia Gas Co. v. Pennsylvania Public Utility Com.*, 862 F.2d 69, 74 (3rd Cir. 1988).

⁹ 66 Pa. C.S. § 501(a).

¹⁰ Duquesne Answer at 3 (emphasis added).

¹¹ *Duquesne Light Company Petition for Approval of Plan for Post-Transition Period POLR Service ("PJM WEST Petition")*, Docket No. R-00974104, at 24; 10-11 ("The [PJM] West RAA sets forth the reliability standards for the PJM West Control Area that

would not only bill EGS customers for the ACAP obligation of the EGSs, it would actually procure the obligation for the EGS's customers.¹² If the PUC had authority to approve that proposal in 2002 – which, presumably, Duquesne believed the PUC did or it would not have suggested the approach in the first place – the Commission similarly has authority to modify Duquesne's SECA recovery mechanism so that the SECA retail rate will recover the SECA obligation of all LSEs in the Duquesne Zone, including the SECA liability of EGSs.

However, Duquesne claims in its answer that the Commission can approve a proposal such as Strategic's **only if the utility (Duquesne) makes the proposal**. This is nonsense. Either the Commission has the authority to approve such a retail rate design or it doesn't – the answer to that question **cannot** depend upon who makes the proposal.

Duquesne's answer also demonstrates the need for the interim decision requested herein. Duquesne admits that "the sub-zonal allocation may affect different load serving entities within the Duquesne zone differently,"¹³ yet Duquesne states, incredibly, that it "is without sufficient information to form a belief as to the specific calculations by Strategic of the relative effects of the sub-zonal allocation of SECAs from PJM that have been accepted by FERC upon Strategic

each load serving entity must follow. **The most important standard, for purposes here, is the requirement to maintain "available capacity" (or "ACAP")**"; 14 (the Orion Capacity Agreement requires Orion "to provide, on a daily basis, the difference between the amount of capacity supplied by FirstEnergy and **Duquesne's total capacity requirements (including both switching and non-switching load)** . . . [for] a fixed annual fee of \$43.7 million"); and 22 ("If the Commission approves this Petition, **Duquesne will procure capacity for all of its load, including both POLR and shopping load, or a non-discriminatory basis. The cost of this capacity will be recovered in a non-bypassable surcharge from all customer classes whose CTC has expired**") (emphasis added).

¹² *PJM WEST Petition* at 25.

¹³ Duquesne Answer at ¶ 7 (p. 9).

and upon Duquesne."¹⁴ Nonetheless, Duquesne asserts that "the best means for this Commission to be as fair as possible to EGSs on Duquesne's system such as Strategic is to permit Duquesne's Rider 7 to become effective."¹⁵ Nothing could be further from the truth.

Duquesne's Rider 7 would permit customer gaming and threaten the continued viability of the competitive retail market in the Duquesne Zone because the "SECA obligation follows the load." As stated in Strategic's complaint,¹⁶ this means that a shopping customer of an EGS that has a larger SECA liability than Duquesne's could avoid the higher EGS SECA liability by switching to Duquesne's POLR service.¹⁷ In addition, because the "SECA obligation follows the load," the widely varying EGS SECA liabilities would make it extremely difficult, if not impossible, for an EGS to price customers of other EGSs if Rider 7 was implemented as proposed. This, in turn, would create a clear disincentive for new EGSs to enter the Duquesne market until Duquesne's Rider 7 charge expired, further and unnecessarily obstructing the continued development of the competitive market.

Requested Relief

Strategic's allegations are clearly sufficient to justify the Commission suspending Duquesne's tariff and setting the matter down for hearings and recommended decision by an ALJ. The problem with this approach is that, both Duquesne and the other LSEs in the

¹⁴ *Id.* Of course, FERC accepted the sub-zonal allocations, *subject to further proceedings and refund.*

¹⁵ *Id.* at 9.

¹⁶ Strategic Complaint at ¶ 14 (pp. 9-10).

¹⁷ Under Duquesne's reconciliation process, the higher EGS SECA charge would be socialized as part of Duquesne's lower SECA Charge to the larger group of Duquesne's POLR customers. Proposed Rider 7's incentive for shopping customers to switch to Duquesne's POLR service is clear.

Duquesne Zone, including Strategic, are and will continue to be required to remit SECA charges to PJM as billed, with a failure to pay threatening the LSE's status with PJM. Accordingly, the better course is to offer Duquesne two alternatives:

1) Continue to press its current proposal (Rider 7) in which case the Rider should be suspended and set down for hearings; or

2) File a new Interim Rider calculated to collect the total SECA liability of all LSEs in the Duquesne Zone through a nonbypassable charge to all retail customers added to their existing distribution charges. Duquesne would, in turn, remit to EGSs or other LSEs any amounts collected to cover SECA charges associated with their generation customers. The option order rider would be subject to hearings in which both this interim proposal and Duquesne's original proposal could be fully explored. If the Commission ultimately determines to modify the interim proposal (or to accept the approach set forth in Rider 7), Duquesne can credit or refund to customers any overpayments (or recover any underpayments) and EGSs would provide corresponding refunds or credits to Duquesne.

This approach has several obvious advantages. First, it avoids allowing Duquesne's unlawful and unreasonable Rider to be placed into effect, causing the discrimination and anticompetitive effect detailed in Strategic's complaint. Second, this approach assures that neither Duquesne nor any EGS subject to SECA charges for the Duquesne Zone will be forced to absorb the substantial SECA charges for which they are currently being billed by PJM and which they must pay in order to maintain their status as LSEs. Finally, a full hearing and investigation can occur without seriously harming the single successful competitive market in Pennsylvania.

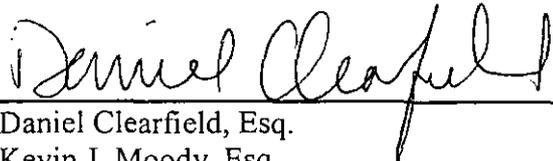
The proposal also will not harm customers – total customer charges from Duquesne will not be substantially different under Strategic's proposal compared to Duquesne's "Duquesne

only" rate. Strategic has preliminarily calculated that a distribution rate collection approach to . collecting the total Duquesne Zone SECA obligation would increase the total SECA rate slightly – from 1.57 mils/kWh to 2.72 mils /kWh or a little over 1 mil. Importantly, the total SECA liability for all customers will not increase; the Strategic proposal merely evenly distributes an obligation for which EGS customers would be disproportionately liable under Duquesne's Rider 7 as proposed.

RELIEF REQUESTED

WHEREFORE, Strategic Energy, L.L.C. respectfully requests the Commission to issue an order suspending Duquesne's proposed Rider 7 pending further investigation and hearings, unless Duquesne withdraws proposed Rider 7 and files an interim tariff supplement designed to recover the total PJM-billed SECA liabilities for the Duquesne Zone through a nonbypassable charge on all retail distribution customers for the 15-month period the transitional SECA liabilities are to be imposed, subject to further investigation, hearings and reconciliation to accommodate the uncertainties and potential changes in the FERC allocations of SECA liabilities for the Duquesne Zone.

Respectfully submitted,



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Kevin J. Moody, Esq.
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Attorneys for Strategic Energy, L.L.C.

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Dated: August 5, 2005

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Motion of Strategic Energy L.L.C. for Interim Decision upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

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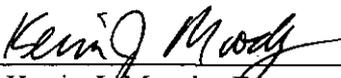
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Date: August 5, 2005



Kevin J. Moody, Esq.



McNees Wallace & Nurick LLC
attorneys at law

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E-MAIL ADDRESS: PPOLACEK@MWN.COM

August 12, 2005

James J. McNulty, Secretary
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Harrisburg, PA 17120

VIA HAND DELIVERY

**RE: Duquesne Light Company's Petition to Intervene
Docket No. R-00050662C0001-0003**

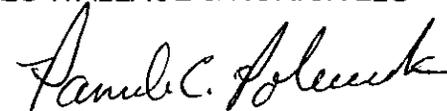
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Dear Secretary McNulty:

Enclosed please find an original and three copies of Duquesne Industrial Intervenors' Petition to Intervene for filing in the above-referenced matter. As shown on the attached Certificate of Service, all parties of record are being duly served. Please date stamp the enclosed additional copy of this letter and kindly return it to our messenger for our filing purposes. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 

Pamela C. Polacek
Vicki Karandrikas

Counsel to the Duquesne Industrial Intervenors

PCP/nk
Enclosures

- c: Certificate of Service (via First Class Mail and E-mail)
- Hon. Wendell Holland, Chairman (via Hand Delivery)
- Hon. Joseph Cawley, Vice Chairman (via Hand Delivery)
- Hon. William Shane, Commissioner (via Hand Delivery)
- Hon. Kim Pizzingrilli, Commissioner (via Hand Delivery)
- Hon. Terrance Fitzpatrick, Commissioner (via Hand Delivery)
- Bohdan Pankiw, Esquire (via Hand Delivery)
- Robert S. Rosenthal, Director, FUS (via Hand Delivery)

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v.

Docket Nos. R-00050662C0001-C0003

Duquesne Light Company

**DOCUMENT
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**PETITION TO INTERVENE
OF DUQUESNE INDUSTRIAL INTERVENORS**

TO THE HONORABLE, THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to the provisions of Sections 5.71 through 5.74 of the regulations of the Pennsylvania Public Utility Commission ("PUC" or "Commission"), 52 Pa. Code §§ 5.71 – 5.74, Duquesne Industrial Intervenors ("DII") hereby files this Petition to Intervene in the above-captioned proceeding. In support of its Petition to Intervene, DII asserts as follows:

1. Petitioner is DII, which for purposes of this proceeding includes:

NRG Energy Center – Pittsburgh
PPG Industries, Inc.
The Techs Industries, Inc.
United States Steel Corporation

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The composition of DII at this point in time is attached hereto as Appendix A. Appendix A will be updated as necessary.

2. DII is an ad hoc association of energy-intensive large commercial and industrial customers receiving electric service in Duquesne Light Company's ("Duquesne" or "Company") service territory. DII has been an active participant in many PUC proceedings addressing service terms and conditions in Duquesne's territory, including Duquesne's restructuring proceeding filed pursuant to the Electricity Generation Customer Choice and Competition Act ("Competition

Act") (PUC Docket No. R-00974104), the stakeholder process that resulted in the approval of Duquesne's first post-transition period Provider of Last Resort ("POLR") plan (i.e., POLR II) (PUC Docket No. R-00974104), Duquesne's "PJM West Petition" request to impose a customer surcharge to facilitate the Company's entry into the PJM Regional Transmission Organization (PUC Docket No. P-00021969), and Duquesne's recent POLR III proceeding (PUC Docket No. P-00032071).

3. DII members purchase electric distribution service from Duquesne primarily under Rate Schedules GL, L, and HVPS, and associated contracts or service riders. DII member have the option to purchase electric generation supply service from Duquesne (as the POLR) or from an Electric Generation Supplier ("EGS"). The four current DII members collectively consume approximately 932,000,000 kWh of electricity annually in manufacturing and other operational processes, and electricity costs comprise a significant portion of their production costs. For purposes of this proceeding, DII includes the companies and approximate annual usage listed in Attachment "A" hereto.

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

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Fax: (717) 237-5300
ppolacek@mwn.com
vkarandrikas@mwn.com

DII requests that the names and address of its attorneys be added to the Commission's and all parties' service lists. All correspondence and telephone inquiries to DII should be directed to Ms. Polacek.

5. On June 17, 2005, Duquesne submitted a request to the PUC to increase the rates charged to POLR customers in order to collect Seam Elimination Charge Adjustment ("SECA") costs from customers on POLR supply service. Duquesne proposes to begin assessing a charge of \$0.001557 per kWh beginning on August 16, 2005.

6. On July 12, 2005, the Office of Small Business Advocate ("OSBA") filed a Complaint against the SECA surcharge. Subsequently, the Office of Consumer Advocate ("OCA") filed a Complaint against the SECA surcharge. The Complaints generally challenge whether the surcharge is necessary to enable Duquesne to earn a just and reasonable return.

7. On July 28, 2005, Strategic Energy, LLC ("Strategic"), filed a Complaint against Duquesne's SECA surcharge, arguing that the total SECA liability for the Duquesne zone of \$39 million should be socialized among all distribution customers through a uniform cents per kWh surcharge. In Strategic's Motion for Interim Decision filed on August 5, 2005, Strategic calculates that its proposal will result in a surcharge of \$0.00272 per kWh, for all customers, including those purchasing generation supply from an EGS.

8. On July 29 and August 2, 2005, Duquesne filed Answers to the Complaints of the OSBA and OCA, respectively.

9. On August 2, 2005, Duquesne also filed an Answer to Strategic's Complaint, arguing, inter alia, that Strategic's proposal contravenes the provisions of the Competition Act because it effectively requires Duquesne to "re-bundle" its distribution and transmission charges. Moreover, Duquesne underscored that under its Commission-approved tariff, Duquesne recovers distribution, transmission and generation charges from POLR customers. By contrast, customers taking service from an EGS must secure generation and transmission services at unregulated prices. Thus, Duquesne argues that EGSs must develop prices that provide for recovery of their

service costs, including transmission costs approved by the Federal Energy Regulatory Commission ("FERC") such as the SECA and generation services costs, and that these prices are governed by contracts between EGSs and their customers, over which the Commission has no authority to interfere under the Competition Act.

10. Based upon a preliminary review of the Company's filing and Strategic's Complaint, DII agrees with the Company that Strategic's proposal is contrary to the Competition Act's unbundling of generation, transmission and distribution rates because it essentially turns the SECA costs, which are transmission-related, into a distribution charge. DII further submits that Strategic's proposal represents a substantial departure from the Competition Act's mandate that generation supply and transmission rates charged by EGSs to their customers should be determined through competitive negotiations, rather than PUC-regulated charges. A fundamental principle of electric industry restructuring is that the terms and conditions of the contract between the EGS and a customer govern the ability of an EGS to flow through new or increased transmission charges such as the SECA. Some EGS customers may have negotiated contracts that prohibit the collection of any SECA charges. Under Strategic's proposal, those customers will not receive the benefit of the competitive contract that they negotiated and will experience a 2.72 mill per kWh rate increase. Accordingly, Strategic's proposal is unjust, unreasonable and highly inappropriate.

11. As end-use customers taking electric distribution service from Duquesne, DII members have a direct interest in this proceeding that is not represented by any other party of record. Although DII agrees with the Company's view on the unlawfulness of Strategic's proposal, DII and the Company have fundamentally different interests at stake in this proceeding. Moreover, as large-volume end-use customers, DII's participation in this proceeding

will assist the Commission by ensuring a balanced resolution of this matter. Accordingly, DII satisfies the standards for intervention under Section 5.72 of the Commission's Regulations, 52 Pa. Code § 5.72.

WHEREFORE, for the reasons stated above, DII respectfully requests that this Honorable Commission grant this Petition to Intervene and provide DII with full-party status in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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Counsel to the Duquesne Industrial Intervenors

Dated: August 12, 2005

DUQUESNE INDUSTRIAL INTERVENORS

NRG Energy Center – Pittsburgh
PPG Industries, Inc.
The Techs Industries, Inc.
United States Steel Corporation

Estimated Annual Consumption = 932,000,000 kWh

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CERTIFICATE OF SERVICE

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

VIA FIRST CLASS MAIL AND E-MAIL

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Harrisburg, PA 17105-1778



Pamela C. Polacek

Counsel to the Duquesne Industrial
Intervenors

Dated this 12th day of August, 2005, in Harrisburg, Pennsylvania.

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McNees Wallace & Nurick LLC
attorneys at law

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PAMELA C. POLACEK
DIRECT DIAL: (717) 237-5368
E-MAIL ADDRESS: PPOLACEK@MWN.COM

August 12, 2005

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

VIA HAND DELIVERY

**RE: Duquesne Light Company's Petition to Intervene
Docket No. R-00050662C0001-0003**

Dear Secretary McNulty:

Enclosed please find an original and three copies of Duquesne Industrial Intervenors' Answer to Strategic Energy LLC's Motion for Interim Decision for filing in the above-referenced matter. As shown on the attached Certificate of Service, all parties of record are being duly served. Please date stamp the enclosed additional copy of this letter and kindly return it to our messenger for our filing purposes. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By *Pamela C. Polacek*

Pamela C. Polacek
Vicki Karandrikas

Counsel to the Duquesne Industrial Intervenors

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PCP/nk
Enclosures

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- Hon. Terrance Fitzpatrick, Commissioner (via Hand Delivery)
- Bohdan Pankiw, Esquire (via Hand Delivery)
- Robert S. Rosenthal, Director, FUS (via Hand Delivery)

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Pennsylvania Public Utility Commission

v.

Duquesne Light Company

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Docket No. R-00050662 C0001-0003

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**DUQUESNE INDUSTRIAL INTERVENORS ANSWER TO
STRATEGIC ENERGY LLC'S MOTION FOR INTERIM DECISION**

Pursuant to Section 5.103(c) of the Pennsylvania Public Utility Commission's ("PUC" or "Commission") regulations, 52 Pa. Code § 5.103(c), the Duquesne Industrial Intervenors ("DII")¹ hereby files this Answer to the Motion of Strategic Energy LLC ("Strategic") for Interim Decision filed on August 5, 2005. DII generally does not object to Duquesne Light Company's ("Duquesne" or "Company") proposed methodology to collect its Seams Elimination Cost Adjustment ("SECA") liability from customers purchasing Provider of Last Resort ("POLR") generation supply from the Company. DII takes no position regarding whether Duquesne's Supplement No. 28 should be permitted to take effect during the litigation regarding various parties' Complaints; however, Strategic's request in the Motion for the Company to begin imposing a non-bypassable surcharge immediately applicable to all distribution customers to collect the total zonal SECA liability of \$39 million is highly inappropriate, illegal and must be rejected.

¹ DII filed a Petition to Intervene in this matter on August 12, 2005. The current DII members are United States Steel Corporation, The Techs Industries, Inc., PPG Industries, Inc. and NRG Energy Center Pittsburgh. DII anticipates that additional companies will join in the near future.

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The Electricity Generation Customer Choice and Competition Act ("Competition Act") required the Commission to unbundle Duquesne's rates into transmission, generation supply and distribution. 66 Pa.C.S. § 2804(3). When a customer purchases supply from an EGS, its transmission and generation rates are negotiated with the EGS based on the EGS's costs and desired profit. The shopping customer pays only distribution rates to Duquesne. It is axiomatic that distribution rates should recover only distribution costs. Customers on competitive supply arrangements with EGSs clearly should not be charged by Duquesne for any costs other than those actually incurred by the Company to provide distribution service to the customer. The SECA costs are transmission costs and not distribution costs.

The gravamen of Strategic's objection to Duquesne's recovery of the SECA costs from the Company's POLR supply customers appears to rest on the fact that Strategic itself lacks a similar mechanism to require compensation from customers for its Federal Energy Regulatory Commission ("FERC") allocation of the SECA liability in the Duquesne zone. Strategic implies that it is being placed at a competitive disadvantage vis-à-vis other EGSs in the Duquesne territory due to the FERC allocation methodology. Strategic's Complaint and Motion then make an illogical and unsupportable leap from alleging that Strategic is at a competitive disadvantage in comparison to other EGSs to concluding that "retail rate discrimination and competitive unfairness for retail shopping customers" exist in violation of the Public Utility Code. Motion, pp. 2, 4.

From DII's perspective, neither undue discrimination nor unfairness among customers exist under Duquesne's proposal. In a competitive generation supply market, purported "discrimination" or "unfairness" between the retail rates charged by EGSs to shopping customers for non-regulated services are remedied by competitive negotiations, rather than a regulatory fiat.

Competitive generation and transmission rates, as well as other contract terms and conditions, are negotiated based on the bargaining positions of the parties. The contract negotiated between the EGS and its customer determines which entity will be responsible for any new or increased transmission, generation or ancillary service costs. If a customer executed a competitive generation supply contract that allows for the pass through of the SECA liability, then the customer must bear the responsibility for the contract that it signed. Alternatively, if Strategic failed to include in its contracts appropriate language authorizing the collection of the SECA liability, then Strategic as a competitive supplier must bear the economic consequences of that decision. If the EGS and the customer mutually agreed to a resolution in between the two extremes, then that agreement should be honored by the PUC.

More significantly, customers purchasing generation supply from one EGS should not be charged for the FERC-approved transmission costs incurred by another EGS. Through its Complaint and Motion, Strategic is attempting to shift responsibility for the SECA liability that the FERC has assigned to Strategic onto customers of other EGSs and customers of Duquesne's POLR supply service. This is fundamentally inconsistent with electric industry restructuring, which made Strategic's ability to collect transmission costs such as the SECA from its customers subject to the competitive negotiations and contract terms between Strategic and its customers. Regardless of Strategic's dissatisfaction with the FERC's decision, the FERC's "mistake" regarding the allocation of the SECA liability cannot be corrected by the Commission "socializing" the SECA liability among all customers in this proceeding. In addition to being contrary to Pennsylvania law, the PUC will establish an extremely inappropriate precedent if it accepts Strategic's plea for assistance in this matter, which will encourage competitive EGSs to

seek PUC "protection" for issues that should be resolved by the competitive marketplace or the FERC.

Finally, in the Motion, Strategic analogizes its proposal to the approach suggested by Duquesne for recovering available capacity ("ACAP") costs related to the Company's proposed entry into the PJM West in May 2002. Motion, p. 2. As the Commission is aware, the Company's ACAP proposal was never adopted and, therefore, cannot "fully authorize" the Strategic non-bypassable SECA charge.

The Company's proposal to assess the SECA surcharge only on POLR customers is consistent with the rate unbundling accomplished by the Competition Act. Strategic's attempt to force Duquesne to recover the Strategic-assigned SECA liability through a distribution surcharge, even on an interim basis pending litigation of this matter, is highly inappropriate and must be rejected. The Strategic \$0.00272 per kWh surcharge cannot be permitted to take effect either during or at the conclusion of litigation of this matter.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

Pamela C. Polacek
Vicki Karandrikas
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300

Counsel to the Duquesne Industrial
Intervenors

Dated: August 12, 2005

CERTIFICATE OF SERVICE

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

VIA FIRST CLASS MAIL AND E-MAIL

Julie Coletti, Esquire
Assistant General Counsel
Strategic Energy, LLC
Two Gateway Center
Pittsburg, PA 15222

Brian Vayda
Manager, Regulatory Affairs
Strategic Energy, LLC
16 Amy Lane
Sugarloaf, PA 18249

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

Johnnie E. Simms, Esquire
Office of Trial Staff
Pennsylvania Public Utility Commission
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Harrisburg, PA 17120

Steven C. Gray, Esquire
Office of Small Business Advocate
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Richard Herskovitz, Esquire
Vice President, Rates
Duquesne Light Company
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David B. MacGregor, Esquire
Morgan, Lewis & Bockius LLP
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Daniel Clearfield, Esquire
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100 North Tenth Street
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Harrisburg, PA 17105-1778



Pamela C. Polacek

Counsel to the Duquesne Industrial
Intervenors

Dated this 12th day of August, 2005, in Harrisburg, Pennsylvania.

RECEIVED
2005 AUG 12 PM 3:51
SECRETARY'S BUREAU



McNees Wallace & Nurick LLC
attorneys at law

ORIGINAL

RECEIVED
2005 AUG 24 PM 4:20
SECRETARY'S BUREAU

PAMELA C. POLACEK
DIRECT DIAL: (717) 237-5368
E-MAIL ADDRESS: PPOLACEK@MWN.COM

August 24, 2005

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

**DOCUMENT
FOLDER**

VIA HAND DELIVERY

**RE: Pennsylvania Public Utility Commission v. Duquesne Light Company
Docket Nos. R-00050662C0001-0003**

Dear Secretary McNulty:

Earlier today, Strategic Energy L.L.C. ("Strategic") filed with the Pennsylvania Public Utility Commission ("PUC" or "Commission") a pleading titled the "Answer of Strategic Energy, L.L.C. to Duquesne Industrial Intervenors' Petition to Intervene" in the above-referenced proceeding. Although counsel for DII has had only a brief opportunity to review the filing, it appears to be misnamed. DII's Petition to Intervene contains a concise statement of the group's preliminary position in this matter to inform parties of the large customers' interests and reasons for participating in this litigation. Strategic's five page diatribe against DII's "intervention" clearly is a response to DII's Answer in Opposition to Strategic's Motion for Interim Decision in this matter. The Commission's regulations do not provide an opportunity for Strategic to reply to DII's Answer. On this basis alone, Strategic's purported "Answer" to DII's intervention should be stricken from the record and disregarded.

In addition, the arguments raised by Strategic in the Answer are baseless. Section 2804(6) of the Public Utility Code does not authorize the Commission to socialize the entire zonal SECA liability among Duquesne's distribution customers. As the Commission is aware, the context of the recent decision regarding the retail transmission charge allocation and rate design for PPL Electric Utilities Corporation is very different from this proceeding. PPL was determining how its transmission costs incurred to serve Provider of Last Resort ("POLR") customers should be collected from POLR customers. PPL was not seeking to collect transmission and ancillary service costs for all Electric Generation Suppliers ("EGSs"), as Strategic would have Duquesne do in this proceeding. Furthermore, the issue of whether the Commission's decision in the PPL case is consistent with Section 2804(6) is currently on appeal.

Far from trying to avoid SECA obligations, DII's members seek to ensure that the Commission remains within the proper regulatory boundaries in dealing with issues that impact retail customers. The Federal Energy Regulatory Commission ("FERC") has ruled (subject to further investigation) how the SECA liability should be allocated among load serving entities in the Duquesne zone. The Commission's role is to determine whether and

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James J. McNulty, Secretary
August 24, 2005
Page 2

how Duquesne will be able to recover its allocated share of those costs from customers. It is wholly inappropriate for Strategic to request for the Commission to determine how Strategic will be compensated for the costs that it has been allocated by the FERC and even more outrageous to assert that a uniform cents per kWh socialization of those costs among all distribution customers should be approved to ensure that Strategic gets sufficient revenues to pay its SECA charges to PJM. Strategic's ability to passthrough the SECA costs is governed by the contracts that it signed with its customers; customers' obligations (if any) to pay additional amounts to Strategic for the SECA liability are governed by the contracts that were signed with Strategic. DII will reserve its additional legal and factual arguments on this issue for a more appropriate time.

Finally, Strategic suggests that the PUC should convene "workshops or another mechanism to attempt to find a fair, reasonable and pro-competitive solution to an issue that threatens the entire Duquesne competitive market." Although DII has traditionally supported the use of collaborative processes, DII respectfully questions whether any such endeavor could be successful given the diametrically opposed views that appear to exist regarding whether the PUC can provide the regulatory relief that Strategic seeks.

As evidenced by the attached Certificate of Service, all parties to this proceeding have been served with a copy of this letter. Pursuant to Section 1.37 of the Commission's regulations, an original and three copies of this letter are enclosed for filing. Please date stamp the additional copy of this letter and kindly return it to our messenger for our filing purposes.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 

Pamela C. Polacek

Vicki Karandrikas

Counsel to the Duquesne Industrial
Intervenors

PCP/nk

Enclosures

c: Certificate of Service (via First Class Mail and E-mail)
Hon. Wendell Holland, Chairman (via Hand Delivery)
Hon. Joseph Cawley, Vice Chairman (via Hand Delivery)
Hon. William Shane, Commissioner (via Hand Delivery)
Hon. Kim Pizzingrilli, Commissioner (via Hand Delivery)
Hon. Terrance Fitzpatrick, Commissioner (via Hand Delivery)
Bohdan Pankiw, Esquire (via Hand Delivery)
Robert S. Rosenthal, Director, FUS (via Hand Delivery)

CERTIFICATE OF SERVICE

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

VIA FIRST CLASS MAIL AND E-MAIL

Julie Coletti, Esquire
Assistant General Counsel
Strategic Energy, LLC
Two Gateway Center
Pittsburg, PA 15222

Brian Vayda
Manager, Regulatory Affairs
Strategic Energy, LLC
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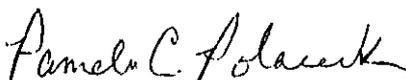
Richard Herskovitz, Esquire
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Harrisburg, PA 17105-1778



Pamela C. Polacek

Counsel to the Duquesne Industrial
Intervenors

Dated this 24th day of August, 2005, in Harrisburg, Pennsylvania.

RECEIVED
2005 AUG 24 PM 4: 20
SECRETARY'S BUREAU



Duquesne Light

Our Energy... Your Power
Richard S. Herskovitz
Assistant General Counsel

411 Seventh Avenue
Eighth Floor (8-2)
Pittsburgh, PA 15219

Telephone Number (412) 393-3662
Facsimile Number (412) 393-5602
E-mail Address: rherskovitz@duqlight.com

October 14, 2005

VIA OVERNIGHT MAIL

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

ORIGINAL

Re: Dave J. Romesburg v. Duquesne Light Company
Docket No. R-00050662C000-4

**DOCUMENT
FOLDER**

Dear Secretary McNulty:

Enclosed for filing are an original and three (3) copies of the Answer of Duquesne Light Company to the Complaint of Dave J. Romesburg in the above-referenced proceeding. As indicated on the attached Certificate of Service, a copy has been served on the Complainant in the manner indicated.

Respectfully submitted,

R.S. Herskovitz

Richard S. Herskovitz
Assistant General Counsel

Enclosures

c: Certificate of Service

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OCT 14 2005

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

OCT 14 2005

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dave J. Romesburg,

Complainant,

vs.

Duquesne Light Company,

Respondent.

DOCKET NO. R-00050662C0004

DOCUMENT
FOLDER

**ANSWER TO COMPLAINT
TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Duquesne Light Company ("Duquesne") hereby answers the above-captioned Complaint of Dave J. Romesburg as follows:

1. The averments of Paragraph 1 of the Complaint are admitted.
2. The averments of Paragraph 2 of the Complaint are admitted.
3. The averments of Paragraph 3 of the Complaint are admitted.
4. Duquesne answers each of the subparagraphs of Paragraph 4 of the Complaint as

follows:

A. In response to Paragraph 4.A. of the Complaint, it is admitted that Mr. Romesburg opposes Duquesne's SECA Charge that is set forth in Rider No. 7 in Supplement No. 28 to Duquesne's Tariff Electric - Pa. P.U.C. No. 23. Supplement No. 28 was filed with the Pennsylvania Public Utility Commission ("Commission") on June 17, 2005 and became effective on August 16, 2005. Rider No. 7 is designed to recover, subject to reconciliation, the Seams Elimination Charge Adjustment charges billed to Duquesne by the PJM Interconnection, Inc.

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OCT 17 2005

("PJM") under its Open Access Transmission Tariff related to the elimination of Regional Through and Out Rates for transmission services within PJM as it is presently constituted, including the Duquesne zone, and for transmission services between PJM and the Midwest Independent Transmission System Operator.

It is to be emphasized that Rider No. 7 provides only for actual recovery of SECA Charges from PJM on a dollar-for-dollar basis and does not provide for recovery of any amounts in excess of SECA Charges actually incurred by Duquesne.

B. In response to subparagraph 4.B. of the Complaint, information concerning Mr. Romesburg's personal financial situation is not reasonably available to Duquesne, and therefore, such averments are denied.

It is admitted that Duquesne's customer charge for residential service is \$6.48 per month. Mr. Romesburg, however, is incorrect about the application of SECA Charges to him. Mr. Romesburg avers that he purchases his electric supplies from an unregulated Electric Generation Supplier ("EGS"). Therefore, he also purchases related transmission services from the EGS. So long as Mr. Romesburg purchases electric generation supplies and related transmission services from an EGS, and not from Duquesne, Rider No. 7 will not apply to him. It applies only to customers who purchase electric generation supplies and related transmission services from Duquesne. Therefore, so long as Mr. Romesburg obtains his electric generation supplies from an EGS, and not Duquesne, Mr. Romesburg will not have to pay the SECA Charge in Rider No. 7.

5. The averments of Paragraph 5 of the Complaint are requests for relief to which no response is required.

WHEREFORE, for all the foregoing reasons, Duquesne Light Company respectfully requests that the Complaint of Dave J. Romesburg be denied.

Respectfully submitted,



Richard S. Herskovitz, Esquire
Assistant General Counsel
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Michael W. Gang, Esquire
John H. Isom, Esquire
Morgan, Lewis & Bockius LLP
417 Walnut Street
Harrisburg, PA 17101

Counsel for Duquesne Light Company

October 14, 2005

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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OCT 14 2005

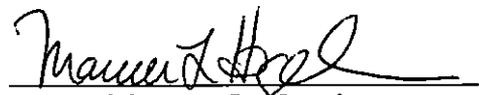
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dave J. Romesburg, :
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Complainant, :
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vs. :
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Duquesne Light Company, :
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Respondent. :

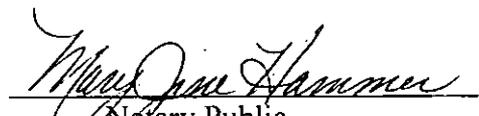
DOCKET NO. R-00050662C0004

AFFIDAVIT

I, Maureen L. Hogel, being duly sworn according to law depose and say that I am authorized to make this affidavit on behalf of Duquesne Light Company, being Senior Vice President and Chief Legal & Administrative Officer with that corporation, and that the facts set forth in the foregoing document are true and correct to the best of my knowledge, information and belief, and Duquesne Light Company expects to be able to prove the same at any hearing hereof.


Maureen L. Hogel

Sworn and subscribed before me this 14th day of October, 2005.


Notary Public

My Commission Expires Oct. 6, 2007

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Mary Jane Hammer, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires Oct. 6, 2007
Member, Pennsylvania Association of Notaries



Duquesne Light

Our Energy... Your Power

411 Seventh Avenue
8th Floor
Pittsburgh, PA 15219

Tel 412-393-3662
Fax 412-393-5602
rherkovitz@duqlight.com

Richard S. Herskovitz
Assistant General Counsel

ORIGINAL

October 20, 2005

VIA OVERNIGHT MAIL

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

RECEIVED

OCT 20 2005

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

Re: Joan C. Barlow v. Duquesne Light Company
Docket No. R-00050662C0005

Dear Secretary McNulty:

Enclosed for filing are an original and three (3) copies of the Answer of Duquesne Light Company to the Complaint of Joan C. Barlow in the above-referenced proceeding. As indicated on the attached Certificate of Service, a copy has been served on the Complainant in the manner indicated.

Respectfully submitted,

Richard S. Herskovitz
Assistant General Counsel

Enclosures

c: Certificate of Service

**DOCUMENT
FOLDER**

80

("PJM") under its Open Access Transmission Tariff related to the elimination of Regional Through and Out Rates for transmission services within PJM as it is presently constituted, including the Duquesne zone, and for transmission services between PJM and the Midwest Independent Transmission System Operator.

It is to be emphasized that Rider No. 7 provides only for actual recovery of SECA Charges from PJM on a dollar-for-dollar basis and does not provide for recovery of any amounts in excess of SECA Charges actually incurred by Duquesne.

B. The first two sentences in Subparagraph 4.B. of the Complaint correctly set forth Duquesne's Tariff Supplement involved in this proceeding and the quoted excerpts from the notice included in the September bill. It is denied that the quoted language in the bill notice does not provide adequate rate increase information to consumers. On the contrary, the notice sets forth the best rate increase information available concerning the SECA charge and is adequate notice to consumers.

The second paragraph in Subparagraph 4.B. of the Complaint is denied. The standard for Commission approval of utility rates are that they be "just and reasonable". Whether such rates are affordable to residents is not reasonably available to Duquesne, and therefore, such averments are denied.

5. The averments of Paragraph 5 of the Complaint are requests for relief to which no response is required.

WHEREFORE, for all the foregoing reasons, Duquesne Light Company respectfully requests that the Complaint of Joan C. Barlow be denied.

Respectfully submitted,


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Michael W. Gang, Esquire
John H. Isom, Esquire
Morgan, Lewis & Bockius LLP
417 Walnut Street
Harrisburg, PA 17101

Counsel for Duquesne Light Company

October 20, 2005

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joan C. Barlow,

Complainant,

vs.

Duquesne Light Company,

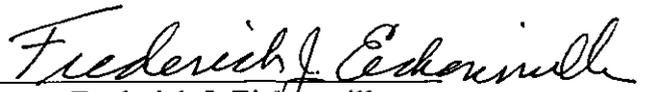
Respondent.

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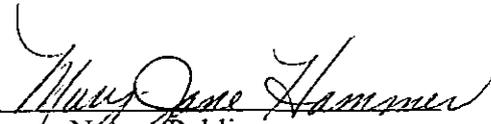
DOCKET NO. R-00050662C0005

AFFIDAVIT

I, Frederick J. Eichenmiller, being duly sworn according to law depose and say that I am authorized to make this affidavit on behalf of Duquesne Light Company, being General Manager – Rates & Regulatory Affairs with that corporation, and that the facts set forth in the foregoing document are true and correct to the best of my knowledge, information and belief, and Duquesne Light Company expects to be able to prove the same at any hearing hereof.


Frederick J. Eichenmiller

Sworn and subscribed before me this 20th day of October, 2005.


Notary Public

My Commission Expires Oct. 6, 2007

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Mary Jane Hammer, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires Oct. 6, 2007
Member, Pennsylvania Association of Notaries



Duquesne Light

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Richard S. Herskovitz
Assistant General Counsel

ORIGINAL

October 19, 2005

VIA OVERNIGHT MAIL

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

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OCT 19 2005

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Daniel R. Stepnick v. Duquesne Light Company
Docket No. R-00050662C0006

Dear Secretary McNulty:

Enclosed for filing are an original and three (3) copies of the Answer of Duquesne Light Company to the Complaint of Daniel R. Stepnick in the above-referenced proceeding. As indicated on the attached Certificate of Service, a copy has been served on the Complainant in the manner indicated.

Respectfully submitted,

Richard S. Herskovitz
Assistant General Counsel

Enclosures

c: Certificate of Service

**DOCUMENT
FOLDER**

99

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Daniel R. Stepnick,

Complainant,

vs.

Duquesne Light Company,

Respondent.

OCT 19 2005

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DOCKET NO. R-00050662C0006

**ANSWER TO COMPLAINT
TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Duquesne Light Company ("Duquesne") hereby answers the above-captioned Complaint of Daniel R. Stepnick as follows:

1. The averments of Paragraph 1 of the Complaint are admitted.
2. The averments of Paragraph 2 of the Complaint are admitted.
3. The averments of Paragraph 3 of the Complaint are admitted.
4. Duquesne answers each of the Subparagraphs of Paragraph 4 of the Complaint as

follows:

A. In response to Subparagraph 4.A. of the Complaint, it is admitted that Mr. Stepnick opposes Duquesne's temporary SECA Charge that is set forth in Rider No. 7 in Supplement No. 28 to Duquesne's Tariff Electric - Pa. P.U.C. No. 23. Supplement No. 28 was filed with the Pennsylvania Public Utility Commission ("Commission") on June 17, 2005 and became effective on August 16, 2005. Rider No. 7 is designed to recover, subject to reconciliation, the Seams Elimination Charge Adjustment charges billed to Duquesne by the

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OCT 24 2005

**DOCUMENT
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PJM Interconnection, Inc. ("PJM") under its Open Access Transmission Tariff related to the elimination of Regional Through and Out Rates for transmission services within PJM as it is presently constituted, including the Duquesne zone, and for transmission services between PJM and the Midwest Independent Transmission System Operator.

It is to be emphasized that Rider No. 7 provides only for actual recovery of SECA Charges from PJM on a dollar-for-dollar basis and does not provide for recovery of any amounts in excess of SECA Charges actually incurred by Duquesne.

B. The averments in Subparagraph 4.B. of the Complaint are admitted. See also the response to Subparagraph 4.A. of the Complaint set forth above.

5. In response to Paragraph 5 of the Complaint, information concerning Mr. Stepnick's personal physical and financial situation is not reasonably available to Duquesne, and therefore, such averments are denied. Additionally, several averments in Paragraph 5 of the Complaint are requests for relief to which no response is required.

WHEREFORE, for all the foregoing reasons, Duquesne Light Company respectfully requests that the Complaint of Daniel R. Stepnick be denied.

Respectfully submitted,


Richard S. Herskovitz, Esquire
Assistant General Counsel
Duquesne Light Company
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412-393-3662

Dave B. MacGregor, Esquire
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Michael W. Gang, Esquire
John H. Isom, Esquire
Morgan, Lewis & Bockius LLP
417 Walnut Street
Harrisburg, PA 17101

Counsel for Duquesne Light Company

October 20, 2005

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Daniel R. Stepnick,

Complainant,

vs.

Duquesne Light Company,

Respondent.

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DOCKET NO. R-00050662C0006

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OCT 19 2005

CERTIFICATE OF SERVICE

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

I hereby certify that a true and correct copy of the foregoing document has been served via First Class Mail upon the following person in accordance with the requirements of § 1.54 (relating to service by a participant).

Daniel R. Stepnick
3302 Windstream Drive
Gibsonia, PA 15044

Date: October 20, 2005



Richard S. Herskovitz, Esquire
Assistant General Counsel
Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219
412-393-3662



Duquesne Light

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rherskovitz@duqlight.com

ORIGINAL

October 26, 2005

VIA OVERNIGHT MAIL

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

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OCT 26 2005

**DOCUMENT
FOLDER**

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Nancy and Dale Chambers v. Duquesne Light Company
Docket No. R-00050662C0007

Dear Secretary McNulty:

Enclosed for filing are an original and three (3) copies of the Answer of Duquesne Light Company to the Complaint of Nancy and Dale Chambers in the above-referenced proceeding. As indicated on the attached Certificate of Service, a copy has been served on the Complainant in the manner indicated.

Respectfully submitted,

Richard S. Herskovitz
Assistant General Counsel

Enclosures

c: Certificate of Service

32

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Nancy and Dale Chambers,

Complainants,

vs.

Duquesne Light Company,

Respondent.

DOCKET NO. R-00050662C0007

DOCUMENT
FOLDER

DOCKETED
OCT 31 2005

ANSWER TO COMPLAINT

Duquesne Light Company ("Duquesne") hereby answers the above-captioned Complaint of Nancy and Dale Chambers as follows:

RECEIVED

OCT 26 2005

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

1. The averments of Paragraph 1 of the Complaint are admitted.
2. The averments of Paragraph 2 of the Complaint are admitted.
3. The averments of Paragraph 3 of the Complaint are admitted.
4. Duquesne answers each of the Subparagraphs of Paragraph 4 of the Complaint as follows:

A. In response to Subparagraph 4.A. of the Complaint, it is admitted that Complainants oppose Duquesne's temporary SECA Charge that is set forth in Rider No. 7 in Supplement No. 28 to Duquesne's Tariff Electric - Pa. P.U.C. No. 23. Supplement No. 28 was filed with the Pennsylvania Public Utility Commission ("Commission") on June 17, 2005 and became effective on August 16, 2005. Rider No. 7 is designed to recover, subject to reconciliation, the Seams Elimination Charge Adjustment charges billed to Duquesne by the PJM Interconnection, Inc. ("PJM") under its Open Access Transmission Tariff related to the

elimination of Regional Through and Out Rates for transmission services within PJM as it is presently constituted, including the Duquesne zone, and for transmission services between PJM and the Midwest Independent Transmission System Operator.

It is to be emphasized that Rider No. 7 provides only for actual recovery of SECA Charges from PJM on a dollar-for-dollar basis and does not provide for recovery of any amounts in excess of SECA Charges actually incurred by Duquesne.

B. The first averment in Subparagraph 4.B. of the Complaint is denied for the reasons set forth in the response to Subparagraph 4.A. of the Complaint above. Duquesne is without knowledge or information sufficient to form a belief as to the truth of the second averment in Subparagraph 4.B. of the Complaint, and therefore Duquesne denies same.

5. The averment in Paragraph 5 of the Complaint is a request for relief to which no response is required.

WHEREFORE, for all the foregoing reasons, Duquesne Light Company respectfully requests that the Complaint of Nancy and Dale Chambers be denied.

Respectfully submitted,


Richard S. Herskovitz, Esquire
Assistant General Counsel
Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219
412-393-3662

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

Michael W. Gang, Esquire
John H. Isom, Esquire
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601

Counsel for Duquesne Light Company

October 26, 2005

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Nancy and Dale Chambers,
Complainants,
vs.
Duquesne Light Company,
Respondent.

DOCKET NO. R-00050662C0007

RECEIVED

OCT 26 2005

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

AFFIDAVIT

I, Frederick J. Eichenmiller, being duly sworn according to law depose and say that I am authorized to make this affidavit on behalf of Duquesne Light Company, being General Manager – Rates & Regulatory Affairs with that corporation, and that the facts set forth in the foregoing document are true and correct to the best of my knowledge, information and belief, and Duquesne Light Company expects to be able to prove the same at any hearing hereof.

Frederick J. Eichenmiller
Frederick J. Eichenmiller

Sworn and subscribed before me this 26th day of October, 2005.

Mary Jane Hammer
Notary Public

My Commission Expires Oct. 6, 2007

COMMONWEALTH OF PENNSYLVANIA

Notarial Seal
Mary Jane Hammer, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires Oct. 6, 2007

Member, Pennsylvania Association of Notaries

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

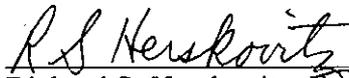
Nancy and Dale Chambers,	:	
	:	
Complainants,	:	
	:	
vs.	:	
	:	DOCKET NO. R-00050662C0007
Duquesne Light Company,	:	
	:	
Respondent.	:	

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served via First Class Mail upon the following person in accordance with the requirements of § 1.54 (relating to service by a participant).

Nancy and Dale Chambers
123 Bell Park Drive
Pittsburgh, PA 15229

Date: October 26, 2005



Richard S. Herskovitz, Esquire
Assistant General Counsel
Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219
412-393-3662

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OCT 26 2005
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU



Duquesne Light

Our Energy... Your Power

411 Seventh Avenue
8th Floor
Pittsburgh, PA 15219

Tel 412-393-3662
Fax 412-393-5602
rherkovitz@duqlight.com

Richard S. Herskovitz
Assistant General Counsel

ORIGINAL

November 1, 2005

VIA OVERNIGHT MAIL

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NOV 1 2005

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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

Re: Edward Schneider v. Duquesne Light Company
Docket No. R-00050662C0008

**DOCUMENT
FOLDER**

Dear Secretary McNulty:

Enclosed for filing are an original and three (3) copies of the Answer of Duquesne Light Company to the Complaint of Edward Schneider in the above-referenced proceeding. As indicated on the attached Certificate of Service, a copy has been served on the Complainant in the manner indicated.

Respectfully submitted,

Richard S. Herskovitz
Assistant General Counsel

Enclosures

c: Certificate of Service

53

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Edward Schneider,

Complainants,

vs.

Duquesne Light Company,

Respondent.

DOCKET NO. R-00050662C0008

DOCKETED

NOV 07 2005

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NOV 1 2005

**DOCUMENT
FOLDER**

ANSWER TO COMPLAINT

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Duquesne Light Company ("Duquesne") hereby answers the above-captioned Complaint of Edward Schneider as follows:

1. The averments of Paragraph 1 of the Complaint are admitted.
2. The averments of Paragraph 2 of the Complaint are admitted.
3. The averments of Paragraph 3 of the Complaint are admitted.
4. Duquesne answers each of the subparagraphs of Paragraph 4 of the Complaint as

follows:

A. In response to Subparagraph 4.A. of the Complaint, it is admitted that the Complainant opposes Duquesne's temporary SECA Charge that is set forth in Rider No. 7 in Supplement No. 28 to Duquesne's Tariff Electric – Pa. P.U.C. No. 23. Supplement No. 28 was filed with the Pennsylvania Public Utility Commission ("Commission") on June 17, 2005 and became effective on August 16, 2005. Rider No. 7 is designed to recover, subject to reconciliation, the Seams Elimination Charge Adjustment charges billed to Duquesne by the PJM Interconnection, Inc. ("PJM") under its Open Access Transmission Tariff related to the

elimination of Regional Through and Out Rates for transmission services within PJM as it is presently constituted, including the Duquesne zone, and for transmission services between PJM and the Midwest Independent Transmission System Operator.

It is to be emphasized that Rider No. 7 provides only for actual recovery of SECA Charges from PJM on a dollar-for-dollar basis and does not provide for recovery of any amounts in excess of SECA Charges actually incurred by Duquesne.

B. The averments in the first paragraph of the letter attached to Subparagraph 4.B. of the Complaint are denied for the reasons set forth in the response to Subparagraph 4.A. of the Complaint above. *In response to the second sentence in the second paragraph of Complainant's letter, Duquesne is without knowledge or information sufficient to form a belief as to the truth of the averments contained therein, and therefore Duquesne denies same. The first sentence in that second paragraph is a request for relief to which no response is required.*

5. The averment in Paragraph 5 of the Complaint is a request for relief to which no response is required.

WHEREFORE, for all the foregoing reasons, Duquesne Light Company respectfully requests that the Complaint of Edward Schneider be denied.

Respectfully submitted,



Richard S. Herskowitz, Esquire
Assistant General Counsel
Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219
412-393-3662

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

Michael W. Gang, Esquire
John H. Isom, Esquire
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601

Counsel for Duquesne Light Company

November 1, 2005

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Edward Schneider,

Complainants,

vs.

Duquesne Light Company,

Respondent.

DOCKET NO. R-00050662C0008

AFFIDAVIT

I, Frederick J. Eichenmiller, being duly sworn according to law depose and say that I am authorized to make this affidavit on behalf of Duquesne Light Company, being General Manager – Rates & Regulatory Affairs with that corporation, and that the facts set forth in the foregoing document are true and correct to the best of my knowledge, information and belief, and Duquesne Light Company expects to be able to prove the same at any hearing hereof.


Frederick J. Eichenmiller

Sworn and subscribed before me this 1st day of November, 2005.


Notary Public

My Commission Expires Oct. 6, 2007

COMMONWEALTH OF PENNSYLVANIA

Notarial Seal
Mary Jane Hammer, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires Oct. 6, 2007

Member, Pennsylvania Association of Notaries

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Edward Schneider,

Complainants,

vs.

Duquesne Light Company,

Respondent.

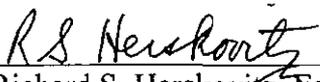
DOCKET NO. R-00050662C0008

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served via First Class Mail upon the following person in accordance with the requirements of § 1.54 (relating to service by a participant).

Edward Schneider
39237 Shamrock Court
Pittsburgh, PA 15239

Date: November 1, 2005


Richard S. Herskovitz, Esquire
Assistant General Counsel
Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219
412-393-3662

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU



Duquesne Light

Our Energy... Your Power

411 Seventh Avenue
8th Floor
Pittsburgh, PA 15219

Tel 412-393-3662
Fax 412-393-5602
rherkovitz@duqlight.com

Richard S. Herskovitz
Assistant General Counsel

ORIGINAL

November 1, 2005

DOCUMENT
FOLDER

VIA OVERNIGHT MAIL

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

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: James A. & Linda S. McFadden v. Duquesne Light Company
Docket No. R-00050662C0009

Dear Secretary McNulty:

Enclosed for filing are an original and three (3) copies of the Answer of Duquesne Light Company to the Complaint of James A. & Linda S. McFadden in the above-referenced proceeding. As indicated on the attached Certificate of Service, a copy has been served on the Complainant in the manner indicated.

Respectfully submitted,

Richard S. Herskovitz
Assistant General Counsel

Enclosures

c: Certificate of Service

54

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

James A. & Linda S. McFadden,

Complainant,

vs.

Duquesne Light Company,

Respondent.

DOCKET NO. R-00050662C0009

DOCKETED
NOV 07 2005

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NOV 1 2005

**DOCUMENT
FOLDER**

ANSWER TO COMPLAINT

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Duquesne Light Company ("Duquesne") hereby answers the above-captioned Complaint of James A. & Linda S. McFadden as follows:

1. The averments of Paragraph 1 of the Complaint are admitted.
2. The averments of Paragraph 2 of the Complaint are admitted.
3. The averments of Paragraph 3 of the Complaint are admitted.
4. Duquesne answers each of the subparagraphs of Paragraph 4 of the Complaint as

follows:

A. Duquesne admits the averment in Subparagraph 4.A. of the Complaint that the PUC is allowing Duquesne to collect a temporary increase. In further response to the averment in Subparagraph 4.A. of the Complaint, Duquesne's temporary increase (the "SECA Charge") is set forth in Rider No. 7 in Supplement No. 28 to Duquesne's Tariff Electric -- Pa. P.U.C. No. 23. Supplement No. 28 was filed with the PUC on June 17, 2005 and became effective on August 16, 2005. Rider No. 7 is designed to recover, subject to reconciliation, the Seams Elimination

Charge Adjustment charges billed to Duquesne by the PJM Interconnection, Inc. (“PJM”) under its Open Access Transmission Tariff related to the elimination of Regional Through and Out Rates for transmission services within PJM as it is presently constituted, including the Duquesne zone, and for transmission services between PJM and the Midwest Independent Transmission System Operator.

It is to be emphasized that Rider No. 7 provides only for actual recovery of SECA Charges from PJM on a dollar-for-dollar basis and does not provide for recovery of any amounts in excess of SECA Charges actually incurred by Duquesne.

B. Although no facts are averred in Subparagraph 4.B. of the Complaint, Duquesne submits that the Complainants’ bill, attached to the Complaint, shows that Complainants purchase their electric generation and transmission from an unregulated Electric Generation Supplier (“EGS”), Dominion Peoples Plus. So long as Complainants purchase their electric generation supplies and related transmission services from an EGS, and not from Duquesne, Rider No. 7 will not apply to them. It applies only to customers who purchase electric generation and transmission from Duquesne. Therefore, so long as Complainants obtain their electric generation and transmission from an EGS, and not Duquesne, they will not have to pay the SECA Charge in Rider No. 7.

5. The averments of Paragraph 5 of the Complaint are requests for relief to which no response is required.

WHEREFORE, for all the foregoing reasons, Duquesne Light Company respectfully requests that the Complaint of James A. & Linda S. McFadden be denied.

Respectfully submitted,


Richard S. Herskovitz, Esquire
Assistant General Counsel
Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219
412-393-3662

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

Michael W. Gang, Esquire
John H. Isom, Esquire
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601

Counsel for Duquesne Light Company

November 1, 2005

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

James A. & Linda S. McFadden,

Complainant,

vs.

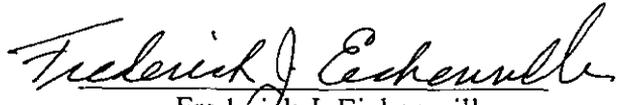
Duquesne Light Company,

Respondent.

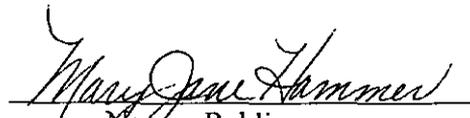
DOCKET NO. R-00050662C0009

AFFIDAVIT

I, Frederick J. Eichenmiller, being duly sworn according to law depose and say that I am authorized to make this affidavit on behalf of Duquesne Light Company, being General Manager – Rates & Regulatory Affairs with that corporation, and that the facts set forth in the foregoing document are true and correct to the best of my knowledge, information and belief, and Duquesne Light Company expects to be able to prove the same at any hearing hereof.


Frederick J. Eichenmiller

Sworn and subscribed before me this 1st day of November, 2005.


Notary Public

My Commission Expires Oct. 6, 2007

COMMONWEALTH OF PENNSYLVANIA

Notarial Seal
Mary Jane Hammer, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires Oct. 6, 2007

Member, Pennsylvania Association of Notaries



Duquesne Light

Our Energy... Your Power

411 Seventh Avenue
8th Floor
Pittsburgh, PA 15219

Tel 412-393-3662
Fax 412-393-5602
rherkovitz@duqlight.com

Richard S. Herskovitz
Assistant General Counsel

ORIGINAL

November 17, 2005

VIA OVERNIGHT MAIL

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

**DOCUMENT
FOLDER**

Re: Aimee-Marie Dorsten v. Duquesne Light Company
Docket No. R-00050662C0010

Dear Secretary McNulty:

Enclosed for filing are an original and three (3) copies of the Answer of Duquesne Light Company to the Complaint of Aimee-Marie Dorsten in the above-referenced proceeding. As indicated on the attached Certificate of Service, a copy has been served on the Complainant in the manner indicated.

Respectfully submitted,

Richard S. Herskovitz
Assistant General Counsel

Enclosures

c: Certificate of Service

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

54

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Aimee-Marie Dorsten,
Complainant,
vs.
Duquesne Light Company,
Respondent.

DOCUMENT
FOLDER

DOCKET NO. R-00050662C0010

DOCKETED
NOV 22 2005

ANSWER TO COMPLAINT

Duquesne Light Company ("Duquesne") hereby answers the above-captioned Complaint of Aimee-Marie Dorsten ("Complainant") as follows:

1. The averments of Paragraph 1 of the Complaint are admitted.
2. The averments of Paragraph 2 of the Complaint are admitted.
3. The averments of Paragraph 3 of the Complaint are admitted.
4. Duquesne answers each of the subparagraphs of Paragraph 4 of the Complaint as follows:

A. In response to Subparagraph 4.A. of the Complaint, it is admitted that the Complainant opposes Duquesne's temporary SECA Charge that is set forth in Rider No. 7 in Supplement No. 28 to Duquesne's Tariff Electric - Pa. P.U.C. No. 23. Supplement No. 28 was filed with the Pennsylvania Public Utility Commission ("Commission") on June 17, 2005 and became effective on August 16, 2005. Rider No. 7 is designed to recover, subject to reconciliation, the Seams Elimination Charge Adjustment charges billed to Duquesne by the PJM Interconnection, Inc. ("PJM") under its Open Access Transmission Tariff related to the

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SECRETARY'S BUREAU

elimination of Regional Through and Out Rates for transmission services within PJM as it is presently constituted, including the Duquesne zone, and for transmission services between PJM and the Midwest Independent Transmission System Operator.

It is to be emphasized that Rider No. 7 provides only for actual recovery of SECA Charges from PJM on a dollar-for-dollar basis and does not provide for recovery of any amounts in excess of SECA Charges actually incurred by Duquesne.

B. Although Complainant avers in Subparagraph 4.B. that a copy of the proposed rate increase was included in the Complaint, there was no copy attached to the Complaint forwarded to Duquesne from the Public Utility Commission. In any event, Duquesne denies any averments in opposition to the SECA charges for the reasons set forth in the response to Subparagraph 4.A. of the Complaint above. In response to the remaining averments in Subparagraph 4.B. of the Complaint, Duquesne is without knowledge or information sufficient to form a belief as to the truth of the averments pertaining to Complainant's personal financial matters, and therefore Duquesne denies same.

5. The averments in Paragraph 5 of the Complaint are requests for relief to which no response is required.

WHEREFORE, for all the foregoing reasons, Duquesne Light Company respectfully requests that the Complaint of Aimee-Marie Dorsten be denied.

Respectfully submitted,



Richard S. Herskovitz, Esquire
Assistant General Counsel
Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219
412-393-3662

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

Michael W. Gang, Esquire
John H. Isom, Esquire
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601

Counsel for Duquesne Light Company

November 17, 2005

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Aimee-Marie Dorsten,

Complainant,

vs.

Duquesne Light Company,

Respondent.

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DOCKET NO. R-00050662C0010

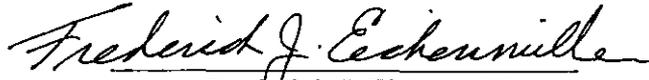
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NOV 17 2005

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

AFFIDAVIT

I, Frederick J. Eichenmiller, being duly sworn according to law depose and say that I am authorized to make this affidavit on behalf of Duquesne Light Company, being General Manager – Rates & Regulatory Affairs with that corporation, and that the facts set forth in the foregoing document are true and correct to the best of my knowledge, information and belief, and Duquesne Light Company expects to be able to prove the same at any hearing hereof.


Frederick J. Eichenmiller

Sworn and subscribed before me this 17th day of November, 2005.


Notary Public

My Commission Expires Oct. 6, 2007

COMMONWEALTH OF PENNSYLVANIA

Notarial Seal
Mary Jane Hammer, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires Oct. 6, 2007

Member, Pennsylvania Association of Notaries

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

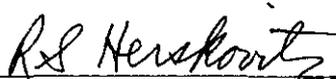
Aimee-Marie Dorsten,	:	
	:	
Complainant,	:	
	:	
vs.	:	
	:	DOCKET NO. R-00050662C0010
Duquesne Light Company,	:	
	:	
Respondent.	:	

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served via First Class Mail upon the following person in accordance with the requirements of § 1.54 (relating to service by a participant).

Aimee-Marie Dorsten
242 S. Winebiddle Street
Pittsburgh, PA 15224

Date: November 17, 2005


Richard S. Herskovitz, Esquire
Assistant General Counsel
Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219
412-393-3662

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU