

CAPTION SHEET

CASE MANAGEMENT SYSTEM

1. REPORT DATE: 00/00/00
 2. BUREAU: AUD
 3. SECTION(S):
 5. APPROVED BY:
 DIRECTOR:
 SUPERVISOR:
 6. PERSON IN CHARGE:
 8. DOCKET NO: R-00072140

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 4. PUBLIC MEETING DATE:
 00/00/00
 :
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 :
 7. DATE FILED: 02/15/07
 9. EFFECTIVE DATE: 02/20/07

PARTY/COMPLAINANT: PUC-TRANSMISSION SERVICE CHARGE FILING

RESPONDENT/APPLICANT: DUQUESNE LIGHT COMPANY

COMP/APP COUNTY:

UTILITY CODE: 110150

ALLEGATION OR SUBJECT

2/15/07 - DUQUESNE LIGHT COMPANY FILED SUPPLEMENT NUMBER 5 TO ELECTRIC PA PUC NUMBER 24 TO UPDATE THE TRANSMISSION SERVICE CHARGE TO REFLECT THE LATEST TRANSMISSION RATES CONDITIONALLY ACCEPTED BY FERC.

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FEB 16 2007



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File #: 2267-126932

February 15, 2007

VIA HAND DELIVERY

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

R-00072140

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**RE: Pennsylvania Public Utility Commission
v. Duquesne Light Company
Docket No: ~~R-00061346~~**

Dear Secretary McNulty:

Enclosed for filing on behalf of Duquesne Light Company ("Duquesne Light" or "Company") are eight (8) copies of Supplement No. 5 to Electric - Pa. P.U.C. No. 24 ("Supplement No. 5"). Supplement No. 5 is being filed to update the Transmission Service Charge ("TSC") in Duquesne Light's tariff to reflect the latest transmission rates conditionally accepted by the Federal Energy Regulatory Commission ("FERC"). In addition, a proof of revenues for the updated TSC rates is attached hereto as Appendix A.

As agreed to in the Settlement of the above-referenced proceeding and as approved by the Pennsylvania Public Utility Commission ("Commission") by Order entered on December 1, 2006, Duquesne Light's TSC is a reconcilable charge that is designed to recover the Company's cost for providing transmission service as reflected under the PJM Interconnection, LLC ("PJM") Open Access Transmission Tariff ("OATT").

In the above-referenced rate proceeding, Duquesne Light informed the Parties that it intended to file a request with FERC to increase the OATT rate and that Duquesne Light anticipated that the OATT rate increase would be approved prior to the date that distribution rates became effective. However, FERC did not approve OATT rate increase before the distribution rates became effective. Therefore, in its compliance filing in the above-referenced case, Duquesne Light included the then current OATT rate in the TSC. FERC has now conditionally accepted the OATT rate increase, subject to refund, with an effective date of December 1, 2006. By this

ALLENTOWN HARRISBURG LANCASTER PHILADELPHIA PITTSBURGH PRINCETON WASHINGTON, D.C.

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filing, Duquesne Light is updating the TSC rates to reflect the latest OATT rate. Duquesne Light notes that PJM is currently charging this OATT rate. Therefore, this update will ensure that wholesale and retail transmission rates are competitively neutral.

This updated filing is permitted by the express terms and conditions of the TSC. With regard to retail rate adjustments, the TSC provides as follows:

The Transmission Service Charges (TSC) defined herein will be updated effective June 1st of each calendar year *or more often upon determination that the rates then in effect would result in a significant over or under collection.* (Emphasis added)

Supplement No. 2 to Electric – Pa. P.U.C. No. 24, First Revised Page No. 114

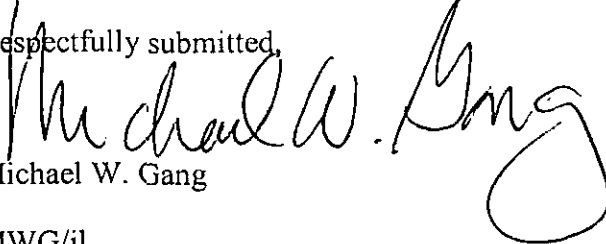
If Duquesne Light did not make this updated filing, it would result in a significant undercollection between February 21, 2007 and the annual update that becomes effective on June 1, 2007. Duquesne Light projects that the total undercollection amount would be approximately \$3.8 million plus interest, or \$38,000 per day. A calculation supporting undercollection that would be experienced if rates are not increased until June 1, 2007, is provided in Appendix B.

Through this filing, Duquesne Light requests that the updated TSC rates become effective on five (5) days notice or for service rendered on and after February 20, 2007. Duquesne Light also requests that the Commission issue a Secretarial Letter approving the rates prior to the expiration of the five-day period. Duquesne Light believes that a five-day notice period is appropriate for several reasons. First, the revenues collected under the TSC will be reviewed in detail in the annual filing setting transmission rates to become effective June 1, 2007 and any over or under collection will be factored into the new rates. In addition, in its December 22, 2006 compliance filing in the above-referenced docket, Duquesne Light notified the Commission that it intended to file a supplement with the Commission updating the TSC rates after FERC approved the new OATT rate. The December 22, 2006 compliance filing was served on all Parties in the above-referenced proceeding. Moreover, by separate letter sent on January 8, 2007, Duquesne Light informed all of the Parties in the above-referenced proceeding that it intended to file a tariff supplement with the Commission updating the TSC rates on five-days notice after FERC approved the new OATT rate. In that letter, Duquesne Light also included a draft tariff supplement and a proof of revenues that demonstrated the anticipated TSC rates.¹ None of the Parties advised Duquesne that they objected to Duquesne Light's calculations or plan to update the TSC rates in response to the December 22, 2006 Compliance Filing or the January 8, 2007 letter.

¹ The TSC rates reflected in this filing are slightly different than the rates reflected in the draft tariff supplement and proof of revenues due to the latest changes in the single coincident peak and actual sales data for 2006.

James J. McNulty
February 15, 2007
Page 3

As indicated on the certificate of service, Duquesne Light has served a copy of this filing on all Parties to the above-referenced proceeding.

Respectfully submitted,

Michael W. Gang

MWG/jl

Enclosures

cc: Certificate of Service
Paul T. Diskin
Robert A. Rosenthal

CERTIFICATE OF SERVICE

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

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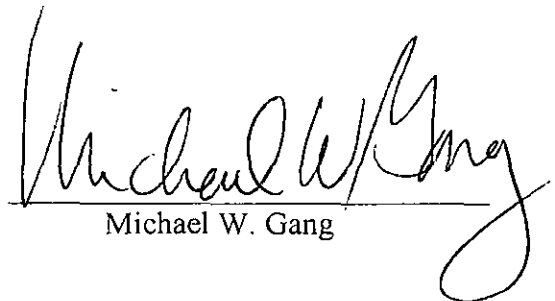
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Date: February 15, 2007


Michael W. Gang

Duquesne Light Company
Transmission Service Charges (TSC) - Tariff Appendix A
Calculation of Retail Rates - FERC Formula Request Filed September 29, 2006

Revenue Requirement (1) \$58,240,653
 1CP - MW 3,051.1

Rate Class	Class Sales kWh (2)	Demand kW (2)	Class 1CP kW (3)	Allocated Revenue Requirement (4)	"e" Factor (5)	Adjusted Revenue Requirement	Energy Rate \$/kWh (6)	Demand Rate \$/kW/mo. (6)
RS	3,623,661,580	0	1,158,666	\$22,117,066	\$0	\$22,117,066	\$0.006486	n/a
RH	317,991,973	0	46,861	\$894,498	\$0	\$894,498	\$0.002989	n/a
RA	42,887,545	0	13,192	\$251,818	\$0	\$251,818	\$0.006240	n/a
GS	95,788,462	0	20,814	\$397,313	\$0	\$397,313	\$0.004408	n/a
GM	2,885,469,619	9,468,771	737,977	\$14,086,805	\$0	\$14,086,805	\$0.002594	\$0.79
GMH	295,577,548	301,131	53,312	\$1,017,641	\$0	\$1,017,641	\$0.001829	\$1.80
GL	3,156,227,638	0	548,173	\$10,463,752	\$0	\$10,463,752	n/a	\$1.69
GLH	531,370,580	0	93,752	\$1,789,576	\$0	\$1,789,576	n/a	\$1.69
L	1,290,194,424	0	203,090	\$3,876,663	\$0	\$3,876,663	n/a	\$1.69
HVPS	1,379,928,138	0	172,102	\$3,285,160	\$0	\$3,285,160	n/a	\$1.69
AL	102,670	0	0	\$0	\$0	\$0	n/a	n/a
SE	27,192,544	0	0	\$0	\$0	\$0	n/a	n/a
SM	30,242,428	0	0	\$0	\$0	\$0	n/a	n/a
SH	964,182	0	0	\$0	\$0	\$0	n/a	n/a
UMS	23,319,889	0	3,162	\$60,361	\$0	\$60,361	n/a	\$1.69
PAL	1,054,072	0	0	\$0	\$0	\$0	n/a	n/a
TOTAL	13,701,973,292	9,769,902	3,051,102	\$58,240,653	\$0	\$58,240,653		

1/ Revenue requirement per the Company's FERC Formula Request filed September 29, 2006.

2/ Actual 2006 sales and billing demand assuming 100% POLR load.

3/ Rate class 2007 1CP as of January 17, 2007.

4/ Revenue requirement allocated to each rate class based on class share of total 1CP.

5/ E-factor defined in retail tariff Appendix A and set a \$0 for retail rates.

6/ Derivation of rate includes adjustment for PA gross receipts tax of 5.9%.

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Duquesne Light Company
Transmission Service Charges (TSC) - Tariff Appendix A
Proof of Revenue Calculation - FERC Formula Request Filed September 29, 2006

Tariff Rates			Billing Units			
Rate Class	Energy Charge Cents/kWh	Demand Charge \$/kW	Sales kWh	Demand kW (1)	Revenue	
RS	0.6486	\$0.00	3,623,661,580	0	\$23,503,790	
RH	0.2989	\$0.00	317,991,973	0	\$950,582	
RA	0.6240	\$0.00	42,887,545	0	\$267,607	
GS	0.4408	\$0.00	95,788,462	0	\$422,224	
GM	0.2594	\$0.79	2,885,469,619	9,468,771	\$14,970,037	
GMH	0.1829	\$1.80	295,577,548	301,131	\$1,081,446	
GL	0.0000	\$1.69	3,156,227,638	6,578,081	\$11,119,821	
GLH	0.0000	\$1.69	531,370,580	1,125,025	\$1,901,781	
L	0.0000	\$1.69	1,290,194,424	2,437,080	\$4,119,727	
HVPS	0.0000	\$1.69	1,379,928,138	2,065,230	\$3,491,137	
AL	0.0000	\$0.00	102,670	0	\$0	
SE	0.0000	\$0.00	27,192,544	0	\$0	
SM	0.0000	\$0.00	30,242,428	0	\$0	
SH	0.0000	\$0.00	964,182	0	\$0	
UMS	0.0000	\$1.69	23,319,889	37,946	\$64,146	
PAL	0.0000	\$0.00	1,054,072	0	\$0	
Total			13,701,973,292		\$61,892,299	
					Less PA Gross Receipts Tax	\$3,651,646
					Net Revenue	<u>\$58,240,653</u>
					PJM OATT Revenue Requirement (OATT Attachment H-17)	\$58,240,653
					Difference	\$0

1/ Demand charge applicable to monthly billed demand for rate schedules GM and GMH.
Demand charge applicable to customers' single coincident peak (1CP) for
rate schedules GL, GLH, L, HVPS and UMS.

Duquesne Light
 Estimated Revenue Undercollection If New Transmission Rates Not Put Into Effect

Current Revenue Requirement	\$30,767,631
Pending Revenue Requirement	\$58,240,653
Increase	\$27,473,022
Average per Day	\$75,269
Assumed POLR Load	50.0%

Average per Day for POLR Sales \$37,634

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January 8, 2007 Letter		
Days	Jan 6-31	25
	Feb	28
	Mar	31
	Apr	30
	May	31
	<u>Total</u>	<u>145</u>
Total Undercollection		\$5,456,970

February 15, 2007 Letter		
Days	Jan	0
	Feb 21-28	8
	Mar	31
	Apr	30
	May	31
	<u>Total</u>	<u>100</u>
Total Undercollection		\$3,763,428

R-00072140



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SCHEDULE OF RATES

For Electric Service in Allegheny and Beaver Counties

(For List of Communities Served, see Pages No. 4 and 5)

Issued By

DUQUESNE LIGHT COMPANY
411 Seventh Avenue
Pittsburgh, PA 15219

DOCKETED

FEB 16 2007

Morgan K. O'Brien
President and Chief Executive Officer

ISSUED: February 15, 2007

EFFECTIVE: February 20, 2007

NOTICE

THIS TARIFF INCREASES AN APPENDIX

See Page Two

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LIST OF MODIFICATIONS MADE BY THIS TARIFF**INCREASES****Appendix A – Transmission Service Charges****Second Revised Page No. 113
Cancelling First Revised Page No. 113**

In accordance with the compliance filing submitted by Duquesne on December 22, 2006, at R-00061346, this supplement is filed to revise the transmission rates stated in Appendix A. The modified rates contained in this supplement reflect the Federal Energy Regulatory Commission Order dated February 6, 2007, in regard to the OATT rate filed by Duquesne on September 29, 2006.

APPENDIX A

TRANSMISSION SERVICE CHARGES

(Applicable to All Rates)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission (FERC) for customers who receive Provider of Last Resort (POLR) Service from the Company. Customers taking POLR service from the Company shall be charged in accordance with the charges of the applicable rate schedules stated below. These charges shall also apply to riders applicable to each rate schedule.

MONTHLY RATES

Rate Schedule	Transmission Service Charge	
RS	\$0.006486 per kWh	(I)
RH	\$0.002989 per kWh	(I)
RA	\$0.006240 per kWh	(I)
GS/GM Non-Demand Metered	\$0.004408 per kWh	(I)
<u>GS/GM Demand Metered</u>		
Demand	\$0.79 per kW	(I)
Energy	\$0.002594 per kWh	(I)
<u>GMH</u>		
Demand (June through September).....	\$1.80 per kW	(I)
Energy	\$0.001829 per kWh	(I)
GL	\$1.69 per kW	(I)
GLH.....	\$1.69 per kW	(I)
L	\$1.69 per kW	(I)
HVPS	\$1.69 per kW	(I)
UMS	\$1.69 per kW	(I)

BILLING DEMAND

Billing Demand subject to Transmission Service Charges for customers taking service under Rate Schedules GS/GM and GMH shall be the same as that determined for distribution and generation charges under the applicable rate schedules.

(I) – Indicates Increase

ISSUED: FEBRUARY 15, 2007

EFFECTIVE: FEBRUARY 20, 2007