

CAPTION SHEET

CASE MANAGEMENT SYSTEM

1. REPORT DATE: 00/00/00	:	
2. BUREAU: FUS	:	
3. SECTION(S):	:	
5. APPROVED BY:	:	4. PUBLIC MEETING DATE:
DIRECTOR:	:	00/00/00
SUPERVISOR:	:	
6. PERSON IN CHARGE:	:	7. DATE FILED: 11/15/06
8. DOCKET NO: R-00061946	:	9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT: PUC-QUARTERLY FIXED PRICE SERVICE

RESPONDENT/APPLICANT: DUQUESNE LIGHT COMPANY

COMP/APP COUNTY:

UTILITY CODE: 110150

ALLEGATION OR SUBJECT

DUQUESNE LIGHT COMPANY FILED ITS QUARTERLY UPDATED RETAIL RATES FOR FIXED PRICE PROVIDER OF LAST RESORT SERVICE TO ITS LARGE COMMERCIAL AND INDUSTRIAL CUSTOMERS TO BE EFFECTIVE DECEMBER 1, 2006.

DOCUMENT
FOLDER

DOCKETED
NOV 17 2006



Duquesne Light
Our Energy...Your Power

411 Seventh Avenue
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Pittsburgh, PA 15219

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

ORIGINAL

Gary A. Jack
Assistant General Counsel

DOCUMENT FOLDER

November 15, 2006

VIA OVERNIGHT MAIL

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

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NOV 15 2006

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

R-00061946

**Re: Petition of Duquesne Light Company for
Approval of Plan for Post-Transition
Period POLR Service
Docket No. ~~P-00032071~~
Quarterly Refreshed Pricing**

Dear Secretary McNulty:

Enclosed for Public Utility Commission ("Commission") approval are an original and three copies of Duquesne Light Company's ("Duquesne's") quarterly updated retail rates for fixed price ("FPS") provider of last resort ("POLR") service to its large commercial and industrial customers ("Large C&I Customers") to be effective December 1, 2006. Pursuant to the Commission's Order entered in this proceeding on October 1, 2004 ("the Compliance Order"), Duquesne is required to submit for approval the results of refreshed energy price bids, and the retail rates resulting from those bids, from the suppliers providing the energy for Duquesne's FPS POLR service to its Large C&I Customers. The energy price bids and resulting retail rates are updated each quarter. On April 21, 2006, the PUC held that a modified RFP should be conducted by Duquesne for fixed price service to large C&I customers beginning June 1, 2006. The results were approved by Secretarial Letter dated May 18, 2006.

It is important to note that if the retail rates filed herein for the quarter beginning December 1, 2006 are not approved by the Commission by Secretarial Letter entered **on or before Monday, November 20, 2006**, these binding firm offers by the winning supplier will terminate and no new FPS service will be available for customers that elect POLR service during that quarter.

Consistent with the Commission's Compliance Order, Duquesne requests that the Secretary treat Schedule 3 of this filing as Proprietary and Confidential and place it in a confidential file not subject to public inspection. Duquesne has provided three copies of this schedule in a sealed envelope stamped Confidential to be placed in a non-public file.

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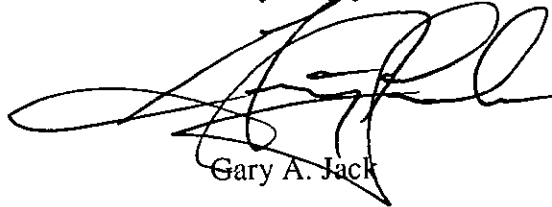
Mr. James J. McNulty, Secretary

November 15, 2006

Complete copies of this filing have been provided to the Commission staff and non-proprietary copies have been provided to the parties to this proceeding as indicated on the enclosed Certificate of Service.

Please contact me if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Gary A. Jack", with a large, stylized flourish extending to the left.

Gary A. Jack

Enclosures

c: Wendell F. Holland, Chairman (w/Enclosures)
James H. Cawley, Vice Chairman (w/Enclosures)
Kim Pizzingrilli, Commissioner (w/Enclosures)
Terrance J. Fitzpatrick, Commissioner (w/Enclosures)
Karen Oill Moury, Esquire (w/Enclosures)
Service List (w/Enclosures)

ORIGINAL

**ATTACHMENTS CONTAIN
PROPRIETARY AND CONFIDENTIAL INFORMATION
* * * DO NOT RELEASE * * ***

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company)
for Approval of Its Plan for Post-Transition)
Period Provider of Last Resort Service.)

Docket No. P-0003207T

R-00061946

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**REQUEST FOR APPROVAL OF REFRESHED POLR
RATES FOR LARGE C&I CUSTOMERS**

I. BACKGROUND

On May 15, 2006, pursuant to Orders entered in this proceeding, Duquesne Light Company ("Duquesne") submitted for Public Utility Commission ("Commission") approval the results of its second request for proposals ("RFP") as part of its renewing, for a one year term, the fixed price service ("FPS") for Large Commercial & Industrial Customers to be effective June 1, 2006. Retail rates resulting from the RFP were submitted to implement Duquesne's provider of last resort ("POLR") obligation. These retail rates were approved by the Commission by Secretarial Letter dated May 18, 2006 at Docket No. R-00049887.

Under the Large C&I Customer plan, customers served by electric generation suppliers ("EGSs") and those receiving hourly price service ("HPS") from Duquesne may elect FPS ("New FPS Customers") at updated retail rates then in effect subject to the switching protocols in the Retail Tariff and subject to any existing obligations in their EGS contract. Under the FPS Agreements executed between Duquesne and its supplier, it is required to bid a single, refreshed energy price (in cents per kWh) each quarter to

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supply the load for the remainder of the Supply Period¹ for New FPS Customers electing FPS during the upcoming quarter.² The bid prices are then translated to on-peak and off-peak energy payments, and updated retail rates for customers that elect FPS during the upcoming quarter are submitted in accordance with the same methodology used in the approved RFP Guidelines.

II. APPROVALS REQUESTED IN THIS PETITION

As explained infra, Duquesne is requesting Commission approval of the following by Secretarial Letter within three (3) working days.

A. Refreshed Rates

As required by the FPS Agreements between the winning supplier and Duquesne, the supplier submitted to Duquesne a refreshed energy price bid for new FPS customers who elect service between December 1, 2006 and February 28, 2007.

Duquesne has translated the refreshed bid prices into retail rates in accordance with the RFP guidelines approved in this proceeding³. Confidential Schedule 3, which is attached, shows the energy prices bid for new FPS customers. For purposes of obtaining the refreshed prices, and in accordance with the RFP guidelines, the fixed capacity payment remained the same at \$5.25 per MW-day, and the associated retail Demand Charge remained the same at \$0.0056 per kW-day. There were no other bid prices to select from since there was only one winning supplier in the last RFP. The supplier

¹ The updated FPS price and service will extend from December 1, 2006 through May 31, 2007.

² Each quarter, winning suppliers will be required to bid a single updated energy price on the 15th business day of the month preceding the start of a price application period described in Exhibit F to the FPS Agreement. If selected, a supplier's bid price would be used to establish retail rates to become effective on the 1st day of the following calendar month for all New FPS Customers that elect FPS service during the upcoming quarter.

energy payments have been adjusted for line losses, retail adders, PJM Surcharge and Pennsylvania gross receipts tax (GRT) using the same formulas in Duquesne's October 19, 2004 RFP filing. The resultant retail energy rates for the next Price Application Period are shown in Rider No. 8, Fixed Price Service, attached as Schedule 1.

Pursuant to the August 23, 2004 and October 1, 2004 Orders in this proceeding, Duquesne is **requesting** Commission **approval** of the updated FPS rates by Secretarial Letter within **THREE** (3) working days.⁴ Duquesne also requests the Commission to waive the 60-day notice requirement of Section 1308(a) of the Public Utility Code, 66 Pa. C.S. § 1308(a), for these updated rates since the approved RFP procedure cannot provide the required 60-day notice to the Commission before the rates are to go into effect.

B. Confidential and Proprietary Nature of Attached Schedule 3

To facilitate Commission review of the refreshed energy price bid results, the bidder name and bid prices are provided in Schedule 3. Consistent with the Compliance Order (at p. 42-43), Duquesne requests that the Secretary treat Schedule 3 as proprietary and confidential, and place it in a confidential file not subject to public inspection. Duquesne requests that the Commission maintain the confidentiality of this information, and make public only the final blended retail rates that are shown in Duquesne's retail tariff in Rider No. 8, Fixed Price Service (Schedule 1).

³ The Commission approved the RFP Guidelines in this proceeding by Order dated February 14, 2006, as amended.

⁴ If the Commission fails to make such approval within such time, binding firm offers by winning suppliers will terminate, and no new FPS service is anticipated to be available for customers that elect POLR service during that quarter.

C. Affidavit in Support of This Filing

As attested to in the Affidavit of Eric R. Stoltz, the refreshed energy price bidding was conducted in accordance with the approved RFP Guidelines approved by the Commission in its Order dated February 14, 2006, as amended. See Schedule 2 attached.

D. Service of Secretarial Letter Notifying Duquesne of Commission Action on this Filing

Duquesne requests that the Secretarial Letter reflecting the Commission's action on this compliance filing be served in both electronic and paper versions upon the following Duquesne representatives:

Frederick J. Eichenmiller
Director – Rates & Regulatory Affairs
Duquesne Light Company
411 Seventh Avenue, 8th Floor
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Pittsburgh, PA 15219
feichenmiller@duqlight.com

Gary A. Jack, Esquire
Assistant General Counsel
Duquesne Light Company
411 Seventh Avenue, 8th Floor
Mail Drop 8-2
Pittsburgh, PA 15219
gjack@duqlight.com

III. CONCLUSION

Duquesne respectfully requests that the Commission issue by close of business on November 20, 2006, a Secretarial Letter that:

1. Concludes that the refreshed RFP was conducted in accordance with the approved RFP Guidelines;

2. Approves the refreshed bid made for new FPS customers;
3. Approves the resulting rates identified in Schedule 1 to become effective December 1, 2006; and
4. Grants whatever additional relief is just and reasonable under the circumstances.

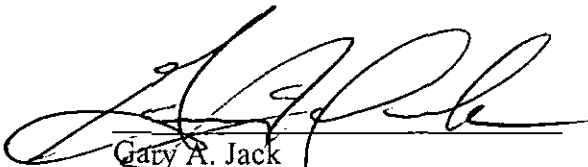
Dated this 15th day of November, 2006.

Respectfully submitted,

Duquesne Light Company



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feichenmiller@duqlight.com



Gary A. Jack
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(412) 393-1541
(412) 393-1418 (Fax)
gjack@duqlight.com

Counsel for Duquesne Light Company

ATTACHMENTS

- Schedule 1 Retail Tariff, Rider No. 8, Fixed Price Service
- Schedule 2 Affidavit of Eric R. Stoltz
- Schedule 3 Bids and Bid Translation into Retail Rates (**CONFIDENTIAL**)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

DUQUESNE LIGHT COMPANY :
Petition for Approval of Plan for Post- :
Transition Period POLR Service. :

Docket No. ~~P-00032071~~

R-00061946

SCHEDULE 1

Retail Tariff, Rider No. 8, Fixed Price Service

SUPPLEMENT NO. 40
TO ELECTRIC – PA. P.U.C. NO. 23

DUQUESNE LIGHT COMPANY
SCHEDULE OF RATES

For Electric Service in Allegheny and Beaver Counties

(For List of Communities Served, see Page No. 4)

Issued By

DUQUESNE LIGHT COMPANY
411 Seventh Avenue
Pittsburgh, PA 15219

Morgan K. O'Brien
President and Chief Executive Officer

RECEIVED

NOV 15 2006

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ISSUED: November 15, 2006

EFFECTIVE: December 1, 2006

Issued in compliance with Commission Orders dated August 23, 2004, October 1, 2004, February 14, 2006, and May 5, 2006, at P-00032071.

NOTICE

THIS TARIFF SUPPLEMENT DECREASES AN EXISTING RIDER

See Page Two

DUQUESNE LIGHT COMPANY
411 SEVENTH AVENUE
PITTSBURGH, PA. 15219

SUPPLEMENT NO. 40
TO ELECTRIC – PA. P.U.C. NO. 23
THIRTY-FIFTH REVISED PAGE NO. 2
CANCELLING THIRTY-FOURTH REVISED PAGE NO. 2

LIST OF MODIFICATIONS MADE BY THIS TARIFF

DECREASE

Rider No. 8 – Fixed Price Service

Seventh Revised Page No. 94
Cancelling Sixth Revised Page No. 94

Rider No. 8 – Fixed Price Service has been updated to include the Energy Charges for the 9th Price Application Period (effective December 1, 2006, through May 31, 2007).

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 – FIXED PRICE SERVICE

(Applicable to Rate Schedules GL, GLH, L and HVPS)

Fixed price service provides large commercial and industrial customers with annual price stability for generation, but reflects the competitive market through determination of the generation charges based on a request for proposal to acquire the energy to serve the load of customers taking service under the provisions of this rider.

MONTHLY RATE

DEMAND CHARGES (effective June 1, 2006, through May 31, 2007)

	<u>GL</u>	<u>GLH</u>	<u>L</u>	<u>HVPS</u>
\$ per kW per day	\$0.0056	\$0.0056	\$0.0056	\$0.0056

The Demand Charges will be applied to the customers Demand described below and will be based on the number of days in the billing cycle during which service is provided.

ENERGY CHARGES

7th Price Application Period (effective June 1, 2006, through May 31, 2007)

	<u>GL</u>	<u>GLH</u>	<u>L</u>	<u>HVPS</u>
On-peak cents per kilowatt-hour	11.4018	11.2356	11.0693	10.6196
Off-peak cents per kilowatt-hour	6.4270	6.2703	6.1749	5.8481

8th Price Application Period (effective September 1, 2006, through May 31, 2007)

	<u>GL</u>	<u>GLH</u>	<u>L</u>	<u>HVPS</u>
On-peak cents per kilowatt-hour	11.1027	10.9371	10.7750	10.3327
Off-peak cents per kilowatt-hour	6.2651	6.1086	6.0156	5.6928

9th Price Application Period (effective December 1, 2006, through May 31, 2007)

	<u>GL</u>	<u>GLH</u>	<u>L</u>	<u>HVPS</u>
On-peak cents per kilowatt-hour	10.6750	10.5101	10.3542	9.9224
Off-peak cents per kilowatt-hour	6.0336	5.8776	5.7878	5.4707

10th Price Application Period (effective March 1, 2007, through May 31, 2007)

	<u>GL</u>	<u>GLH</u>	<u>L</u>	<u>HVPS</u>
On-peak cents per kilowatt-hour	See Below	See Below	See Below	See Below
Off-peak cents per kilowatt-hour	See Below	See Below	See Below	See Below

(D) – Indicates Decrease

(D)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

DUQUESNE LIGHT COMPANY :
Petition for Approval of Plan for Post- :
Transition Period POLR Service. :

Docket No. ~~P-00032071~~

R-00061946

SCHEDULE 2

Affidavit of Eric Stoltz attesting that the RFP results reported in this filing are true and correct and that the RFP was conducted pursuant to the approved RFP Guidelines.

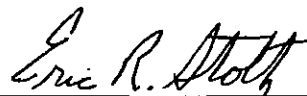
**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

DUQUESNE LIGHT COMPANY :
Petition for Approval of Plan for Post- : Docket No. P-00032071
Transition Period POLR Service. :

AFFIDAVIT

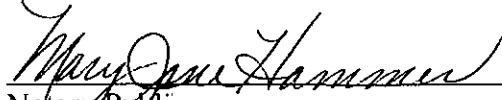
I, Eric R. Stoltz, being duly sworn according to law, depose and say that I am Manager, Corporate Development of Duquesne Light Company ("Duquesne"); that I am authorized to and do make this affidavit for it; and that the facts set forth below are true and correct to the best of my knowledge, information, and belief.

1. The results of the refreshed energy price bidding conducted by Duquesne and reported in this filing are true and correct.
2. The refreshed energy price bidding process used by Duquesne was conducted pursuant to the RFP Guidelines approved by Commission Order dated February 14, 2006 in this proceeding, as amended.

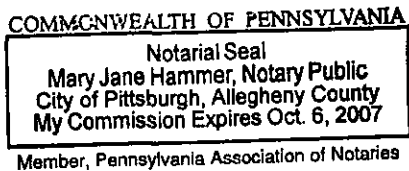


Eric R. Stoltz
Manager, Corporate Development
Duquesne Light Company

Sworn and subscribed before me
this 15th day of November, 2006.



Notary Public



**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

DUQUESNE LIGHT COMPANY
Petition for Approval of Plan for Post-
Transition Period POLR Service.

Docket No. ~~P-00032071~~ *R-00061946*

CERTIFICATE OF SERVICE

I hereby certify that I have this day served true and correct copies of the Non-Proprietary version of the foregoing document upon the individuals listed, in accordance with the requirements of Section 1.54 (relating to service by a participant).

Via E-mail or First Class Mail

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Tanya J. McCloskey, Esquire
Aron J. Beatty, Esquire
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William R. Lloyd, Jr., Esquire
Steven Gray, Esquire
Office of Small Business Advocate
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A handwritten signature in black ink, appearing to read 'G. Jack', written over a horizontal line.

Gary A. Jack
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(412) 393-1418 (Fax)
gjack@duqlight.com
Counsel for Duquesne Light Company

Dated: November 15, 2006

COMMONWEALTH OF PENNSYLVANIA

DATE: November 17, 2006

SUBJECT: R-00061946

TO: Bureau of Fixed Utility Services

FROM: James J. McNulty, Secretary *KB*

Duquesne Light Company's Quarterly Update Retail Rates for Fixed Price Provider of Last Resort Service to its Large Commercial and Industrial Customers to be effective June 1, 2006.

Attached is a copy of Duquesne Light Company's Quarterly Update Retail Rates for Fixed Price Provider of Last Resort Service to its Large Commercial and Industrial Customers, to be effective December 1, 2006, which has been captioned and docketed to the above number

This matter is assigned to your Bureau for appropriate action.

Please note the filing contains confidential material.

Attachment

ksb

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FOLDER

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