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SECRETARY'S BUREAU
PA.P.U.C.

March 9, 2017

VIA HAND DELIVERY

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

**Re: Duquesne Light Company and DQE Communications, LLC – Request for Approval
of Affiliated Interest Agreement Pursuant to Section 2102 of the Public Utility Code
Docket No. G-2017-_____**
Contains Confidential Information

Dear Secretary Chiavetta:

Enclosed for filing on behalf of Duquesne Light Company ("Duquesne Light") and DQE Communications, LLC ("DQE"), pursuant to 66 Pa.C.S.A 2102, is a proposed Master Services Agreement between Duquesne Light and DQE.

Please note that the Master Services Agreement contains confidential and competitively sensitive business and pricing information, that may cause competitive harm to DQE if disclosed. Accordingly, the Master Services Agreement has been marked Confidential and is being submitted in a separate envelope. DQE respectfully requests that the Master Services Agreement be filed under seal.

Duquesne Light and DQE are both "public utilities" as the term is defined under Section 102 of the Public Utility Code, 66 Pa.C.S. § 102. Duquesne Light is certificated by the Commission to provide electric distribution service in Allegheny and Beaver Counties in Pennsylvania. DQE is a telecommunications provider that holds a Certificate of Public Convenience as a Competitive Access Provider throughout the Commonwealth.

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Duquesne Light and DQE are both subsidiaries of Duquesne Light Holdings, Inc. and as such qualify as affiliates under Section 2101 of the Public Utility Code (66 Pa.C.S.A. § 2101). Under Section 2102 of the Public Utility Code, a contract between public utilities and affiliated interests may not become effective until it has received Commission approval. Such approval will be issued if the contract is “reasonable and consistent with the public interest.”

The purpose of the proposed Master Services Agreement is to provide general terms and conditions and a framework within which Duquesne Light may from time to time purchase certain telecommunications and related infrastructure services from DQE. Specifically, the Master Service Agreement relates to (i) Metro Ethernet & Internet Services; (ii) Colocation Services; and (iii) Managed Services (“the Services”).¹ Additional terms and conditions that apply to each specific Service are set forth in Service Schedules which are attached to the proposed Master Services Agreement.

Under the terms of the proposed Master Services Agreement, Duquesne Light may from time to time purchase the Services from DQE by executing service orders detailing the services to be provided using template service order forms. Copies of the service order templates are attached to the Services Schedules that are incorporated into the proposed Master Services Agreement.

Consistent with its procurement policy, Duquesne Light will request competitive quotes for the Services. Should DQE be the chosen provider for any of the Services, the proposed Master Service Agreement and accompanying Schedules would govern the provision of the Services and service orders would be issued to document the specifics of each individual purchase.

Approval of the proposed Master Services Agreement is reasonable and in the public interest because it will allow DQE to submit bids in response to Duquesne Light’s requests for competitive quotes, thereby expanding the pool of potential bidders for the Services, which will result in a more competitive bidding process. Unless the Master Services Agreement is approved, DQE could be precluded from submitting bids to provide the Services to Duquesne Light, even if DQE is best-suited to provide the Services.

Duquesne Light and DQE respectfully request that the proposed Master Services Agreement be considered as expeditiously as possible, consistent with the 30-day period

¹ Under DQE’s Commission approved Tariff, arrangements for the provision of some services are developed on a case-by-case basis in response to a request from the Customer or prospective Customer to develop a competitive bid. Such arrangements must be offered in writing on a non-discriminatory basis. See DQE Tariff Telephone PA PUC No. 1, at Section 3

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for consideration of affiliate transactions set forth in Section 2102(b) of the Public Utility Code, 66 Pa.C.S. § 2102(b).

Should you have any questions or require any additional information, please feel free to contact me.

Respectfully Submitted,

STEVENS & LEE



Michael A. Gruin

Enclosure

cc: Paul Diskin, Director, Bureau of Technical Utility Services
Certificate of Service

CERTIFICATE OF SERVICE

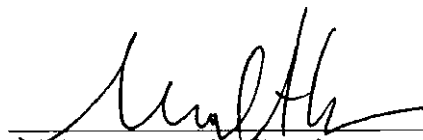
And now, this 9th day of March 2017, I do hereby certify that I have served a true and correct copy of the foregoing Request for Approval of Affiliated Interest Agreement upon the persons listed below at their respective address, via first-class mail, postage prepaid.

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

Office of Small Business Advocate
Commerce Building, Suite 202
300 North Second Street
Harrisburg, PA 17101

Pennsylvania Public Utility Commission
Bureau of Investigation & Enforcement
400 North Street
PO Box 3265
Harrisburg, PA 17105-3265

Date: March 9, 2017



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