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May 2, 2017

E-FILED

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, Room-N201
400 North Street
Harrisburg, PA 17120

**Re: Petition of Duquesne Light Company for Modification of Joint Settlement
Docket No. P-2010-2153577**

Dear Secretary Chiavetta:

Enclosed for filing, please find Duquesne Light Company's Petition for Modification of the Joint Settlement in the above-referenced proceeding. Because the subject of the attached Petition seeks relief from a July 1st reporting requirement, Duquesne Light requests expedited treatment of this Petition.

If you have any questions regarding the information contained in this filing, please contact the undersigned or Audrey Waldock at 412-393-6334 or awaldock@duqlight.com.

Respectfully submitted,

A handwritten signature in blue ink that reads "Shelby Linton-Keddie".

Shelby A Linton-Keddie
Manager, State Regulatory Affairs
And Senior Legal Counsel

Enclosure

cc: Certificate of Service
ALJ Katrina L. Dunderdale (kdunderdal@pa.gov)
Darren Gill (via e-mail)

given in the normal course of an AEPS compliance year, Duquesne Light requests immediate termination of this July 1 reporting requirement.

I. INTRODUCTION

1. Duquesne Light is a public utility and electric distribution company (“EDC”) as defined in Sections 102 and 2803 of the Public Utility Code, 66 Pa.C.S. §§102, 2803. Duquesne Light provides electric supply service to approximately 590,000 customers in its certified service territory, which includes portions of the City of Pittsburgh and Allegheny and Beaver Counties of Pennsylvania.

2. The name and address of Duquesne Light’s attorney for purposes of this filing is as follows:

Shelby A. Linton-Keddie (Pa. I.D. 206425)
Manager, State Regulatory Affairs
Sr. Legal Counsel
Duquesne Light Company
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Counsel consents to electronic service of any documents associated with this Petition.

II. BASIS FOR REQUESTED RELIEF

3. Duquesne Light, the Commission’s Bureau of Conservation, and Economics and Energy Planning (“CEEP”) (now the Bureau of Technical Utility Services)¹ entered into the Settlement Petition, filed at the above-captioned Docket on or about October 8, 2010. Notably,

¹ In addition, Law Bureau Prosecutory Staff (now Law Bureau) filed the Answer to the Duquesne Light Petition requesting the Commission deny the Company’s Petition to Contest the Finding of Non-Compliance with AEPS Compliance for the 2009/2009 Compliance Period. As a result, Duquesne Light will be including on the service list Robert F. Young and Kriss Brown, who were served with the referenced Settlement in 2010.

the Office of Consumer Advocate (“OCA”) and the Office of Small Business Advocate (“OSBA”), intervenors in this proceeding, both submitted statements of non-opposition to the Settlement.

4. Administrative Law Judge (“ALJ”) Dunderdale entered an Initial Decision approving the Settlement Petition on November 3, 2010, and the Commission entered a Final Order accepting the ALJ’s Initial Decision on November 19, 2010.

5. The Settlement Petition includes several conditions designed to ensure Duquesne Light’s compliance with its obligations under the AEPS Act after the 2008/2009 Compliance Year. Some of these commitments include: the addition of language to all contracts for the purchase of AECs that require the AECs purchased must be generated in PJM or in the Commonwealth of Pennsylvania, conducting independent due diligence before purchasing AECs to confirm that the AECs were produced in PJM or the Commonwealth of Pennsylvania and to train its employees responsible for AEPS Act Compliance on AEC eligibility requirements for Duquesne Light. The Company has satisfied each condition, and has never had another finding of non-compliance or inclusion of credits only useable in MISO since the incident at issue.

6. Currently, pursuant to Section III.14(b)(3) of the Settlement Petition, Duquesne Light is required to submit an annual AEC Report to the Commission and the AEC Administrator electronically on or before July 1st of each year. The AEC Report constitutes a “proposed compliance plan” comprising preliminary load and AEC credit data for the reporting period ending May 31st of that year. The data that Duquesne Light includes in the AEC Report are, by necessity, preliminary and incomplete, as final data of the prior reporting period are not available until July 15 of each year at the earliest. *See* 52 Pa. Code 75.64(c)(1) (providing that the relevant AEC data

are recorded in final form within 45 days of the end of the reporting period, or July 15 of each year).²

7. Duquesne Light's reporting under Section III.14(b)(3) does not modify or fulfill any of Duquesne Light's AEPS obligations. Section III.14(b)(3) of the Settlement Petition provides in part, "The AEC Administrator's review of Duquesne Light's compliance plan will not constitute a final determination of Duquesne Light's compliance obligation as only those credits retired by Duquesne Light in its PJM Generation Attribute Tracking System ("GATS") Pennsylvania Portfolio Reserve Subaccount can be used to determine final compliance with the AEPS Act." Thus, by design, the AEC Report is accorded little significance other than to preliminarily signify a proposed plan of compliance.

8. Furthermore, the extra July 1 AEC Report is, at best, ancillary to the central purpose of the Settlement Petition, which included a number of internal process changes to ensure AEPS compliance going forward. As a result, this July 1 report does not serve an important function in maintaining or ensuring Duquesne Light's AEPS compliance going forward. Through the Settlement, Duquesne Light and the AEPS Administrator corrected the accounting error that precipitated this proceeding, and Duquesne Light came into compliance for the 2008/2009 compliance period, in 2010. Such accounting error was a one-time event and has not been repeated in the last seven years.

9. Consistent with its Settlement obligations, Duquesne Light has timely submitted an AEC Report by July 1 each year since 2011. Neither the Commission nor the AEC Administrator has ever responded to any AEC Report submission with inquiries or comments concerning its

² Section III.14(b)(3) recognizes this reality, including in relevant part, "It is understood that some suppliers may not have supplied all of this information [required in an AEC Report] to Duquesne Light by the time of filing and there can be further amendments/supplements to the report."

content, nor has Duquesne Light received any indication that the AEC Administrator has used this extra report as part of determining of Duquesne Light's compliance with AEC requirements. To the best of Duquesne Light's knowledge and belief, these reports are superfluous and have not been used for any practical purpose.

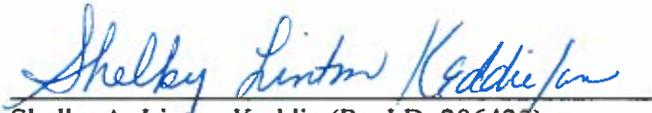
10. Section III.14(b)(3) of the Settlement Petition contemplates that Duquesne Light's July 1 AEC reporting requirement will not persist indefinitely, providing in relevant part, "These reporting procedures will be in effect, until superseded by Commission regulations, orders or other equivalent action by the Commission"

11. As described herein, the AEC Report is unnecessary, serves no useful purpose, and instead adds to the administrative burdens of Duquesne Light, the AEC Administrator, and the Commission without delivering commensurate – or, indeed, any – benefit. Accordingly, Duquesne Light therefore submits that immediate termination of the July 1 AEC reporting requirement enumerated in the Settlement is reasonable and appropriate.

III. CONCLUSION

WHEREFORE, Duquesne Light Company respectfully requests that the Pennsylvania Public Utility Commission immediately terminate the reporting requirement in Section III.14(b)(3) of the Settlement Petition entered in this docket on November 19, 2010 requiring a proposed compliance plan be filed by July 1st of each year.

Respectfully submitted,



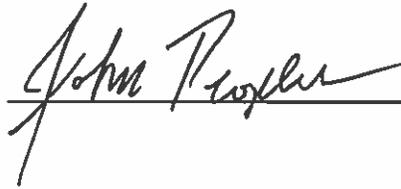
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DATE: May 2, 2017

VERIFICATION

I, John Peoples, hereby state that I am Manager of Energy Supply, of Duquesne Light Company hereby state that the facts set forth in the above-captioned Petition are true and correct to the best of my knowledge, information and belief, and that if asked orally at a hearing in this matter, my answers would be as set forth herein.

I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. §4904 (relating to unsworn falsification to authorities).



Dated: May 2, 2017

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company for :
Modification of Joint Settlement : P-2010-2153577
:

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the Petition of Duquesne Light Company for Modification of Joint Settlement upon the person and in the manner set forth below:

By First Class, U.S. Mail and Electronic Service

Tanya J. McCloskey, Esquire
David Evrard
Office of Consumer Advocate
555 Walnut Street
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Harrisburg, PA 17101-1923
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Sharon E. Webb, Esquire
Office of Small Business Advocate
300 North Second Street
Suite 1102
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By First Class, U.S. Mail

Robert F. Young
Kriss E. Brown
Law Bureau
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
3rd Floor, 4 North
Harrisburg, PA 17120

AEC Administrator
InClime
326 First Street
Suite 26
Annapolis, MD 21403

DATE: May 2, 2017



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