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June 9, 2017

**VIA HAND DELIVERY**

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

RECEIVED  
2017 JUN -9 AM 9:59  
PA PUC  
SECRETARY'S BUREAU  
FRONT DESK

**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-2017-2593836**  
**Contains Confidential Information**

Dear Secretary Chiavetta:

On March 9, 2017, Duquesne Light Company ("Duquesne Light") and DQE Communications, LLC ("DQE"), submitted a proposed Master Services Agreement between Duquesne Light and DQE.<sup>1</sup> As discussed below, Duquesne Light and DQE are hereby submitting a modified proposed Master Services Agreement to replace the initial proposed Master Services Agreement. This modified Master Services Agreement contains no proposed pricing terms, but it is identical to the original Master Services Agreement that was submitted in all other respects.

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

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<sup>1</sup> 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. 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).

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certain telecommunications and related infrastructure services from DQE, should DQE be the successful bidder in Duquesne Light's competitive procurement process for certain telecommunications services. Specifically, the Master Service Agreement relates to (i) Metro Ethernet & Internet Services; (ii) Colocation Services; and (iii) Managed Services ("the Services"). Additional terms and conditions that would apply to each specific Service are set forth in Service Schedules which are attached to the proposed Master Services Agreement.

The original proposed Master Services Agreement submitted by the parties contained some basic potential pricing information for the Services at various bandwidths. This pricing information has been removed from the modified proposed Master Services Agreement, because pricing terms will not be finalized unless and until DQE is selected to provide one or more of the Services. Consistent with its procurement policy, Duquesne Light will request competitive quotes for all of 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. Pro-forma templates of the service orders are attached to the Services Schedules that are incorporated into the proposed Master Services Agreement.

Duquesne Light and DQE are requesting that the Commission approve the Master Services Agreement in order to allow DQE to provide the Services to Duquesne Light in the event that DQE is the successful bidder in Duquesne Light's competitive procurement process for the Services. If DQE is the winning bidder, the parties will make a compliance filing to inform the Commission of DQE's selection and will provide the Commission with a fully executed copy of the executed Master Services Agreement and associated service orders, including pricing information.

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. DQE is requesting approval of the terms and conditions prior to the completion of the competitive selection process to ensure that it can timely deliver the proposed services, if selected as the winning bidder.

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

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Duquesne Light and DQE respectfully request that the modified proposed Master Services Agreement be considered as expeditiously as possible.

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: Robert Young, Esq., Law Bureau  
Paul Diskin, Director, Bureau of Technical Utility Services  
Jeff McCracken, Bureau of Technical Utility Service  
Certificate of Service

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**CERTIFICATE OF SERVICE**

And now, this 9<sup>th</sup> day of June 2017, I do hereby certify that I have served a true and correct copy of the foregoing modified 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: June 9, 2017

  
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