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October 27, 2020

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Keystone Bldg. 2nd Floor W
400 N. Street
Harrisburg, PA 17120

**RE: Request of Duquesne Light Company for Approval of an Amendment to its Affiliated Interest Agreement with its Parent for Short Term Borrowing
Docket No. G-2009-2148505**

Dear Secretary Chiavetta:

Enclosed please find Duquesne Light Company's ("DLC") Request for Approval of an Amendment to the above-referenced Affiliated Interest Agreement with its parent company, Duquesne Light Holdings Inc. ("DLH"), by increasing the allowed amount of borrowings from \$200 million to \$300 million. The increased borrowing threshold will provide DLC with the capability and flexibility to finance necessary construction of facilities, greater flexibility for working capital and capital structure management, and otherwise fund and operate its business.

Please contact me with any questions, comments, or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Emily M. Farah".

Emily M. Farah
Duquesne Light Company
Counsel, Regulatory

Enclosures

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Request of Duquesne Light Company for Approval of an Amendment to its Affiliated Interest Arrangement with its Parent for Short Term Borrowing : : Docket No. G-2009-2148505

**Request for Approval of An Amendment
to Affiliated Interest Agreement
(66 Pa. C. S. Section 2102)**

Duquesne Light Company (“DLC”) requests the Pennsylvania Public Utility Commission’s (“Commission”) consent and approval pursuant to Section 2102 of the Public Utility Code (“Code”), 66 Pa. C. S. § 2102, to amend its existing Affiliated Interest Agreement with its parent company, Duquesne Light Holdings Inc. (“DLH”), by increasing the allowed amount of borrowings from \$200 million to \$300 million. The increased borrowing threshold will provide DLC with the capability and flexibility to finance necessary construction of facilities, greater flexibility for working capital and capital structure management, and otherwise fund and operate its business. DLC sets forth the following in support thereof:

1. DLC is a Pennsylvania limited liability company and an electric utility engaged in the supply (through its provider-of-last-resort service (POLR)), transmission and distribution of electric energy. DLC provides electric service to more than 600,000 customers in Pennsylvania’s Allegheny and Beaver counties (including in the city of Pittsburgh), a territory of approximately 800 square miles. DLC’s corporate headquarters is located at 411 Seventh Avenue, Pittsburgh, PA 15219.

2. DLH is the parent company of DLC, and DLC is DLH’s principle subsidiary.

3. On December 16, 2009, DLC filed with this Commission a petition requesting authorization for DLH to be able to lend to its utility subsidiary, DLC, up to \$200 million at any one time on commercially reasonable terms as dictated in the petition. By Secretarial Letter dated May 3, 2010 at Docket No. G-2009-2148505, the affiliated interest agreement was approved by operation of law pursuant to 66 Pa. C.S. § 2102(b)

4. Said authorization has been utilized by DLC since Commission approval of the arrangement. The credit facility has been helpful and beneficial to both the utility and its customers in providing short term borrowings to DLC for financing needs.

5. In order to provide necessary funding for construction, as well as finance and pay other obligations of DLC in normal course of operating its utility business, DLC desires to increase its ability to borrow, on a short term basis from time to time, from up to \$200 million to up to \$300 million at any given point in time from its parent, DLH, on market terms and conditions. This borrowing would be used in addition to normal equity contributions, retained earnings, long-term borrowings of DLC, and short-term borrowings from outside credit lenders utilized by DLC to operate its business. Borrowing is necessary to support construction and general corporate needs, and provide DLC greater flexibility in timing debt issuances in the capital markets to obtain more favorable terms and an overall lower cost of capital.


6. DLC also recommends an amendment of the interest rate of the Affiliated Interest Agreement from London Interbank Offered Rate (LIBOR) + 1.25% to LIBOR + 0.875% to align with DLC's Credit Agreement executed on October 31, 2019. All other specific terms of the loan will be unchanged. The amended, specific terms of the loan arrangement are attached as Exhibit A. DLC represents that these terms are commercially reasonable and reflect today's prevailing market conditions. Increasing the threshold as requesting in this filing will provide no preference or undue advantage to DLH or any other company in the DLH family.

7. Upon Commission approval, an amended Promissory Note will be executed between DLC and DLH in the form attached as Exhibit B.

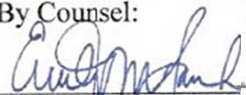
8. The approval of this amendment is necessary and in the public interest, providing necessary financing for construction and operation of DLC's obligation to provide reliable and cost effective electric service to its customers.

WHEREFORE, DLC respectfully requests the Commission to approve this amendment to its short term borrowing arrangement with its parent, DLH, and to authorize borrowings up to \$300 million from DLH to its utility subsidiary, DLC, and it to perform all necessary and incidental tasks thereto in carrying out said borrowing arrangement.

Duquesne Light Company

By: 
James H. Milligan

By Counsel:


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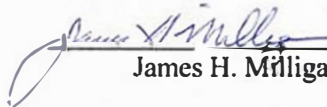
Dated: October 27, 2020

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Request of Duquesne Light :
Company for Approval of an :
Amendment to its Affiliated Interest : Docket No. G-2009-2148505
Arrangement with its Parent for :
Short Term Borrowing :

VERIFICATION

I, James H. Milligan, Treasurer of Duquesne Light Company, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).



James H. Milligan

Dated: October 27, 2020

Duquesne Light Company Intercompany Loan -- Summary of Terms

Lender:	Duquesne Light Holdings, Inc.
Facility Type:	Unsecured Intercompany Revolving Credit Facility
Payment:	Upon Demand
Amount:	Not to exceed \$300 million at any one time
Interest Payment Date:	March 31, June 30, September 30, and December 31
Interest Rate:	London Interbank Offered Rate (LIBOR) + 0.875% calculated end of each quarter
Interest Payment Amount:	Applied to outstanding Principal during the Quarter
Rate Reset:	In advance on interest payment dates (initial rate will be set on date of draw)
Interest Deferral:	Not Applicable
Prepayment:	Borrower may pay or prepay any or all amounts due under the facility at any time and from time to time

PROMISSORY NOTE

Amount: Up to \$300 Million Date: _____

Interest Rate: LIBOR + 0.875% Payment: Upon Demand

Duquesne Light Company, a Pennsylvania Limited Liability Company (herein called the “Company”, which term includes any successor entity), for value received, hereby promises to pay to Duquesne Light Holdings, Inc. (the “Lender”), the principal sum of its draws or loans from the Lender, in an amount not to exceed \$300 million dollars (\$300,000,000.) at any one time or, if less, the aggregate principal amount of advances outstanding on demand, plus interest due thereon.

This Promissory Note is payable ON DEMAND, and Company shall pay interest thereon on a quarterly basis on the unpaid principal amount of each such loan at the Market Rate of interest. The Market Rate of interest shall be the London Interbank Offered Rate (LIBOR) plus 0.875% per year. Interest payments shall be due and payable on the last day of each quarter for the amount accrued on a daily basis in such quarter. Also, on said last day of each quarter, the Market Rate shall be recalculated on a forward basis for the principal to be outstanding during the succeeding quarter. Notwithstanding such payment arrangements, all outstanding and unpaid principal and interest shall be due and payable upon Demand.

Payment of the principal of this Note and interest hereon shall be made, at the request and demand of the lender, upon presentation hereof at the office of the Company in Pittsburgh, Pennsylvania or at such other office or agency as may be designated for such purpose by the Company from time to time. Payment of the principal of and interest on this Note, as aforesaid, shall be payable in lawful money of the United States of America to the Lender in Pittsburgh, Pennsylvania in same day funds and may be paid or prepaid by the Company at any time and from time to time to reduce its outstanding balance.

The registered holder of this Note may demand payment of the principal hereof, in whole or in part, plus accrued interest by delivering to the Treasurer of the Company at the office of the Company in Pittsburgh, Pennsylvania a notice specifying the portion of such principal amount to be paid and the date of payment and then presenting this Note for payment at such office on the date specified for payment.

This Note is exchangeable for a like aggregate principal amount of Notes of like tenor upon surrender of this Note to be exchanged at the office of the Company in Pittsburgh, Pennsylvania. No service charge shall be made for any such exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The principal amount to be repaid by the Company may, at the Company’s option, be offset by the amount of any obligations which are then owed by Lender to the

Company. This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

No recourse shall be had for the payment of the principal of or interest on this Note, or any part hereof, for any claim based thereon or otherwise in respect thereof, or of the indebtedness represented thereby against, and no personal liability whatsoever shall attach to, or be incurred by, any officer or director of such Company as such, past, present or future of the Company, whether by virtue of any constitutional provisions, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Note is solely a Company obligation and that any such personal liability is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution and the issuance of this Note.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

DUQUESNE LIGHT COMPANY

By:

James H. Milligan
Treasurer