



411 Seventh Avenue
Pittsburgh, PA 15219

January 18, 2013

VIA ELECTRONIC FILING

Rosemary A. Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17105-3265

RE: Investigation of Pennsylvania's Retail Electricity Market:
Docket No.: I-2011-2237952/Secretarial Letter Dated December 20, 2012

Dear Secretary Chiavetta:

Enclosed for filing are the comments of Duquesne Light Company to the December 20, 2012 Secretarial Letter in the above-referenced proceeding.

Should you have questions regarding this filing, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Robert H. Hoaglund II'.

Robert H. Hoaglund II
Assistant General Counsel
Duquesne Light Company

Attachment

cc: Office of Competitive Market Oversight (ra-RMI@pa.gov)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of Pennsylvania's)
Retail Electricity Market)

Docket No. I-2011-2237952

**COMMENTS OF DUQUESNE LIGHT COMPANY ON SECRETARIAL LETTER
OF DECEMBER 20, 2012**

Duquesne Light Company ("DLC," "Duquesne Light" or the "Company") submits the following comments in response to the Pennsylvania Public Utility Commission's ("Commission") Secretarial Letter of December 20, 2012, at Docket No. I-2011-2237952, relating to the Retail Market Investigation ("RMI") proceeding. DLC appreciates this opportunity to comment on the aforementioned letter.

I. COMMENTS

A. Overview

Duquesne Light fully supports the Commission's directive to mail the three coordinated educational mailings to residential and small business customers, and has completed two of the three, mailing the postcard in February 2012 and the PAPowerSwitch tri-fold brochure in November 2012. The Company is also planning to mail the EDC letter/FAQ in the summer of 2013. Further, Duquesne Light is in agreement that postponing the annual mailing of the post card in 2013 is a prudent decision, as overwhelming customers with too much information can have a negative and opposite effect on customers' view of electric choice.

B. Cost Recovery for PUC Directed Mailings

Duquesne Light has recovered costs for consumer education through a Commission-approved consumer education surcharge. This surcharge is reconciled each year for the previous calendar year's actual revenue and expense, with the over or under collection included in the revised consumer education surcharge effective June 1 each year. Duquesne Light's Consumer Education Surcharge was approved in the Company's last base rate proceeding at Docket Nos. R-2010-2179522, et al. and requires the Company to recover all of its consumer education costs through the surcharge. *See Joint Petition for Settlement of All Issues*, Paragraph No. 35, Order approving Settlement entered February 24, 2011. In addition, the Settlement provided that commencing on April 21, 2011, all consumer education costs would be removed from base rates.

In the December 20, 2012 Secretarial Letter, the Commission advises EDCs not to seek cost recovery for the annual Commission postcard through filing new consumer education plans or extending their existing five-year consumer education plans. Through this statement, the Commission appears to be indicating that the surcharge cannot be used to recover costs of mailing the Commission-required postcards. If this is the Commission's intent, Duquesne Light respectfully requests that the Commission reconsider this issue and allow Duquesne Light to recover its postcard mailing costs through its consumer education surcharge because Duquesne Light currently does not recover any consumer education costs through base rates. As explained above, Duquesne Light recovers all consumer education costs through its consumer education surcharge pursuant to its base rate settlement. If the surcharge is eliminated, Duquesne Light will have no means for recovering its consumer education costs.

II. Concluding Remarks

DLC supports the ongoing efforts of the Commission to educate consumers on electric choice and the Company looks forward to working with stakeholders to continue its efforts to promote retail competition in a manner that balances the interests of customers, EGSs, and EDC stakeholders.

Respectfully Submitted,



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