



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

Docket No. A-110142

March 14, 2005

DUQUESNE LIGHT ENERGY, LLC
875 GREENTREE ROAD
SUITE 440
PITTSBURGH PA 15220-

ATTENTION: JOHN MORRIS

RE: License Bond or Other Financial Security

Dear Mr. Morris:

Pursuant to 66 Pa. C.S. §2809(c), no electric supplier license shall remain in force unless the licensee furnishes a bond or other security approved by the Commission to ensure the financial responsibility of the electric generation supplier and the supply of electricity at retail. The Commission's records indicate that the bond or other approved security provided by Duquesne Light Energy, LLC expires on May 15, 2005.

The Commission's regulations at 52 Pa. Code §54.40(d) require "the security level for each licensee will be reviewed annually and modified primarily based upon the licensee's reported annual gross receipts information. The security level will be 10% of the licensee's reported gross receipts." The minimum security level provided may not be less than the initial security level provided when the license was granted. Unless approved by the Commission, the initial security level is \$250,000.

The Commission's regulations at 52 Pa. Code §54.39(b) require a licensee to file an annual report on or before April 30 of each year, for the previous calendar year, in order to comply with 66 Pa. C.S. §2810(c)(6). This report discloses the total amount of gross receipts from the sale of electricity and the total amount of electricity sold during the preceding calendar year. You must use this same information in calculating the appropriate security level necessary to maintain your license.

In order for your company to maintain its status as a licensed electric supplier in the Commonwealth of Pennsylvania, it must provide proof to the Commission that a bond or other approved security has been obtained.

Your response in this matter is requested within fifteen (15) days of the date of this letter. Submit your response to the Commission's Secretary. Additionally, fax a copy of your response to James Shurskis at (717) 787-4750, Bureau of Fixed Utility Services.

DOCUMENT
FOLDER

DOCKETED
APR 13 2005

Failure to respond to this matter within fifteen (15) days will cause Commission staff to initiate a formal proceeding, that may lead to the following: cancellation of your company's electric supplier license, removal of your information from the Commission's website and notification to all electric distribution companies, in which your company is licensed to do business, of the cancellation of the license.

Please direct any questions to James Shurskis at (717) 787-8763 or Darren Gill at (717) 783-5244, Bureau of Fixed Utility Services.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert A. Rosenthal". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Robert A. Rosenthal
Director, Bureau of Fixed Utility Services

cc: J. McNulty, Secretary

RECEIVED

05 MAR 25 PM 2:19

BUREAU OF
FIXED UTILITY SERVICES

A-110142

RECEIVED
BUREAU OF SAFETY
TRANSPORTATION &
2005 MAR 22 AM 2:02

ASSUMPTION OF LIABILITY CERTIFICATE

Obligee: Commonwealth of Pennsylvania, Public Utility Commission

Principal: Duquesne Light Energy, LLC

Effective May 15, 2005 this Certificate assumes liability on Bond Number 929142057

DOCUMENT
FOLDER

executed and previously filed by National Fire Insurance Company of Hartford

hereinafter referred to as the Company, in favor of the above-named Obligee.

This certifies that, in consideration of the Agreements and covenants herein contained and other good and valuable consideration, WESTERN SURETY COMPANY hereby assumes liability as surety under the above described bond.

BY ISSUANCE OF THIS CERTIFICATE IT IS AGREED:

1. That the liability of WESTERN SURETY COMPANY under said bond (a) shall be subject to all of the terms, conditions, limitations and warranties contained in said bond and any amendment thereto or agreement between the Obligee and the Company affecting the same; and (b) shall in no event be greater than would have been the liability of the Company had this Certificate not been issued.
2. That all rights of the Company, which would have been available to the Company by reason of its suretyship under the aforementioned bond, or otherwise, if this Certificate had not been executed, shall inure to the benefit of and be fully enforceable by WESTERN SURETY COMPANY.
3. Signed and dated this 16th day of March, 2005

DOCKETED

MAR 30 2005

WESTERN SURETY COMPANY

BY:

Christine M. Hrabos
Christine M. Hrabos, Attorney-in-Fact

Certified Mail #7004 2510 0005 6483

RECEIVED
2005 MAR 28 PM 9:28
SECRETARY'S BUREAU

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Samuel D. Alt, Joseph A. Corriere, Frank B. Dreifuss, Christine M. Hrabos, Individually

of Pittsburgh, PA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 2nd day of December, 2004.

WESTERN SURETY COMPANY



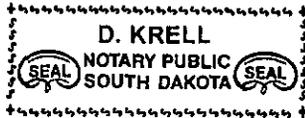
Paul T. Bruffat
Paul T. Bruffat, Senior Vice President

State of South Dakota }
County of Minnehaha } ss

On this 2nd day of December, 2004, before me personally came Paul T. Bruffat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Senior Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

November 30, 2006



D. Krell
D. Krell, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereto subscribed my name and affixed the seal of the said corporation this 16th day of March, 2005.



WESTERN SURETY COMPANY

L. Nelson
L. Nelson, Assistant Secretary

Authorizing By-Law

ADOPTED BY THE SHAREHOLDERS OF WESTERN SURETY COMPANY

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the shareholders of the Company.

Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, and Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.



CNA Plaza, Chicago IL 60685-0001

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION
P O BOX 3265
HARRISBURG PA 17105-3265

A-110142

RECEIVED

MAR 30 2005

CANCELLATION NOTICE

DATE: MARCH 30, 2005

CNA SURETY
P.O. BOX 2872
PITTSBURGH, PA 15230
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

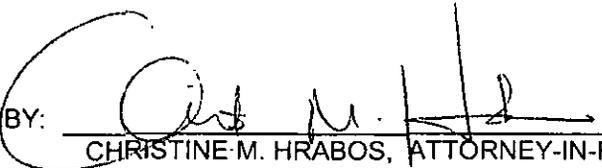
RE: BOND NUMBER: 929142057
PRINCIPAL: DUQUESNE LIGHT ENERGY, LLC
PITTSBURGH PA 15220

NOTICE IS HEREBY GIVEN OF THE CANCELLATION OF THIS COMPANY'S SURETYSHIP ON BEHALF OF DUQUESNE LIGHT ENERGY, LLC. IN THE AMOUNT OF TWO HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$250,000.00) UNDER BOND NUMBER 929142057 ORIGINALLY ISSUED ON OR ABOUT MAY 15, 2000.

THIS CANCELLATION IS TO TAKE EFFECT 60 DAYS FROM RECEIPT OF CANCELLATION.

WESTERN SURETY COMPANY
SURETY

xx ACKNOWLEDGE AND RETURN

BY: 
CHRISTINE M. HRABOS, ATTORNEY-IN-FACT

SIGNATURE

CERTIFIED MAIL 7004 2890 0004 1853 7596
REGISTERED MAIL
NO ACTION REQUIRED

CC: AON RISK SERVICES, INC.
ONE LIBERTY PLACE
1650 MARKET STREET SUITE 1000
PHILADELPHIA PA 19103

74

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Samuel D. Alt, Joseph A. Corriere, Frank B. Dreifuss, Christine M. Hrabos, Individually

of Pittsburgh, PA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 2nd day of December, 2004.



WESTERN SURETY COMPANY

Paul T. Bruflat
Paul T. Bruflat, Senior Vice President

State of South Dakota }
County of Minnehaha } ss

On this 2nd day of December, 2004, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Senior Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

November 30, 2006



D. Krell
D. Krell, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 30th day of March, 2005.



WESTERN SURETY COMPANY

L. Nelson
L. Nelson, Assistant Secretary

Authorizing By-Law

ADOPTED BY THE SHAREHOLDERS OF WESTERN SURETY COMPANY

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the shareholders of the Company.

Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, and Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.



Duquesne Light

Our Energy... Your Power

ORIGINAL

411 Seventh Avenue
8th Floor
Pittsburgh, PA 15219

Tel 412-393-1503
Fax 412-393-5620
mlryan@duqlight.com

Martin L. Ryan
General Manager and Assistant General Counsel

March 30, 2005

OVERNIGHT MAIL

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

RECEIVED

MAR 30 2005

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Duquesne Light Energy, L.L.C.
Docket No. A-110142

Dear Secretary McNulty:

Attached for the Commission's records are an original and three (3) copies of Duquesne Light Energy's Notification of Changes to be filed pursuant to 52 Pa. Code §54.34(a).

Please contact me if you have any questions or need additional information.

Thank you.

Very truly yours,

Martin L. Ryan

Attachments

56

RECEIVED

MAR 30 2005

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DOCKET NO. A-110142
Notification of Changes
Effective as of February 1, 2005

CURRENT CONTACT PERSON FOR PUC AND PEMA MATTERS

Dennis A. Urban
Mail Drop 15-4
Pittsburgh, PA 15219
Phone: (412) 393-1234
Fax: (412) 393-1220
Email: durban@duqlight.com

CURRENT CONTACTS FOR CONSUMER SERVICE AND COMPLAINTS:

Dennis A. Urban
Mail Drop 15-4
Pittsburgh, PA 15219
Phone: (412) 393-1234
Fax: (412) 393-1220
Email: durban@duqlight.com

Alternate:

Clifford E. Blashford
Mail Drop 15-4
411 7th Avenue
Pittsburgh, PA 15219
Phone: (412) 393-1133
Fax: (412) 393-5514
Email: cblashford@duquesnelightenergy.com



Duquesne Light

Our Energy... Your Power

411 Seventh Avenue
P.O. Box 1930
Pittsburgh, PA 15230-1930

Tel: (412) 393-1164
Fax: (412) 393-1267
e-mail: mamiller@duqlight.com

May 23, 2005

Sandi Bronson
Aon Surety
1650 Market Street, Suite 1000
Philadelphia, PA 19103

**DOCUMENT
FOLDER**

RECEIVED

MAY 24 2005

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

A-110142

**OnDemand Energy, Inc.
License Bond # 929 118 023**

Obligee: Commonwealth of PA, Public Utility Commission

Dear Sandi:

Please be advised that the company name "OnDemand Energy" still exists, but is no longer one of Duquesne Light Holdings, Inc. subsidiaries. This company was actually split. One portion is under new ownership and remains in the name of "OnDemand Energy". The remaining portion is still under Duquesne Light Holdings, Inc. ownership, but has changed the subsidiary name to "In-Transition, Inc."

We would like to have the above CNA bond cancelled, effective immediately. In-Transition, Inc. no longer has any Generation Supplier contracts that require the bond.

The current OnDemand Energy company still has a license with the PUC in which they have a Letter of Credit in lieu of a Surety Bond. By copy of this letter, please advise the PUC that the current license is to continue.

I appreciate your assistance in this matter.

Very truly yours,

Mari Ann Miller
Risk Management Coordinator

cc: John Zbihley
Tom Faust
Steve Staub
Doug Wheeler

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION
P O BOX 3265
HARRISBURG PA 17105-3265

Handwritten signature

CANCELLATION NOTICE

DOCKETED
SEP 27 2005

DATE: MAY 24, 2005

CNA SURETY
P.O. BOX 2872
PITTSBURGH, PA 15230

RE: BOND NUMBER: 929118023
PRINCIPAL: ONDEMAND ENERGY, INC.
PITTSBURGH PA

**DOCUMENT
FOLDER**

NOTICE IS HEREBY GIVEN OF THE CANCELLATION OF THIS COMPANY'S SURETYSHIP ON BEHALF OF ONDEMAND ENERGY, INC. IN THE AMOUNT OF TWO HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$250,000.00) UNDER BOND NUMBER 929118023 ORIGINALLY ISSUED ON OR ABOUT NOVEMBER 1, 1999.

THIS CANCELLATION IS TO TAKE EFFECT 60 DAYS FROM RECEIPT OF CANCELLATION.

WESTERN SURETY COMPANY
SURETY

xx ACKNOWLEDGE AND RETURN

SIGNATURE

BY: *Handwritten signature of Christine M. Hrabos*
CHRISTINE M. HRABOS, ATTORNEY-IN-FACT

CERTIFIED MAIL 7004 2890 0004 1853 7666
REGISTERED MAIL
NO ACTION REQUIRED

CC: AON RISK SERVICES, INC.
ONE LIBERTY PLACE
1650 MARKET STREET SUITE 1000
PHILADELPHIA PA 19103

RECEIVED
MAY 24 2005

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Samuel D. Alt, Joseph A. Corriere, Frank B. Dreifuss, Christine M. Hrabos, Individually

of Pittsburgh, PA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 2nd day of December, 2004.



WESTERN SURETY COMPANY

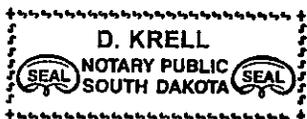
Paul T. Bruffat, Senior Vice President

State of South Dakota }
County of Minnehaha } ss

On this 2nd day of December, 2004, before me personally came Paul T. Bruffat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Senior Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

November 30, 2006



D. Krell, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 24th day of May, 2005.



WESTERN SURETY COMPANY

L. Nelson, Assistant Secretary

Authorizing By-Law

ADOPTED BY THE SHAREHOLDERS OF WESTERN SURETY COMPANY

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the shareholders of the Company.

Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, and Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.



Duquesne Light

Our Energy... Your Power

411 Seventh Avenue
8th Floor
Pittsburgh, PA 15219

Tel 412-393-1541
Fax 412-393-1418
gjack@duqlight.com

RECEIVED
2005 NOV 21 AM 9:43
PA.P.U.C. BUREAU
SECRETARY'S BUREAU

Gary A. Jack
Assistant General Counsel

November 16, 2005

DOCUMENT
FOLDER ORIGINAL

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

**Re: Electric Generation Supplier Services License A-110142
Duquesne Light Energy, LLC
Request for Amendment to Serve Residential Customers**

Dear Secretary McNulty:

On September 13, 2000, the Commission issued a license at Docket No. A-110142, authorizing ValuSource Energy Services, LLC the right to begin to offer, render, furnish, or supply electric generation supplier services to commercial, industrial and governmental customers within the Commonwealth of Pennsylvania.

On June 30, 2004, ValuSource Energy Services, LLC filed a request that the Commission change the name on its license to provide electric generation supplier services from ValuSource Energy Services, LLC to Duquesne Light Energy, LLC.

On September 2, 2004, the Commission approved by Secretarial Letter, the change of ValuSource Energy Services, LLC's name on its license for the provision of electric generation supplier services to commercial, industrial and governmental customers within the Commonwealth of Pennsylvania at Docket No. A-110142 to Duquesne Light Energy, LLC.

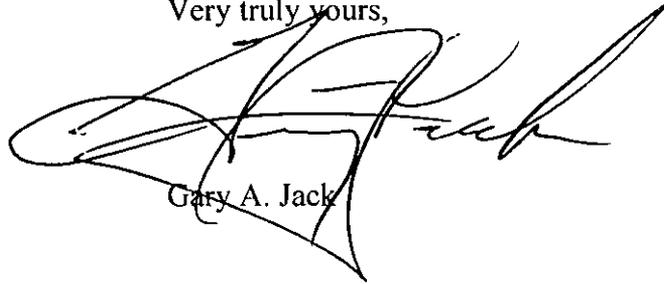
Duquesne Light Energy, LLC desires to have the ability to extend its offering in Pennsylvania so that it not only may serve commercial, industrial and governmental customers, but serve all other customers with electric generation supplier services, including residential customers. It respectfully requests an amendment be granted to the current above-referenced license to allow Duquesne Light Energy to offer generating services to all customer classes. Duquesne Light Energy's initial plan would be to offer supply services to customers in the western part of the state, such as Duquesne Light Company's and Pennsylvania Power's territories, and to expand its offering to other areas if market conditions warrant. To our knowledge, nothing else in Duquesne Light Energy's application or license needs modified or amended.

20

Page 2
James J. McNulty, Secretary
November 16, 2005

Please contact me if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Gary A. Jack". The signature is stylized with a large initial "G" and a long horizontal stroke.

Gary A. Jack



Duquesne Light

Our Energy... Your Power

411 Seventh Avenue
8th Floor
Pittsburgh, PA 15219

Tel 412-393-1541
Fax 412-393-1418
gjack@duqlight.com

Gary A. Jack
Assistant General Counsel

March 2, 2006

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

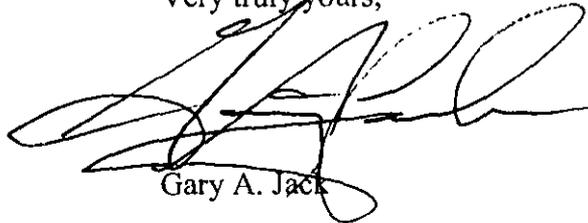
DOCUMENT
FOLDER

**Re: Electric Generation Supplier Services License A-110142
Duquesne Light Energy, LLC**

Dear Secretary McNulty:

Enclosed for filing is a Continuation Certificate of Duquesne Light Energy to continue and extend its security bond until March 15, 2007.

Very truly yours,



Gary A. Jack

Enclosure

c: Denny Urban
Cliff Blashford

2006 MAR -8 AM 9:32
PA P.U.C.
SECRETARY'S BUREAU

RECEIVED





CONTINUATION
CERTIFICATE

SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
FIRST NATIONAL INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA

SAFECO INSURANCE COMPANY OF AMERICA

, Surety upon

a certain Bond No. 6251741

dated effective 05/15/05
(MONTH-DAY-YEAR)

on behalf of DUQUESNE LIGHT ENERGY, LLC
(PRINCIPAL)

and in favor of COMMONWEALTH OF PENNSYLVANIA
(OBLIGEE)

does hereby continue said bond in force for the further period

beginning on 5/15/2006
(MONTH-DAY-YEAR)

and ending on 5/15/2007
(MONTH-DAY-YEAR)

Amount of bond Two Hundred Fifty Thousand and 00/100

Description of bond Electric Generation Supplier Security Bond

Premium: \$ 1,250.00

DOCUMENT
FOLDER

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2006 MAR -8 AM 9:32
PA P.U.C. BUREAU
SECRETARY'S BUREAU

DOCKETED

MAR 10 2006

PROVIDED: That this continuation certificate does not create a new obligation and is executed upon the express condition and provision that the Surety's liability under said bond and this and all Continuation Certificates issued in connection therewith shall not be cumulative and that the said Surety's aggregate liability under said bond and this and all such Continuation Certificates on account of all defaults committed during the period (regardless of the number of years) said bond had been and shall be in force, shall not in any event exceed the amount of said bond as hereinbefore set forth.

Signed and dated on 2/27/2006
(MONTH-DAY-YEAR)

SAFECO INSURANCE COMPANY OF AMERICA

By Sandra E. Bronson

ATTORNEY-IN-FACT
Sandra E. Bronson





POWER OF ATTORNEY

Safeco Insurance Companies
PO Box 34526
Seattle, WA 98124-1526

No. 5014

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

*****SANDRA E. BRONSON; RICHARD A. JACOBUS; ANNETTE M. LEUSCHNER; MAUREEN MCNEILL; MARY C. O'LEARY; NANCY K. WALLACE; DOUGLAS R. WHEELER; DARELLA E. WHITE; Philadelphia, Pennsylvania*

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 3rd day of January, 2006

STEPHANIE DALEY-WATSON, SECRETARY

MIKE PETERS, PRESIDENT, SURETY

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Stephanie Daley-Watson, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 27th day of February, 2006



STEPHANIE DALEY-WATSON, SECRETARY

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COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

Docket No. A-110142

March 13, 2006

DUQUESNE LIGHT ENERGY, LLC
MAIL DROP 15-4
411 7TH AVENUE
PITTSBURGH PA 15219-

DOCKETED
MAR 16 2006

ATTENTION: PAUL J MCGREGOR

RE: License Bond or Other Financial Security

**DOCUMENT
FOLDER**

Dear Mr. McGregor:

Pursuant to 66 Pa. C.S. §2809(c), no electric supplier license shall remain in force unless the licensee furnishes a bond or other security approved by the Commission to ensure the financial responsibility of the electric generation supplier and the supply of electricity at retail. *The Commission's records indicate that the bond or other approved security provided by Duquesne Light Energy, LLC will have been in place for approximately one year on May 16, 2006.*

The Commission's regulations at 52 Pa. Code §54.40(d) require "the security level for each licensee will be reviewed annually and modified primarily based upon the licensee's reported annual gross receipts information. The security level will be 10% of the licensee's reported gross receipts." The minimum security level provided may not be less than the initial security level provided when the license was granted. Unless approved by the Commission, the initial security level is \$250,000.

The Commission's regulations at 52 Pa. Code §54.39(b) require a licensee to file an annual report on or before April 30 of each year, for the previous calendar year, in order to comply with 66 Pa. C.S. §2810(c)(6). This report discloses the total amount of gross receipts from the sale of electricity and the total amount of electricity sold during the preceding calendar year. You must use this same information in calculating the appropriate security level necessary to maintain your license.

In order for your company to maintain its status as a licensed electric supplier in the Commonwealth of Pennsylvania, it must provide proof to the Commission that a bond or other approved security has been obtained.

Your response in this matter is requested within fifteen (15) days of the date of this letter. Submit your response to the Commission's Secretary. Additionally, fax a copy of your response to James Shurskis at (717) 787-4750, Bureau of Fixed Utility Services.

Failure to respond to this matter within fifteen (15) days will cause Commission staff to initiate a formal proceeding, that may lead to the following: cancellation of your company's electric supplier license, removal of your information from the Commission's website and notification to all electric distribution companies, in which your company is licensed to do business, of the cancellation of the license.

Please direct any questions to James Shurskis at (717) 787-8763, Bureau of Fixed Utility Services.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert A. Rosenthal". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Robert A. Rosenthal
Director, Bureau of Fixed Utility Services

cc: J. McNulty, Secretary