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News Release

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DUQUESNE LIGHT FILES FOR BASE RATE INCREASE

Ongoing Infrastructure Improvement, Pension and Assistance for Low-Income Customers Part of Filing

PITTSBURGH – Duquesne Light Company today filed for distribution rate adjustments with the Pennsylvania Public Utility Commission (PUC), the first such filing in four years. These adjustments would help offset the costs of the company’s ongoing distribution infrastructure upgrades, bring the company into compliance with the federal Pension Protection Act of 2006, and allow the growth of energy-assistance programs for low-income customers.

“We continue to replace aging infrastructure and maintain our system that deliver power to customers’ homes and businesses,” said Maureen Hogel, Duquesne Light chief operating officer. “It’s important we do this work to keep our customers connected to a safe, reliable source of electricity.”

For a residential non-electric heating customer, PUC approval of Duquesne Light’s full request would increase the overall monthly electric bill by approximately \$8, resulting in an average bill of \$90.60.

The total bill for an average commercial customer who purchases power from Duquesne Light would increase by approximately \$62, resulting in an average bill of \$1,062.23. The total bill for an average industrial customer who purchases power from Duquesne Light would increase by approximately \$508, resulting in an average bill of \$17,549.80. These calculations are based on our current rates in effect as of July 23, 2010.

From replacing aging underground equipment in numerous residential plans across Allegheny and Beaver counties, to upgrading key substations that provide power to local hospitals and downtown Pittsburgh, Duquesne Light continues to make needed improvements in the infrastructure that enables the company to deliver power safely and reliably to customers’ homes and businesses. One such project is a \$26 million upgrade of automated sectionalizers, utilizing the most current technology. These devices help Duquesne Light to isolate trouble on distribution circuits, through remote switching, which lower the number of customers affected during outages, and the duration of these outages.

The filing also reflects the company’s need to bring its pension plan into compliance with the 2006 Federal Pension Protection Act, which requires pension plan assets be sufficient to satisfy future obligations. In an effort to further control costs, Duquesne Light has closed its pension plan to all new management employees, and has discontinued payments of retiree medical benefits after the age of 65.

Finally, the company’s filing reflects funding to expand low-income programs for residents in the company’s Customer Assistance Program (CAP). CAP participants pay a percentage of their budgeted bill for current electric service based on their income and have their past arrearages forgiven over time if they pay their discounted bill.

The overall requested increase is \$87.3 million which is a 9.77 percent increase to the company's annual revenues. The rates are proposed to go into effect September 21, 2010; however, the company expects the PUC to suspend the filing for further investigation – which will take approximately nine months – with final rates to be effective in late April 2011. Customers may contact the company at 888-393-7100 to get further information on the proposed increase, or to find out what actions they may take.

About Duquesne Light Company

Duquesne Light Company is a leader in the transmission and distribution of electric energy, offering superior customer service and reliability to more than half a million customers throughout southwestern Pennsylvania.

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