

Duquesne Pass-Through Charges March 2007

The Charge: Generation Deactivation Charge (GDC)

Administered by: Pennsylvania, Jersey, Maryland Interconnect (PJM)

Approved by: The Federal Energy Regulatory Commission (FERC)

FERC Case #: ER06-993

FERC Approval: Issuance 20070216-3032

The Reason: Orion Power requested retirement of their Brunot Island generation facility on December 2, 2005. A study conducted by PJM found that the Brunot Island facility needed to continue operation to ensure reliable electric service throughout Duquesne Light Company's service territory. The GDC was established by PJM to recover the additional cost incurred in keeping the plant operational.

The Recovery: The charge is retroactive to May 16, 2006, and is scheduled to end on July 1 2007.

Customers Impacted: All retail customers in the Duquesne Light Company service territory, regardless of their chosen generation supplier. FirstEnergy Solutions Corp., other third party suppliers and Duquesne Light Company must collect this charge and remit to PJM.

View the www.ferc.gov ; issuance 20070216-3032

FERC Order: or

<http://www.pjm.com/documents/ferc/orders/2007/20070216-er06-993-002.pdf>

View PJM Report: <http://www.pjm.com/planning/project-queues/gen-retirements/retirement-bi-units-in-dq.pdf>

The Charge: Transmission Rate Increase

Administered by: Pennsylvania, Jersey, Maryland Interconnect (PJM)

Approved by: The Federal Energy Regulatory Commission (FERC)

FERC Case #: EL06-109

The Reason: Duquesne intends to construct a new high-voltage transmission line to enhance the

reliability of 138 kV and 345 kV transmission service to the City of Pittsburgh and surrounding areas. Duquesne also plans to increase the carrying capacity of two underground 345 kV lines from 800 amps to 1,400 amps by using a forced cooling technology. To fund these expansions, Duquesne was authorized by FERC to increase their transmission rate.

The Recovery: The charge is retroactive to December 1, 2006.

Customers Impacted: All retail customers in the Duquesne Light Company service territory, regardless of their chosen generation supplier. FirstEnergy Solutions Corp., other third party suppliers and Duquesne Light Company all must collect this charge and remit to PJM.

View the www.ferc.gov ; issuance 20070206-3052
FERC Order: