

SUPPLEMENT NO. 7
TO ELECTRIC – PA. P.U.C. NO. 3S

DUQUESNE LIGHT COMPANY

ELECTRIC GENERATION SUPPLIER COORDINATION TARIFF

Issued By

DUQUESNE LIGHT COMPANY
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NOTICE

THIS TARIFF ADDS A NEW RULE AND MODIFIES AN EXISTING RIDER

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

Definitions of Terms and Explanations of Abbreviations

**Second Revised Page No. 6A
Cancelling First Revised Page No. 6A**

Transmission Losses have been updated to reflect the Company's line loss study performed in September 2005 supporting the distribution rates approved by the Commission's final order at R-00061346 dated December 1, 2006.

Rule No. 12 – Payment and Billing

**First Revised Page No. 30
Cancelling Original Page No. 30**

Original Pages No. 30A – 30C

**Rule No. 12.1.5 – Company Reimbursement to EGS for Customer Payments
Rule No. 12.1.7 – Purchase of EGS Receivables**

Rule No. 12.1.5 has been modified and Rule No. 12.1.7 has been added to Rule No. 12 to incorporate the Purchase of Receivables Program relative to the receivables associated with small customers served by EGSs utilizing the Company's billing services.

Real Power Distribution Losses Table

**First Revised Page No. 49
Cancelling Original Page No. 49**

Distribution Line Losses have been updated to reflect the Company's line loss study performed in September 2005 supporting the distribution rates approved by the Commission's final order at R-00061346 dated December 1, 2006.

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS - (Continued)

Peak Load Contributions (PLCs) - A customer's contribution to the DLC Zone's normalized summer peak load, as calculated by the zone's Electric Distribution Company and used in determining a Load Serving Entity's Peak Load obligation.

Pennsylvania Public Utility Commission or Commission - The Pennsylvania Public Utility Commission.

Pilot Customer(s) - A customer participating in the Company's Customer Choice pilot program.

PJM – PJM Interconnection, L.L.C.

PJM Control Area – the area encompassing electric systems recognized by the North American Electric Reliability Council as the "PJM Control Area".

PJM Miscellaneous Charges - PJM miscellaneous energy related allocations or charges or credits to the LDC, and not to the LSE, including but not limited to those related to PJM allocated "ECAR Automatic Reserve Sharing". PJM Grid Management, Transitional Market and Transitional costs collected through Rider 1 of the Retail Tariff are excluded from Miscellaneous Charges.

PJM OI – the PJM Office of Interconnection, the system operator for the PJM Control Area.

PJM Tariff – the PJM Open Access Transmission Tariff on file with the FERC and which sets forth the rates, terms and conditions of transmission service over transmission facilities located in the PJM Control Area.

Preliminary Forecast – The week ahead hourly forecast for energy to be supplied the following week.

Residual Losses – Residual Losses/Unaccounted for Energy = PJM Zonal Energy Requirement – ((summation of EGS consumption adjusted for Transmission and Distribution Losses)+ (POLR consumption adjusted for Transmission and Distribution Losses)).

Retail Load Responsibility (RLR) – For non-metered and monthly metered load, the sum total of the estimated hourly load plus transmission losses, distribution losses, and the EGS's pro rata share of UFE within the service territory of the EDC, for which the EGS must provide energy to its customers. For hourly metered customers, the sum total of the hourly consumed load of all of an EGS's customers, adjusted for transmission losses, distribution losses and the EGS's pro rata share of UFE within the service territory of the EDC, for which the EGS must provide energy to its customers.

Scheduling Coordinator - Entity that performs one or more of an EGS's Coordination Obligations, including the submission of energy schedules to the PJM OI, and that either is (1) a member of the PJM Interconnection, L.L.C. or (2) is the agent, for scheduling purposes, of one or more Electric Generation Suppliers that are members of the PJM Interconnection, L.L.C.

Tariff - This Electric Generation Supplier Coordination Tariff.

Transmission Losses - Real Power Transmission Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Transmission Loss factor is 0.8%.

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RULES AND REGULATIONS - (Continued)

12. PAYMENT AND BILLING

12.1 CUSTOMER BILLING BY THE COMPANY All EGS charges to customers, if billed by the Company, shall be billed in accordance with the EDC Tariff and the following provisions:

12.1.1 COMPANY BILLING FOR EGS The Company will bill price plans offered by the EGS which are based on fixed and variable charges similar to those the Company employs for billing distribution service and default Provider-of-Last-Resort service. Nothing in this rule shall require the Company to manually bill customers. Within this context, if the Company's billing system has the capability to bill the price plans offered by the EGS, the EGS may request the Company to do all or some of the billing for the EGS's customers based on the customers' preferences. In addition, the Company will include on its bill EGS late fees and payment arrangements as required by the Pennsylvania Public Utility Commission. However in no case shall the Company require the EGS to provide separate customer lists or perform unique scheduling and reconciliation services for customers billed directly by the Company.

12.1.2 BILLING FILES Where the EGS has requested the Company to act as the EGS's billing agent the Company shall electronically transmit files of billing detail daily to the EGS. Such files shall include the Company account number, rate codes, usage information, demand and energy charges, sales tax, and other EGS charges. Billing files transmitted shall have control totals to assure all data was received by the EGS. Control totals include the number of records on the file and significant totals (e.g. total kWh billed, total amount billed, total tax). All billing files will be in a format consistent with standards developed by the EDEWG.

12.1.3 BUDGET BILLING The Company will develop dual tracking systems to administer budget billing and apply payments for EGS charges and Company charges.

12.1.4 EGS TAX RESPONSIBILITY The Company is not responsible for paying or remitting on behalf of an EGS taxes including, but not limited to, Pennsylvania Gross Receipts Tax, Pennsylvania Public Utility Realty Tax, Pennsylvania Capital Stock Tax and Pennsylvania Corporate Net Income Tax.

12.1.4.1 SALES TAX EXEMPTION With respect to customers receiving one bill from the Company, the EGS for whom the Company is billing must provide to the Company the applicable sales tax exemption percentage for each customer. The Company will use the sales tax exemption percentage provided by the EGS for billing the EGS's charges. The EGS is responsible for holding appropriate exemption certificates and is liable for the collection and remittance of sales tax on the EGS's charges. The Company will use a zero exemption percentage if no percentage is provided by an EGS.

12.1.5 COMPANY REIMBURSEMENT TO EGS FOR CUSTOMER PAYMENTS For EGSs electing consolidated billing and serving small customers, defined as those on Rate Schedules RS, RH, RA, GS/GM and GMH, the Company shall forward payment in accordance with the provisions of Rule No. 12.1.7 below. For receivables associated with EGS sales to all other customers, the Company shall reimburse the EGS within 14 days of receipt of payment for all energy charges, late fees, sales taxes, and any other taxes and charges collected on behalf of the EGS from the customer consistent with Section 2807 (c) (3) of the Competition Act.

12.1.6 EGS BILLING DATA The EGS shall provide all necessary data in its possession for the timely computation of bills. A failure of the EGS to provide necessary data to the Company in a timely fashion may delay generation of a bill for the month to which the data pertain. In such instances, the EGS is responsible for all fines and violations, if any, arising as a consequence of the Company's inability to render a timely bill.

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RULES AND REGULATIONS - (Continued)

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12. PAYMENT AND BILLING – (Continued)

12.1.7 PURCHASE OF EGS RECEIVABLES (POR) PILOT PROGRAM Duquesne will purchase the accounts receivable, without recourse, associated with EGS sales of retail electric commodity, comprised of generation and transmission services, to small, consolidated billing customers within Duquesne's service territory. Small customers are those taking delivery service under the Company's retail tariff Rates RS, RH, RA, GS/GM and GMH. Under the POR program, Duquesne will reimburse EGSs for their customer billings regardless of whether Duquesne receives payment from the customer, subject to the limitations set forth below. Duquesne will seek to recover the EGS receivables from EGS customers consistent with Duquesne's existing collection procedures for recovery of billings to POLR customers, and incur any uncollectible costs related to billings for EGSs. The POR program is a pilot program and will become effective January 1, 2008, and will remain in effect as described through December 31, 2010, and will terminate on December 31, 2010. In the Performance Report to be filed with the Commission in 2010 (described below) Duquesne will either propose to continue the POR program under such terms and conditions as it deems appropriate or provide an explanation as to why the POR program should be discontinued as of December 31, 2010.

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12.1.7.1 ELIGIBILITY REQUIREMENTS EGSs that choose Duquesne's consolidated billing option for all or a portion of their small customer accounts will be required to sell their accounts receivable to Duquesne for those customers for whom Duquesne issues a consolidated bill. (EGSs may continue to issue their own bills [dual billing] for commodity service, for all or a portion of their customers, but will not be eligible to participate in the POR program for those customers that receive dual billing.) EGSs may choose to participate in the POR program with consolidated billing at any time during the term of the POR program as long as the EGS does not remove customer accounts from consolidated billing and the POR program for 12 consecutive billing cycles. A customer whose service is terminated or who voluntarily switches from the EGS' service to another generation provider is not considered to have been removed by the EGS from consolidated billing and the POR program.

EGSs participating in this POR pilot program will agree not to reject for enrollment a new customer covered by the program based on credit-related issues. Any customer who wishes to be served by an EGS participating in the POR program will be accepted by the EGS if that EGS is actively serving the rate class to which that customer belongs.

12.1.7.2 PURCHASE PRICE DISCOUNT EGSs' electric commodity receivables will be purchased at a discount. The discount rate will be comprised of two components reflecting 1.) the costs related to the estimated incremental EGS uncollectible expenses which will remain fixed throughout the pilot program, and 2.) recovery of incremental initial and incremental ongoing operating and administrative costs associated with the POR program which will be adjusted twice during the pilot program. The discount rate for electric commodity shall equal 0.70%, the sum of 0.42% for the first component and 0.28% for the second component.

12.1.7.2.1 PURCHASE PRICE DISCOUNT ADJUSTMENT During the term of the three-year Pilot Program, beginning in January 2008, the discount rate may be adjusted twice – once on February 1, 2009, and again on February 1, 2010, – to reflect Duquesne's most recent experiences of the total administrative discount cost to implement and operate the POR program (including actual incremental costs already incurred), less the actual total dollar amount of discounts from the prior calendar year(s) related to the recovery of administrative costs, divided by the number of years remaining in the recovery period, divided by the actual EGS consolidated billings for the most recent 12 month period.

Duquesne will provide the updated discount rates to EGSs authorized to serve customers in the Company's service territory 60 days before the effective date of the discount rate change.

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RULES AND REGULATIONS - (Continued)

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12. PAYMENT AND BILLING – (Continued)

12.1.7 PURCHASE OF EGS RECEIVABLES (POR) PILOT PROGRAM –(Continued)

12.1.7.2.2 PURCHASE PRICE DISCOUNT ADJUSTMENT FOR INDIVIDUAL EGS Duquesne will monitor individual EGS uncollectible percentage rates (measured as any unpaid amounts 60 days or older divided by that EGS's total annual consolidated billings), to determine whether any individual EGS is engaging in Unusual Business Behavior that results in an increase to the total uncollectible percentage rate for the Duquesne System. If, based on this monitoring, Duquesne finds that an individual EGS's uncollectible percentage rate exceeds 5%, then Duquesne, at its discretion, may increase the discount rate for that individual EGS's accounts to reflect the increased costs associated with the EGS's uncollectible accounts by the difference between the EGS's uncollectible percentage rate and 2%. For purposes of this calculation, Duquesne shall rely on the most recent 12-month period (or shorter if the EGS is new to the POR program) to calculate the EGS's uncollectible percentage rate. Duquesne, in its discretion, may opt to waive the imposition of the additional discount if the increase in the uncollectible rate results primarily from providing service to previously poor paying customers currently on POLR service and the individual EGS is able to provide a reasonable explanation for the significant increase in its uncollectible rate is not the result of a particular price offering, marketing strategy or other actions of the individual EGS. If, however, Duquesne determines that an additional discount is appropriate, the EGS may challenge that determination pursuant to the dispute resolution procedures discussed below. Should the result of those procedures uphold the EGS's position, Duquesne will refund to the EGS the additional discount withheld from their receivables. In the course of the dispute resolution, the EGS may be called upon to provide customer payment history for the small customers it serves, commodity pricing, and other such information deemed appropriate, subject to confidentiality agreement. The discount will be lowered to the level applicable to other EGSs when and if the particular EGS's uncollectible percentage rate decreases to a level of 2% or below over a 12 month period. If the particular EGS stops providing service to a customer under the POR program, the EGS must pay to Duquesne an amount equal to the increase to the discount multiplied by that customer's prior year's billings, to the extent that such amount has not already been paid on the date the EGS stops providing service to that customer.

12.1.7.3 TIMING OF PAYMENTS Payments to EGSs will occur electronically; 35 days after consolidated bills are issued, and will continue throughout the billing cycle. If the 35th day falls on a weekend, Duquesne Light holiday or bank holiday, payments will occur on the next business day.

12.1.7.4 OTHER PAYMENT PROVISIONS If the EGS customer is on a budget or levelized payment plan, Duquesne shall only be obligated to purchase each month the amount of the monthly installment under the budget or levelized payment plan. Duquesne shall also purchase accounts receivable of EGS's customers based upon an estimated bill. Duquesne shall add to or deduct from any payments due to EGSs amounts that may result from reconciliations, adjustments or recalculations of budget or levelized plans, estimated readings, cancel and rebills, or any applicable billing adjustment.

12.1.7.5 TRANSFER OF COLLECTION RESPONSIBILITIES AND RIGHTS Under the POR program, Duquesne is entitled to receive and retain all payments from customers. Duquesne is authorized to conduct collection activities and, if necessary, terminate its delivery service and EGS commodity service to customers whose accounts receivables were purchased and who fail to make payment of amounts due on the consolidated bill, including the amount of the purchased EGS receivables (up to the amount the customer would have been billed for commodity service if the customer had received POLR supply from Duquesne during the non-payment period). Any such termination of service shall be in accordance with the

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RULES AND REGULATIONS - (Continued)

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12. PAYMENT AND BILLING – (Continued)

12.1.7 PURCHASE OF EGS RECEIVABLES (POR) PILOT PROGRAM –(Continued)

12.1.7.5 TRANSFER OF COLLECTION RESPONSIBILITIES AND RIGHTS - (Continued)

service termination provisions contained herewith and consistent with the provisions of Chapter 14 of the Pennsylvania Public Utility Code and Chapter 56 (or a successor chapter) of the Commission's regulations. Duquesne shall be authorized to terminate commodity service to an EGS customer if the customer's payments do not cover the amount the customer would have been billed if the customer were on POLR service, as referenced above. A residential customer terminated from utility service under the POR program shall be reconnected to service upon the payment of the arrears that were subject to the termination or a lesser amount as set forth below. The required payment may include both delivery and EGS commodity charges.

An EGS customer in the POR program that has been terminated for non-payment may be reconnected upon paying the lesser of: a) the sum of unpaid distribution charges (plus any applicable reconnection fees or deposits) and the amount billed for EGS commodity service, (or a payment arrangement required by applicable law); or b) the sum of unpaid distribution charges (plus any applicable reconnection fees or deposits) and the amount the customer would have been billed for commodity service if the customer had received POLR supply from Duquesne during the non-payment period (or a payment arrangement required by applicable law). At the time of reconnection the customer will be reconnected to the EGS or the default service provider of record.

12.1.7.6 PROGRAM PERFORMANCE AND MONITORING Duquesne is required to file (and provide a copy to the parties) a performance report within 90 days following the end of each calendar year covered by the Term of the POR program. In addition, parties will have the opportunity to conduct a review of the program's performance within 90 days after Duquesne submits its performance report so that parties may discuss the operation of the POR program and audit the calculation of the POR discount rate.

12.1.7.7 DISPUTE RESOLUTION To the extent concerns arise regarding the implementation of the provisions of the POR program, parties shall attempt to resolve such disputes according to the informal, internal and/or external dispute resolution procedures described in this tariff at Rule No. 18. Parties shall also have the right to resolve such disagreements in the Commission's dispute resolution process.

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TABLE 1
Real Power Distribution Losses

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Rate Schedule	Percentage of Loss
AL - Architectural Lighting Service	6.1%
GL - General Service Large	2.9%
GLH - General Service Large Heating	2.9%
GMH - General Service Medium Heating	5.3%
GS/GM - General Service Small and Medium	5.3%
HVPS - High Voltage Power Service	0
L - Large Power Service	2.9%
RA - Residential Service Add On Heat Pump	6.1%
RH - Residential Service Heating	6.1%
RS - Residential Service	6.1%
SE - Street Lighting Energy	6.1%
SH - Street Lighting Highway	6.1%
SM - Street Light Municipal	6.1%
MTS - Municipal Traffic Signals	6.1%
PAL - Private Area Lighting	6.1%

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