



FACT Sheet

EL07-98-000

Commission Dismisses Duquesne Auction Request

September 28, 2007

The Federal Energy Regulatory Commission today dismissed Duquesne Light Company's request to be excluded from the upcoming PJM Interconnection capacity auctions.

Introduction and Background

Under PJM's Reliability Pricing Model, PJM is holding a series of auctions that will determine the amount of capacity that PJM will procure on behalf of its members through 2011. The third base residual auction under PJM's Reliability Pricing Model market mechanism, for delivery year 2009, will begin on Monday, Oct. 1.

Duquesne filed its complaint Sept. 13, seeking expedited relief. It says that it plans to seek withdrawal from PJM on or about Jan. 1, 2008. The company says in light of its planned withdrawal, the inclusion of customers in the Duquesne zone in the Oct. 1 auction would force customers to incur liability for capacity obligations that will not be necessary after it leaves PJM, and asks the Commission to direct PJM to exclude the customers within Duquesne's zone from the Oct. 1 auction.

The Order

The Commission ruled that Duquesne has not provided sufficient information to decide the issue, particularly on such an expedited basis. The Commission also said Duquesne has not addressed the economic impacts of the exclusion of customers in the Duquesne zone from the auction on other PJM market participants. Further, the Commission said, Duquesne did not address the question of how reliability will be maintained if its load is removed from the auction but the company does not withdraw from PJM on its proposed schedule.

The Commission further stated that other parties to the case did not have sufficient opportunity to respond to Duquesne's argument regarding the justness and reasonableness of certain RPM provisions, because Duquesne only made that argument in its answer to other parties' pleadings.