POST & SCHELL PC
ATTORNEYS AT LAW

RECEIVED
2018 SEP 14 PM 3:10
PA PUC
SECRETARY'S BUREAU
FRONT DESK

17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
717-731-1970 Main
717-731-1985 Main Fax
www.postschell.com

Michael W. Gang

mgang@postschell.com
717-612-6026 Direct
717-720-5383 Direct Fax
File #: 167128

September 14, 2018

VIA HAND DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Pennsylvania Public Utility Commission, et al. v. Duquesne Light Company
Docket Nos. R-2018-3000124, etc.

Dear Secretary Chiavetta:

Enclosed for filing is the Joint Petition for Approval of Settlement Stipulation for the above-referenced proceeding. A CD containing a copy of the attached is also enclosed. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,

Michael W. Gang

MWG/jl
Enclosure

cc: Certificate of Service
Honorable Katrina L. Dunderdale

CERTIFICATE OF SERVICE
(Docket No. R-2018-3000124)

I hereby certify that true and correct copies of the foregoing have been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA E-MAIL AND FIRST CLASS MAIL

Gina L. Miller, Esquire
John M. Coogan, Esquire
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
PO Box 3265
Harrisburg, PA 17105-3265

Phillip D. Demanchick, Esquire
David T. Evrard, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Sharon Webb, Esquire
Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101

Scott J. Rubin, Esquire
Public Utility Consulting
333 Oak Lane
Bloomsburg, PA 17815
Counsel for International Brotherhood Of Electrical Workers, Local 29

Patrick Cicero, Esquire
Kadeem G. Morris, Esquire
Elizabeth R. Marx, Esquire
John W. Sweet, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101-1414
Counsel for Coalition for Affordable Utility Services and Energy Efficiency in PA (CAUSE-PA)

Joseph L. Vullo, Esquire
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704
Counsel for Community Action Association of PA (CAAP)

David P. Zambito Esquire
Jonathan P. Nase, Esquire
Cozen O'Connor
17 North 2nd Street, 14th Floor
Harrisburg, PA 17101
Counsel for Peoples Natural Gas Company, LLC

William H. Roberts, II, Esquire
PNG Companies, LLC
375 North Shore Drive
Pittsburgh, PA 15212
Counsel for Peoples Natural Gas Company, LLC

Mark C. Szybist, Esquire
1152 15th Street NW, Suite 300
Washington, DC 20005
Counsel for NRDC

Anthony C. DeCusatis, Esquire
Kenneth M. Kulak, Esquire
Catherine G. Vasudevan, Esquire
Morgan, Lewis & Bockius
1701 Market Street
Philadelphia, PA 19103-2921
Counsel for Duquesne Light Company

Pamela C. Polacek, Esquire
Matthew L. Garber, Esquire
McNees Wallace & Nurick LLC
100 Pine Street, P.O. Box 1166
Harrisburg, PA 17108-1166
Counsel for Duquesne Industrial Intervenors

Derrick Price Williamson, Esquire
Barry A. Naum, Esquire
Spilman Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050
Counsel for Wal-Mart Stores East, LP And Sam's East, Inc.

Renardo L. Hicks, Esquire
Dilworth Paxson LLP
Penn National Insurance Building
2 North 2nd Street, Suite 1101
Harrisburg, PA 17101
Counsel for ChargePoint, Inc.

Sarah Stoner, Esquire
Daniel Clearfield, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
Counsel for KEEA

Eric Miller, Esquire
Policy Counsel
Keystone Energy Efficiency Alliance
1501 Cherry Street
Philadelphia, PA 19102

Matthew F. Smith, Esquire
Gabrielle I. Lee, Esquire
Cozen O'Connor
One Oxford Centre
301 Grant Street, 26th Floor
Pittsburgh, PA 15219
Counsel for NRGP

Brian Kalcic
Excel Consulting
Suite 720-T
225 S. Meramec Avenue
St. Louis, MO 63105
Consultant for OSBA

Jason Dolby
409 Anawanda Avenue
Pittsburgh, PA 15228

BY EMAIL ONLY:

Joseph Otis Minott, Esquire
Logan Welde, Esquire
Clean Air Council
135 S. 19th Street, Suite 300
Philadelphia, PA 19103
Counsel for Clean Air Council

Emily Collins, Esquire
Emma Hempstead, Esquire
Fair Shake Environmental Legal Services
3495 Butler Street, Suite 102
Pittsburgh, PA 15201
Counsel for NRDC

BY FIRST CLASS MAIL:

Leonard Coyer
10490 Allante Court
Gibsonia, PA 15044

Date: September 14, 2018

Michael W. Gang

Michael W. Gang

16928778v1

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	Docket No. R-2018-3000124
	:	Docket No. R-2018-3000829
	:	
Office of Consumer Advocate	:	Docket No. C-2018-3001029
Peoples Natural Gas Company LLC	:	Docket No. C-2018-3001152
Jason Dolby	:	Docket No. C-2018-3001074
Office of Small Business Advocate	:	Docket No. C-2018-3001566
Duquesne Industrial Intervenors	:	Docket No. C-2018-3001713
NRG Energy	:	Docket No. C-2018-3002755
Leonard Coyer	:	Docket No. C-2018-3002424
	:	
	:	
v.	:	
	:	
Duquesne Light Company	:	
	:	

JOINT PETITION FOR APPROVAL OF SETTLEMENT STIPULATION

TO ADMINISTRATIVE LAW JUDGE KATRINA L. DUNDERDALE:

Duquesne Light Company ("Duquesne Light" or the "Company"), the Bureau of Investigation and Enforcement ("I&E") of the Pennsylvania Public Utility Commission ("Commission"), the Office of Consumer Advocate ("OCA"), the Office of Small Business Advocate ("OSBA"), the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania ("CAUSE-PA"), Duquesne Industrial Intervenors ("DII"),[1] Community Action Association of Pennsylvania ("CAAP"), Wal-Mart Stores East, LP and Sam's East, Inc. ("Wal-Mart"), ChargePoint, Inc. ("ChargePoint"), the Keystone Energy Efficiency Alliance ("KEEA"),

---

[1] Allegheny County Airport Authority, Duquesne University, Linde Energy Services, Inc., United States Steel Corporation, and the University of Pittsburgh constitute the DII.

NRG Energy Center Pittsburgh LLC ("NRGP"),[2] Clean Air Council ("CAC") and the Natural Resources Defense Council, Inc. ("NRDC") (collectively the "Joint Petitioners") hereby join in this Joint Petition for Approval of Settlement Stipulation ("Settlement") which resolves all issues except those related to Tariff Rider No. 16 – Service to Non-Utility Generating Facilities ("Rider No. 16") in this proceeding. Issues related to Rider No. 16 are reserved for litigation. Other parties in this proceeding, including Peoples Natural Gas Company, LLC ("Peoples") and the International Brotherhood of Electric Workers Local 29 ("IBEW"), have indicated that they do not oppose the Settlement. All parties in this proceeding either support or do not oppose the Settlement.

The Joint Petitioners respectfully request that Administrative Law Judge Katrina L. Dunderdale (the "ALJ") recommend and that the Commission approve all terms and conditions of the Settlement without modification. The Settlement provides for increases in rates, as set forth in the form of tariff supplement attached as **Appendix A** and the proof of revenues attached as **Appendix B** to this Petition. These rates are designed to produce a net increase in annual base distribution operating revenues of $92.7 million, which includes $52.2 million of revenues currently recovered from customers in surcharges, resulting in an increase in revenues of $40.5 million, based upon data for a Fully Projected Future Test Year ("FPFTY") ending December 31, 2019, as adjusted for ratemaking purposes, to become effective for service rendered on and after December 29, 2018.

The effect of the Settlement on residential Rate RS customer rates is set forth in Table 1 below and in **Appendix C**:

---

[2] NRGP supports only the provisions relating to the stipulation between NRGP and Duquesne Light as set forth in Section E, Paragraph 60 of this Settlement Petition. NRGP does not oppose the remainder of this Settlement Petition.

Table 1

Rate RS – Residential Service
Using 600 Kwh

Distribution Increase		**Total Bill Increase**	
Present Distribution Bill	$44.28	Present Total Bill	$98.15
Proposed Distribution Bill	$52.94	Proposed Total Bill	$106.80
Proposed Percentage Distribution Increase	19.55%	Proposed Percentage Total Increase	8.82%
Settled Distribution Bill	$48.64	Settled Total Bill	$102.51
Settled Percentage Distribution Increase	9.85%	Settled Percentage Total Increase	4.44%

Additional detail for the effect of the change on Residential Heating Service customers – Rate RH, Small Commercial customers – Rate GS, Medium Commercial customers – Rate GM>25 and Industrial customers – Rate GL is provided in **Appendix C**.

In support of this Settlement, the Joint Petitioners state the following:

I. BACKGROUND

1. Duquesne Light provides electric distribution and transmission services to approximately 596,000 customers in Allegheny and Beaver Counties, Pennsylvania. Duquesne Light is a "public utility" and an "electric distribution company" as defined under the Public Utility Code, *see* 66 Pa. C.S. §§ 102 & 2803, serving customers within its certificated service territory and subject to the regulatory jurisdiction of this Commission. Duquesne Light also provides default service to customers that are not being served by an electric generation supplier ("EGS").

2. On March 28, 2018, Duquesne Light filed with the Commission Supplement No. 174 to Tariff Electric - Pa. P.U.C. No. 24 at Docket No. R-2018-3000124. Supplement No. 174

was proposed to become effective on May 29, 2018, together with supporting data, written testimony, and exhibits. In Supplement No. 174, Duquesne Light proposed a general increase in distribution base rates designed to produce approximately $133.8 million in additional annual base rate operating revenues based upon data for a FPFTY ending December 31, 2019, including $52.2 million currently being recovered in surcharges, for a net increase in revenues of $81.6 million.

3. On April 19, 2018, the Commission opened an investigation of Duquesne Light's proposed rate increase and suspended the effective date of that increase by operation of law from May 29, 2018, until December 29, 2018, unless permitted by Commission Order to become effective at an earlier date. The matter was assigned to the Office of Administrative Law Judge, and ALJ Katrina Dunderdale was assigned to preside over the proceeding.

4. I&E filed a Notice of Appearance. Complaints by the following parties were filed against the proposed rate increase prior to the date set for the Prehearing Conference: OCA, OSBA, DII, Peoples, James Dolby, and James Fedell.[3] OCA and OSBA also filed Notices of Appearance. OCA also filed a Public Statement.

5. On April 10, 2018, Duquesne Light was served the Formal Complaint filed by Peoples ("Peoples Complaint"). Peoples challenged, among other things, Duquesne Light's Tariff Rider No. 16.

6. On May 1, 2018, Duquesne Light filed Motion for Partial Judgment on the Pleadings, relative to the Peoples Complaint.

7. Peoples filed an Answer to the Motion for Partial Judgment on May 11, 2018.

[3] On May 23, 2018, Duquesne Light filed a Certificate of Satisfaction with respect to Mr. Fedell's Complaint. On June 1, 2018, the ALJ issued an Order marking the Formal Complaint of James Fedell at Docket No. C-2018-3001473 as closed.

8. On May 17, 2018, the Commission issued its Temporary Rates Order at Docket No. M-2018-2641242 with respect to the decrease in federal corporate income tax rates under Tax Cuts and Jobs Act ("TCJA"). Therein the Commission explained that for utilities with a pending general rate case, the proceedings in regard to their temporary rates would be consolidated with their pending base rate case for hearing and decision.

9. On May 18, 2018, the Commission issued a Secretarial Letter consolidating the temporary rates proceeding for Duquesne Light at Docket No. R-2018-3000829 with this base rate proceeding at Docket No. R-2018-3000124.

10. On May 22, 2018, the ALJ issued an Interim Order granting Duquesne Light's Motion for Partial Judgment.

11. Peoples thereafter filed a Petition for Interlocutory Review and Answer to Material Question on an Expedited Basis, seeking Commission review of the May 22, 2018 Interim Order.

12. On May 29, 2018, Duquesne Light was served with Peoples' Amended Formal Complaint.

13. On May 31, 2018, Duquesne Light filed a Brief in Opposition to the Petition for Interlocutory Review. Peoples filed a Brief in Support of the Petition.

14. On June 14, 2018, the Commission reversed the May 22, 2018, Interim Order.

15. The following Parties filed Petitions to Intervene prior to the date of the Prehearing Conference: IBEW, CAAP, CAUSE-PA, and NRDC. Petitions to Intervene were also filed by CAC, Wal-Mart, ChargePoint, and KEEA on or after the date of the Prehearing Conference.

16. An initial Prehearing Conference was held as scheduled on May 3, 2018. Parties participating in the Prehearing Conference filed Prehearing Memoranda identifying potential issues and their expected witnesses. At the Prehearing Conference, the ALJ adopted a procedural schedule. In addition, the parties agreed to, and the ALJ approved, modified discovery rules for the above-captioned proceeding, which included shorter response times than those provided for in the Commission's regulations at 52 Pa. Code §§ 5.321 et seq.

17. In the Prehearing Order issued May 8, 2018, the ALJ set forth the litigation schedule for the proceeding and revised time periods for responding to discovery requests. In addition, the ALJ listed the parties who had filed notices of intervention, petitions to intervene and complaints, prior to the Prehearing Conference. The ALJ also granted the Petitions to Intervene of IBEW, CAUSE-PA, CAC and NRDC. Further, the ALJ indicated that there would be two public input hearings.

18. On May 31, 2018, Duquesne Light filed a Motion for Protective Order.

19. By Order dated June 1, 2018, the ALJ granted Duquesne Light's Motion for Protective Order.

20. On June 4, 2018, Leonard Coyer filed a Formal Complaint.

21. Public input hearings were held on June 14, 2018, at 1:00 p.m. and 6:00 p.m. The 1:00 p.m. hearing was held at Piatt Place, Hearing Room 2019 at 301 Fifth Avenue, Pittsburgh, Pennsylvania. The 6:00 p.m. hearing was held at the Park Inn by Radisson, located in Beaver Falls, Pennsylvania.

22. NRGP filed its Complaint on June 15, 2018, with a clarification being filed on June 18, 2018.

23. On June 25, 2018, I&E, OCA, OSBA, DII, CAUSE-PA, ChargePoint, CAAP, NRDC, NRGP, and Wal-Mart served their direct testimony and exhibits. KEEA, NRDC and CAC also jointly served direct testimony and exhibits. By agreement of the parties and the ALJ, Peoples served its Direct Testimony on June 29, 2018.

24. On July 23, 2018, Duquesne Light, OCA, OSBA, DII, and ChargePoint served rebuttal testimony and exhibits.

25. On August 6, 2018, I&E, OCA, OSBA, DII, CAUSE-PA, NRDC, NRGP and Peoples served their surrebuttal testimony and exhibits. KEEA, NRDC and CAC also jointly served surrebuttal testimony and exhibits.

26. On August 10, 2018, Duquesne Light served its rejoinder testimony and exhibits. DII also served a rejoinder outline. Peoples also filed a notice concerning rejoinder.

27. The parties engaged in substantial formal and informal discovery in support of their respective positions, and Duquesne Light responded to approximately 700 discovery requests.

28. Evidentiary hearings were held before the ALJ on August 15, 16 and 17, 2018 in Harrisburg. At the hearings, the parties advised the ALJ that all parties had achieved a settlement of all issues except those related to Rider No. 16. At the hearing, the parties' respective testimony and exhibits were admitted into the evidentiary record. Certain parties' witnesses were cross-examined.

29. As explained above, all parties have entered into or do not oppose this Settlement which resolves all issues in the proceeding, except issues related to Rider No. 16. The terms and conditions of the Settlement are set forth below.

II. SETTLEMENT TERMS AND CONDITIONS

A. REVENUE REQUIREMENT AND ACCOUNTING

30. The distribution rates set in this proceeding will be designed to produce increased base operating revenues of $92.7 million based upon the pro forma level of operations for the twelve months ended December 31, 2019, inclusive of the $52.2 million of revenues recovered under current surcharges, for a net increase in revenues of $40.5 million.

31. Duquesne Light will provide a refund to customers of $24 million, which includes interest. This amount resolves the parties' positions regarding the return of 2018 federal income tax expense savings and 2018 Excess Deferred Income Taxes ("EDIT"). Duquesne Light will refund this amount beginning January 2019 through a one- or two -time bill credit on a distribution revenue basis. The provision of this credit to customers will be subject to audit to ensure that the Company has returned the full amount of the credit to customers in the manner referenced herein. The allocation of the tax refund is set forth in **Appendix D**. As set forth in **Appendix D**, the credit for most customers will be a fixed amount per customer based upon the allocation of the refund to class divided by the number of customers in the class as of December 1, 2018. The credit for other customers will be an individual calculation based on the percentage of each customers' base distribution revenue to the class distribution revenue for the period of December 1, 2017 through November 30, 2018.

32. The level of revenue requirement included in this Settlement reflects the resolution of the parties' positions in the dispute regarding the application of 66 Pa.C.S. § 1301.1 in this case.

33. As of the effective date of rates in this proceeding, Duquesne Light will be eligible to include plant additions in the Distribution System Improvement Charge ("DSIC") once the total eligible account balances exceed the levels projected by the Company in this

proceeding at December 31, 2019. The foregoing provision is included solely for purposes of calculating the DSIC, and is not determinative for future ratemaking purposes of the projected additions to be included in rate base in an FPFTY filing.

34. For purposes of calculating its DSIC, Duquesne Light shall use the equity return rate for electric utilities contained in the Commission's most recent Quarterly Report on the Earnings of Jurisdictional Utilities and shall update the equity return rate each quarter consistent with any changes to the equity return rate for electric utilities contained in the most recent Quarterly Earnings Report, consistent with 66 Pa. C.S. § 1357(b)(3), until such time as the DSIC is reset pursuant to the provisions of 66 Pa. C.S. § 1358(b)(1).

35. Duquesne Light will continue to use normalization accounting with respect to the benefits of the tax repairs and Internal Revenue Code ("IRC") Section 263A deductions. Duquesne Light will reverse EDIT with regard to prior tax repairs and IRC Section 263A deductions pursuant to the Average Rate Assumption Method ("ARAM") used to reverse EDIT associated with accelerated depreciation deductions. The remaining unamortized EDIT balance will continue as a reduction to rate base in all future base rate proceedings until the full amount is returned to ratepayers.

36. Duquesne Light will be permitted to amortize its costs related to the following:

(i) Electrical Model – Commencing with the effective date of rates in this proceeding (December 29, 2018), the Company will be permitted to amortize the estimated non-labor expenses for the field inventory and graphic design tool of $20.6 million related to the development and implementation of the electrical model over a five year period for an annual amortization of $4.12 million per year.

37. Commencing with calendar year 2019, Duquesne Light will deposit into its pension trusts an amount equal to $10 million per year; provided, however, that contribution(s) in any year in excess of the foregoing may be used on a cumulative basis to satisfy future contribution obligations under this Settlement. The Settlement provides for recovery of the expense component of $5 million (50% of the average cash contributions) of projected future pension contributions. Additionally, Duquesne Light will be permitted to include the other 50% of actual pension contributions from January 1, 2007, forward, net of related accumulated deferred income taxes, in rate base for rate making purposes. The rate base adjustment for pensions shall be the amount necessary to adjust the Accounting Standards Codification ("ASC") 715 capitalized pension amounts to equal accumulated capitalized pension contributions, net of applicable deferred income taxes, from January 1, 2007 forward. The depreciation expense for book and ratemaking purposes will be based on the ASC 715 capitalized amounts. The adjusted amounts will be used for reporting rate base in reports to the Commission. If Duquesne Light concludes that a contribution less than $10 million to the pension trust is appropriate, the Company may reduce the pension contribution and will record a regulatory liability on its books of account that is equal to 50% of the reduction to the pension contribution below the level of $10 million. Any regulatory liability recorded will be reduced to the extent of 50% of contributions in excess of $10 million in subsequent years. If a regulatory liability remains at the time of the Company's next rate proceeding, the regulatory liability amount will be returned to ratepayers as directed in the next base rate proceeding. Any amount recorded as a regulatory liability shall not bear an interest obligation. Duquesne Light shall provide a report and affidavit attesting to the actual contributions to pension trusts during each calendar year. The report and affidavit shall be publicly filed with the Commission, with copies provided to I&E, OCA and

OSBA on or before January 31 of the following calendar year, with the first report and affidavit due on or before January 31, 2020.

38. The Company's distribution rate allowance for Other Post Employment Benefits ("OPEBs") is based upon the estimated ASC 715 cost for the FPFTY of approximately $0.4 million ($0.3 million on a distribution basis), which reflects a two-year normalization of the Net Periodic Benefit Cost for historic and future test year distribution costs. The distribution expense component included in rates is approximately 50% of this estimated cost less the annual effect of the 3-year amortization of the regulatory liability of $2.6 million ($2.2 million on a distribution basis) as explained in Duquesne Light St. No. 2, p. 29, for a net distribution credit of $0.6 million. The remaining 50% of actual ASC 715 cost will be the amount to be capitalized on the Company's books. The actual labor capitalization ratio will be used to determine the split between capitalized and expensed amounts. The Company accounts for and funds OPEBs through a Voluntary Employees Beneficiary Associated ("VEBA") trust, into which it will deposit the full amount of annual costs calculated by the Company's actuary pursuant to ASC 715. Retiree OPEBs and administrative costs of maintaining the trusts and/or accounts are paid from amounts deposited in the trust. The Company accounts for the difference between the net periodic postretirement benefit expense determined annually by the actuary in accordance with ASC 715 and the amount of ASC 715 postretirement benefit expense used to establish rates. That difference is recorded as a regulatory asset or liability and will be expensed or credited in future base rate proceedings in determining OPEB expense included in rates.

39. Duquesne Light's jurisdictional separation study of distribution and transmission costs and assets shall be approved for purposes of this case only and shall hold no precedential

value in a future base rate proceeding. All parties reserve the right to challenge the jurisdictional separation study in future matters.

40. Duquesne Light will file a Total Company Pennsylvania jurisdictional report showing capital expenditures, plant additions and retirements, by month, for the Future Test Year ("FTY") ending December 31, 2018, and the FPFTY ending December 31, 2019, by July 31 of each of the years following the test years. In Duquesne Light's next base rate proceeding, the Company will prepare a comparison of its actual expenses and rate base additions for the twelve months ending December 31, 2019, to its projections in this case. However, it is recognized by Joint Petitioners that this is a black box settlement that is a compromise of the Joint Petitioners' positions on various issues.

41. Commencing with implementations subsequent to May 1, 2015, the Company shall be permitted to capitalize the development costs for cloud-based information systems. The Company will record the costs related to the development of cloud-based information systems as a regulatory asset at the time such costs are incurred. The Company shall begin amortization of the costs after the systems are placed in service. Amortization of the regulatory asset will be included in the Company's depreciation claim and the unamortized balance in the regulatory asset account will be included in rate base in the Company's current and future base rate proceedings. Nothing in this provision shall preclude a challenge to the prudence or reasonableness of specific cloud-based expenditures in a future base rate proceeding.

42. In each base rate case in which the Company proposes to recover costs of cloud-based information systems that were recorded in the regulatory asset, pursuant to paragraph 41 as a capital cost for ratemaking purposes, the Company will provide a listing of the cloud-based computing costs by year, as well as the expected useful life of each item. This requirement

applies to the costs of cloud-based information systems recorded in the regulatory asset that were not capitalized for Generally Accepted Accounting Principles ("GAAP") purposes.

43. The timing of a Company notice with regard to annual dividends in excess of 85% of annual net income will be revised to the following: The Company must provide notice and explanation to the Commission when annual dividend payments in the preceding 12 months ended March 31st exceed 85% of annual net income of the prior calendar year. With the revised language, the Company will be able to adjust its distributions in the first quarter of the following year in order to avoid inadvertently violating the advance notice requirement currently in place.

44. Duquesne Light will update the unbundled costs that are currently recovered in default service rates that were previously approved by the Commission as part of the Petition of Duquesne Light Company for Approval of a Default Service Plan for the Period June 1, 2017, to May 31, 2021, at Docket No. P-2016-2543140. Exhibit DBO-5 reflects the updated unbundling costs. These updated unbundling costs will be fixed and reconciled only for differences between projected and actual consumption. The Company would reflect the updated unbundled costs in rates effective June 1, 2019, the first effective default service supply rate change for all classes after new distribution rates become effective December 29, 2018.

B. DUQUESNE LIGHT PROGRAMS

45. The Electric Vehicle ChargeUp Pilot ("EV Pilot") is resolved on the following terms and conditions:

a. The Company's proposed DC Fast Charging Evaluation will be limited to make ready infrastructure, as defined in DLC Statement No. 6, and fast charging stations owned by the Company to be used solely for the Company and the Port Authority of Allegheny County electric bus evaluation. The cost associated with this investment included in rate base in this case is $500,000.

b. The Company's Level 2 charging proposal will be limited to the Company's investment in make ready infrastructure to provide electric service to charging stations owned by other parties with at least 4 charging stations available to the public. The Company's total investment in these facilities under the pilot will be limited to $1.3 million: approximately $650,000 of this investment will be capital investment in front of and including the meter, and approximately $650,000 will be expense investment in the form of rebates behind the meter. The Company will be permitted to capitalize all costs for infrastructure in front of and including the meter. The Company will be permitted to provide a rebate for costs for infrastructure behind the meter and will be permitted to record these rebate costs as a regulatory asset. The Company will provide a report in its next base rate proceeding. The report will evaluate customer participation and feedback, public access to charging stations and charger station usage and identify the charging station revenues received by the Company from charging station owners. Report results will be broken down by year. Determination of the appropriate method of cost recovery for the behind the meter Level 2 rebate costs will be deferred to the Company's next base rate case.

c. Customer education costs with regard to the EV Pilot in this proceeding are reduced to $200,000 to reflect the reduction in scope of the pilot in this settlement.

d. The Company will assess the EV Pilot data and develop a plan for an EV load management program to be proposed in its next base rate case proceeding.

e. Customer Electric Vehicle Registration Incentives in this proceeding are reduced to $70,000 per year. Any unused portion of the $70,000 per year will be addressed in the next base rate proceeding.

f. The Company will develop annual public reports, submitted to the Commission, to track the progress of the EV Pilot implementation. Metrics include:

    i. Charging infrastructure deployed over time, including by location and date of activation;

    ii. Charging infrastructure installation costs by site type (broken out by capital and rebate costs);

    iii. For all charging stations deployed through the EV Pilot: the usage rate by site type and charger type;

    iv. Estimated avoided air emissions resulting from the programs.

46. Duquesne Light's revised Light Emitting Diode ("LED") Street Light Program, as explained in Duquesne Light Statement No. 6 and as set forth in Rate SM of the Company's tariff Supplement No. 174, is approved. See Duquesne Light Exhibit No. DBO-1.

47. Duquesne Light's proposed fee free bank card payment program, as described in DLC Statement No. 7, is approved.

48. Duquesne Light withdraws its Woods Run Microgrid proposal without prejudice.

C. REVENUE ALLOCATION AND RATE DESIGN INCLUDING CUSTOMER CHARGE

49. The revenue allocation to each class at the net settlement increase of $40.5 million is reflected in **Appendix E**.

50. The fixed monthly customer charge for Rates RS, RA, RH and GS will be increased from $10.00 per month to $12.50 per month.

D. UNIVERSAL SERVICE, CUSTOMER SERVICE, TIME OF USE SERVICE AND MASTER METERING

51. Duquesne Light agrees that its proposal to remove the phrase "for which service is requested" from its retail tariff Rule No. 5a is withdrawn.

52. Within 120 days of the entry of a Commission order approving this settlement, Duquesne Light agrees to hold a non-confidential collaborative with all interested stakeholders to obtain stakeholder input regarding residential time-of-use rates. Duquesne Light agrees to continue with a second non-confidential collaborative with all interested stakeholders to obtain additional stakeholder input regarding residential time-of-use rates within 30 to 60 days after its initial collaborative. Duquesne Light agrees to consider in good faith the issues and suggestions raised in the collaboratives. Duquesne Light agrees to make a proposal regarding time-of-use rates in its next default service rate filing, unless the Commission directs that Duquesne Light make a time-of-use rate filing prior to its next default service rate filing. All parties retain all

rights to challenge the rates, terms and conditions proposed by Duquesne Light with regard to its time-of-use rates. This paragraph 52 does not supersede any Commission directive relating to time-of-use rates that conflicts with the provisions herein.

53. Duquesne Light intends to provide anonymized aggregate energy usage data for residential multifamily buildings that are 50,000 square feet or larger and will provide periodic updates to the Income Eligible Program Advisory Group regarding the status of implementation. Duquesne Light further agrees to participate in any working group established by the City of Pittsburgh to address the issue of energy efficiency benchmarking for multifamily buildings.

54. Starting with its 2019 program year, Duquesne Light will use its best efforts to ensure that 10% of its completed Low Income Usage Reduction Program ("LIURP") jobs are for electric heating customers, and will provide reports on its progress toward reaching that goal to members of its Income Eligible Advisory Group. Duquesne Light will increase its LIURP budget by $140,740 annually to accommodate for the increased cost to remediate electric heating customer usage. Duquesne Light agrees to review the list of customers with high Customer Assistance Program ("CAP") credits (over $1,000) from the prior year and prioritize those customers for LIURP treatment when possible. If the list has been exhausted, Duquesne Light will use the high usage CAP customer list as well as eligible customers requesting weatherization. This prioritization will continue unless Duquesne Light evaluates the cost-effectiveness of the prioritization, and reviews that evaluation with stakeholders.

55. Within 60 days of the effective date of rates, Duquesne Light will revise its medical certificate policy and accompanying procedures to accept medical certificate renewals if the customer's current bill or budget bill amount is paid in full by the due date while under the protection of a medical certificate. Customers will not be limited to two medical certificate

renewals if the provisions of this paragraph are met. Upon submission of an initial medical certificate, Duquesne Light will inform customers that they can continue to renew their medical certificate and continue to receive medical certificate protection if they continue to pay their current bill or budget bill amount in full by the due date for the duration of their medical condition or emergency, and that they remain responsible for any outstanding balance. Duquesne Light will also refer customers to any available bill payment assistance programs, including CAP, Hardship Fund, Customer Assistance Referral Evaluation Services ("CARES"), and Low Income Home Energy Assistance Program ("LIHEAP"), and will work with customers protected by a medical certificate to establish an equitable payment arrangement for outstanding arrears pursuant to Commission rules. Duquesne Light will share its revised policy with parties to this proceeding, and will provide an opportunity for feedback and suggestions. Duquesne Light may amend this policy in response to future Commission rulemakings, orders or policy. Duquesne Light will be permitted to write off any outstanding balances overdue for more than one year for customers that have medical certificates for a period of one year or longer.

56. Within 60 days of the effective date of rates, Duquesne Light will revise its Protection From Abuse Order ("PFA") policy and accompanying procedures to accept PFAs or civil or criminal court orders with evidence of domestic violence toward an applicant for service, a current customer, or a member of the applicant or customer's household, consistent with 66 Pa. C.S. § 1417 and 52 Pa. Code Ch. 56, subsections L-V. Duquesne Light will share its revised policy with the Income Eligible Program Advisory Group, and will provide an opportunity for feedback and suggestions.

57. Duquesne Light will engage in discussions regarding budget billing issues with its Income Eligible Program Advisory Group and will consider proposals to address these issues in

its next base rate proceeding. If prior to the next base rate proceeding, consensus is reached among the Income Eligible Program Advisory Group and the Company on implementation of particular budget billing proposals and the Company determines that those proposals will have minimal or no revenue impact, Duquesne Light agrees that it will implement those proposals as soon as practicable.

58. Duquesne Light will conduct a competitive selection process, such as a Request for Proposal, for the purpose of determining its universal service program provider(s). Duquesne Light will invite local community based organizations ("CBO") to participate in the competitive selection process. Final selection of universal service program providers will be determined in accordance with Duquesne Light's processes and procedures. A description of CBO participation in Duquesne Light's universal services programs will be included in its Universal Services and Energy Conservation Plan that is filed with the Commission for review and approval.

59. Within 180 days of the effective date of rates, Duquesne Light will convene a non-confidential collaborative with all parties to this proceeding, and all interested stakeholders who are developers of multifamily housing within its service territory, to discuss the feasibility of revising its retail tariff to permit master-metering of multifamily housing. Parties to the collaborative will specifically consider:

a. Under what circumstances master-metering would be permitted, and the factors Duquesne Light would require a building owner to meet before approving a master-metering configuration;

b. The impact that any such tariff change would have on low income tenants' ability to continue to afford utility service;

c. The impact of individual customers not utilizing Advanced Metering Infrastructure ("AMI") meters; and

d. The impact that any such change would have on the Company's revenue allocation and the ability to meet its projected revenue requirements.

The parties to the collaborative will make a good faith effort, in coordination with the Company, to develop consensus on the scope of a tariff revision that permits master-metering, taking into consideration all of the foregoing factors. Additional collaborative meetings will be held thereafter, as necessary, but not less than on an annual basis, in an effort to reach consensus on any issues which remain unresolved after the first collaborative is held. Based on feedback from the collaborative meetings, Duquesne Light will present a proposal regarding master-metering of multifamily housing buildings as a part of its next general base rate case. The treatment of any alleged confidential information during the collaborative will be subject of an agreement of the parties and stakeholders participating in the collaborative.

E. OTHER ISSUES

60. Duquesne Light, on behalf of itself and its affiliates, will not develop or fund (except such projects incented through Duquesne Light Act 129 programs) a project for the generation or distribution of steam, hot water, or chilled water (except for self-service) within the then-certificated service territory of NRGP, without sending letter notification to NRGP at least forty-five (45) days prior to the commencement of any construction activities or funding disbursements related to any such project. The letter notification will identify the customers that will be served, what service will be provided, and how service will be provided. Duquesne Light will cooperate in providing additional information to NRGP with respect to such project upon request from NRGP.

III. THIS SETTLEMENT IS IN THE PUBLIC INTEREST

61. This Settlement was achieved by the Joint Petitioners after an extensive investigation of Duquesne Light's filing, including extensive informal and formal discovery and

the filing of direct, rebuttal, surrebuttal and rejoinder testimony by a number of the Joint Petitioners.

62. The Settlement rates will allocate the agreed upon revenue increase to each customer class in a manner that is reasonable given the rate structure and cost of service positions advanced in the testimony and exhibits of the various parties.

63. Proposed Findings of Fact, Conclusions of Law and Ordering Paragraphs are attached as **Appendix F**.

64. Statements in Support of the Settlement setting forth the basis upon which the Joint Petitioners consider the Settlement to be in the public interest are attached as **Appendices G-R**. In addition, letters of non-opposition from Peoples and IBEW are provided as **Appendices S-T.**

IV. ADDITIONAL TERMS AND CONDITIONS

65. The Settlement is conditioned upon the Commission's approval of the terms and conditions contained herein without modification. If the Commission modifies the Settlement, then any Joint Petitioner may elect to withdraw from this Settlement and may proceed with litigation and, in such event, this entire Settlement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission and served upon all parties within five (5) business days after the entry of an Order modifying the Settlement.

66. This Settlement is proposed by the Joint Petitioners to settle all issues among them in the instant proceeding, except issues related to Rider No. 16. If the Commission does not approve the Settlement, the Joint Petitioners reserve their respective rights to conduct further hearings, including further cross-examination, and briefing regarding contested issues. The Settlement is made without any admission against, or prejudice to, any position which any Joint

Petitioner may adopt in the event of any subsequent litigation of this proceeding or in any other proceeding.

67. The Joint Petitioners acknowledge and agree that this Settlement, if approved, shall have the same force and effect as if the Joint Petitioners had fully litigated this proceeding resulting in the establishment of rates that are Commission-made, just and reasonable.

68. The Joint Petitioners acknowledge that this Settlement reflects a compromise and does not necessarily reflect any Party's position with respect to any issues raised in this proceeding. The Joint Petitioners agree that this Settlement shall not constitute or be cited as precedent in any other proceeding, except to the extent required to implement this Settlement.

69. This Settlement is being presented only in the context of this proceeding in an effort to resolve the proceeding in a manner which is fair and reasonable. The Settlement is presented without prejudice to any position which any of the parties may have advanced and without prejudice to the position any of the parties may advance in the future on the merits of the issues in future proceedings except to the extent necessary to effectuate the terms and conditions of the Settlement. This Settlement does not preclude the parties from taking other positions in proceedings of other public utilities under Section 1308 of the Public Utility Code, 66 Pa.C.S. § 1308, or any other proceeding.

70. A copy of the Settlement is being served upon the customer complainants.

71. If the ALJ adopts this Settlement without modification in the Recommended Decision, the Joint Petitioners waive their rights to file exceptions as to the issues addressed by the Settlement. This does not preclude the Joint Petitioners from filing Exceptions in response to issues reserved for litigation.

V. CONCLUSION

WHEREFORE, the Joint Petitioners, by their respective counsel, respectfully request:

1. That Administrative Law Judge Katrina L. Dunderdale recommend and that the Pennsylvania Public Utility Commission approve this Settlement, including all the terms and modifications thereof, without modification;

2. That the Commission issue an order resolving the Rider No. 16 issues which have been reserved for litigation;

3. That the investigation into this matter be terminated and the matter marked closed; and

4. That the Commission issue an Order terminating the proceeding, and authorizing Duquesne Light to file pro forma the tariff supplement attached as **Appendix A** hereto to become effective for service on and after December 29, 2018.

Respectfully Submitted,

Michael W. Gang

Date: 9/14/18

Michael W. Gang, Esquire
Anthony D. Kanagy, Esquire
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601

Tishekia Williams, Esquire
Michael Zimmerman, Esquire
Emily Farah, Esquire
Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219

Counsel for Duquesne Light Company

______________________________ Date: 9/14/18

Gina L. Miller, Esquire
John M. Coogan, Esquire
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
PO Box 3265
Harrisburg, PA 17105-3265
Counsel for The Bureau of Investigation & Enforcement

______________________________ Date: 9/14/18

Phillip D. Demanchick, Esquire
David T. Evrard, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
Counsel for The Office of Consumer Advocate

______________________________ Date: 9/14/18

Sharon Webb, Esquire
Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101
Counsel for the Office of Small Business Advocate

Date: 9/14/18

Patrick Cicero, Esquire
Kadeem G. Morris, Esquire
Elizabeth R. Marx, Esquire
John W. Sweet, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101-1414
Counsel for Coalition for Affordable Utility Services and Energy Efficiency in PA

Date: 9/14/18

Pamela C. Polacek, Esquire
Matthew L. Garber, Esquire
McNees Wallace & Nurick LLC
100 Pine Street, P.O. Box 1166
Harrisburg, PA 17108-1166
Counsel for Duquesne Industrial Intervenors

Renardo L Hicks

Date: 9/14/2018

Renardo L. Hicks, Esquire
Dilworth Paxson LLP
Penn National Insurance Building
2 North 2^{nd} Street, Suite 1101
Harrisburg, PA 17101
Counsel for ChargePoint, Inc.

Date: 14 Sep 18

Derrick Price Williamson, Esquire
Barry A. Naum, Esquire
Spilman Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050
Counsel for Wal-Mart Stores East, LP
And Sam's East, Inc.

Date: ____________________

Mark C. Szybist, Esquire
1152 15th Street NW, Suite 300
Washington, DC 20005

Emily Collins, Esquire
Emma Hempstead, Esquire
Fair Shake Environmental Legal Services
3495 Butler Street, Suite 102
Pittsburgh, PA 15201
Counsel for NRDC

Date: 9/14/18

Sarah Stoner, Esquire
Daniel Clearfield, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
Counsel for KEEA

Date: ____________________

Derrick Price Williamson, Esquire
Barry A. Naum, Esquire
Spilman Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050
Counsel for Wal-Mart Stores East, LP
And Sam's East, Inc.

Date: 9/13/2018

Mark C. Szybist, Esquire
1152 15th Street NW, Suite 300
Washington, DC 20005

Emily Collins, Esquire
*Emma Hempstead, Esquire
Fair Shake Environmental Legal Services
3495 Butler Street, Suite 102
Pittsburgh, PA 15201
Counsel for NRDC

Date: ____________________

Sarah Stoner, Esquire
Daniel Clearfield, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
Counsel for KEEA

Date: ____________________

Matthew F. Smith, Esquire
Gabrielle I. Lee, Esquire
Cozen O'Connor
One Oxford Centre
301 Grant Street, 26th Floor
Pittsburgh, PA 15219
Counsel for NRGP

Ernest Logan Welde

Date: 9-14-18

Joseph Otis Minott, Esquire
Logan Welde, Esquire
CAC Council
135 S. 19th Street, Suite 300
Philadelphia, PA 19103
Counsel for Clean Air Council

Date: ____________________

Joseph L. Vullo, Esquire
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704
Counsel for Community Action Association of PA (CAAP)

______________________________ Date: ____________________

Matthew F. Smith, Esquire
Gabrielle I. Lee, Esquire
Cozen O'Connor
One Oxford Centre
301 Grant Street, 26th Floor
Pittsburgh, PA 15219
Counsel for NRGP

______________________________ Date: ____________________

Joseph Otis Minott, Esquire
Logan Welde, Esquire
CAC Council
135 S. 19th Street, Suite 300
Philadelphia, PA 19103
Counsel for Clean Air Council

______________________________ Date: 9/13/18

Joseph L. Vullo, Esquire
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704
Counsel for Community Action Association of PA (CAAP)

Matthew Smith

Date: September 14, 2018

Matthew F. Smith, Esquire
Gabrielle I. Lee, Esquire
Cozen O'Connor
One Oxford Centre
301 Grant Street, 26th Floor
Pittsburgh, PA 15219
Counsel for NRGP

Date: ____________________

Joseph Otis Minott, Esquire
Logan Welde, Esquire
CAC Council
135 S. 19th Street, Suite 300
Philadelphia, PA 19103
Counsel for Clean Air Council

Date: ____________________

Joseph L. Vullo, Esquire
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704
Counsel for Community Action Association of PA (CAAP)

Appendix A

SCHEDULE OF RATES

For Electric Service in Allegheny and Beaver Counties

(For List of Communities Served, see Pages No. 4 and 5)

Issued By

DUQUESNE LIGHT COMPANY
411 Seventh Avenue
Pittsburgh, PA 15219

Richard Riazzi
President and Chief Executive Officer

ISSUED: EFFECTIVE: December 29, 2018

Filed at Docket No. R-2018-3000124

NOTICE

THIS TARIFF SUPPLEMENT MAKES CHANGES TO THE TABLE OF CONTENTS, RULES AND REGULATIONS, RATE SCHEDULES, RIDERS AND APPENDIX A AND MAKES INCREASES AND DECREASES TO THE RATES CONTAINED IN THE RATE SCHEDULES, RIDERS AND APPENDIX A.

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

List of Modifications **Page No. 2**

Pages No. 2A through 2R were added to the Tariff.

Table of Contents **Thirty-Fifth Revised Page No. 3**
Cancelling Thirty-Fourth Revised Page No. 3

Pages No. 2A through 2R were added to the Table of Contents.

The Table of Contents has been updated to reflect the addition of Original Page No. 70A.

The Table of Contents has been updated to reflect the addition of Original Page No. 73A.

The Table of Contents has been updated to reflect the addition of Original Page No. 78A.

The Table of Contents has been updated to reflect the removal of Rider No. 4 – Budget Billing HUD Finance Multi-Family Housing. Rider No. 4 has been revised to read "This Page Intentionally Left Blank."

The Table of Contents has been updated to reflect the removal of Rider No. 7 – SECA Charge. Rider No. 7 has been revised to read "This Page Intentionally Left Blank."

Rules and Regulations **Fifth Revised Page No. 6**
The Electric Service Tariff **Cancelling Fourth Revised Page No. 6**

Rule No. 2.1 Rules and Regulations has been added to clarify tariff applicability to all persons taking service.

Rule No. 2.2 Statement by Agents has been added to clarify that Company representatives cannot modify tariff obligations.

Rule No. 3 Application has been revised to update and define the Company's standard nominal service delivery voltages for installations prior to and effective on January 1, 2019.

Rules and Regulations
The Electric Service Tariff
Rule No. 3.1 Definitions **Fifth Revised Page No. 6**
Cancelling Fourth Revised Page No. 6

Rule No. 3.1 Definitions (1) Aggregator or Market Aggregator and (2) Applicant previously shown on Fourth Revised Page No. 6, Cancelling Third Revised Page No. 6 in Supplement No. 107 has been moved to Sixth Revised Page No. 7, Cancelling Fifth Revised Page No. 7 in Supplement No. 174 to accommodate the addition of and revision to rules.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

Rules and Regulations
The Electric Service Tariff
Rule No. 3.1 Definitions

Sixth Revised Page No. 7
Cancelling Fifth Revised Page No. 7

Rule No. 3.1 Definitions along with (1) Aggregator or Market Aggregator and (2) Applicant previously shown on Fourth Revised Page No. 6, Cancelling Third Revised Page No. 6 in Supplement No. 107 has been moved to Sixth Revised Page No. 7, Cancelling Fifth Revised Page No. 7 in Supplement No. 174 to accommodate the addition of and revision to rules.

Rules and Regulations
The Electric Service Tariff
Rule No. 3.1 Definitions

Sixth Revised Page No. 7
Cancelling Fifth Revised Page No. 7

Language has been revised in Definition (8) Customer to clarify the definition of "Customer."

Rules and Regulations
The Electric Service Tariff
Rule No. 3.1 Definitions

Sixth Revised Page No. 8
Cancelling Fifth Revised Page No. 8

Currently existing definitions for Rate Ready and Renewable Resource have been moved down to place in alphabetical order.

The definition for Summary Billing has been added.

Definitions have been renumbered to place in alphabetical order and to accommodate the addition of a definition of Summary Billing.

Rules and Regulations
Contracts, Deposits and Advance Payments
4. Contracts

Fourth Revised Page No. 9
Cancelling Third Revised Page No. 9

Language has been inserted at the end of the first sentence of paragraph one to clarify that Nonstandard Service costs can be recoverable through special rate contracts.

Language has been revised to adjust instances where the Company can enter into special rate contracts and the duration of special contracts.

Information previously shown on Second Revised Page No. 9A, Cancelling First Revised Page No. 9A in Supplement No. 72 has been moved to the end of Fourth Revised Page No. 9, Cancelling Third Revised Page No. 9 in Supplement No. 174.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

Rules and Regulations
Contracts, Deposits and Advance Payments — **Second Revised Page No. 9A**
4. Contracts — **Cancelling First Revised Page No. 9A**

Second Revised Page No. 9A, Cancelling First Revised Page No. 9A in Supplement No. 72 is being deleted as it is no longer necessary. Information previously shown on Second Revised Page No. 9A, Cancelling First Revised Page No. 9A in Supplement No. 72 has been moved to the end of Fourth Revised Page No. 9, Cancelling Third Revised Page No. 9 in Supplement No. 174.

Rules and Regulations
Contracts, Deposits and Advance Payments — **Fourth Revised Page No. 10**
5. Deposits and Advance Payments — **Cancelling Third Revised Page No. 10**

Language has been inserted to clarify that EGS charges, where applicable, are included in the calculation of a security deposit.

Language has been inserted to clarify how the Company evaluates creditworthiness of non-residential customers.

Language has been inserted to clarify the Company process for requiring security deposits from non-residential customers.

Rules and Regulations
Contracts, Deposits and Advance Payments — **Second Revised Page No. 10A**
5. Deposits and Advance Payments — **Cancelling First Revised Page No. 10A**

The paragraph referencing “seasonal service” has been removed as obsolete. The Company no longer provides a separate seasonal service rate.

Language has been inserted to explain that security deposit requirements for residential customers do not extend to non-residential accounts.

Rules and Regulations
Payment of Outstanding Balance — **Second Revised Page No. 10A**
5a. Payment of Outstanding Balance — **Cancelling First Revised Page No. 10A**

Language has been inserted to include the word “customer” and to clarify the documentation required to establish service.

Rules and Regulations
Installation of Service — **Third Revised Page No. 11**
6. Installation Rules — **Cancelling Second Revised Page No. 11**

Language has been inserted to clarify limited exception for Company-approved Nonstandard Service.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

Rules and Regulations
Installation of Service — **Third Revised Page No. 11**
6.1 Service Point — **Cancelling Second Revised Page No. 11**

Rule No. 6.1 Service Point has been added to comply with 52 Pa. Code § 57.28 (a) Electric Safety Standards (Docket No. L-2015-2500632).

Rule No. 7 Supply Line Extensions previously shown on Second Revised Page No. 11, Cancelling First Revised Page No. 11 in Supplement No. 35 has been moved to Original Page No. 11A in Supplement No. 174 in order to accommodate the addition of Rule No. 6.1 Service Point.

Rules and Regulations
Installation of Service
7. Supply Line Extensions — **Original Page No. 11A**

Original Page No. 11A has been added to Tariff No. 24.

Rule No. 7 Supply Line Extensions previously shown on Second Revised Page No. 11, Cancelling First Revised Page No. 11 in Supplement No. 35 has been moved to Original Page No. 11A in Supplement No. 174 in order to accommodate the addition of Rule No. 6.1 Service Point.

Language has been inserted in Rule No. 7 Supply Line Extensions, B. Overhead Areas (1) to provide additional customer clarity in regard to the length of single-phase, lower-voltage supply line extensions.

Rules and Regulations
Installation of Service
7. Supply Line Extensions — **Second Revised Page No. 12**
B. Overhead Areas – (Continued) — **Cancelling First Revised Page No. 12**

Rule No. 7 Supply Line Extensions, B. Overhead Areas (3) has been removed to clarify the Company's ability to recover costs of Nonstandard Service.

Rules and Regulations
Installation of Service
7. Supply Line Extensions — **Second Revised Page No. 13**
C. Underground Areas – (Continued) — **Cancelling First Revised Page No. 13**

Rule No. 7 Supply Line Extensions, C. Underground Areas (3) has been removed to clarify the Company's ability to recover costs of Nonstandard Service.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

Rules and Regulations
Installation of Service
7. Supply Line Extensions — **Second Revised Page No. 14**
E. Revenue Guarantees — **Cancelling First Revised Page No. 14**

Language has been inserted to provide that costs other than those associated with service line extensions may be included in a revenue guarantee.

Rules and Regulations
Installation of Service
7. Supply Line Extensions — **Second Revised Page No. 14**
E. Revenue Guarantees — **Cancelling First Revised Page No. 14**

Language has been inserted into Rule No. 7 Supply Line Extensions, E. Revenue Guarantees and E. Revenue Guarantees (2) to clarify the revenue guarantee payment and refund process.

Rules and Regulations
Installation of Service — **Second Revised Page No. 15**
8. Nonstandard Service — **Cancelling First Revised Page No. 15**

Rule No. 8 Connection Charges as shown on First Revised Page No. 15, Cancelling Original Page No. 15 in Supplement No. 2, has been renamed to Rule No. 8 Nonstandard Service in Supplement No. 174.

Language has been revised and inserted to clarify the Company's ability to recover costs of Nonstandard Service.

Rules and Regulations
Installation of Service — **Second Revised Page No. 15**
9. Relocations of Facilities — **Cancelling First Revised Page No. 15**

Rule No. 9 Relocations of Facilities, A. Pole Removal or Relocation for Residential Customers (2), (3) and (4) and B. Other Company Facilities for all Customers previously shown on First Revised Page No. 15, Cancelling First Revised Page No. 15 in Supplement No. 2 has been moved to Original Page No. 15A in Supplement No. 174 in order to accommodate the revisions to Rule No. 8 Nonstandard Service.

Rules and Regulations
Installation of Service
9. Relocations of Facilities – (Continued) — **Original Page No. 15A**

Original Page No. 15A has been added to Tariff No. 24.

Rule No. 9 Relocations of Facilities, A. Pole Removal or Relocation for Residential Customers (2), (3) and (4) and B. Other Company Facilities for all Customers previously shown on First Revised Page No. 15, Cancelling First Revised Page No. 15 in Supplement No. 2 has been moved to Original Page No. 15A in Supplement No. 174 in order to accommodate the revisions to Rule No. 8 Nonstandard Service.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

Rules and Regulations
Measurement and Use of Service — **Fifth Revised Page No. 22**
14.2 Customer Request for Special Metering – (Continued) — **Cancelling Fourth Revised Page No. 22**

Language has been removed as obsolete.

Rules and Regulations
Measurement and Use of Service — **Fifth Revised Page No. 22**
14.3 Sub-Metering — **Cancelling Fourth Revised Page No. 22**

Rule No. 14.3 Sub-Metering has been removed as unnecessary.

Rules and Regulations
Bills and Net Payment Periods — **Fifth Revised Page No. 23**
18. Redistribution — **Cancelling Fourth Revised Page No. 23**

Language has been modified for clarity.

Rules and Regulations
Bills and Net Payment Periods — **Fifth Revised Page No. 23**
20.2 Summary Billing — **Cancelling Fourth Revised Page No. 23**

Rule No. 20.2 Summary Billing has been added to explain the availability of Summary Bills to qualifying customers.

Rules and Regulations — **Sixth Revised Page No. 23A**
Bills and Net Payment Periods — **Cancelling Fifth Revised Page No. 23A**

Rule No. 20.2 Bills (as numbered in Fifth Revised Page No. 23A, Cancelling Fourth Revised Page No. 23A in Supplement No. 128) has been renumbered to Rule No. 20.3 and Rule No. 20.3 Budget Payment Plan for Residential Customers (as numbered in Fifth Revised Page No. 23A, Cancelling Fourth Revised Page No. 23A in Supplement No. 128) has been renumbered to Rule No. 20.4 to accommodate the addition of Rule No. 20.2 Summary Billing in Supplement No. 174.

Rules and Regulations
Bills and Net Payment Periods — **Sixth Revised Page No. 23A**
20.4 Budget Payment Plan for Residential Customers — **Cancelling Fifth Revised Page No. 23A**

Language has been inserted to clarify budget billing for customers of bill-ready EGSs.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

<u>CHANGES</u> – (Continued)

Rules and Regulations
Company Property on Customer's Premises — **Fifth Revised Page No. 24**
22 Access to Premises — **Cancelling Fourth Revised Page No. 24**

Language has been inserted to ensure Company access to facilities, particularly in the event of emergency, and to clarify that failure to provide access is grounds for termination.

Rules and Regulations
Company Property on Customer's Premises — **Fifth Revised Page No. 24**
22.1 Vegetation Management and Right-Of-Way — **Cancelling Fourth Revised Page No. 24**

Rule No. 22.1 Vegetation Management and Right-Of-Way has been added to clarify customer and Company responsibilities regarding vegetation management around Company facilities.

Rules and Regulations
Company Property on Customer's Premises — **Fifth Revised Page No. 24**
25 Repairs or Losses — **Cancelling Fourth Revised Page No. 24**

Rule No. 25 Repairs or Losses previously shown on Fourth Revised Page No. 24, Cancelling Third Revised Page No. 24 in Supplement No. 100 has been moved to First Revised Page No. 24A, Cancelling Original Page No. 24A in Supplement No. 174 in order to accommodate the addition of Rule No. 22.1 Vegetation Management and Right-Of-Way.

Rules and Regulations — **First Revised Page No. 24A**
Discontinuance, Curtailment or Interruption of Electric Service — **Cancelling Original Page No. 24A**

The "Bills and Net Payment Periods – (Continued)" heading has been removed as it is not applicable to the section.

Rules and Regulations
Company Property on Customer's Premises — **First Revised Page No. 24A**
25 Repairs or Losses — **Cancelling Original Page No. 24A**

Rule No. 25 Repairs or Losses previously shown on Fourth Revised Page No. 24, Cancelling Third Revised Page No. 24 in Supplement No. 100 has been moved to First Revised Page No. 24A, Cancelling Original Page No. 24A in Supplement No. 174 in order to accommodate the addition of Rule No. 22.1 Vegetation Management and Right-Of-Way.

Rules and Regulations
Discontinuance, Curtailment or Interruption of Electric Service — **Third Revised Page No. 25**
27.1 Death of A Residential Customer — **Cancelling Second Revised Page No. 25**

Rule No. 27.1 Death of A Residential Customer has been added to clarify the Company's process for ending service in the name(s) of customers reported as deceased.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

<u>CHANGES</u> – (Continued)

Rules and Regulations
Discontinuance, Curtailment or Interruption of Electric Service — **Second Revised Page No. 26**
33 Inaccessibility — **Cancelling First Revised Page No. 26**

Language has been revised and inserted to clarify that failure to provide Company representatives access to Company facilities is grounds for termination, consistent with Rule No. 22.

Rules and Regulations
General Provisions — **Fourth Revised Page No. 31A**
46. Provision of Load Data — **Cancelling Third Revised Page No. 31A**

Language has been modified to reflect current business practice. Rule No. 46 has been revised to comply with Commission Order dated October 11, 2012, at Docket No. R-2012-2320394. The reference to “once each calendar year” has been updated to “five (5) requests in a calendar year.”

Rate GS/GM – General Service Small and Medium — **Eighth Revised Page No. 40**
Cancelling Seventh Revised Page No. 40

Seventh Revised Page No. 42
Cancelling Sixth Revised Page No. 42

The design of the Monthly Rate section, including sub-section titling, has been modified for customer clarity.

Rate GS/GM – General Service Small and Medium — **Eighth Revised Page No. 41**
Cancelling Seventh Revised Page No. 41

Language has been modified to clarify customer rate assignments among Rate GS, Rate GM < 25 kW and Rate GM ≥ 25 kW.

The last three paragraphs of the “Electric Charges” section as well as the “Minimum Charge” section previously shown on Seventh Revised Page No. 41, Cancelling Sixth Revised Page No. 41 in Supplement No. 35 has been moved to Seventh Revised Page No. 42, Cancelling Sixth Revised Page No. 42 in Supplement No. 174 to accommodate the addition of the rate assignment language.

Rate GS/GM – General Service Small and Medium — **Seventh Revised Page No. 42**
Cancelling Sixth Revised Page No. 42

The last three paragraphs of the “Electric Charges” section as well as the “Minimum Charge” section previously shown on Seventh Revised Page No. 41, Cancelling Sixth Revised Page No. 41 in Supplement No. 35 has been moved to Seventh Revised Page No. 42, Cancelling Sixth Revised Page No. 42 in Supplement No. 174 to accommodate the addition of the rate assignment language.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES – (Continued)

Rate GMH – General Service Medium Heating — **Eighth Revised Page No. 43**
Cancelling Seventh Revised Page No. 43

Ninth Revised Page No. 44
Cancelling Eighth Revised Page No. 44

The design of the Monthly Rate section has been modified for customer clarity.

Rate GMH – General Service Medium Heating — **Ninth Revised Page No. 44**
Cancelling Eighth Revised Page No. 44

Language has been modified to clarify customer rate assignments between Rate GM < 25 kW and Rate GM ≥ 25 kW.

Rate GL – General Service Large — **Eighth Revised Page No. 47**
Cancelling Seventh Revised Page No. 47

Language has been modified to correct the name of Rider No. 9 to “Day-Ahead Hourly Price Service.”

Rate GLH – General Service Large Heating — **Eighth Revised Page No. 50**
Cancelling Seventh Revised Page No. 50

Fifth Revised Page No. 51
Cancelling Fourth Revised Page No. 51

Language has been modified to correct the name of Rider No. 9 to “Day-Ahead Hourly Price Service.”

Rate L – Large Power Service — **Eighth Revised Page No. 53**
Cancelling Seventh Revised Page No. 53

Language has been modified to correct the name of Rider No. 9 to “Day-Ahead Hourly Price Service.”

Rate L – Large Power Service — **Eighth Revised Page No. 53**
Cancelling Seventh Revised Page No. 53

Language and relevant rate charges have been removed as “Service Voltage 138 kV and Greater” is no longer applicable to Rate L – Large Power Service.

Rate L – Large Power Service — **Second Revised Page No. 56**
Cancelling First Revised Page No. 56

Language has been modified from “his” to “its.”

LIST OF MODIFICATIONS MADE BY THIS TARIFF

<u>CHANGES</u> – (Continued)

Rate HVPS – High Voltage Power Service

Eighth Revised Page No. 57
Cancelling Seventh Revised Page No. 57

Language has been modified to correct the name of Rider No. 9 to “Day-Ahead Hourly Price Service.”

Rate HVPS – High Voltage Power Service

Eighth Revised Page No. 57
Cancelling Seventh Revised Page No. 57

Fourth Revised Page No. 58
Cancelling Third Revised Page No. 58

Second Revised Page No. 60
Cancelling First Revised Page No. 60

Language has been modified to lower the kilowatts from “greater than 30,000” to “greater than “5,000” in order to move Rate L – Large Power Service 138 kV and Greater customers to Rate HVPS – High Voltage Power Service.

Rate HVPS – High Voltage Power Service

Second Revised Page No. 60
Cancelling First Revised Page No. 60

Language has been modified from “his” to “its.”

Rate AL – Architectural Lighting Service

Second Revised Page No. 63
Cancelling First Revised Page No. 63

Item No. 5 under the “Special Terms and Conditions” section has been removed as the Company no longer provides a separate seasonal service rate.

Rate SM – Street Lighting Municipal

Ninth Revised Page No. 68
Cancelling Eighth Revised Page No. 68

Language has been inserted to reflect the availability of replacement of mercury vapor lamps, fixtures or luminaries, including brackets and ballasts, beginning January 1, 2019.

Language has been inserted as to the minimum number of LED lights per customer, per order requirement and the contiguous location requirement when replacing existing lighting.

Language has been inserted as to the maximum LED light installations the Company shall be required to perform annually.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

<u>CHANGES</u> – (Continued)

Rate SM – Street Lighting Municipal **Ninth Revised Page No. 68**
Cancelling Eighth Revised Page No. 68

Eighth Revised Page No. 69
Cancelling Seventh Revised Page No. 69

Columns in the Monthly Rate section have been updated to reflect "Minimum" Nominal Lamp Wattage as well as Company Owned and Maintained Equipment and Customer Owned and Maintained Equipment charges.

Rate SM – Street Lighting Municipal **Eighth Revised Page No. 69**
Cancelling Seventh Revised Page No. 69

Current LED lamp wattages have been removed as obsolete.

New LED lamp wattages have been inserted as well as choices of Cobra Head, Colonial and Contemporary fixtures.

The last three (3) paragraphs under "Electric Charges" that resided on Seventh Revised Page No. 69, Cancelling Sixth Revised Page No. 69 in Supplement No. 91 have been moved to Fifth Revised Page No. 70, Cancelling Fourth Revised Page No. 70 in Supplement No. 174 in order to accommodate the additional LED lamp wattages.

Rate SM – Street Lighting Municipal **Fifth Revised Page No. 70**
Cancelling Fourth Revised Page No. 70

The Rate Schedule name in the header has been revised to read "Lighting."

The last three (3) paragraphs under "Electric Charges" that resided on Seventh Revised Page No. 69, Cancelling Sixth Revised Page No. 69 in Supplement No. 91 have been moved to Fifth Revised Page No. 70, Cancelling Fourth Revised Page No. 70 in Supplement No. 174 in order to accommodate the additional LED lamp wattages.

The "Special Terms and Conditions" section that resided on Fourth Revised Page No. 70, Cancelling Third Revised Page No. 70 in Supplement No. 155 has been moved to Original Page No. 70A in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate SM – Street Lighting Municipal.

A "Customer Owned and Maintained Equipment Charge" section has been added to Rate SM – Street Lighting Municipal.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES – (Continued)

Rate SM – Street Lighting Municipal **Original Page No. 70A**

Original Page No. 70A has been added in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate SM – Street Lighting Municipal.

The "Special Terms and Conditions" section originally shown on Fourth Revised Page No. 70, Cancelling Third Revised Page No. 70 in Supplement No. 155 has been moved to Original Page No. 70A in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate SM – Street Lighting Municipal.

Item No. 5 Non-standard installations has been added under the "Special Terms and Conditions" section of Rate SM – Street Lighting Municipal.

Rate SH – Street Lighting Highway **Ninth Revised Page No. 71**
Cancelling Eighth Revised Page No. 71

Columns in the Monthly Rate section have been updated to reflect "Minimum" Nominal Lamp Wattage as well as Company Owned and Maintained Equipment and Customer Owned and Maintained Equipment charges.

New LED lamp wattages have been inserted as choices for Cobra Head fixtures.

The first three (3) paragraphs under "Electric Charges" that resided on Eighth Revised Page No. 71, Cancelling Seventh Revised Page No. 71 in Supplement No. 155 have been moved to Third Revised Page No. 72, Cancelling Second Revised Page No. 72 in Supplement No. 174 in order to accommodate the additional LED lamp wattages.

Rate SH – Street Lighting Highway **Third Revised Page No. 72**
Cancelling Second Revised Page No. 72

The first three (3) paragraphs under "Electric Charges" that resided on Eighth Revised Page No. 71, Cancelling Seventh Revised Page No. 71 in Supplement No. 155 have been moved to Third Revised Page No. 72, Cancelling Second Revised Page No. 72 in Supplement No. 174 in order to accommodate the additional LED lamp wattages.

Rate SH – Street Lighting Highway **Third Revised Page No. 72**
Cancelling Second Revised Page No. 72

The "Special Terms and Conditions" section that resided on Second Revised Page No. 72, Cancelling First Revised Page No. 72 in Supplement No. 72 has been moved to Second Revised Page No. 73, Cancelling First Revised Page No. 73 in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate SH – Street Lighting Highway.

A "Customer Owned and Maintained Equipment Charge" section has been added to Rate SH – Street Lighting Highway.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

<u>CHANGES</u> – (Continued)

Rate SH – Street Lighting Highway **Second Revised Page No. 73**
Cancelling First Revised Page No. 73

A "Customer Owned and Maintained Equipment Charge" section has been added to Rate SH – Street Lighting Highway.

The "Special Terms and Conditions" section that resided on Second Revised Page No. 72, Cancelling First Revised Page No. 72 in Supplement No. 72 has been moved to Second Revised Page No. 73, Cancelling First Revised Page No. 73 in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate SH – Street Lighting Highway.

Language has been modified to remove "230/460 volts" in Item No. 2 under the "Special Terms and Conditions" section.

Rate SH – Street Lighting Highway **Original Page No. 73A**

Original Page No. 73A has been added to Tariff No. 24 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate SH – Street Lighting Highway.

The "Special Terms and Conditions" section that resided on First Revised Page No. 73, Cancelling Original Page No. 73 in Supplement No. 2 has been moved to Original Page No. 73A in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate SH – Street Lighting Highway.

Item No. 9 Non-standard installations has been added under the "Special Terms and Conditions" section of Rate SH – Street Lighting Highway.

The "Term of Contract" section that resided on First Revised Page No. 73, Cancelling Original Page No. 73 in Supplement No. 2 has been moved to Original Page No. 73A in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate SH – Street Lighting Highway.

Rate PAL – Private Area Lighting **Ninth Revised Page No. 76**
Cancelling Eighth Revised Page No. 76

Columns in the Monthly Rate section have been updated and revised to reflect "Minimum" Nominal Lamp Wattage as well as Company Owned and Maintained Equipment and Customer Owned and Maintained Equipment charges.

New LED lamp wattages have been inserted as well as choices of Cobra Head, Colonial and Contemporary fixtures.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES – (Continued)

Rate PAL – Private Area Lighting **Fifth Revised Page No. 77**
Cancelling Fourth Revised Page No. 77

The "Supply Charges" section that resided on Eighth Revised Page No. 76, Cancelling Seventh Revised Page No. 76 in Supplement No. 155 has been moved to Fifth Revised page No. 77, Cancelling Fourth Revised Page No. 77 in Supplement No. 174 to accommodate the new LED lamp wattages that have been added to Rate PAL – Private Area Lighting.

Language has been modified to correct the reference from "UMS – Unmetered Service" to "PAL – Private Area Lighting."

Rate PAL – Private Area Lighting **Sixth Revised Page No. 78**
Cancelling Fifth Revised Page No. 78

The "Special Terms and Conditions" section that resided on Fifth Revised Page No. 78, Cancelling Fourth Revised Page No. 78 in Supplement No. 155 has been moved to Original Page No. 78A in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate PAL – Private Area Lighting.

A "Customer Owned and Maintained Equipment Charge" section has been added to Rate PAL – Private Area Lighting.

Rate PAL – Private Area Lighting **Original Page No. 78A**

Original Page No. 78A has been added to Tariff No. 24 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate PAL – Private Area Lighting.

The "Special Terms and Conditions" section that resided on Fifth Revised Page No. 78, Cancelling Fourth Revised Page No. 78 in Supplement No. 155 has been moved to Original Page No. 78A in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate PAL – Private Area Lighting.

Item No. 5 Non-standard installations has been added under the "Special Terms and Conditions" section of Rate PAL – Private Area Lighting.

Standard Contract Riders **Seventh Revised Page No. 79A**
Rider Matrix **Cancelling Sixth Revised Page No. 79A**

The Rider Matrix has been revised to show the removal of Rider No. 4 – Budget Billing HUD Finance Multi-Family Housing and Rider No. 7 – SECA Charge. The Riders now read "Intentionally Left Blank."

LIST OF MODIFICATIONS MADE BY THIS TARIFF

<u>CHANGES</u> – (Continued)

Rider No. 1 – Retail Market Enhancement Surcharge **Nineteenth Revised Page No. 80**
Cancelling Eighteenth Revised Page No. 80

Rider No. 1 – Retail Market Enhancement Surcharge has been modified to remove the recovery of the Purchase of Receivables ("POR") program discount expense associated with the uncollectible expense of EGS consolidated billings. In accordance with Docket No. P-2016-2543140, the expense is being rolled into and recovered through base rates.

Rider No. 1 – Retail Market Enhancement Surcharge **Nineteenth Revised Page No. 80**
Cancelling Eighteenth Revised Page No. 80

Fifth Revised Page No. 80A
Cancelling Fourth Revised Page No. 80A

In the "Calculation of Rates" section, reference to Purchase of Receivables ("POR") has been removed from the formula and the definition.

Rider No. 4 – Budget Billing HUD Financed Multi Family Housing **Second Revised Page No. 83**
Cancelling First Revised Page No. 83

Rider No. 4 – Budget Billing HUD Financed Multi-Family Housing is being removed as obsolete.

Rider No. 5 – Universal Service Charge **Fourteenth Revised Page No. 84**
Cancelling Thirteenth Revised Page No. 84

Rider No. 5 – Universal Service Charge **Sixth Revised Page No. 85**
Cancelling Fifth Revised Page No. 85

Language in the "Calculation of Charge" section has been revised. This language was included in the tariff to address a prior CAP Plus proposal. The Company does not have a CAP Plus plan; therefore, it is appropriate to remove this language.

Rider No. 5 – Universal Service Charge **Sixth Revised Page No. 85**
Cancelling Fifth Revised Page No. 85

Language in the "Calculation of Charge" section has been revised. Pursuant to the Company's 2017-2019 Universal Service and Energy Conservation Plan, customers who receive a LIHEAP grant are no longer auto-enrolled in CAP. The elimination of the Company's auto-enrollment program was approved by Commission Order entered March 23, 2017 at Docket Number M-2016-2534323.

The CAP participation level has been reset as per the provisions of Rider No. 5.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

<u>CHANGES</u> – (Continued)

Rider No. 7 – SECA Charge — **Third Revised Page No. 87**
Cancelling Second Revised Page No. 87

Rider No. 7 – SECA Charge is being removed as the charges are being recovered through the Company's Appendix A – Transmission Service Charges ("TSC").

Rider No. 8 – Default Service Supply — **Third Revised Page No. 88A-1**
Cancelling Second Revised Page No. 88A-1

A new application period is reflected in the heading and added to the chart to reflect the addition of LED lighting.

Current LED lamp wattages have been removed.

New LED lamp wattages have been inserted as well as choices of Cobra Head, Colonial and Contemporary fixtures.

Rider No. 8 – Default Service Supply — **First Revised Page No. 88A-2**
Cancelling Original Page No. 88A-2

Current LED lamp wattages have been removed.

New LED lamp wattages have been inserted as well as choices of Cobra Head, Colonial and Contemporary fixtures.

Rider No. 8 – Default Service Supply — **Sixth Revised Page No. 88C**
Cancelling Fifth Revised Page No. 88C

In the "Calculation of Rates" section, the Docket No. has been updated in DSSa.

Rider No. 9 – Day-Ahead Hourly Price Service — **Sixth Revised Page No. 91**
Cancelling Fifth Revised Page No. 91

Under "Fixed Retail Administrative Charge" section, the Docket No. has been updated in FRA.

Rider No. 10 – State Tax Adjustment — **Fourteenth Revised Page No. 94**
Cancelling Thirteenth Revised Page No. 94

Rider No. 10 – State Tax Adjustment has been modified to reflect that Part 1 of the STAS has been set to zero.

Rider No. 13 – General Service Separately Metered Electric Space Heating Service — **Fifth Revised Page No. 97**
Cancelling Fourth Revised Page No. 97

The word "metered" has been removed in the paragraph under "Energy Charges."

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES – (Continued)

Rider No. 20 – Smart Meter Charge — **Thirty-Seventh Revised Page No. 108**
Cancelling Thirty-Sixth Revised Page No. 108

Rider No. 20 – Smart Meter Charge has been modified to reflect that it has been set to zero.

Rider No. 21 – Net Metering Service — **Fourth Revised Page No. 110**
Cancelling Third Revised Page No. 110

Language has been revised and inserted to require the installation of a generation meter to measure actual customer-generator facility output to accommodate and plan for increased saturation of net metered installations.

Rider No. 22 – Distribution System Improvement Charge — **Seventh Revised Page No. 112B**
Cancelling Sixth Revised Page No. 112B

Rider No. 22 – Distribution System Improvement Charge ("DSIC") has been modified to reflect that it has been set to zero.

Appendix A – Transmission Service Charges — **Eleventh Revised Page No. 114**
Cancelling Tenth Revised Page No. 114

Current LED lamp wattages have been removed.

New LED lamp wattages have been inserted as well as choices of Cobra Head, Colonial and Contemporary fixtures.

INCREASES

Rate RS – Residential Service — **Ninth Revised Page No. 32**
Cancelling Eighth Revised Page No. 32

Rate RH – Residential Service Heating — **Ninth Revised Page No. 34**
Cancelling Eighth Revised Page No. 34

Rate RA – Residential Service Add-On Heat Pump — **Ninth Revised Page No. 37**
Cancelling Eighth Revised Page No. 37

Rate GS/GM – General Service Small and Medium — **Eighth Revised Page No. 40**
Cancelling Seventh Revised Page No. 40

Rate GMH – General Service Medium Heating — **Eighth Revised Page No. 43**
Cancelling Seventh Revised Page No. 43

LIST OF MODIFICATIONS MADE BY THIS TARIFF

INCREASES – (Continued)

Rate GMH – General Service Medium Heating	**Eighth Revised Page No. 45** **Cancelling Seventh Revised Page No. 45**
Rate GL – General Service Large	**Eighth Revised Page No. 47** **Cancelling Seventh Revised Page No. 47**
Rate GLH – General Service Large Heating	**Eighth Revised Page No. 50** **Cancelling Seventh Revised Page No. 50**
Rate GLH – General Service Large Heating	**Fifth Revised Page No. 51** **Cancelling Fourth Revised Page No. 51**
Rate L – Large Power Service	**Eighth Revised Page No. 53** **Cancelling Seventh Revised Page No. 53**
Rate AL – Architectural Lighting Service	**Ninth Revised Page No. 61** **Cancelling Eighth Revised Page No. 61**
Rate SE – Street Lighting Energy	**Ninth Revised Page No. 64** **Cancelling Eighth Revised Page No. 64**
Rate SM – Street Lighting Municipal	**Ninth Revised Page No. 68** **Cancelling Eighth Revised Page No. 68**
Rate SM – Street Lighting Municipal	**Fifth Revised Page No. 70** **Cancelling Fourth Revised Page No. 70**
Rate SH – Street Lighting Highway	**Ninth Revised Page No. 71** **Cancelling Eighth Revised Page No. 71**
Rate PAL – Private Area Lighting	**Ninth Revised Page No. 76** **Cancelling Eighth Revised Page No. 76**
Rate PAL – Private Area Lighting	**Sixth Revised Page No. 78** **Cancelling Fifth Revised Page No. 78**
Rider No. 10 – State Tax Adjustment	**Fourteenth Revised Page No. 94** **Cancelling Thirteenth Revised Page No. 94**

Unit prices have changed, resulting in increases.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

<u>DECREASES</u>

Rate HVPS – High Voltage Power Service	**Eighth Revised Page No. 57** **Cancelling Seventh Revised Page No. 57**
Rate UMS – Unmetered Service	**Ninth Revised Page No. 74** **Cancelling Eighth Revised Page No. 74**
Rate PAL – Private Area Lighting	**Ninth Revised Page No. 76** **Cancelling Eighth Revised Page No. 76**
Rider No. 1 – Retail Market Enhancement Surcharge	**Nineteenth Revised Page No. 80** **Cancelling Eighteenth Revised Page No. 80**
Rider No. 20 – Smart Meter Charge	**Thirty-Seventh Revised Page No. 108** **Cancelling Thirty-Sixth Revised Page No. 108**
Rider No. 22 – Distribution System Improvement Charge	**Seventh Revised Page No. 112B** **Cancelling Sixth Revised Page No. 112B**

Unit prices have changed, resulting in decreases.

TABLE OF CONTENTS

(C) – Indicates Change

RULES AND REGULATIONS

THE ELECTRIC SERVICE TARIFF

1. FILING AND POSTING A copy of the Tariff, comprising of the Rules and Regulations, Rates and Riders, and governing electric service, is filed with the Pennsylvania Public Utility Commission. A copy of the Tariff may be obtained by calling, e-mailing or writing the Company's business office. The Tariff may also be accessed at www.duquesnelight.com and is posted and open to inspection at the offices of the Company where payments are made by customers.

2. REVISIONS The tariff is subject to such change and modification as may be made from time to time in the manner prescribed by the Public Utility Law. If any rate for electric service is increased, the affected customer shall have the option of discontinuing service, but shall be obligated to pay the increased rate from the effective date thereof until service has been discontinued.

2.1 RULES AND REGULATIONS The Rules and Regulations, filed as part of this Tariff, are a part of every contract for service made by the Company and govern all classes of service where applicable. The obligations imposed on customers in the Rules and Regulations apply as well to everyone receiving service unlawfully and to unauthorized use of service. **(C)**

2.2 STATEMENT BY AGENTS No representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto. **(C)**

3. APPLICATION Rates of the tariff apply only to the Company's Standard Service delivered from overhead supply lines except in certain restricted areas where the Company is required to provide underground distribution. Riders of the tariff amend or modify the terms governing the electric service under the rates to which they apply. Beginning January 1, 2019, Standard Service is alternating current of sixty cycles frequency, conforming as to voltage and phase with the following list of standard nominal service delivery voltages. **(C)**

SINGLE-PHASE	THREE-PHASE		
120/240 volts, 3 wire	120/208 volts, 4 wire	23,000 volts, 3 wire	
480 volts, 2 wire	277/480 volts, 4 wire	13,200/23,000 volts, 4 wire	**(C)**
13,200 volts, 2 wire	2,400 volts, 3 wire	138,000 volts, 3 wire	**(C)**
	2,400/4,160 volts, 4 wire		

For service installations completed prior to January 1, 2019, Standard Service may include the delivery voltages listed above as well as the following list of standard nominal service delivery voltages, as applicable. **(C)**

SINGLE-PHASE	THREE-PHASE	**(C)**
120 volts, 2 wire	230 volts, 3 wire	
120/208 volts, 3 wire	460 volts, 3 wire	
230 volts, 2 wire	11,500 volts, 3 wire	
460 volts, 2 wire	69,000 volts, 3 wire	
230/460 volts, 3 wire	345,000 volts, 3 wire	
2,400 volts, 2 wire		
23,000 volts, 2 wire		

The supply of electricity may be provided by the Company or by an alternative Electric Generation Supplier ("EGS"). Rates for the supply of electricity shall apply per applicable tariffs of the Company or the EGS.

(C)

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

THE ELECTRIC SERVICE TARIFF - (Continued)

3.1 DEFINITIONS **(C)**

(1) Aggregator or Market Aggregator – An entity, licensed by the Commission, which purchases electric energy and takes title to electric energy as an intermediary for sale to retail customers. **(C)**

(2) Applicant – A natural person not currently receiving service who applies for residential service provided by a public utility or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential utility service is requested. The term does not include a person who, within thirty (30) days after service termination or discontinuance of service, seeks to have service reconnected at the same location or transferred to another location within the service territory of the Company. **(C)**

(3) Basic Services – The services necessary for the physical delivery of electricity service such as supply, including default service, transmission and distribution. Unless directed otherwise, “electric service” or “service” used throughout this tariff have the same meaning.

(4) Bill Ready – A form of consolidated billing where Duquesne Light provides a customer’s usage to its electric generation supplier (“EGS”) and the EGS then calculates the customer’s charges and sends the line item(s) back to the Company to be presented on the supplier portion of the bill.

(5) Broker or Marketer – An entity, licensed by the Commission, which acts as an agent or intermediary in the sale and purchase of electric energy but does not take title to electric energy.

(6) Commission – The Pennsylvania Public Utility Commission.

(7) Company - Duquesne Light Company.

(8) Customer –Any person, partnership, association, corporation or other legal entity lawfully receiving service from the Company. Unless indicated otherwise, “retail customer” and “customer” used throughout this tariff shall have the same meaning. A residential customer is a natural person in whose name a residential service account is listed and who is primarily responsible for payment of bills rendered for the service or any adult occupant whose name appears on the mortgage, deed or lease of the property of which the residential utility service is requested. The term includes a person who, within thirty (30) days after service termination or discontinuance of service, seeks to have service reconnected at the same location or transferred to another location within the service territory of the public utility. **(C)**

(9) Default Service – The Company will provide electricity to the customer in the event that a customer: 1) elects not to obtain electricity from an EGS; 2) elects to have the Company supply electricity after having previously purchased electricity from an EGS; 3) contracts with an EGS who fails to supply electricity, or 4) has been returned to Default Service by the EGS under circumstances as described in Rule No. 45.2 of this tariff.

(10) Direct access – The right of EGSs and retail customers to utilize and interconnect with the electric transmission and distribution system of the Company on a non-discriminatory basis at rates and terms and conditions of service comparable to the Companies’ own use of the system to transport electricity from any generator of electricity to any retail customer.

(11) Distribution Charges – Basic service charges for delivering electricity over a distribution system (e.g. wires, transformers, substations and other equipment) to the home or business from the transmission system. The distribution charge is regulated by the Commission. These charges include basic service under 52 Pa. Code §56.15 (4) (relating to billing information) and Riders, as applicable.

(12) Electric Distribution Company (“EDC”) – An entity, including Duquesne Light Company (“Company”), owning and providing facilities for the jurisdictional transmission and distribution of electricity to retail customers, except building or facility owners or operators that manage the internal distribution system serving such building or facility and that supply electric power and other related electric power services to occupants of the building or facility.

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

THE ELECTRIC SERVICE TARIFF - (Continued)

3.1 DEFINITIONS - (Continued)

(13) Electric Generation Suppliers ("EGS") – A person or corporation, including municipal corporation, which provides service outside its municipal limits except to the extent provided prior to January 1, 1997. This includes brokers and marketers, aggregators or any other entities that sell to end-use customers electricity or related services utilizing the jurisdictional transmission or distribution facilities of an electric distribution company. The term excludes building or facility owner/operators that manage the internal distribution system for the building or facility and that supply electric power and other related power services to occupants of the building or facility. The term also excludes electric cooperative corporations except as provided in 15 Pa. C.S. Ch. 74 (relating to generation choice for customers of electric cooperatives).

(14) Electricity Provider - The term refers collectively to the EDC, EGS, electricity supplier, marketer, aggregator and/or broker, as well as any third party acting on behalf of these entities.

(15) Non-Basic Services - Optional recurring services which are distinctly separate and clearly not required for the physical delivery of electric service.

(16) PJM – PJM Interconnection, L.L.C. **(C)**

(17) PJM Tariff - The PJM Open Access Transmission Tariff ("OATT") on file with the Federal Energy Regulatory Commission ("FERC") and which sets forth the rates, terms and conditions of transmission service over transmission facilities located in the PJM Control Area. **(C)**

(18) Rate Ready – A form of consolidated billing where Duquesne Light calculates the charge to be presented on the supplier portion of the bill based upon the rates previously supplied by the electric generation supplier ("EGS"). **(C)**

(19) Renewable Resource - Includes technologies such as solar photovoltaic energy, solar thermal energy, wind power, low-head hydropower, geothermal energy, landfill or other biomass-based methane gas, mine-based methane gas, energy from waste and sustainable biomass energy. **(C)**

(20) Summary Bill - An aggregate bill prepared for two or more meter locations owned or legally controlled by the same customer for charges for electric service. **(C)**

(21) Supply Charges - Basic service charges for acquiring or producing electricity for supply to retail customers. This excludes charges for transmission or other charges related to electric service. **(C)**

(22) Transmission Charges - Basic charges for the cost of transporting electricity over high voltage wires from the generator to the distribution system of the Company billed to customers that acquire their electricity from the Company. Customers who choose to acquire electricity from an EGS will be billed for transmission services by the EGS. **(C)**

3.2 ELECTRIC GENERATION SUPPLIER TARIFF The rules and guidelines provided in the Company's "Electric Generation Supplier Coordination Tariff" (Supplier Tariff) shall apply to EGS's accessing the Company's transmission and distribution systems to supply electricity to retail customers. Those rules and guidelines pertaining to direct access procedures shall apply accordingly to customers who elect to purchase part or all of their electricity from an EGS. Copies of these rules may be obtained by calling, e-mailing or writing the Company's business office. In addition, they may also be accessed at www.duquesnelight.com and are posted and open to inspection at the offices of the Company where payments are made by customers.

(C) – Indicates Change

CONTRACTS, DEPOSITS AND ADVANCE PAYMENTS

4. CONTRACTS The Company reserves the right to require non-residential customers to sign a written contract indicating the rate for electric service and to require a contract term which, in the judgment of the Company, is sufficient to justify the cost of any facilities installed for the exclusive use of the customer and to compensate the Company for other incremental costs of Nonstandard Service. Customers who have facilities extended for their exclusive use will be permitted to purchase electricity from an EGS according to the provisions of direct access and 66 Pa.C.S. § 2807. Extension of such facilities will not be conditioned on the customer's agreement to purchase supply from the Company. Receipt of electric service by any entity, however, shall constitute the receiver a customer of the Company, subject to its rules and regulations, whether service is based upon contract, agreement, accepted signed application or otherwise. The customer shall notify the Company, in advance of receipt of electric service, of the customer's name, address to which the electricity is to be delivered, the address to which the bill is to be mailed, the date delivery of electricity is to commence, and provide information requested by the Company regarding the customer's credit standing. The customer shall notify the Company to cancel electric service and the customer shall be responsible for payment for all electric charges until the customer has so notified the Company to cancel electric service. **(C)**

The Company at its sole discretion may enter into special contracts for electric service with industrial or commercial customers to address changing business needs, operating conditions or less expensive competitive alternatives for energy. If requested by the Company, the customer shall provide to the Company, on a confidential basis, all information, records and financial analysis necessary to evaluate the customer's request for a special contract. **(C)** **(C)**

Terms and conditions of service will be mutually agreed upon by the Company and the customer and included in a signed contract, which will be filed with the Public Utility Commission. The Company at its sole discretion may request Public Utility Commission approval. The terms of the agreement will be confidential upon filing with the Commission. Rates established under special contracts will be sufficient to recover, at a minimum, all appropriate incremental costs. Any special contracts written to become effective on or after January 1, 2007, shall apply only to charges for the distribution service provided by the Company.

The contract shall contain all terms and conditions and the rates and charges to be paid for electric service.

The contract shall be for a period of no less than one (1) year and no greater than ten (10) years. **(C)**

The contract will be terminated by the Company if the Company charges are not paid when due as specified in Tariff Rule No. 21, before the addition of the Late Payment Charge. Upon termination of the contract under these conditions, the regular electric tariff rates will be applied to electric service rendered from that point forward. A new special contract will not be made available to a customer whose previous special contract was terminated because of failure to pay bills as specified in Tariff Rule No. 21.

(C)

For contracts that contain provisions governing the customer's rights under direct access, the Company will unbundle the customer's contract and the customer will be eligible to obtain electricity from an EGS only in accordance with the terms and conditions of the customer's contract. Upon expiration of their contract, special contract customers will default to Rider No. 9 – Day-Ahead Hourly Price Service. **(C)**

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

CONTRACTS, DEPOSITS AND ADVANCE PAYMENTS - (Continued)

5. DEPOSITS AND ADVANCE PAYMENTS The Company reserves the right to require a cash deposit from applicants taking service for a period of less than thirty (30) days, in an amount equal to the estimated gross bill for Company charges, including applicable EGS charges, for such temporary service. The gross bill for Company **(C)** charges shall include all fixed, demand and energy charges for Company charges in accordance with the applicable tariff. Deposits may be required from all other applicants when creditworthiness has not been established. A deposit may also be required from existing customers when such customer's credit standing is impaired by delinquent payments of any two (2) consecutive electric bills for Company charges or three (3) or more electric bills for Company charges within the preceding twelve (12) months, or as a condition to the reconnection of service or failure to comply with a payment arrangement. Company charges include the customer's EGS receivables that are purchased by the Company. The Company shall not require an applicant or customer who is confirmed to be eligible for a customer assistance program to provide a cash deposit.

The Company, at its discretion, may deem a non-residential customer or applicant to be not creditworthy. **(C)** Evidence that such a customer or applicant is not creditworthy may include, but shall not be limited to, where the customer or applicant: (i) is insolvent (as evidenced by a credit report prepared by a reputable credit bureau or credit reporting agency or public financial data, liabilities exceeding assets or generally failing to pay debts as they become due); (ii) has a class of publicly-traded debt outstanding that is rated to be below investment grade; (iii) has tendered two (2) or more checks that are subsequently dishonored by a payee according to 13 Pa.C.S. § 3502, within the last twelve (12) billing cycles; or (iv) has had an account balance at least sixty (60) days in arrears within the last twelve (12) billing cycles. The Company may require non-residential customers or applicants to provide financial data as reasonably necessary for the Company to assess their creditworthiness.

The Company may also use an applicant or customer credit score from a third party credit agency as a means to establish creditworthiness. The credit score in the report will be based in part on previous utility billing history and will use a commercially recognized credit scoring methodology that is within the range of generally accepted industry practices to determine whether security or advance payments are required to establish service. The Company may request a government issued photo ID of any applicant to verify the application.

Where the Company requires a deposit, the amount of the deposit will be based on Company charges in an **(C)** amount that is equal to one-sixth of the applicant's estimated annual bill or one-sixth of the actual average annual bill for existing customers at the premises, provided that the minimum deposit amount for non-residential **(C)** customers shall be $250.00. In accordance with Commission regulations, the deposit shall be payable during the 90-day period commencing when the Company determines a deposit is required whether for new service or for deposits required upon reconnection of service as described in Rule No. 40. Failure to pay a required deposit within the time period noted above may result in termination of service consistent with Commission regulations. An applicant or existing customer may furnish a third party guarantor in lieu of a cash deposit, with the provision of a written guaranty setting forth the terms therein. The guarantor will be responsible for all missed payments of the applicant or customer.

The Company will pay interest on residential cash deposits computed at the simple annual interest rate determined by the Commonwealth of Pennsylvania's Secretary of Revenue. The interest rate in effect when the deposit is required to be paid shall remain in effect until the later of the date the deposit is refunded or credited or December 31. On January 1 of each year, the new interest rate for that year will apply to the deposit. For all other cash deposits, the Company will pay interest at the lower of the average of 1-year Treasury Bills for September, October and November of the previous year beginning May 1, 1995 and January 1, 1996 and each year thereafter, or six percent per annum without deduction for any taxes thereon, provided that interest accrued prior to April 14, 1995 shall be calculated at 6%. On deposits held for more than one year, accrued interest will be paid at the end of each anniversary year. Upon the return of a deposit, any unpaid interest accrued thereon will be paid.

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

CONTRACTS, DEPOSITS AND ADVANCE PAYMENTS - (Continued)

5. DEPOSITS AND ADVANCE PAYMENTS - (Continued)

Deposits secured from a residential applicant or customer shall be returned to the depositor when a timely payment history has been established. A timely payment history is established when a customer has paid undisputed bills in full and on time for twelve (12) consecutive months. Should a customer become delinquent prior to establishing a timely payment history, the Company may deduct the outstanding balance from the deposit. Deposits secured from other than residential customers shall be returned to the depositor upon annual review provided such depositor shall have paid undisputed bills during those consecutive twelve (12) months without having service terminated and without having paid the bill subsequent to the due date so long as the customer is not currently delinquent. Payment of any disputed bill, where the payment is withheld beyond the due date set forth on the face of the bill at issue and the dispute over which is terminated substantially in favor of the customer, shall be made by the customer within fifteen (15) days following the termination of that dispute in order to be deemed timely. Where service is discontinued, the deposit and unpaid interest accrued thereon to the date of discontinuance of service, less the amount of all bills due the Company, will promptly be paid to the customer.

(C)

For purposes of all of the provisions of this Rule No. 5, when a customer resides at a place of business or **(C)**
commercial establishment, legitimately served pursuant to a commercial or industrial rate schedule, that is not a residential dwelling unit attached thereto, the customer is not thereby entitled to any of the protections in the Pennsylvania Public Utility Code or the Commission's regulations implementing the Pennsylvania Public Utility Code, or to any of the provisions of these rules or this Tariff, that apply exclusively to deposits for residential customers.

PAYMENT OF OUTSTANDING BALANCE

5a. PAYMENT OF OUTSTANDING BALANCE As a condition of the furnishing of service to an applicant or **(C)**
customer, the payment of any outstanding account amount with the Company for which the applicant or customer **(C)**
is legally responsible is required. The Company may require the payment of an outstanding balance or portion of an outstanding balance as a condition of furnishing service if the applicant or customer resided at the property for
which service is requested during the time the outstanding balance accrued and for the time applicant/customer **(C)**
resided there, not exceeding four (4) years from the date that the last bill rendered, except for fraud or theft. The **(C)**
Company may require the applicant or customer to provide, and may establish that an applicant or customer **(C)**
previously resided at a property for which residential service is requested through the use of a mortgage, deed or
lease or a commercially available consumer credit reporting service. In addition, the Company may also require **(C)**
and use valid government-issued photo identification, and may use billing/mailing records, court records, factual **(C)**
reporting and Company records where the applicant or customer was listed as a spouse or an occupant of a premise, such as on a customer assistance program enrollment form, a payment arrangement, a power of attorney or authorization or a medical certification.

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

INSTALLATION OF SERVICE

6. INSTALLATION RULES Except for Nonstandard Service expressly approved in advance by the Company, service installations shall be made in accordance with the Company's "Electric Service Installation Rules," copies of which may be obtained by calling, e-mailing or writing the Company's business office. In addition, the Rules may be accessed at www.duquesnelight.com. **(C)**

6.1 SERVICE POINT The Service Point for the customer's service installation shall depend on the customer's type of service. The Service Point shall generally be designated as follows: **(C)**

Type of Service	Service Point
Service voltage greater than 600V	Metering terminals, or for transformed service, secondary transformer terminals
Overhead service at voltage less than 600V	Service drop
Underground service at voltage less than 600V	For underground service from overhead secondary lines: the service lateral connection to Company pole. For underground service from underground spot networks: the network protector spade(s). For underground service from street secondary underground networks: the collector bus. For three-phase transformed underground service: the secondary transformer terminal. In Underground Residential Developments covered by Rule No. 13.2: the meter base. For other underground service from underground secondary lines: the terminal box.
Any service via lines supported by a customer-owned pole or structure	Point of service line connection to the first customer-owned pole or structure to which Company facilities connect

The Company reserves the right to designate an alternative Service Point, at its sole discretion, for customers with atypical or specialized service configurations, or customers participating in the Company's EV ChargeUp pilot program for electric vehicle charging stations.

The Company shall not be required to install or maintain any conductors, meter base, equipment or apparatus except meter and meter accessories, as applicable, beyond the Service Point.

RULES AND REGULATIONS - (Continued) **(C)**

INSTALLATION OF SERVICE - (Continued)

7. SUPPLY LINE EXTENSIONS

A. Definitions

For the purposes of this rule, the following definitions are applicable:

(1) Contractor cost - The amount paid to a contractor for work performed on a line extension.

(2) Direct labor cost - The pay and expenses of public utility employees directly attributable to work performed on line extensions, but does not include construction overheads or payroll taxes, workers' compensation expenses, or similar expenses.

(3) Direct material cost - The purchase price of materials used for a line extension, but does not include the related stores expenses. In computing direct material costs, proper allowance should be made for unused materials recovered from temporary structures, and discounts allowed and realized in the purchase of materials.

(4) Total construction cost - The contractor cost, direct labor cost, direct material cost, stores expense, construction overheads, payroll taxes, workers' compensation expenses, or similar expenses.

(5) Current Year - For purposes of calculating a revenue guarantee, current year shall be each consecutive period of twelve (12) calendar months following the date permanent electric delivery service was first provided to a customer.

(6) Income Tax - Federal and State tax relating to the tax liability of contributions in aid-of-construction ("CIAC").

B. Overhead Areas

(1) In areas where the existing supply lines are overhead, the Company will construct and maintain extensions of all single-phase overhead supply lines operating at 23,000 volts or less to approximately 100 feet within the customer's property line without a guarantee of revenue. **(C)**

RULES AND REGULATIONS - (Continued)

INSTALLATION OF SERVICE - (Continued)

7. SUPPLY LINE EXTENSIONS - (Continued)

B. Overhead Areas - (Continued)

(2) In areas where the existing supply lines are overhead, the Company will construct and maintain extensions of all three-phase overhead supply lines, operating at 23,000 volts or less, which are usable as a part of its general supply system without a guarantee of revenue. When the three-phase supply line extension is to supply service exclusively to a single customer, such a supply line will be extended to the customer's property line only if a guarantee of revenue is provided by the customer over a period of five years which is sufficient to recover the actual total construction cost of the three-phase overhead line extension, less the estimated total construction cost for an equivalent single-phase overhead line extension. In the event that a revenue guarantee is not sufficient to recover the estimated total cost of the construction, or if the Company determines that the extension is speculative, or the customer represents a credit risk, the Company may require an up-front contribution in aid of construction (CIAC) from the customer to recover the total cost of construction. A customer may choose the option to make a CIAC rather than utilize a revenue guarantee. The Company will consider financing alternatives, such as a letter of credit or other payment arrangements, in lieu of a CIAC when appropriate. Any additional CIAC payment required will include the related income tax. **(C)**

C. Underground Areas

(1) In areas where the existing supply lines are underground outside the limits of a residential development covered by Tariff Rule 13.2, the Company will construct and maintain extensions of all single-phase underground supply lines operating at 23,000 volts or less which are usable as part of its general supply system without a guarantee of revenue. When the single-phase supply line extension is to supply electricity exclusively to a single customer, such a supply line will be extended to the customer's property line only if a guarantee of revenue is provided by the customer, over a period of five years which is sufficient to recover the actual total contractor cost, direct labor cost and direct material cost for the full length of the single-phase underground line extension, less the estimated total contractor cost, direct labor cost, and direct material cost for an equivalent single-phase overhead line extension. In the event that a revenue guarantee is not sufficient to recover the estimated total cost of the construction, or if the Company determines that the extension is speculative, or the customer represents a credit risk, the Company may require an up-front contribution in

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

<u>INSTALLATION OF SERVICE</u> - (Continued)

7. SUPPLY LINE EXTENSIONS - (Continued)

C. Underground Areas - (Continued)

aid of construction (CIAC) from the customer to recover the total cost of construction. A customer may choose the option to make a CIAC rather than utilize a revenue guarantee. The Company will consider financing alternatives, such as a letter of credit or other payment arrangements, in lieu of a CIAC when appropriate. Any additional CIAC payment required will include the related income tax.

(2) In areas where the existing supply lines are underground outside of the limits of a residential development covered by Tariff Rule 13.2, the Company will construct and maintain extensions of all three-phase underground supply lines operating at 23,000 volts or less which are usable as part of its general supply system without a guarantee of revenue. When the three-phase supply line extension is to supply service exclusively to a single customer, such a supply line will be extended to the customer's property line only if a guarantee of revenue is provided by the customer over a period of five years which is sufficient to recover the actual total construction cost of the three-phase underground line extension, less the estimated total construction cost for an equivalent single-phase overhead line extension. In the event that a revenue guarantee is not sufficient to recover the estimated total cost of the construction, or if the Company determines that the extension is speculative, or the customer represents a credit risk, the Company may require an up-front contribution in aid of construction (CIAC) from the customer to recover the total cost of construction. A customer may choose the option to make a CIAC rather than utilize a revenue guarantee. The Company will consider financing alternatives, such as a letter of credit or other payment arrangements, in lieu of a CIAC when appropriate. Any additional CIAC payment required will include the related income tax.

(C)

D. Rights-of-Way

Before construction of a line extension, satisfactory rights of way and other necessary permits must be granted to the Company for the construction of the supply line extension along the route selected by the Company. The customer agrees to pay the Company any initial and recurring rights-of-way or license fees in excess of an amount normally incurred by the Company in constructing and maintaining the supply line extension.

INSTALLATION OF SERVICE - (Continued)

7. SUPPLY LINE EXTENSIONS - (Continued)

E. Revenue Guarantees

The revenue guarantee amount shall be the estimated combined cost of (i) the line extension (C)
and (ii) other new Company facilities necessary to serve the customer. The annual revenue (C)
guarantee amount shall be the revenue guarantee amount, divided by the number of years in the guarantee period. The annual revenue guarantee amount will be reviewed yearly and will be adjusted to the minimum charges as provided in the applicable rate schedule on the following basis:

(1) When the total of the monthly Company delivery charges at the end of the current year is less than the annual revenue guarantee amount, a payment equal to the difference plus the related income tax where applicable shall be immediately due and payable.

(2) When the total of the monthly Company delivery charges within the number of years in the guarantee period equals or exceeds the revenue guarantee amount, no further payments toward the revenue guarantee amount are required. Any prior payments in excess of the (C)
revenue guarantee amount, except for otherwise-applicable charges for electric service, (C)
will be refunded with accrued interest.

(3) If an additional customer is served from the line extension, the revenue guarantee amount will be reduced to the cost of the line extension which is used exclusively to serve the single customer. If the cost of the line extension to serve the new customer would increase the revenue guarantee amount for an existing customer, the extension shall be considered as a new line extension.

(4) In the event the customer discontinues or cancels service before the end of the guarantee period, the balance of the revenue guarantee amount plus the related income tax where applicable shall be immediately due and payable.

F. Contributions in Aid of Construction

The Contribution in Aid of Construction (CIAC) will be refunded to the customer over the five-year revenue guarantee period to the extent that the revenue from the customer satisfies the revenue guarantee.

(1) When the total of the monthly Company delivery charges at the end of the current year is greater than or equal to one-fifth of the CIAC, a refund of one-fifth of the CIAC will be made to the customer.

(2) When the total of the monthly Company delivery charges at the end of the current year is less than one-fifth of the CIAC, a refund of one-fifth of the CIAC less the revenue shortfall will be made to the customer.

(3) At the end of the five-year revenue guarantee period, a final reconciliation of delivery charges during the period will be made against the CIAC. If the total delivery charges paid exceed or equal the original CIAC, any remaining CIAC will be returned to the customer. If the total delivery charges paid are less than the original CIAC, the remaining CIAC will be retained by the Company.

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

<u>INSTALLATION OF SERVICE</u> - (Continued)

8. NONSTANDARD SERVICE The Company reserves the right to require a customer or applicant for service to pay the cost, including the related income tax, of any special installation necessary to meet the unusual requirements of the customer or applicant for service, including, but not limited to: **(C)**

(1) service at other than standard voltages, **(C)**

(2) service for intermittent, unbalanced or fluctuating loads, which, in the Company's sole judgement, would not generate sufficient revenue to recover the installation costs of the required facilities, **(C)**

(3) service for loads that will be continuous but that will generate minimal usage, and which, in the Company's sole judgement, would not generate sufficient revenue to recover the installation costs of the required facilities, **(C)**

(4) service for loads that will require provision of closer voltage regulation than required by standard service, **(C)**

(5) redundant service requested by the customer and not required by the Company, and **(C)**

(6) service routings or configurations that deviate from the Company's standard construction standards described in the Company's "Electric Service Installation Rules," or that would otherwise necessitate significant construction of new Company facilities. **(C)**

The customer or applicant shall pay all costs to the Company of performing environmental assessments, including, but not limited to, the cost of consultants utilized by the Company, the cost of removal and disposal of contamination, waste or hazardous materials or dealing with other adverse environmental conditions associated with either the initial installation, modification, repair, maintenance or removal of service facilities. **(C)**

The Company may decline to provide Nonstandard Service where, in the Company's sole judgment, it would not be commercially, operationally, and/or technically reasonable to provide such service. **(C)**

9. RELOCATIONS OF FACILITIES

A. Pole Removal or Relocation for Residential Customers

When requested by a residential property owner who is not otherwise entitled to receive condemnation damages to cover the cost of the pole removal or relocation or who is not requesting a pole removal or relocation as the result of damages caused by the intentional or negligent conduct of any party, the Company will when it is practicable, subject to the execution and receipt of required easements, licenses or municipal permits, remove or relocate a pole or poles and associated attachments, upon receipt, in advance, of the Company's estimated contractor or direct labor and direct material costs associated with the particular pole removal or relocation, less any maintenance expenses avoided as a result of the pole removal or relocation.

For purposes of this Rule, the following definitions are applicable:

(1) Contractor costs - Amount paid by the utility to a contractor for work performed on a pole removal or relocation.

(C)

RULES AND REGULATIONS - (Continued) **(C)**

INSTALLATION OF SERVICE - (Continued)

9. RELOCATIONS OF FACILITIES – (Continued)

A. Pole Removal or Relocation for Residential Customers – (Continued)

(2) Direct labor costs - Includes pay and expenses of public utility employees directly attributable to work performed on pole removals or relocations. Excludes payroll taxes, workmen's compensation, similar items of expense and construction overhead costs.

(3) Direct materials costs - Includes the purchase price of materials used in performing a pole removal or relocation and excludes the related stores expenses. Proper allowance shall be made for unused materials, and materials recovered from temporary structures, and for discounts allowed and realized in purchase of materials.

(4) Income tax - Federal and State tax relating to the tax liability of contributions in aid-of-construction.

B. Other Company Facilities for all Customers

When requested or required by the action of a customer or a third party, relocation of Company facilities, except those covered under Section A of this Rule, will be performed by the Company upon receipt, in advance, of the Company's estimated total direct and indirect costs including the related income tax of such relocations from the customer or such third party. The Company may waive charges under this rule if, in the Company's judgment, the location of the Company's existing supply line and/or service line on the customer's property restricts the growth of the customer's operations and the potential increase in the Company's revenues.

MEASUREMENT AND USE OF SERVICE - (Continued)

14.2 CUSTOMER REQUEST FOR SPECIAL METERING – (Continued)

The Company has adopted a program that provides all customers with meters to provide data for normal monthly billing services. In the event that a residential or small commercial customer, or an EGS on behalf of a residential or small commercial customer, requests an upgrade to an Alpha Powerplus meter, which the Company provides for large commercial and industrial customers, installation of that meter will be provided at a cost of $586.00, plus additional costs for the appropriate communication/system infrastructure. These net incremental charges, as set forth in the Company's Advance Meter Catalog, may be paid to the Company by either the customer or the EGS, or jointly by the customer and the EGS pursuant to a mutual agreement.

(C)
(C)

15. INABILITY TO READ RESIDENTIAL METERS When scheduled readings of kilowatt-hour meters are not obtained because of inability to gain access to the meter location, the customer may read his meter and furnish the Company the reading on cards supplied by the Company, or by telephone to the Company, in which case the bill will be rendered on the basis of such reading; otherwise, the Company will estimate the bill. No more than five (5) successive bills will be rendered on readings made by the customer.

15.1 INABILITY TO READ COMMERCIAL OR INDUSTRIAL METERS When scheduled readings of kilowatt-hour and demand meters are not obtained, the Company may render an interim statement for each month until the meters are read.

16. USE OF SERVICE BY CUSTOMER The customer shall use the electric service only at the premise where service is established; and after electric service has been established, shall notify the Company of any change in connected load, demand, or other conditions of use. The customer shall notify the Company of other on site sources of electric generation or electricity concurrently produced as a by-product of another process or electricity produced utilizing renewable resources. Customers who own and operate electric generation equipment shall conform with the Company's "Electric Service Installation Rules," copies of which may be obtained by calling, e-mailing or writing the Company's business office or at www.duquesnelight.com. For customers who own and operate electric generation, the provisions of Rider No. 16 - Service to Non-Utility Generating Facilities and Rider No. 21 - Net Metering Service may also apply.

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

MEASUREMENT AND USE OF SERVICE - (Continued)

18. REDISTRIBUTION All electric energy shall be consumed by the customer to whom the Company supplies **(C)**
and delivers such energy, except that (1) the customer owning and operating a separate office building, and (2) any other customer who, upon showing that special circumstances exist, obtains the written consent of the Company may redistribute electric energy to tenants of such customer, but only if such tenants are not required to make a specific payment for such energy. **(C)**

This Rule shall not affect any practice undertaken prior to June 1, 1965. See Rule No. 41 for special requirements for residential dwelling units in a building.

18.1 ELECTRIC VEHICLE CHARGING For purposes of third party-owned electric vehicle charging stations, charging the electric vehicle shall not be considered redistribution as defined in Rule No. 18 - Redistribution. Electric vehicles are defined as any vehicle licensed to operate on public roadways that are propelled in whole or in part by electrical energy stored on-board for the purpose of propulsion. Types of electric vehicles include, but are not limited to, plug-in hybrid electric vehicles and battery electric vehicles. Electric vehicle charging stations shall be made in accordance with the Company's "Electric Service Installation Rules," a copy of which may be found at www.duquesnelight.com. The station must be designed to protect for back flow of electricity to the Company's electrical distribution circuit as required by Company rules. The Company shall not be liable for any damages associated with operation of the charging station. For stations dedicated solely for the purpose of charging electric vehicles wherein a third party owns the charger and allows an electric vehicle owner to use their facility to charge an electric vehicle, the owner of the charging facility shall notify the Company at least one hundred twenty (120) days in advance of the planned installation date and may be required to install metering for the station as determined by the Company. The third party owner of the station shall be responsible for all applicable Tariff rates, fees and charges. For such installations, the electric vehicle owner shall be responsible for all fees imposed by the owner of the station for charging the electric vehicle.

19. CONTINUITY AND SAFETY The Company will use all reasonable care to provide safe and continuous delivery of electricity but shall not be liable for any damages arising through interruption of the delivery of electricity or for injury to persons or property resulting from the use of the electricity delivered.

BILLS AND NET PAYMENT PERIODS

20. BILLING The Company will render a bill monthly for electric service.

20.1 BILLING OPTIONS Customers who elect to purchase their electricity from an Electric Generation Supplier ("EGS") may choose: (1) Consolidated Billing and receive a single bill from the Company that includes Company charges and EGS charges; or (2) Separate Billing and receive one bill from the Company for Company charges and a second bill from the EGS for EGS charges. The customer's billing option will be communicated to the Company by the EGS, in accordance with the provisions contained in the Company's Supplier Tariff.

20.2 SUMMARY BILLING The Company may, at its discretion and upon customer request, provide Summary **(C)**
Bills in lieu of individual bills to qualifying customers. Summary Bills shall include an abridged summary of electric service usage and charges associated with each meter location. The Company may remove a customer from Summary Billing at its option or at the customer's request.

For the purpose of determining whether to provide Summary Billing, the Company may consider, among other factors, whether the read and due dates of the multiple meter locations allow for Summary Billing without adversely affecting the timely payment of bills, and whether Summary Billing would have an adverse financial impact on the Company.

(C) – Indicates Change

RULES AND REGULATIONS – (Continued)

BILLS AND NET PAYMENT PERIODS – (Continued)

20.3 BILLS Bills for electric service are due and payable upon presentation and may be paid with a check or money order and placed in the payment drop box located at the Company's business office, by any of the means listed under the "Billing and Payment Conveniences" as described on Page 2 of the customer's bill or to any of its collecting agencies during the regular office hours of such agencies. For customers who select an EGS and who select the Separate Billing Option, payment of the bill from the EGS is due to the EGS per the EGS terms and conditions. When the meter readings are taken at other than monthly intervals or when the elapsed time between meter readings is substantially greater or less than one month, the rate values applicable to monthly delivery periods will be adjusted. **(C)**

20.4 BUDGET PAYMENT PLAN FOR RESIDENTIAL CUSTOMERS The Budget Payment Plan provides residential customers the option of paying a budget amount each month based on their average monthly charges over a rolling twelve (12) month period. The Budget Payment Plan is available upon request for residential customers not in arrears for payment of service. The Budget Payment Plan will average utility service charges on an estimated annual basis by account and will be reviewed periodically for adjustment. When the Company provides Consolidated EDC Rate Ready Billing, the EGS's charges for conventionally-priced supply service will be included in the customer's Budget Payment Plan. When the Company provides Consolidated EDC Bill Ready Billing, the EGS's charges for conventionally-priced supply service will be included in the customer's Budget Payment Plan at the EGS's election. If the customer elects a dynamically-priced supply product (e.g., time-of-use pricing, real-time pricing, critical-peak pricing, peak-time rebate pricing, etc.) from the EGS, charges will not be included in the customer's Budget Payment Plan unless the customer receives prior authorization from the EGS and is on Consolidated EDC Rate Ready Billing. If a customer fails to pay an outstanding bill by the required due date, the Company may, in its sole discretion, terminate that customer's enrollment in the Budget Payment Plan and the difference owed the Company shall be immediately due. For customers enrolled in the Budget Payment Plan, the Company will reconcile the difference between the actual amount due and the budget amount paid to date in the twelfth month from the date of the Customer's enrollment in the Plan. Reconciliation amounts will be handled in accordance with Pennsylvania Public Utility Commission regulations including 52 Pa. Code § 56.12. **(C)** **(C)**

21. NET PAYMENT Payments placed in the payment drop box at the Company's business office or payments made direct to the Company's collecting agencies will be accepted by the Company in the amount billed as per the terms stated at each respective location. Payments made by mail may be accepted in the amount billed by the Company, at its option, if the payment is received within five (5) days after the due date. A Late Payment Charge will be added to Company charges for failure to make payment of the bill in accord with the above.

21.1 PAYMENT OF BILLS FOR RESIDENTIAL SERVICE The Company will designate a due date on its bill which shall be a business day no less than 20 days from the date of transmittal of the bill. The Company may accommodate changes to due dates for residential customers upon written customer request and when a demonstrated financial burden for the current due date exists for ratepayers receiving Social Security or equivalent monthly checks.

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

BILLS AND NET PAYMENT PERIODS – (Continued)

21.2 PARTIAL PAYMENT OF BILLS For customers who submit payments which are insufficient to cover all of the charges billed by the Company, including EGS charges for those customers who have selected consolidated billing, the Company will apply the payment based upon their outstanding balance, if any, and their current bill, as follows: (1) past due deposit; (2) past-due distribution charges; (3) past-due transmission and supply charges; (4) past due non-basic charges; (5) current deposit; (6) current distribution charges; (7) current transmission and supply charges; and (8) current non-basic charges.

21.3 RETURNED PAYMENT CHARGE If a payment on a Customer's account is returned to the Company unpaid by the Customer's financial institution or another entity responsible for processing payment and cannot be reprocessed by the Company for payment, a $20.00 charge will be added to the Customer's account. If such an occurrence happens a second time within any twelve (12) month period, personal checks and electronic checks will not be accepted by the Company to make the current payment and future payments on the Customer's account until a timely payment history is established by the Customer as defined by 52 Pa. Code § 56.53(b).

COMPANY PROPERTY ON CUSTOMER'S PREMISES

22. ACCESS TO PREMISES Company representatives, who are properly identified, shall have full and free access to the customer's premises at all reasonable times for the purpose of reading Company meters, for inspection and repairs, for removal of Company property, or for any other purpose incident to the service. The **(C)** Company shall have the right to access customer owned facilities and equipment at all hours for the purposes of responding to an emergency, restoring electric service, rendering the electric facilities safe and reliable, or for the purpose of reducing the likelihood of damage to the Company's facilities or equipment. The customer should immediately communicate with the Company in case of any question as to the authority or credentials of Company representatives. A customer's failure to provide access may be grounds for service termination **(C)** pursuant to Rule No. 33 herein.

22.1. VEGETATION MANAGEMENT AND RIGHT-OF-WAY The customer, applicant, or property owner shall **(C)** provide, without charge to the Company, right-of-way and access across property owned or controlled by customer/applicant/property owner, and locations and housings which are suitable, in the opinion of Company, for the construction, reconstruction, maintenance or operation of Company facilities that serve the customer/applicant/property owner. Suitable right-of-way includes, but is not limited to, the right of ingress and egress to and from the electric facilities for any of the purposes aforesaid; and also the right to prune, cut or remove trees, underbrush and other obstructions which, in the judgment of Company, may at any time interfere with the construction, reconstruction, maintenance or operation of the electric facilities, and in connection therewith, the right to treat with herbicides approved for the removal and control of trees, brush and undergrowth. The Company shall also have all of the aforesaid rights related to its provision of underground service to a customer/applicant/property owner, even if the Company does not require the customer/applicant/property owner to execute a formal right-of-way document.

23. CUSTOMER'S RESPONSIBILITY The customer shall protect the property of the Company on the premises and shall not permit access thereto except by authorized representatives of the Company.

24. TAMPERING Where evidence is found that the service wires, meters, switch box or other appurtenances on the customer's premises have been tampered with, the customer shall be required to bear all costs incurred by the Company for investigations and inspections, and for such protective equipment as, in the judgment of the Company, may be necessary (including the relocation of inside metering equipment to an accessible outside location); and in addition, where the tampering has resulted in improper measurement of the electricity delivered, the customer shall be required to pay for such electric delivery service, and any Company supplied electricity, including interest at the Late Payment Charge rate, as the Company may estimate, from available information to have been used but not registered by the Company's meters.

(C)

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

(C)

DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE

25. REPAIRS OR LOSSES The customer shall pay the Company for any repairs to or any loss of the Company's property on the premises when such repairs are necessitated, or loss occasioned, by negligence on the part of the customer or failure to comply with the rules and regulations under which service is furnished. **(C)**

26. ARREARS The Company upon reasonable notice may terminate electric service and remove its equipment from the premises for nonpayment of undisputed Company service charges, Company charges as the default service charges or EGS receivables purchased by the Company up to the amount that the customer would have paid under Default Service rates during the non-payment period, pursuant to Duquesne's Electric Generation Supplier Coordination Tariff Rule No. 12.1.7. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

RULES AND REGULATIONS - (Continued)

DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE – (Continued)

26.1 COLLECTION REVIEW The Company shall review accounts for collection purposes as reasonable and appropriate. The Company may pursue all lawful means of collection of accounts as permitted by applicable law.

27. CONTRACTS OR APPLICATIONS Where electric service has been established without the customer first having executed a written contract or application, the Company reserves the right to terminate electric service and remove its equipment from the premises upon reasonable notice in case the customer refuses or neglects to execute a written contract or application when requested so to do by the Company. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

27.1 DEATH OF A RESIDENTIAL CUSTOMER A residential customer shall notify the Company upon the death of any other customer listed on the same residential service account. The Company may request and require proof of death prior to removing the deceased customer from the account. The Company may require evidence of the deceased customer's estate (such as a Decree of Probate) prior to listing the account in the name of the deceased customer's estate. **(C)**

Where a residential service account is listed solely in the name of a deceased customer, and service is not established in the name of the deceased customer's estate or a different customer, the Company may discontinue the service consistent with 66 Pa. C.S. § 1503.

28. DEPOSITS The Company reserves the right to terminate electric service and remove its equipment from the premises upon reasonable notice in case the customer refuses or neglects to post a cash deposit based on Company charges when requested to do so by the Company, as provided under Rule No. 5. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

29. UNDERGROUND SERVICE The Company reserves the right to terminate electric service and remove its equipment from the premises upon reasonable notice when the customer refuses or neglects to provide at his own expense the necessary facilities for receiving underground service, as provided under Rule No. 13.1. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

30. HAZARDOUS AND IMPROPER CONDITIONS The Company may terminate electric service and remove its equipment from the premises if in the judgment of the Company the customer's installation has become dangerous or defective, or if the Company has received a notice from the proper authorities that the customer's equipment is dangerous or defective, or if the customer's equipment or use thereof injuriously affects the equipment of the Company or the Company's service to other customers. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

31. MISREPRESENTATIONS The Company reserves the right to terminate electric service and remove its equipment from the premises in case the customer has made misrepresentations to the Company with respect to the customer's identity or the use of the electric service. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

32. REDISTRIBUTION The Company reserves the right to terminate electric service and remove its equipment from the premises upon reasonable notice in case the customer redistributes the electric service contrary to the provisions set forth in this tariff. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

(C) – Indicates Change

<u>DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE</u> - (Continued)

33. INACCESSIBILITY The Company may terminate electric service and remove its equipment from the premises upon reasonable notice in case meter readers or other authorized representatives of the Company cannot gain admittance or are refused admittance to the premises for the purposes of reading Company meters, **(C)**
inspection and repairs, removal of Company property, responding to an emergency, restoring electric service, **(C)**
rendering the electric facilities safe and reliable, or for any other purpose incident to the service or in case the **(C)**
customer interferes with Company representatives in the performance of their duties. When a residential **(C)**
customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

34. TAMPERING The Company may terminate electric service and remove its equipment from the premises in case the Company's property on the premises has been interfered with, or in case evidence is found that the service wires, meters, switch-box or other appurtenances on the premises have been tampered with. When a residential customer or residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

35. REPAIRS AND LOSSES The Company may terminate electric service and remove its equipment from the premises upon reasonable notice in case the customer shall neglect or refuse to reimburse the Company for repairs to or loss of the Company's property on the premises when such repairs are necessitated, or loss occasioned, by negligence on the part of the customer. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

36. WRITS AND LEVIES The Company reserves the right to terminate electric service and remove its equipment from the premises upon reasonable notice in case a Writ of Execution is issued against the customer, or in case the premises at which service is supplied is levied upon, or in case of assignment or act of bankruptcy on the part of the customer. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

37. INTERRUPTIONS FOR REPAIRS The Company reserves the right to curtail or temporarily interrupt customers' electric service upon prior notice of the cause and expected duration of interruption when it shall become necessary so to do in order that the Company may make repairs, replacements or changes in its equipment on or off the premises of the customers.

38. GOVERNMENTAL AUTHORITY The Company reserves the right to curtail, interrupt, or discontinue electric service without notice in case it becomes necessary for the Company so to do in compliance with any order or request of any governmental authority. Notice of the cause and expected duration of the interruption will be given to affected customers as soon as possible.

39. CURTAILMENT WITHOUT NOTICE The Company reserves the right to curtail, interrupt or discontinue electric service without prior notice to the extent required to meet emergencies. Notice of the cause and expected duration of the interruption will be given to affected customers as soon as possible.

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

GENERAL PROVISIONS- (Continued)

45.3 SWITCHING BETWEEN LOCATIONS - (Continued)

1. At least one (1) business day notice to the Company is required to effectuate the move. Requests to start service on the same day as the request will not be honored nor will the Company allow customers to back-date service.

2. The move will not be allowed for any overlapping service or gaps in service lasting more than three (3) days.

3. An EGS must currently be providing service on the customer's account and any termination of EGS service prior to the customer's move will preclude continued service from the same EGS at the new location by the Company.

If the above criteria have been met, the Company will advise the customer that their EGS supply service will seamlessly move to their new location and the Company will send a new move transaction to the EGS.

The move may be terminated or voided after the move transaction is complete under certain circumstances, including where the customer: 1.) voids or terminates the new account prior to the service start date; 2.) requests to change the service start date on the new account to a date occurring in the past; or 3.) enrolls with a new EGS on the current account before the connection to the new account occurs. In these instances, the Company will send a drop notification to the EGS.

45.4 STARTING SERVICE WITH AN EGS Customers starting new service with the Company will be permitted to begin supply service with an EGS on their start date subject to meeting the eligibility requirements in Rule No. 45.3 and conditions set forth in this Rule.

The Company will process EGS service to a new customer provided that the customer has met all of the following criteria:

1. the customer has provided notice to the Company at least three (3) business days prior to the start date for new service;

2. the customer will not be permitted to back-date service;

3. the customer has satisfied all requirements to start service at the new location; and

4. the customer has contacted the EGS to initiate supply service.

46. PROVISION OF LOAD DATA The Company will provide to a customer or its authorized representative historical data in accordance with all current regulatory requirements of direct access up to five (5) requests for **(C)**
the same account in a calendar year at no charge. All subsequent requests by the customer, and all requests for **(C)**
historical data by the EGSs or other customer authorized consultant will be provided in accordance with the Supplier Tariff.

47. TAX INDEMNIFICATION If Duquesne Light Company becomes liable under Section 2806(g) or 2809(c) of the Public Utility Code, Pa. C.S. §§ 2806(g) and 2809(f), for Pennsylvania state taxes not paid by an Electric Generation Supplier (EGS), the non-compliant EGS shall indemnify Duquesne for the amount of additional state tax liability imposed upon Duquesne by the Pennsylvania Department of Revenue due to the failure of the EGS to pay or remit to the Commonwealth the tax imposed on its gross receipts under Section 1101 of the Tax Report Code of 1971 or Chapter 28 of Title 66.

(C) – Indicates Change

RATE RS - RESIDENTIAL SERVICE

AVAILABILITY

Available to residential or combined residential and farm customers using the Company's standard low voltage service for lighting, appliance operation, and general household purposes and for commercial or professional activity where associated consumption represents less than 25% of the total monthly usage at the premise.

Available only when supplied at 240 volt (or less) single phase service through a single meter directly by the Company to a single family dwelling or to an individual dwelling unit in a multiple dwelling structure. For the purposes of this rate, a dwelling unit is defined as one or more rooms arranged for the use of one or more individuals for shelter, sleeping, dining, and with permanent provisions for cooking and sanitation.

MONTHLY RATE

DISTRIBUTION CHARGES

Customer Charge .... $12.50 **(I)**

Energy Charge .... 6.0233 per kilowatt hour **(I)**

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for residential customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the “Calculation of Rate” section in Rider No. 8. Applicability of the Supply rate to residential customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy supply requirements from an EGS will be charged the Distribution Charges by the Company and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the EGS becomes unavailable or during which the customer has not chosen an EGS, the Company will supply electricity at the above Distribution Charges, the Supply Charges in Rider No. 8 and the Transmission Service Charges in Appendix A.

(I) – Indicates Increase

RATE RH - RESIDENTIAL SERVICE HEATING

AVAILABILITY

Available to residential or combined residential and farm customers using the Company's standard low voltage service for lighting, appliance operation, general household purposes and for commercial or professional activity where associated consumption represents less than 25% of the total monthly usage at the premise, and as the sole primary method of space heating except that the space heating system may be supplemented with renewable energy sources such as solar, wind, wood, or hydro.

Available only when supplied at 240 volt (or less) single phase service through a single meter directly by the Company to a single family dwelling or to an individual dwelling unit in a multiple dwelling structure. For the purposes of this rate, a dwelling unit is defined as one or more rooms arranged for the use of one or more individuals for shelter, sleeping, dining, and with permanent provisions for cooking and sanitation.

MONTHLY RATE

DISTRIBUTION CHARGES

Customer Charge .... $12.50 **(I)**

Winter Monthly Rate — For the Billing Months of November through April:

Energy Charge .... 4.5677 cents per kilowatt hour **(I)**

Summer Monthly Rate — For the Billing Months of May through October:

Energy Charge .... 6.0233 cents per kilowatt hour **(I)**

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for residential customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the “Calculation of Rate” section in Rider No. 8. Applicability of the Supply rate to residential customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

(I) – Indicates Increase

RATE RA - RESIDENTIAL SERVICE ADD-ON HEAT PUMP

AVAILABILITY

Available to residential or combined residential and farm customers using the Company's standard low voltage service for lighting, appliance operation, general household purposes and for commercial or professional activity where associated consumption represents less than 25% of the total monthly usage at the premise, and an add-on heat pump for space heating. Other energy sources may be used to supplement the add-on heat pump provided that the supplemental energy source is thermostatically controlled to operate only when the outdoor temperature falls to at least 40$^{\mathrm{o}}$ F and the add-on heat pump cannot provide the total heating requirements.

Available only when supplied at 240 volt (or less) single phase service through a single meter directly by the Company to a single family dwelling or to an individual dwelling unit in a multiple dwelling structure. For the purposes of this rate, a dwelling unit is defined as one or more rooms arranged for the use of one or more individuals for shelter, sleeping, dining, and with permanent provisions for cooking and sanitation.

MONTHLY RATE

DISTRIBUTION CHARGES

Customer Charge .... $12.50 **(I)**

Winter Monthly Rate — For the Billing Months of November through April:

Energy Charge .... 1.6394 cents per kilowatt hour **(I)**

Summer Monthly Rate — For the Billing Months of May through October:

Energy Charge .... 6.0233 cents per kilowatt hour **(I)**

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for residential customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the “Calculation of Rate” section in Rider No. 8. Applicability of the Supply rate to residential customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

(I) – Indicates Increase

RATE GS/GM - GENERAL SERVICE SMALL AND MEDIUM

AVAILABILITY

Available for all the standard electric service taken on a small or medium general service customer's premises for which a residential rate is not available.

MONTHLY RATE FOR NON-DEMAND CUSTOMERS (C)

DISTRIBUTION CHARGES — RATE GS **(C)**

Customer Charge .... $12.50 **(I)**

Energy Charge — All kWh .... 7.3313 cents per kilowatt-hour **(I)**

MONTHLY RATE FOR DEMAND CUSTOMERS (C)

DISTRIBUTION CHARGES — RATE GM < 25 kW **(C)**

Customer Charge .... $54.50 **(I)**

Energy Charge — All kWh .... 1.3961 cents per kilowatt-hour **(I)**

Demand Charge — First five (5) kilowatts or less .... No Charge

— Additional kilowatts of Demand .... $6.54 per kilowatt **(I)**

DISTRIBUTION CHARGES — RATE GM ≥ 25 kW **(C)**

Customer Charge .... $65.65 **(I)**

Energy Charge — All kWh .... 0.9685 cents per kilowatt-hour **(I)**

Demand Charge — First five (5) kilowatts or less .... No Charge

— Additional kilowatts of Demand .... $6.54 per kilowatt **(I)**

(C) – Indicates Change **(I) – Indicates Increase**

RATE GS/GM - GENERAL SERVICE SMALL AND MEDIUM - (Continued)

MONTHLY RATE FOR NON-DEMAND AND DEMAND CUSTOMERS **(C)**

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for customers will be updated through competitive requests for proposal described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the "Calculation of Rate" section in Rider No. 8. Applicability of the Supply rate to non-demand customers, customers **(C)** with monthly demand less than 25 kW and customers with monthly demand equal to or greater than 25 kW shall **(C)** be as described in Rider No. 8 and for the effective periods defined in Rider No. 8.

(C)

A new customer or a customer with limited or no historical data shall be eligible for and assigned to the applicable **(C)** rate based on Duquesne Light's estimate of the customer's monthly usage and/or peak monthly demand for the next twelve (12) month period. In no instance shall a customer be eligible for more than one of Rate GS, Rate GM < 25kW or Rate GM ≥ 25 kW at a time.

Rate GS Customers A customer's assignment to Rate GS is for a twelve-month period. The Company shall **(C)** review the customer's rate upon the expiration of such twelve-month period and shall assign the customer to the applicable rate based on a rolling twelve-month average of the customer's usage and billing demand as follows:

- If the customer's average monthly usage is 1,000 kWh or less, and the customer's average monthly **(C)** billing demand is 5 kW or less, the customer shall be assigned to Rate GS.
- If the customer's average monthly usage is greater than 1,000 kWh, or the customer's average monthly **(C)** billing demand is greater than 5 kW, the customer shall be assigned to the Rate GM < 25kW or Rate GM ≥ 25 kW, as applicable, effective with the customer's next billing cycle.

Rate GM < 25 kW and Rate GM ≥ 25 kW Customers A customer's assignment to Rate GM < 25kW or to Rate **(C)** GM ≥ 25 kW is for a period of twelve (12) months or until the customer's next January billing, whichever is longer. Each October, Duquesne Light shall evaluate the customer's average monthly usage and billing demand for the past twelve (12) most recent months, for purposes of determining the customer's rate for the following year.

- If the customer's average monthly usage was 1,000 kWh or less and the customer's average monthly **(C)** billing demand was 5 kW or less, the customer shall be assigned to Rate GS effective with the customer's next January billing.
- If the customer's average monthly billing demand was greater than 5 kW but less than 25 kW, the **(C)** customer shall be assigned to Rate GM < 25 kW effective with the customer's next January billing.
- If the customer's average monthly billing demand was 25 kW or greater, the customer shall be assigned **(C)** to Rate GM ≥ 25 kW effective with the customer's next January billing.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

(C) – Indicates Change

RATE GS/GM - GENERAL SERVICE SMALL AND MEDIUM - (Continued)

MONTHLY RATE FOR NON-DEMAND AND DEMAND CUSTOMERS - (Continued) (C)

ELECTRIC CHARGES – (Continued) (C)

Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution Charge by the Company, and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above Distribution and Supply Charges and the Transmission Service Charges in Appendix A.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

MINIMUM CHARGE

The Minimum Charge shall be the sum of the Customer Distribution Charge plus a Demand Charge based on 50% of the current month Billing Demand or 30% of the highest Billing Demand, during the preceding eleven months, whichever is greater, plus the current billing period charges for Company supplied transmission and supply service, if any. The Demand Charge shall be determined using the Distribution Charge only, but shall not be less than the Customer Distribution Charge.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

DETERMINATION OF DEMAND

The demand will be measured where a customer's monthly use exceeds 1,000 kilowatt-hours or where the demand is known to exceed 5 kilowatts. Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen-minute period of greatest kilowatt-hour use during the billing period. Individual demands which exceed 30 kilowatts will be adjusted for power factor by multiplying by

$$\left\{0.8 + \left[0.6 \frac{\text{Reactive Kilovolt - ampere hours}}{\text{Kilowatt - hours}}\right]\right\},$$

where such multiplier will be not less than 1.00 nor more than 2.00. The Billing Demand will be the sum of the individual demands of each metered service, adjusted for power factor as defined above.

CONTRACT PROVISIONS

Contracts will be written for a period of not less than one year.

STANDARD CONTRACT RIDERS

For modifications of the above rate under special conditions, see “Standard Contract Riders.”

(C) – Indicates Change

RATE GMH - GENERAL SERVICE MEDIUM HEATING

AVAILABILITY

Available for all the standard electric service taken on a customer's premises for which a residential rate is not available, where the Company's service is the sole method of space heating, and where the heat loss of the customer's premises is calculated in accordance with the ASHRAE* Handbook of Fundamentals, and where such calculated heat loss converted into kilowatt-hour consumption during the heating season is determined by the Company to be at least 25% of the customer's entire electric energy requirements during the heating season. The space heating system may be supplemented with renewable energy sources such as solar, wind, wood, or hydro.

*American Society of Heating, Refrigerating and Air Conditioning Engineers

MONTHLY RATE (C)

WINTER MONTHLY RATE — FOR THE BILLING MONTHS OF OCTOBER THROUGH MAY (C)

DISTRIBUTION CHARGES (C)

Customer Charge .... $54.50 (I)

Energy Charge — All kWh .... 2.9609 cents per kilowatt-hour (I)

SUMMER MONTHLY RATE — FOR THE BILLING MONTHS OF JUNE THROUGH SEPTEMBER (C)

DISTRIBUTION CHARGES (C)

Customer Charge .... $54.50 (I)

Energy Charge — All kWh .... 1.3961 cents per kilowatt-hour (I)

Demand Charge — First five (5) kilowatts or less .... No Charge

— Additional kilowatts of Demand .... $6.54 per kilowatt (I)

RATE GMH - GENERAL SERVICE MEDIUM HEATING - (Continued)

MONTHLY RATE - (Continued)

(C)

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for customers will be updated through competitive requests for proposal described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the "Calculation of Rate" section in Rider No. 8. Applicability of the Supply rate to non-demand customers, customers **(C)** with monthly demand less than 25 kW and customers with monthly demand equal to or greater than 25 kW shall **(C)** be as described in Rider No. 8 and for the effective periods defined in Rider No. 8.

For purposes of determining the monthly rate for demand customers, Duquesne Light shall evaluate the **(C)** customer's twelve (12) most recent months of monthly billing demand for that customer available in October of the **(C)** preceding year. If the customer's average monthly billing demand is less than 25 kW in the twelve (12) months, **(C)** then that customer shall be charged the monthly rate for demand customers less than 25 kW for the next calendar **(C)** year and automatically assigned to that rate effective with their January billing. If the customer's average monthly **(C)** demand is 25 kW or greater in the twelve (12) month period, then that customer shall be charged the monthly rate **(C)** for demand customers equal to or greater than 25 kW for the next calendar year and automatically assigned to **(C)** that rate as their default service rate effective with their January billing. In no instance shall a customer be eligible for more than one default service offering at a time. A new customer or a customer with limited or no historical data shall be eligible for and assigned to the applicable rate based on Duquesne Light's estimate of the customer's average monthly billing demand for the next twelve (12) month period. **(C)**

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

RATE GMH - GENERAL SERVICE MEDIUM HEATING - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC CHARGES – (Continued)

Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution Charge by the Company, and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above Distribution and Supply Charges and the Transmission Service Charges in Appendix A.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

MINIMUM CHARGE

For the months of October through May, the Minimum Charge shall be the Customer Distribution Charge for the first kilowatt, plus a Distribution Charge of $6.54 per kW, plus the current billing period charges for Company **(I)** supplied transmission and supply service, if any. The Minimum Charge shall not be less than the Customer Distribution Charge. For the months of June through September, the Minimum Charge shall be calculated in accordance with the Minimum Charge provisions in Rate GS/GM.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

DETERMINATION OF DEMAND

The demand will be measured where a customer's monthly use exceeds 1,000 kilowatt-hours or where the demand is known to exceed 5 kilowatts. The demand will be the sum of individual demands of each metered standard service. Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen-minute period of greatest kilowatt-hour use during the billing period. For the months of June through September, demand will be determined as defined in Rate GS/GM.

(I) – Indicates Increase

RATE GL - GENERAL SERVICE LARGE

AVAILABILITY

Available for all the standard electric service taken on a customer's premises where the demand is not less than 300 kilowatts.

MONTHLY RATE

SUPPLY

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 9 – Day-Ahead Hourly Price Service and will be billed in accordance with the terms contained therein. **(C)**

DISTRIBUTION

DEMAND CHARGES

First 300 kilowatts or less of Demand	$3,180.00	**(I)**
Additional kilowatts of Demand	$8.41 per kW	**(I)**

ELECTRIC CHARGES

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the full Distribution Charge by the Company, and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity pursuant to Rider No. 9 – Day-Ahead Hourly Price Service. **(C)**

Customers who choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

(C) – Indicates Change **(I) – Indicates Increase**

RATE GLH - GENERAL SERVICE LARGE HEATING

AVAILABILITY

Available for all the standard electric service taken on a customer's premises for which a residential rate is not available, where the Company's service is the sole method of space heating, and where the heat loss of the customer's premises is calculated in accordance with the ASHRAE* Handbook of Fundamentals, and where such calculated heat loss converted into kilowatt-hour consumption during the heating season is determined by the Company to be at least 25% of the customer's entire electric energy requirements during the heating season. The space heating system may be supplemented with renewable energy sources such as solar, wind, wood, or hydro.

*American Society of Heating, Refrigerating and Air Conditioning Engineers

MONTHLY RATE

CUSTOMER CHARGE

Customer Distribution Charge.. $67.00 **(I)**

SUPPLY

Customers who elect to purchase their electric supply requirements from the Company may do so under the provisions of Rider No. 9 – Day-Ahead Hourly Price Service and will be billed in accordance with the terms contained therein. **(C)**

DISTRIBUTION

For the Billing Months of October through May:

ENERGY CHARGES

All kilowatt-hours 2.3145 cents per kWh **(I)**

For the Billing Months of June through September:

Rate GL shall apply.

RATE GLH - GENERAL SERVICE LARGE HEATING - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC CHARGES

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the full Distribution Charge by the Company, and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity pursuant to Rider No. 9 – Day-Ahead Hourly Price Service. **(C)**

Customers who choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

MINIMUM CHARGE

For the months of October through May, the Minimum Charge shall be the Customer Distribution Charge for the first kilowatt plus a Distribution Charge of $8.41 per kW and the charges for Company supplied transmission and supply, if any. **(I)** For Company supplied transmission and supply, the transmission charges shall be calculated as set forth in Appendix A and the supply charges shall be calculated as set forth under Rider No. 9. The Minimum Charge shall not be less than the Customer Distribution Charge. For the months of June through September, the Minimum Charge shall be calculated in accordance with the Minimum Charge provisions contained in Rate GL.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

(C) – Indicates Change **(I) – Indicates Increase**

RATE L - LARGE POWER SERVICE

AVAILABILITY

Available for all the standard electric service taken on a customer's premises where the Contract Demand is not less than 5,000 kilowatts.

MONTHLY RATE

SUPPLY

Customers who elect to purchase their electric supply requirements from the Company may do so under the provisions of Rider No. 9 – Day-Ahead Hourly Price Service and will be billed in accordance with the terms contained therein. **(C)**

DISTRIBUTION

DEMAND CHARGES

Service Voltage Less than 138 kV:

First 5,000 kilowatts or less of Demand	$34,900.00	
Additional kilowatts of Demand	$13.12 per kW	**(I)**

(C)

ELECTRIC CHARGES

The Company will provide and charge for Transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the full Distribution Charge by the Company, and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity pursuant to Rider No. 9 – Day-Ahead Hourly Price Service. **(C)**

Customers who choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

(C) – Indicates Change **(I) – Indicates Increase**

RATE L - LARGE POWER SERVICE - (Continued)

VOLTAGE CONTROL PROVISION

The customer shall be required to operate its equipment in such a manner that the voltage fluctuations produced thereby on the Company's system shall not exceed the following limits, the measurements to be made at the Company's substation nearest (electrically) the customer. **(C)**

1. Instantaneous voltage fluctuations, defined as a change in voltage consuming two seconds or less, shall not exceed 1-1/4% more than six times a day, of which not more than one such fluctuation shall occur between 6:00 PM and midnight, and in no case shall such fluctuations exceed 3%.

2. Periodic voltage fluctuations, where the change in voltage consumes a period from 2 seconds to 1 minute, shall not exceed 1-1/4% more than five times an hour, and in no case shall such fluctuations exceed 3%.

(C) – Indicates Change

RATE HVPS - HIGH VOLTAGE POWER SERVICE

AVAILABILITY

Available to customers with Contract On-Peak Demands greater than 5,000 kilowatts where service is supplied at 69,000 volts or higher. **(C)**

MONTHLY RATE

SUPPLY

Customers who elect to purchase their electric supply requirements from the Company may do so under the provisions of Rider No. 9 – Day-Ahead Hourly Price Service and will be billed in accordance with the terms contained therein. **(C)**

DISTRIBUTION

FIXED MONTHLY CHARGE

Up to and Including 50,000 kW Billing Demand	$2,050.31	**(D)**
50,001 kW to 100,000 kW Billing Demand	$3,202.72	**(D)**
Greater than 100,000 kW Billing Demand	$4,541.96	**(D)**

ELECTRIC CHARGES

The Company will provide and charge for Transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the full Distribution Charge by the Company, and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity pursuant to Rider No. 9 – Day-Ahead Hourly Price Service. **(C)**

Customers who choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

RATE HVPS - HIGH VOLTAGE POWER SERVICE - (Continued)

MONTHLY RATE - (Continued)

MINIMUM CHARGE

The Minimum Charge shall be the Demand Charge based on 70% of the Contract On-Peak Demand for transmission and distribution and the Demand Charge as calculated under Rider No. 9 for Company supplied supply. The Demand Charge shall be determined using the Distribution Charge, and the Transmission and Supply Charges associated with Company supplied transmission and supply, if any, but in total not less than the demand charges associated with the first 5,000 kWs or less of demand. **(C)**

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

DETERMINATION OF DEMAND FOR DISTRIBUTION

Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen-minute period of greatest kilowatt-hour use during the billing period. Individual demands will be adjusted for power factor by multiplying by

$$\left\{0.8 + \left[0.6 \ \frac{\text{Reactive Kilovolt - ampere hours}}{\text{Kilowatt - hours}}\right]\right\},$$

where such multiplier will be not less than 1.00 nor more than 2.00. The Billing Demand will be the sum of the individual demands of each metered service adjusted for power factor as defined above, but not less than 70% of the Contract On-Peak Demand, nor less than 33 1/3% of the Contract Off-Peak Demand nor less than 5,000 kilowatts, whichever is the greater. **(C)**

ON-PEAK AND OFF-PEAK CONTRACT DEMAND

The Contract On-Peak Demand is the maximum electrical capacity in kilowatts that the Company shall be required by the contract to deliver during the On-Peak hours to the customer.

(C) – Indicates Change

RATE HVPS - HIGH VOLTAGE POWER SERVICE - (Continued)

CONTRACT PROVISION – (Continued)

Where the customer has established an energy management and conservation program and has demonstrated to the satisfaction of the Company that such program has resulted in a reduced demand, the Company will, upon the customer's request, amend the contract to reflect such reduced demand for the purpose of calculating the Minimum Charge, but in no case shall the Billing Demand be reduced to less than 5,000 kilowatts if the customer remains on this rate. **(C)**

VOLTAGE CONTROL PROVISION

The customer shall be required to operate its equipment in such a manner that the voltage fluctuations produced thereby on the Company's system shall not exceed the following limits, the measurements to be made at the Company's substation nearest (electrically) the customer. **(C)**

1. Instantaneous voltage fluctuations, defined as a change in voltage consuming two seconds or less, shall not exceed 1-1/4% more than six times a day, of which not more than one such fluctuation shall occur between 6:00 p.m. and midnight, and in no case shall such fluctuations exceed 3%.

2. Periodic voltage fluctuations, where the change in voltage consumes a period from 2 seconds to 1 minute, shall not exceed 1-1/4% more than five times an hour, and in no case shall such fluctuations exceed 3%.

FACILITIES CHARGE

Customer must pay for all new or additional facilities installed on the premises with the exception of meters and metering equipment.

(C) – Indicates Change

RATE AL - ARCHITECTURAL LIGHTING SERVICE

AVAILABILITY

Available for separately metered circuitry connected solely to outdoor architectural lighting equipment, with demand of 5 kilowatts or greater, to be operated during non-peak periods.

MONTHLY RATE

DISTRIBUTION CHARGES

Customer Charge .... $8.00 **(I)**

Demand Charge .... $1.59 per kilowatt **(I)**

Energy Charge .... 0.2110 cents per kilowatt hour **(I)**

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for Rate AL – Architectural Lighting Service customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the “Calculation of Rate” section in Rider No. 8. Applicability of the Supply rate to Rate AL customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy supply requirements from an EGS will be charged the Distribution Charges by the Company, and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the EGS becomes unavailable or during which the customer has not chosen an EGS, the Company will supply electricity at the above Distribution Charges, the Supply Charges in Rider No. 8 and the Transmission Service Charges in Appendix A.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

(I) – Indicates Increase

RATE AL - ARCHITECTURAL LIGHTING SERVICE - (Continued)

STANDARD CONTRACT RIDERS

For modifications of the above rate under special conditions, see “Standard Contract Riders.”

SPECIAL TERMS AND CONDITIONS

1. The service must supply only non-essential lighting facilities installed for decorative purposes and is not applicable to security lighting or the lighting of streets, highways, parking lots or athletic fields.

2. The lights must be controlled by a device that limits the equipment to operation during dusk to dawn hours only.

3. Responsibility for the provision and maintenance of all equipment used in the decorative lighting will remain with the customer.

4. In the event of a system emergency, the Company reserves the right to curtail the usage under this rate.

(C)

RATE SE - STREET LIGHTING ENERGY

AVAILABILITY

Available for the entire electric energy requirements of municipal street lighting systems where the municipality has not less than 15,000 street lamp installations and provides for the ownership, operation, and maintenance of its own street lamp installations and takes its entire energy requirements for street lighting under this rate.

MONTHLY RATE

DISTRIBUTION CHARGE

Monthly charge per lamp.. $2.92 **(I)**

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for Rate SE – Street Lighting Energy customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the “Calculation of Rate” section in Rider No. 8. Applicability of the Supply rate to Rate SE customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy supply requirements from an EGS will be charged the Distribution Charges by the Company and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the EGS becomes unavailable or during which the customer has not chosen an EGS, the Company will supply electricity at the above Distribution Charge, the Supply Charges in Rider No. 8 and the Transmission Service Charges in Appendix A.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

(I) – Indicates Increase

RATE SM - STREET LIGHTING MUNICIPAL

AVAILABILITY

Available for mercury vapor, high pressure sodium and light-emitting diode (LED) lighting of public streets, highways, bridges, parks and similar public places, for normal dusk to dawn operation of approximately 4,200 hours per year.

Mercury vapor street lighting is only available where served prior to January 30, 1983, and continuously thereafter at the same location. Beginning January 1, 2019, replacement of mercury vapor lamps, fixtures or luminaries, including brackets and ballasts, will not be available. In such cases, the customer must take service under one of the available lighting unit options listed below. **(C)** **(C)** **(C)**

A minimum of ten (10) LED lights per customer per individual order is required and must be installed in a contiguous location when replacing existing lighting. **(C)**

The Company shall not be required to install more than 3,000 LED lights annually. **(C)**

MONTHLY RATE

DISTRIBUTION CHARGE — Monthly Rate Per Unit **(C)**

Minimum Nominal Lamp Wattage	Nominal kWh Energy Usage per Unit per Month	Company Owned and Maintained Equipment Distribution Charge per Unit	Customer Owned and Maintained Equipment Distribution Charge per Unit	(C)(C)(C)(C)
Mercury Vapor				
100	44	$12.69	$2.71	**(I)(C)**
175	74	$12.95	$2.71	**(I)(C)**
250	102	$13.20	$2.71	**(I)(C)**
400	161	$13.73	$2.71	**(I)(C)**
1,000	386	$15.79	$2.71	**(I)(C)**
Sodium Vapor				
70	29	$13.11	$2.71	**(I)(C)**
100	50	$13.21	$2.71	**(I)(C)**
150	71	$13.40	$2.71	**(I)(C)**
250	110	$13.75	$2.71	**(I)(C)**
400	170	$14.30	$2.71	**(I)(C)**
1,000	387	$16.44	$2.71	**(I)(C)**

RATE SM - STREET LIGHTING MUNICIPAL - (Continued)

MONTHLY RATE – (Continued) **(C)**

DISTRIBUTION CHARGE — Monthly Rate Per Unit - (Continued) **(C)**

Minimum Nominal Lamp Wattage	Nominal kWh Energy Usage per Unit per Month	Company Owned and Maintained Equipment Distribution Charge per Unit	Customer Owned and Maintained Equipment Distribution Charge per Unit	
Light-Emitting Diode (LED) — Cobra Head				**(C)**
45	16	$13.01	$2.71	
60	21	$13.52	$2.71	
95	34	$13.99	$2.71	
139	49	$15.08	$2.71	
219	77	$17.54	$2.71	
275	97	$19.24	$2.71	
Light-Emitting Diode (LED) — Colonial				**(C)**
48	17	$12.18	$2.71	
83	29	$12.18	$2.71	
Light-Emitting Diode (LED) — Contemporary				**(C)**
47	17	$14.19	$2.71	
62	22	$14.19	$2.71	

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for Rate SM – Street Lighting Municipal customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the "Calculation of Rate" section in Rider No. 8. Applicability of the Supply rate to Rate SM customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

(C)

RATE SM - STREET LIGHTING MUNICIPAL - (Continued) (C)

MONTHLY RATE – (Continued)

ELECTRIC CHARGES – (Continued) (C)

Customers who elect to purchase their electric energy supply requirements from an EGS will be charged the Distribution Charges by the Company and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the EGS becomes unavailable or during which the customer has not chosen an EGS, the Company will supply electricity at the above Distribution Charge, the Supply Charges in Rider No. 8 and the Transmission Service Charges in Appendix A.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before thirty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

POLES

No charge is made for wood poles used jointly for street lighting and the support of the Company's general distribution system or for tubular steel poles, trolley type, used jointly for street lighting and the support of trolley span wires.

Where the installation of one (1) or more wood poles is required to serve the customer, the customer has the option to install the pole(s) at his own expense in accordance with SPECIAL TERM AND CONDITION NO. 2 or the Company will install, own and maintain the pole(s) and bill the customer at the monthly rate of $10.32 for each pole required. (I)

CUSTOMER OWNED AND MAINTAINED EQUIPMENT CHARGE (C)

A per unit monthly charge whenever the customer or an agent of the customer owns the entire street lighting system, including, but not limited to, the fixture, pole, circuit, controls, and all other related equipment on the load side of the Company's service point or when such facility is provided by a public agency and the customer and/or agent is obligated to operate and maintain such facility.

The street lighting system equipment must be approved by and installed in a manner acceptable to the Company and must be equipped with photocells or other such equipment that permit only dusk-to-dawn operation.

RATE SM - STREET LIGHTING MUNICIPAL - (Continued) (C)

MONTHLY RATE – (Continued)

CUSTOMER OWNED AND MAINTAINED EQUIPMENT CHARGE – (Continued) (C)

The customer/agent must provide the Company with a written inventory of all street lighting fixtures. This inventory shall include the location, type and wattage rating for each fixture. The customer/agent will update its inventory of lighting fixtures by informing the Company in writing of changes in type, rating, location, and quantity of lighting fixtures as such changes occur and billings will be adjusted accordingly.

The Company reserves the right to inspect the equipment at each location and make prospective adjustments in billing as indicated by such inspections. The Company shall be under no obligation to conduct such inspections for the purpose of determining accuracy of billing or otherwise. The Company's decision not to conduct such inspections shall not release the customer/agent from the obligation to provide to the Company, and to update, an accurate inventory of the types, ratings, and quantities of lighting equipment upon which billing is based.

As this service is a per unit monthly charge, the customer/agent agrees to pay amounts billed in accordance with the current inventory, regardless of whether any of the equipment was electrically operable during the period in question and regardless of the cause of any such equipment's failure to operate.

The contract period is as covered by any existing contract now in effect with the customer/agent. All new contracts shall be for a period of one year.

SPECIAL TERMS AND CONDITIONS

1. The above charges include installation of standard Company facilities including lamps, fixtures or luminaries, brackets and ballasts, all when installed on the overhead distribution system. The above charges include normal operation and maintenance. Normal operation and maintenance does not include periodic tree trimming around the fixture or luminaire.

2. Where it is necessary to install wood, metal, or ornamental poles, or other special facilities or services not in conformance with the Company's standard overhead practice, the additional cost shall be borne by the customer. Title to all facilities, except as noted below, shall vest in the Company.

3. All facilities used in providing street lighting service shall be and remain the property of the Company and may be removed upon termination of service, except that poles, ducts, conduits, manholes and junction boxes shall be the property of and maintained by the customer if they are an integral part of bridges, viaducts or similar structures, or highway project constructed by the joint participation of the customer and other governmental agencies.

4. The customer agrees that the facilities installed under this rate shall not be removed or converted, or the use thereof discontinued by the customer, except upon payment to the Company of the original investment in such facilities, less depreciation to the date of discontinuance of such facilities, less salvage, plus the cost of removal.

5. Non-standard installations. The Company may offer non-standard lighting units and installations in addition to those listed in the Monthly Rate Table. For customers requesting such service, there will be an additional charge, as specified in the customer's contract, based on the incremental cost over that listed in the Monthly Rate Table. (C)

RATE SH - STREET LIGHTING HIGHWAY

AVAILABILITY

Available for high intensity discharge lighting of state highways for normal dusk to dawn operation of approximately 4,200 hours per year where the highway lighting system acceptable to Duquesne Light Company is installed by the State and ownership of the entire highway lighting system has been transferred to the Company for a nominal consideration.

MONTHLY RATE

DISTRIBUTION CHARGE — Monthly Rate Per Unit (C)

Minimum Nominal Lamp Wattage	Nominal kWh Energy Usage per Unit per Month	Company Owned and Maintained Equipment Distribution Charge per Unit	Customer Owned and Maintained Equipment Distribution Charge per Unit	
				(C)(C)(C)(C)
Sodium Vapor				
100	50	$12.54	$2.71	(I)(C)
150	71	$12.71	$2.71	(I)(C)
200	95	$12.89	$2.71	(I)(C)
400	170	$13.57	$2.71	(I)(C)
Light-Emitting Diode (LED) — Cobra Head				(C)
60	21	$13.52	$2.71	
95	34	$13.99	$2.71	
139	49	$15.08	$2.71	
219	77	$17.54	$2.71	

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

(C)

(C) – Indicates Change (I) – Indicates Increase

RATE SH - STREET LIGHTING HIGHWAY - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC CHARGES (C)

The Supply Charges for Rate SH – Street Lighting Highway customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the "Calculation of Rate" section in Rider No. 8. Applicability of the Supply rate to Rate SH customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy supply requirements from an EGS will be charged the Distribution Charges by the Company and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the EGS becomes unavailable or during which the customer has not chosen an EGS, the Company will supply electricity at the above Distribution Charge, the Supply Charges in Rider No. 8 and the Transmission Service Charges in Appendix A.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before thirty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

CUSTOMER OWNED AND MAINTAINED EQUIPMENT CHARGE (C)

A per unit monthly charge whenever the customer or an agent of the customer owns the entire street lighting system, including, but not limited to, the fixture, pole, circuit, controls, and all other related equipment on the load side of the Company's service point or when such facility is provided by a public agency and the customer and/or agent is obligated to operate and maintain such facility.

The street lighting system equipment must be approved by and installed in a manner acceptable to the Company and must be equipped with photocells or other such equipment that permit only dusk-to-dawn operation.

(C) – Indicates Change

RATE SH - STREET LIGHTING HIGHWAY - (Continued)

MONTHLY RATE - (Continued)

CUSTOMER OWNED AND MAINTAINED EQUIPMENT CHARGE – (Continued) **(C)**

The customer/agent must provide the Company with a written inventory of all street lighting fixtures. This inventory shall include the location, type and wattage rating for each fixture. The customer/agent will update its inventory of lighting fixtures by informing the Company in writing of changes in type, rating, location, and quantity of lighting fixtures as such changes occur and billings will be adjusted accordingly.

The Company reserves the right to inspect the equipment at each location and make prospective adjustments in billing as indicated by such inspections. The Company shall be under no obligation to conduct such inspections for the purpose of determining accuracy of billing or otherwise. The Company's decision not to conduct such inspections shall not release the customer/agent from the obligation to provide to the Company, and to update, an accurate inventory of the types, ratings, and quantities of lighting equipment upon which billing is based.

As this service is a per unit monthly charge, the customer/agent agrees to pay amounts billed in accordance with the current inventory, regardless of whether any of the equipment was electrically operable during the period in question and regardless of the cause of any such equipment's failure to operate.

The contract period is as covered by any existing contract now in effect with the customer/agent. All new contracts shall be for a period of one year.

SPECIAL TERMS AND CONDITIONS

1. The above charges include operation, normal maintenance and replacement of the entire highway lighting system including conduit, cable, wire, ornamental poles, brackets, fixtures, lamps and photo electric controls.

2. Energy shall be supplied at a standard 120/240 volts from a single point or multiple points of supply satisfactory to the Company. Fixtures operating at higher voltages will not be acceptable. **(C)**

3. The highway lighting system design shall include proper control devices to energize the system, such as individual photo electric controls.

4. If additional highway lighting is to be added to an existing highway lighting system, it shall be installed completely by the customer or the Company will install such facilities at the customer's expense with ownership transferred to the Company for a nominal consideration.

5. In accepting conduit, junction boxes, etc. installed by the State or other governmental agency in bridges, and bridge approaches, the Company accepts no liability for damage to concrete due to deteriorating conduit or junction boxes.

6. The State Department of Transportation or other governmental agency shall provide the necessary drawings of the entire highway lighting system to the Company specifying the type of equipment so that acceptability can be established before contracts are awarded.

(C)

RATE SH - STREET LIGHTING HIGHWAY - (Continued) (C)

SPECIAL TERMS AND CONDITIONS - (Continued)

7. The State Department of Transportation or other governmental agency shall furnish any requisite authority necessary to provide for the installation, operation and maintenance of the entire highway lighting system within the highway right-of-way including authority for equipment to stop on the paved portion of the highway.

8. Maintenance and/or replacement of poles and pole equipment in excess of 35 feet is not included, but will be maintained and/or replaced on a time and material basis by the Company. Charges for this will be reimbursed by the customer. All poles in excess of 35 feet high must be equipped with lowering device equipment so that the lighting equipment can be maintained from the ground.

9. Non-standard installations. The Company may offer non-standard lighting units and installations in addition to those listed in the Monthly Rate Table. For customers requesting such service, there will be an additional charge, as specified in the customer's contract, based on the incremental cost over that listed in the Monthly Rate Table. (C)

TERM OF CONTRACT

Contracts under this rate shall be for a term of not less than five years.

RATE UMS – UNMETERED SERVICE

AVAILABILITY

Available to customers using unmetered standard service at each point of connection for customer-owned and maintained equipment such as traffic signals, communication devices and billboard lighting.

MONTHLY RATE

DISTRIBUTION CHARGES

Customer Charge $10.00

Energy Charge .... 1.8171 cents per kilowatt hour **(I)**

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for Rate UMS – Unmetered Service customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the “Calculation of Rate” section in Rider No. 8. Applicability of the Supply rate to Rate UMS customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy supply requirements from an EGS will be charged the Distribution Charges by the Company and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the EGS becomes unavailable or during which the customer has not chosen an EGS, the Company will supply electricity at the above Distribution Charges, the Supply Charges in Rider No. 8 and the Transmission Service Charges in Appendix A.

Customers who choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

(I) – Indicates Increase

RATE PAL - PRIVATE AREA LIGHTING

AVAILABILITY

Available for high pressure sodium lighting and flood lighting of residential, commercial and industrial private property installations including parking lots, for normal dusk to dawn operation of approximately 4,200 hours per year.

MONTHLY RATE

DISTRIBUTION CHARGE - Monthly Rate Per Unit (C)

Minimum Nominal Lamp Wattage	Nominal kWh Energy Usage per Unit per Month	Company Owned and Maintained Equipment Distribution Charge per Unit	Customer Owned and Maintained Equipment Distribution Charge per Unit	(C)(C)(C)(C)
High Pressure Sodium				
70	29	$13.11	$2.71	(I)(D)
100	50	$13.21	$2.71	(I)(D)
150	71	$13.40	$2.71	(I)(D)
250	110	$13.75	$2.71	(I)(D)
400	170	$14.30	$2.71	(I)(D)
Flood Lighting				
100	46	$13.11	$2.71	(I)(D)
250	100	$13.72	$2.71	(I)(D)
400	155	$14.34	$2.71	(I)(D)
Light-Emitting Diode (LED) — Cobra Head				(C)
45	16	$13.01	$2.71	
60	21	$13.52	$2.71	
95	34	$13.99	$2.71	
139	49	$15.08	$2.71	
219	77	$17.54	$2.71	
275	97	$19.24	$2.71	
Light-Emitting Diode (LED) — Colonial				(C)
48	17	$12.18	$2.71	
83	29	$12.18	$2.71	
Light-Emitting Diode (LED) — Contemporary				(C)
47	17	$14.19	$2.71	
62	22	$14.19	$2.71	
				(C)

RATE PAL - PRIVATE AREA LIGHTING - (Continued)

MONTHLY RATE - (Continued)

SUPPLY CHARGES **(C)**

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for Rate PAL – Private Area Lighting customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the "Calculation of Rate" section in Rider No. 8. Applicability of the Supply rate to Rate UMS customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8. **(C)**

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy supply requirements from an EGS will be charged the Distribution Charges by the Company and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the EGS becomes unavailable or during which the customer has not chosen an EGS , the Company will supply electricity at the above Distribution Charge, the Supply Charges in Rider No. 8 and the Transmission Service Charges in Appendix A.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before thirty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

POLES

No charge is made for wood poles used jointly for street lighting and the support of the Company's general distribution system or for tubular steel poles, trolley type, used jointly for street lighting and the support of trolley span wires.

(C) – Indicates Change

RATE PAL - PRIVATE AREA LIGHTING - (Continued)

MONTHLY RATE - (Continued)

POLES – (Continued)

Where the installation of one (1) or more wood poles is required to serve the customer, the customer has the option to install the pole(s) at his own expense in accordance with SPECIAL TERM AND CONDITION NO. 2 or the Company will install, own and maintain the pole(s) and bill the customer at the monthly rate of $10.32 for each pole required. **(I)**

CUSTOMER OWNED AND MAINTAINED EQUIPMENT CHARGE **(C)**

A per unit monthly charge whenever the customer or an agent of the customer owns the entire street lighting system, including, but not limited to, the fixture, pole, circuit, controls, and all other related equipment on the load side of the Company's service point or when such facility is provided by a public agency and the customer and/or agent is obligated to operate and maintain such facility.

The street lighting system equipment must be approved by and installed in a manner acceptable to the Company and must be equipped with photocells or other such equipment that permit only dusk-to-dawn operation.

The customer/agent must provide the Company with a written inventory of all street lighting fixtures. This inventory shall include the location, type and wattage rating for each fixture. The customer/agent will update its inventory of lighting fixtures by informing the Company in writing of changes in type, rating, location, and quantity of lighting fixtures as such changes occur and billings will be adjusted accordingly.

The Company reserves the right to inspect the equipment at each location and make prospective adjustments in billing as indicated by such inspections. The Company shall be under no obligation to conduct such inspections for the purpose of determining accuracy of billing or otherwise. The Company's decision not to conduct such inspections shall not release the customer/agent from the obligation to provide to the Company, and to update, an accurate inventory of the types, ratings, and quantities of lighting equipment upon which billing is based.

As this service is a per unit monthly charge, the customer/agent agrees to pay amounts billed in accordance with the current inventory, regardless of whether any of the equipment was electrically operable during the period in question and regardless of the cause of any such equipment's failure to operate.

The contract period is as covered by any existing contract now in effect with the customer/agent. All new contracts shall be for a period of one year.

SPECIAL TERMS AND CONDITIONS

1. The above charges include installation of standard Company facilities including lamps, fixtures or luminaries, brackets and ballasts, all when installed on the overhead distribution system. The above charges include normal operation and maintenance. Normal operation and maintenance does not include periodic tree trimming around the fixture or luminaire.

2. Where it is necessary to install wood, metal, or ornamental poles, or other special facilities or services not in conformance with the Company's standard overhead practice, the additional cost shall be borne by the customer. Title to all facilities, except as noted below, shall vest in the Company.

3. All facilities used in providing street lighting service shall be and remain the property of the Company and may be removed upon termination of service.

(C)

RATE PAL - PRIVATE AREA LIGHTING - (Continued) **(C)**

SPECIAL TERMS AND CONDITIONS – (Continued)

4. The customer agrees that the facilities installed under this rate shall not be removed or converted, or the use thereof discontinued by the customer, except upon payment to the Company of the original investment in such facilities, less depreciation to the date of discontinuance of such facilities, less salvage, plus the cost of removal.

5. Non-standard installations. The Company may offer non-standard lighting units and installations in addition to those listed in the Monthly Rate Table. For customers requesting such service, there will be an additional charge, as specified in the customer's contract, based on the incremental cost over that listed in the Monthly Rate Table. **(C)**

STANDARD CONTRACT RIDERS – (Continued)

RIDER MATRIX

	RS	RH	RA	GS/GM	GMH	GL	GLH	L	HVPS	AL	SE	SM	SH	UMS	PAL	
Rider No. 1	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Rider No. 2				X	X	X	X									
Rider No. 3				X	X	X	X	X								
Rider No. 4																**(C)**
Rider No. 5	X	X	X													
Rider No. 6				X												
Rider No. 7																**(C)**
Rider No. 8	X	X	X	X	X					X	X	X	X	X	X	
Rider No. 9						X	X	X	X							
Rider No. 10	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Rider No. 11				X		X										
Rider No. 12				X	X											
Rider No. 13				X												
Rider No. 14	X															
Rider No. 15																
Rider No. 15A	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Rider No. 16				X	X	X	X	X								
Rider No. 17						X	X	X	X							
Rider No. 18	X	X	X	X	X	X	X									
Rider No. 19																
Rider No. 20	X	X	X	X	X	X	X	X	X	X						
Rider No. 21	X	X	X	X	X	X										
Rider No. 22	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Appendix A	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	

Rider Titles:

Rider No. 1 — Retail Market Enhancement Surcharge
Rider No. 2 — Untransformed Service
Rider No. 3 — School and Government Service Discount Period
Rider No. 4 — Intentionally Left Blank **(C)**
Rider No. 5 — Universal Service Charge
Rider No. 6 — Temporary Service
Rider No. 7 — Intentionally Left Blank **(C)**
Rider No. 8 — Default Service Supply
Rider No. 9 — Day-Ahead Hourly Price Service
Rider No. 10 — State Tax Adjustment
Rider No. 11 — Street Railway Service
Rider No. 12 — Billing Option – Volunteer Fire Companies and Nonprofit Senior Citizen Centers
Rider No. 13 — General Service Separately Metered Electric Space Heating Service
Rider No. 14 — Residential Service Separately Metered Electric Space and Water Heating
Rider No. 15 — Intentionally Left Blank
Rider No. 15A — Phase III Energy Efficiency and Conservation Surcharge
Rider No. 16 — Service to Non-Utility Generating Facilities
Rider No. 17 — Emergency Energy Conservation
Rider No. 18 — Rates for Purchase of Electric Energy from Customer-Owned Renewable Resources Generating Facilities
Rider No. 19 — Intentionally Left Blank
Rider No. 20 — Smart Meter Charge
Rider No. 21 — Net Metering Service
Rider No. 22 — Distribution System Improvement Charge (“DSIC”)
Appendix A — Transmission Service Charges

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 1 – RETAIL MARKET ENHANCEMENT SURCHARGE

(Applicable to all Rates)

The Retail Market Enhancement Surcharge ("RMES") is instituted as a cost recovery mechanism to recover all eligible costs incurred by the Company associated with implementing Commission-mandated activities, programs, projects, services etc. to enhance the competitive energy market in Pennsylvania. As an example, some of the mandated activities may be found in, but are not limited to, Commission Order's at Docket No. I-2011-2237952, Docket No. M-2013-2355751, and Docket No. M-2014-2401345. The RMES shall remain in effect to recover all expenses associated with Commission-mandated consumer education and retail market enhancement activities that are directed by the Commission to be recovered through the RMES or other Commission-approved mechanism and that are not otherwise being recovered in base rates. Consumer education activities shall also include those expenses to educate low-income and Customer Assistance Program ("CAP") customers about shopping in the retail market. The RMES will be recomputed annually and filed, to be effective June 1 of each year, unless the new rate is such a small change as to warrant no change in rates. The RMES shall be applied to all customers' bills. The RMES process will reconcile actual expense with revenue billed in accordance with this Rider. **(C)**

MONTHLY RETAIL MARKET ENHANCEMENT SURCHARGE RATES

(C)

Tariff Rate Class	Monthly RME Surcharge per Customer (cents)
Rate RS	(2.00)
Rate RH	(2.00)
Rate RA	(2.00)
Rate GS	(1.00)
Rate GM < 25 kW	(1.00)
Rate GM > 25 kW	(3.00)
Rate GMH < 25 kW	(1.00)
Rate GMH > 25 kW	(3.00)
Rates GL, GLH, L and HVPS	(1.00)
Rates AL, SE, UMS, SM, SH and PAL	(5.00)

CALCULATION OF RATES

The RMES, calculated independently for each customer class in this Tariff, shall be applied to all customers served under the Tariff. The RMES shall be determined in cents per month in accordance with the formula set forth below and shall be applied to all customers served during any part of a billing month:

$$\mathbf{RMES = [\ (\ (\ RME - e\ )\ /\ (\ C * 12\ ) * 100\ )\ ] * [\ 1\ /\ (\ 1 - T\ )\ ]}$$ **(C)**

Where **RMES** = Retail Market Enhancement Surcharge, a fixed charge in cents per month, to be billed to each customer served under the applicable Tariff rate class.

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 1 – RETAIL MARKET ENHANCEMENT SURCHARGE – (Continued)

(Applicable to all Rates)

CALCULATION OF RATES – (CONTINUED)

RME = Projected annual expenses associated with retail market enhancement, consumer education activities and CAP customer education mandated by the Commission in dollars for each customer class for the filing year. CAP customer education dollars shall be assigned to the Residential customer class for cost recovery purposes. **(C)**

C **=** Projected average number of customers per customer class for the filing year.

e **=** The net overcollection or undercollection of the consumer education and retail market enhancement related expenses directed by the Commission as computed for each customer class as of the end of the reconciliation year.

T **=** The Pennsylvania Gross Receipts Tax in effect during the billing month, expressed in decimal form.

ANNUAL UPDATE

The RMES defined herein will be updated effective June 1 of each year unless, upon determination, the rates then in effect would result in a significant over or under collection. On or about January 31, the Company will file a reconciliation of the revenue and expense for the previous calendar year. On or about April 1 of the filing year, the Company will file revised RMES rates with the Commission defining rates in effect from June 1 to May 31 of the following year. These rates shall be determined based on the projected budget and number of customers for the filing year and the over or under collection of expenses based on actual RMES revenue and expense incurred for the previous calendar year, the reconciliation year. If it is determined that a significant over or under collection will occur, the Company shall file a revised RMES to become effective on no less than ten (10) day notice.

MISCELLANEOUS

No interest will be included in the RMES.

Rider No. 10 – State Tax Adjustment Surcharge (STAS) shall be applicable to the surcharge defined in this Rider.

The RMES will be added to the monthly Customer Charge of each rate schedule or added as a line item on the monthly bill, as applicable.

The Company shall file reconciliation statements annually.

The RMES shall be subject to review and audit by the Commission.

The RMES shall remain in effect until otherwise directed by the Commission and until the final reconciliation statement is approved and charges fully recovered.

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued) **(C)**

THIS PAGE INTENTIONALLY LEFT BLANK

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 5 – UNIVERSAL SERVICE CHARGE
(Applicable to Rate Schedules RS, RH and RA)

APPLICABILITY

The Universal Service Charge ("USC") is instituted as a cost recovery mechanism to recover the costs incurred by the Company to provide its Commission approved Universal Service and Energy Conservation Plan. The USC shall be applicable to all residential customers who take distribution service under Rate Schedules RS, RH and RA except for residential customers in the Company's Customer Assistance Program ("CAP"). The USC provides for the recovery of the costs, excluding internal administrative costs, associated with universal service programs provided by the Company to residential customers. The USC shall be determined to the nearest one-thousandth of one (1) cent per kilowatt-hour ("kWh") in accordance with the formula set forth below and shall be applied to all kilowatt-hours delivered during the billing month. The USC is a non-bypassable charge.

RATE

In addition to the charges provided in this Tariff, an amount of 0.972 cents per kilowatt-hour shall be added to the distribution energy charges per kilowatt-hour of each applicable rate schedule to determine the total per kilowatt-hour charge. The USC shall not be applicable to customers enrolled in the Company's CAP.

CALCULATION OF CHARGE

$$USC = [\ (US_c - Cr - E) / S_{Res}\ ] * 100 * [1 / (1 - T)\ ]$$

Where: USC = The charge, in cents per kilowatt-hour, to be applied to each kilowatt-hour delivered to all applicable non-CAP customers who take distribution service under the residential retail rate schedules under this Tariff.

US_c = Universal Service Program costs, which are the estimated direct and external administrative costs to be incurred by the Company to provide Universal Service to customers for the USC Computational Year. Such costs shall include, but are not limited to, preparation of the Needs Assessment, Universal Service Plan development, Impact Evaluation and educational materials. Universal Service Programs include the following programs which may change from time to time:

- Customer Assistance Program ("CAP"): CAP costs will be calculated to include the projected CAP discount and CAP program costs for the Computational Year. The total CAP discount will be based on the annual average discount from the previous year, the Reconciliation Year, multiplied by the projected average number of CAP program participants during the Computational Year. **(C)**

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 5 – UNIVERSAL SERVICE CHARGE - (Continued)
(Applicable to Rate Schedules RS, RH and RA)

CALCULATION OF CHARGE – (Continued)

The projected customer additions to the CAP program during the Computational Year will be based on the number of CAP customers receiving a discount at the end of the Reconciliation Year plus a projection of the average monthly number of CAP customers during the Computational Year. The projected number of CAP customers will include net additions to the program (additions minus exits), and a projection of customers enrolled through expected changes in policy (e.g. changes in the definition of poverty, changes in regulatory mandates). The projected CAP program costs will include the estimated costs for new applications, maintenance and annual recertification, and the projected CAP pre-program arrearages to be forgiven and written off during the USC Computational Year. **(C)** **(C)** **(C)** **(C)**

- Smart Comfort Program [Low Income Usage Reduction Program (“LIURP”)]: LIURP costs will be calculated based on the projected number of homes that participate in the usage reduction program and the average cost per visit.
- Customer Assistance and Referral Evaluation Services (“CARES”): CARES costs will be calculated based on the projected annual Community Based Organization (“CBO”) program costs and CBO costs for administering the program.
- Hardship Fund: Hardship Fund costs will be calculated based on the projected annual program costs and CBO costs for administering the program.
- Any other replacement or Commission-mandated Universal Service Program or low income program that is implemented during the Reconciliation or Computational Year.

Cr = A credit to reduce CAP customer discounts included in the USC to the extent that the monthly CAP enrollment level exceeds 39,088 customers. Specifically, the recoverable CAP discounts will be reduced by the number of CAP participants in excess of 39,088 times the average CAP credit and arrearage forgiveness costs times 10.43%. The participation level above which the offset shall be applied will be reset in each distribution rate case. **(C)** **(C)**

E = The over- or under- collection of actual Universal Service Program costs and revenue that result from the billing of the USC during the USC Reconciliation Year (an over-collection is denoted by a positive E and an under-collection by a negative E), including applicable interest. Interest shall be computed monthly at the statutory legal rate of interest, from the month the over or under collection occurs to the effective month that the over collection is refunded or the under collection is recouped.

(C) – Indicates Change

THIS PAGE INTENTIONALLY LEFT BLANK

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 – DEFAULT SERVICE SUPPLY – (Continued)

(Applicable to Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL)

DEFAULT SERVICE SUPPLY RATE – (Continued)

Lighting

(Rate Schedules SM, SH and PAL)

Lamp wattage as available on applicable rate schedule.

June 1, 2017 through May 31, 2018, June 1, 2018 through May 31, 2019 and (C)
January 1, 2019 through May 31, 2019 (C)

		Application Period					
Wattage	Nominal kWh Energy Usage per Unit per Month	06/01/2017 through 11/30/2017	12/01/2017 through 05/31/2018	06/01/2018 through 11/30/2018	12/01/2018 through 05/31/2019	01/01/2019 through 05/31/2019	(C)
Supply Charge ¢ per kWh		3.7939	3.8177	3.6653	X.XXXX	X.XXXX	
		Fixture Charge — $ per Month					
Mercury Vapor							
100	44	1.67	1.68	1.61	X.XX	—	
175	74	2.81	2.83	2.71	X.XX	—	
250	102	3.87	3.89	3.74	X.XX	—	
400	161	6.11	6.15	5.90	X.XX	—	
1000	386	14.64	14.74	14.15	X.XX	—	
High Pressure Sodium							
70	29	1.10	1.11	1.06	X.XX	—	
100	50	1.90	1.91	1.83	X.XX	—	
150	71	2.69	2.71	2.60	X.XX	—	
200	95	3.60	3.63	3.48	X.XX	—	
250	110	4.17	4.20	4.03	X.XX	—	
400	170	6.45	6.49	6.23	X.XX	—	
1000	387	14.68	14.77	14.18	X.XX	—	
Flood Lighting - Unmetered							
70	29	1.10	1.11	1.06	X.XX	—	
100	46	1.75	1.76	1.69	X.XX	—	
150	67	2.54	2.56	2.46	X.XX	—	
250	100	3.79	3.82	3.67	X.XX	—	
400	155	5.88	5.92	5.68	X.XX	—	
Light-Emitting Diode (LED) — Cobra Head							(C)
45	16	—	—	—	—	X.XX	
60	21	—	—	—	—	X.XX	
95	34	—	—	—	—	X.XX	
139	49	—	—	—	—	X.XX	
219	77	—	—	—	—	X.XX	
275	97	—	—	—	—	X.XX	
Light-Emitting Diode (LED) — Colonial							
48	17	—	—	—	—	X.XX	
83	29	—	—	—	—	X.XX	(C)
Light-Emitting Diode (LED) — Contemporary							
47	17	—	—	—	—	X.XX	
62	22	—	—	—	—	X.XX	(C)

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 – DEFAULT SERVICE SUPPLY – (Continued)

(Applicable to Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL)

DEFAULT SERVICE SUPPLY RATE – (Continued)

Lighting — (Continued)

(Rate Schedules SM, SH and PAL)

Lamp wattage as available on applicable rate schedule.

June 1, 2019 through May 31, 2020 and June 1, 2020 through May 31, 2021

		Application Period			
Wattage	**Nominal kWh Energy Usage per Unit per Month**	**06/01/2019 through 11/30/2019**	**12/01/2019 through 05/31/2020**	**06/01/2020 through 11/30/2020**	**12/01/2020 through 05/31/2021**
Supply Charge ¢ per kWh		X.XXXX	X.XXXX	X.XXXX	X.XXXX
		Fixture Charge — $ per Month			
Mercury Vapor					
100	44	X.XXXX	X.XXXX	X.XX	X.XX
175	74	X.XXXX	X.XXXX	X.XX	X.XX
250	102	X.XXXX	X.XXXX	X.XX	X.XX
400	161	X.XXXX	X.XXXX	X.XX	X.XX
1000	386	X.XXXX	X.XXXX	X.XX	X.XX
High Pressure Sodium					
70	29	X.XXXX	X.XXXX	X.XX	X.XX
100	50	X.XXXX	X.XXXX	X.XX	X.XX
150	71	X.XXXX	X.XXXX	X.XX	X.XX
200	95	X.XXXX	X.XXXX	X.XX	X.XX
250	110	X.XXXX	X.XXXX	X.XX	X.XX
400	170	X.XXXX	X.XXXX	X.XX	X.XX
1000	387	X.XXXX	X.XXXX	X.XX	X.XX
Flood Lighting - Unmetered					
70	29	X.XXXX	X.XXXX	X.XX	X.XX
100	46	X.XXXX	X.XXXX	X.XX	X.XX
150	67	X.XXXX	X.XXXX	X.XX	X.XX
250	100	X.XXXX	X.XXXX	X.XX	X.XX
400	155	X.XXXX	X.XXXX	X.XX	X.XX
Light-Emitting Diode (LED) — Cobra Head					
45	16	X.XX	X.XX	X.XX	X.XX
60	21	X.XX	X.XX	X.XX	X.XX
95	34	X.XX	X.XX	X.XX	X.XX
139	49	X.XX	X.XX	X.XX	X.XX
219	77	X.XX	X.XX	X.XX	X.XX
275	97	X.XX	X.XX	X.XX	X.XX
Light-Emitting Diode (LED) — Colonial					
48	17	X.XX	X.XX	X.XX	X.XX
83	29	X.XX	X.XX	X.XX	X.XX
Light-Emitting Diode (LED) — Contemporary					
47	17	X.XX	X.XX	X.XX	X.XX
62	22	X.XX	X.XX	X.XX	X.XX

(C)
(C)
(C)

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 – DEFAULT SERVICE SUPPLY – (Continued)

(Applicable to Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL)

CONTINGENCY PLAN

In the event Duquesne receives bids for less than all Tranches or the Commission does not approve all or some of the submitted bids or in the event of supplier default, then Duquesne will provide the balance of the default supply for commercial and industrial customers through purchases in the PJM spot markets until such time that a different contingency plan is approved by the Commission. Duquesne will submit to the Commission within fifteen (15) days after any such occurrence an emergency plan to handle any default service shortfall. All costs associated with implementing the contingency plan will be included as part of the DSS described in the section below, "Calculation of Rate."

CALCULATION OF RATE

DSS rates shall be determined based on the formula described in this section. The DSS shall be filed with the Commission no less than sixty (60) days prior to the start of the next Application Period as defined under the Default Service Supply Rate section of this Rider. Rates are reconciled on a semi-annual basis in accordance with the Default Service Supply Rate section of this Rider. The rates shall include an adjustment to reconcile revenue and expense for each Application Period. The DSS shall be determined to the nearest one-thousandth of one (1) mill per kilowatt-hour in accordance with the formula set forth below and shall be applied to all kilowatt-hours billed for default service provided during the billing month:

$$DSS = [(RFP + SLR + (DSS_a + E))/S) * F] * [1/(1 - T)]$$

Where:

DSS = Default Service Supply rate, converted to cents per kilowatt-hour, to be applied to each kilowatt-hour supplied to customers taking default service from the Company under this Rider.

RFP = The weighted average of the winning bids received in a competitive request for proposal for each customer class identified above and described in the "Default Service Supply Rate" section and adjusted for customer class transmission and distribution line losses. The request for proposal shall be conducted as described in "Procurement Process."

DSSa = The total estimated direct and indirect costs incurred by the Company to acquire DSS from any source on behalf of customers described above in the "Procurement Process." The Application Period shall be for each period over which the DSS, as computed, will apply. Projections of the Company's costs to acquire default supply for the Application Period shall include all direct and indirect costs of generation supply to be acquired by the Company from any source plus any associated default service supply-related procurement and administration costs. Company costs may also include the expenses to support time-of-use ("TOU") programs offered by EGSs. Time-of-use expenses will be assigned to the applicable customer class for recovery through this Rider. Default service supply-related costs shall include the cost of preparing the company's default service plan filing and working capital costs associated with default service supply. The Company will recover these costs over the default service plan period as defined **(C)**
in the Commission's order at Docket No. R-2018-3000124.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 9 – DAY-AHEAD HOURLY PRICE SERVICE – (Continued)

(Applicable to Rates GL, GLH, L and HVPS and Generating Station Service)

MONTHLY CHARGES – (Continued)

PJM Ancillary Service Charges and Other PJM Charges – (Continued)

PJM_S= PJM Surcharge is a pass-through of the charges incurred by the Company for grid management and administrative costs associated with membership and operation in PJM. These are the charges incurred by the Company under PJM Schedules 9 and 10 to provide hourly price service.

R_D = Reactive supply service charge in $/MW-day to serve the customer's load as calculated under the PJM Tariff Schedule 2.

B_D = Blackstart service charge in $/MW-day to serve the customer's load as calculated under the PJM Tariff Schedule 6A.

Fixed Retail Administrative Charge

FRA = The Fixed Retail Administrative Charge in $ per MWH. The Fixed Retail Administrative Charge consists of the sum of administrative charges for the suppliers providing hourly price service (as determined by a competitive solicitation process) and for the Company to obtain supply and administer this service. Default service supply-related costs shall include the cost of preparing the company's default service plan filing and working capital costs associated with default service supply. The Company will recover these costs over the default service plan period as defined in the Commission's order at Docket No.R- **(C)** 2018-3000124.

The supplier charges shall be based on the winning bids in the Company's most recent solicitation for supply of hourly price default service.

The Company's administrative charges shall be based on an amortization of the costs incurred by the Company to acquire generation supply from any source for the Large C&I Customer Class during the most recent twelve-month (12-month) period ended May 31st (as determined by amortizing such costs over a 12-month period) plus the amortization of the cost of administering the hourly price service over the duration of the default service plan, including any unbundled costs of preparing the Company's default service plan filing and working capital costs associated with default service supply.

This charge shall also include the Company's costs associated with any Commission approved solar contracts and its administration, if applicable, in $ per MWh. The proceeds of any solar energy, capacity, ancillary services and solar AECs that are acquired and in excess of those allocated to default service suppliers, and sold into the market, will be netted against solar contract costs.

Application Period	FRA $/MWH
June 1, 2017 through May 31, 2018	$1.77
June 1, 2018 through May 31, 2019	$1.74
June 1, 2019 through May 31, 2020	$X.XX
June 1, 2020 through May 31, 2021	$X.XX

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 10 - STATE TAX ADJUSTMENT

(Applicable to All Rates)

In addition to the charges provided in this Tariff, a two-part surcharge will apply to all bills rendered by the Company, pursuant to the Pennsylvania Public Utility Commission authorization of March 10, 1970, to compensate the Company for new and increased taxes imposed by the General Assembly.

Part 1 of the surcharge, at a rate of 0.0000% will include Capital Stock Tax, Corporate Net Income Tax, and Public Utility Realty Tax, which will be applied to the distribution charges of customer bills. **(I)**

Part 2 of the surcharge, at a rate of 0.0000% will include Gross Receipts Tax and will be applied to all portions of customer bills.

The Company will recompute the surcharge using the elements prescribed by the Commission's March 10, 1970, authorization:

1. Whenever any of the tax rates used in computing the surcharge is changed, in which case the recomputation shall take into account the changed tax rate.

2. Whenever the Company makes effective increased or decreased rates (other than net energy clause), in which case the recomputation shall take into account the adjustments prescribed by the Commission's March 10, 1970, authorization.

3. On December 22, and each year thereafter.

Every recomputation made pursuant to the above paragraph shall be submitted to the Commission within ten (10) days after the occurrence of the event or date which occasions such recomputation: and if the recomputed surcharge is less than the one then in effect the Company will, and if the recomputed surcharge is more than the one then in effect the Company may, accompany such recomputation with a Tariff or supplement to reflect such recomputed surcharge, the effective date of which, shall be ten (10) days after filing.

(I) – Indicates Increase

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 13 - GENERAL SERVICE SEPARATELY METERED ELECTRIC SPACE HEATING SERVICE

(Applicable to Rate GS/GM)

AVAILABILITY

Available for separately metered circuitry connected to electric space heating devices limited to electric resistance heaters, add-on heat pumps, heat pump compressors, system fans, pumps and controls except where the customer uses the Company's service for water heating, then water heating may also be included on the circuit. The space heating service may be provided at the same voltage as other electric service.

MONTHLY RATE

ENERGY CHARGES

For the billing months of November through April, all kilowatt-hours will be billed the applicable kilowatt-hour Monthly Energy Charges of Rate GS/GM. The applicable Monthly Energy Charge will be determined based on the customer's monthly demand, including the demand associated with the separately metered electric space heating, as described in the Electric Charges section of Rate GS/GM. Customers who purchase their electric supply requirements from the Company will be billed the applicable transmission energy charges of Appendix A and the applicable energy charges of Rider No. 8 – Default Service Supply. For the billing months of May through October, Rate GS/GM will apply. **(C)**

METER CHARGE..$13.21 per month

The customer will be responsible for any necessary wiring, structural or equipment changes or relocations to allow the isolation and metering of the electric space heating system.

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 20 – SMART METER CHARGE

(Applicable to Rates RS, RH, RA, GS/GM, GMH, GL, GLH, L, HVPS and AL)

PURPOSE

The Smart Meter Charge ("SMC") is instituted as a cost recovery mechanism to recover all costs to implement the Company's Smart Meter Procurement and Implementation Plan ("Plan"). The SMC has been added per Commission Order at Docket No. M-2009-2123948. Act 129 ("Act") became effective November 14, 2008, requiring all Pennsylvania electric distribution companies ("EDCs") with more than 100,000 customers to implement smart meters. Act 129 set forth the timeline for implementation, the definition of smart meters and the provisions for full and current cost recovery of all costs incurred by EDCs to install and make fully functional a smart meter system defined in and required by Act 129. The Company filed its Plan on August 14, 2009, in compliance with the Act, including this Charge and provisions for cost recovery. This Charge shall be updated as described below to recover all costs associated with implementing the Plan.

The SMC is a non-bypassable charge and shall be applicable to the monthly bill of all metered customers based on the number of meters installed at the premise.

ELIGIBLE COSTS

The SMC recovers all eligible costs incurred by the Company to implement smart meter technology and the supporting infrastructure. Eligible costs, described in 66 Pa. C.S. § 2807(f), include capital and expense items relating to all Plan elements, equipment and facilities, as well as all related administrative costs. Plan costs include, but are not limited to, capital expenditures for any equipment and facilities that may be required to implement the Plan, as well as depreciation, operating and maintenance expenses, a return component based on the EDC's weighted cost of capital and taxes. In general, eligible administrative costs include, but are not limited to, incremental costs relating to Plan development, cost analysis, measurement and verification and reporting. The costs associated with testing, upgrades, maintenance and personnel training are considered eligible costs.

MONTHLY SMART METER CHARGE

Meter Type	Monthly Charge Per Meter	
Single-Phase	$0.00	(D)
Poly-Phase	$0.00	(D)

The SMC, calculated independently for each meter type, shall be applied to all applicable customers served under the Tariff. Customers will be billed based on the number of meter types installed at their premise. Customers with multiple meters will incur multiple charges. The SMC shall be determined in dollars and cents per month per meter in accordance with the formula described in the "Calculation of Charge" section and shall be applied to all applicable customers served during any part of a billing month.

(D) – Indicates Decrease

RIDER NO. 21 – NET METERING SERVICE

(Applicable to Rates RS, RH, RA, GS/GM, GMH and GL)

PURPOSE

This Rider sets forth the eligibility, terms and conditions applicable to Customers with installed qualifying renewable customer-owned generation using a net metering system.

APPLICABILITY

This Rider applies to renewable customer-generators served under Rate Schedules RS, RH, RA, GS/GM, GMH and GL who install a device or devices which are, in the Company's judgment, subject to Commission review, a bona fide technology for use in generating electricity from qualifying Tier I or Tier II alternative energy sources pursuant to Alternative Energy Portfolio Standards Act No. 2004-213 (Act 213) or Commission regulations and which will be operated in parallel with the Company's system. This Rider is available to installations where any portion of the electricity generated by the renewable energy generating system offsets part or all of the customer-generator's requirements for electricity. A renewable customer-generator is a non-utility owner or operator of a net metered generation system with a nameplate capacity of not greater than 50 kilowatts if installed at a residential service (Rate RS, RH or RA) or not larger than 3,000 kilowatts at other customer service locations (Rate GS/GM, GMH and GL), except for Customers whose systems are above three megawatts and up to five megawatts who make their systems available to operate in parallel with the Company during grid emergencies as defined by the regional transmission organization or where a micro grid is in place for the primary or secondary purpose of maintaining critical infrastructure such as homeland security assignments, emergency services facilities, hospitals, traffic signals, wastewater treatment plants or telecommunications facilities provided that technical rules for operating generators interconnected with facilities of the Company have been promulgated by the Institute of Electrical and Electronic Engineers ("IEEE") and the Commission.

Qualifying renewable energy installations are limited to Tier I and Tier II alternative energy sources as defined by Act 213 and Commission Regulations. The Customer's equipment must conform to the Commission's Interconnection Standards and Regulations pursuant to Act 213. This Rider is not applicable when the source of supply is service purchased from a neighboring electric utility under Borderline Service.

Service under this Rider is available upon request to renewable customer-generators on a first come, first served basis so long as the total rated generating capacity installed by renewable customer-generator facilities does not adversely impact service to other Customers and does not compromise the protection scheme(s) employed on the Company's electric distribution system.

METERING PROVISIONS

A Customer may select one of the following metering options in conjunction with service under applicable Rate Schedule RS, RH, RA, GS/GM, GMH and GL.

1. A customer-generator facility used for net metering shall be equipped with a single bi-directional meter, which can measure and record the flow of electricity in both directions at the same rate, for **(C)** all billing-related purposes, including measurement of customer-generator's net electricity **(C)** consumption. A dual meter arrangement may be substituted for a single bi-directional meter at the Company's expense. Except for those customer-generator facilities interconnected, or for **(C)** which the Company has received a completed Part 1 Interconnection Application, prior to January 1, 2019, such facility shall also be equipped with an additional meter (the "generation meter"), which shall be installed at Company expense and which shall be used to record outbound flow of electricity.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 22 – DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

(Applicable to All Rates)

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply consistent with the Commission Order entered September 15, 2016, at Docket No. P-2016-2540046 approving the Distribution System Improvement Charge ("DSIC"). **(D)**

GENERAL DESCRIPTION

PURPOSE

To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

ELIGIBLE PROPERTY

The DSIC-eligible property will consist of the following:

- Poles and towers (account 364);
- Overhead conductors (account 365) and underground conduit and conductors (accounts 366 and 367);
- Line transformers (account 368) and substation equipment (account 362);
- Any fixture or device related to eligible property listed above including insulators, circuit breakers, fuses, reclosers, grounding wires, cross arms and brackets, relays, capacitors, converters and condensers;
- Unreimbursed costs related to highway relocation projects where an electric distribution company must relocate its facilities; and
- Other related capitalized costs.

EFFECTIVE DATE

The DSIC will become effective October 1, 2016.

APPENDIX A – (Continued)

TRANSMISSION SERVICE CHARGES – (Continued)

(Applicable to All Rates)

MONTHLY RATES – (Continued)

Rate Class	Energy Charge $/kWh	Demand Charge $/kW	Monthly Charge Per Fixture	Monthly Charge Per Fixture	Monthly Charge Per Fixture	
			Rate Class			
By Wattage			**SH**	**PAL**	**SM**	
Flood Lighting - Unmetered						
70			—	$0.18	—	
100			—	$0.29	—	
150			—	$0.42	—	
250			—	$0.63	—	
400			—	$0.98	—	
Light-Emitting Diode (LED) — Cobra Head						**(C)**
45			—	$0.00	$0.00	
60			$0.00	$0.00	$0.00	
95			$0.00	$0.00	$0.00	
139			$0.00	$0.00	$0.00	
219			$0.00	$0.00	$0.00	
275			—	$0.00	$0.00	
Light-Emitting Diode (LED) — Colonial						**(C)**
48			—	$0.00	$0.00	
83			—	$0.00	$0.00	
Light-Emitting Diode (LED) — Contemporary						**(C)**
47			—	$0.00	$0.00	
62			—	$0.00	$0.00	

BILLING DEMAND

Billing Demand subject to Transmission Service Charges for customers taking service under Rate Schedules GS/GM and GMH shall be the same as that determined for distribution and supply charges under the applicable rate schedules.

Billing Demand subject to Transmission Service Charges for Customers taking service under Rate Schedules GL, GLH, L, HVPS and UMS shall be the customer's daily network service coincident peak load contribution in MW. This quantity is determined based on the customer's load coincident with the annual peak of the Duquesne Zone (single coincident peak) as defined in the PJM Tariff Section 34.1.

ANNUAL UPDATE

The Transmission Service Charges (TSC) defined herein will be updated effective June 1st of each calendar year or more often upon determination that the rates then in effect would result in a significant over or under collection. On or about May 1st, the Company will file revised TSC rates with the PA Public Utility Commission (Commission) defining rates in effect from June 1 to May 31 of the following year, the computation year. These rates shall be determined based on the projected revenue requirement for the computation year, the projected cost of PJM charges and the over or under collection of expenses based on actual TSC revenue and expense incurred up to March 1 of each filing year. The revenue requirement and over or under collection shall be allocated to each rate class based on the class contribution to the Company's coincident peak load (1CP) and Default Service share of the 1CP load from the previous calendar year. The costs for ancillary services and PJM administrative expenses are included in the Default Service Supply rates defined in Rider No. 8. The costs for ancillary services and PJM administrative expenses for rate classes GL, GLH, L and HVPS will be billed in accordance with Rider No. 9. The rates applicable to each Rate Schedule shall be determined in accordance with the following formulas.

(C) – Indicates Change

~~Exhibit No. DBO-1~~

SUPPLEMENT NO. ~~174~~XXX
TO ELECTRIC – PA. P.U.C. NO. 24

SCHEDULE OF RATES

For Electric Service in Allegheny and Beaver Counties

(For List of Communities Served, see Pages No. 4 and 5)

Issued By

DUQUESNE LIGHT COMPANY
411 Seventh Avenue
Pittsburgh, PA 15219

Richard Riazzi
President and Chief Executive Officer

ISSUED: ~~March 28, 2018~~ EFFECTIVE: ~~May 29, 2018~~December 29, 2018

Filed at Docket No. R-2018-3000124

NOTICE

THIS TARIFF SUPPLEMENT MAKES CHANGES TO THE TABLE OF CONTENTS, RULES AND REGULATIONS, RATE SCHEDULES, RIDERS AND APPENDIX A AND MAKES INCREASES AND DECREASES TO THE RATES CONTAINED IN THE RATE SCHEDULES, RIDERS AND APPENDIX A.

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

List of Modifications **Page No. 2**

Pages No. 2A through 2R were added to the Tariff.

Table of Contents **Thirty-Fifth Revised Page No. 3**
Cancelling Thirty-Fourth Revised Page No. 3

Pages No. 2A through 2R were added to the Table of Contents.

The Table of Contents has been updated to reflect the addition of Original Page No. 70A.

The Table of Contents has been updated to reflect the addition of Original Page No. 73A.

The Table of Contents has been updated to reflect the addition of Original Page No. 78A.

The Table of Contents has been updated to reflect the removal of Rider No. 4 – Budget Billing HUD Finance Multi-Family Housing. Rider No. 4 has been revised to read "This Page Intentionally Left Blank."

The Table of Contents has been updated to reflect the removal of Rider No. 7 – SECA Charge. Rider No. 7 has been revised to read "This Page Intentionally Left Blank."

Rules and Regulations **Fifth Revised Page No. 6**
The Electric Service Tariff **Cancelling Fourth Revised Page No. 6**

Rule No. 2.1 Rules and Regulations has been added to clarify tariff applicability to all persons taking service.

Rule No. 2.2 Statement by Agents has been added to clarify that Company representatives cannot modify tariff obligations.

Rule No. 3 Application has been revised to update and define the Company's standard nominal service delivery voltages for installations prior to and effective on January 1, 2019.

Rules and Regulations
The Electric Service Tariff
Rule No. 3.1 Definitions **Fifth Revised Page No. 6**
Cancelling Fourth Revised Page No. 6

Rule No. 3.1 Definitions (1) Aggregator or Market Aggregator and (2) Applicant previously shown on Fourth Revised Page No. 6, Cancelling Third Revised Page No. 6 in Supplement No. 107 has been moved to Sixth Revised Page No. 7, Cancelling Fifth Revised Page No. 7 in Supplement No. 174 to accommodate the addition of and revision to rules.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

Rules and Regulations
The Electric Service Tariff
Rule No. 3.1 Definitions

Sixth Revised Page No. 7
Cancelling Fifth Revised Page No. 7

Rule No. 3.1 Definitions along with (1) Aggregator or Market Aggregator and (2) Applicant previously shown on Fourth Revised Page No. 6, Cancelling Third Revised Page No. 6 in Supplement No. 107 has been moved to Sixth Revised Page No. 7, Cancelling Fifth Revised Page No. 7 in Supplement No. 174 to accommodate the addition of and revision to rules.

Rules and Regulations
The Electric Service Tariff
Rule No. 3.1 Definitions

Sixth Revised Page No. 7
Cancelling Fifth Revised Page No. 7

Language has been revised in Definition (8) Customer to clarify the definition of "Customer."

Rules and Regulations
The Electric Service Tariff
Rule No. 3.1 Definitions

Sixth Revised Page No. 8
Cancelling Fifth Revised Page No. 8

Currently existing definitions for Rate Ready and Renewable Resource have been moved down to place in alphabetical order.

The definition for Summary Billing has been added.

Definitions have been renumbered to place in alphabetical order and to accommodate the addition of a definition of Summary Billing.

Rules and Regulations
Contracts, Deposits and Advance Payments
4. Contracts

Fourth Revised Page No. 9
Cancelling Third Revised Page No. 9

Language has been inserted at the end of the first sentence of paragraph one to clarify that Nonstandard Service costs can be recoverable through special rate contracts.

Language has been revised to adjust instances where the Company can enter into special rate contracts and the duration of special contracts.

Information previously shown on Second Revised Page No. 9A, Cancelling First Revised Page No. 9A in Supplement No. 72 has been moved to the end of Fourth Revised Page No. 9, Cancelling Third Revised Page No. 9 in Supplement No. 174.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

Rules and Regulations
Contracts, Deposits and Advance Payments — **Second Revised Page No. 9A**
4. Contracts — **Cancelling First Revised Page No. 9A**

Second Revised Page No. 9A, Cancelling First Revised Page No. 9A in Supplement No. 72 is being deleted as it is no longer necessary. Information previously shown on Second Revised Page No. 9A, Cancelling First Revised Page No. 9A in Supplement No. 72 has been moved to the end of Fourth Revised Page No. 9, Cancelling Third Revised Page No. 9 in Supplement No. 174.

Rules and Regulations
Contracts, Deposits and Advance Payments — **Fourth Revised Page No. 10**
5. Deposits and Advance Payments — **Cancelling Third Revised Page No. 10**

Language has been inserted to clarify that EGS charges, where applicable, are included in the calculation of a security deposit.

Language has been inserted to clarify how the Company evaluates creditworthiness of non-residential customers.

Language has been inserted to clarify the Company process for requiring security deposits from non-residential customers.

Rules and Regulations
Contracts, Deposits and Advance Payments — **Second Revised Page No. 10A**
5. Deposits and Advance Payments — **Cancelling First Revised Page No. 10A**

The paragraph referencing "seasonal service" has been removed as obsolete. The Company no longer provides a separate seasonal service rate.

Language has been inserted to explain that security deposit requirements for residential customers do not extend to non-residential accounts.

Rules and Regulations
Payment of Outstanding Balance — **Second Revised Page No. 10A**
5a. Payment of Outstanding Balance — **Cancelling First Revised Page No. 10A**

Language has been inserted to include the word "customer" and to clarify ~~customer/applicant responsibility for outstanding account balances and~~ the documentation required to establish service.

Rules and Regulations
Installation of Service — **Third Revised Page No. 11**
6. Installation Rules — **Cancelling Second Revised Page No. 11**

Language has been inserted to clarify limited exception for Company-approved Nonstandard Service.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

Rules and Regulations
Installation of Service — **Third Revised Page No. 11**
6.1 Service Point — **Cancelling Second Revised Page No. 11**

Rule No. 6.1 Service Point has been added to comply with 52 Pa. Code § 57.28 (a) Electric Safety Standards (Docket No. L-2015-2500632).

Rule No. 7 Supply Line Extensions previously shown on Second Revised Page No. 11, Cancelling First Revised Page No. 11 in Supplement No. 35 has been moved to Original Page No. 11A in Supplement No. 174 in order to accommodate the addition of Rule No. 6.1 Service Point.

Rules and Regulations
Installation of Service
7. Supply Line Extensions — **Original Page No. 11A**

Original Page No. 11A has been added to Tariff No. 24.

Rule No. 7 Supply Line Extensions previously shown on Second Revised Page No. 11, Cancelling First Revised Page No. 11 in Supplement No. 35 has been moved to Original Page No. 11A in Supplement No. 174 in order to accommodate the addition of Rule No. 6.1 Service Point.

Language has been inserted in Rule No. 7 Supply Line Extensions, B. Overhead Areas (1) to provide additional customer clarity in regard to the length of single-phase, lower-voltage supply line extensions.

Rules and Regulations
Installation of Service
7. Supply Line Extensions — **Second Revised Page No. 12**
B. Overhead Areas – (Continued) — **Cancelling First Revised Page No. 12**

Rule No. 7 Supply Line Extensions, B. Overhead Areas (3) has been removed to clarify the Company's ability to recover costs of Nonstandard Service.

Rules and Regulations
Installation of Service
7. Supply Line Extensions — **Second Revised Page No. 13**
C. Underground Areas – (Continued) — **Cancelling First Revised Page No. 13**

Rule No. 7 Supply Line Extensions, C. Underground Areas (3) has been removed to clarify the Company's ability to recover costs of Nonstandard Service.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

Rules and Regulations
Installation of Service
7. Supply Line Extensions — **Second Revised Page No. 14**
E. Revenue Guarantees — **Cancelling First Revised Page No. 14**

Language has been inserted to provide that costs other than those associated with service line extensions may be included in a revenue guarantee.

Rules and Regulations
Installation of Service
7. Supply Line Extensions — **Second Revised Page No. 14**
E. Revenue Guarantees — **Cancelling First Revised Page No. 14**

Language has been inserted into Rule No. 7 Supply Line Extensions, E. Revenue Guarantees and E. Revenue Guarantees (2) to clarify the revenue guarantee payment and refund process.

Rules and Regulations
Installation of Service — **Second Revised Page No. 15**
8. Nonstandard Service — **Cancelling First Revised Page No. 15**

Rule No. 8 Connection Charges as shown on First Revised Page No. 15, Cancelling Original Page No. 15 in Supplement No. 2, has been renamed to Rule No. 8 Nonstandard Service in Supplement No. 174.

Language has been revised and inserted to clarify the Company's ability to recover costs of Nonstandard Service.

Rules and Regulations
Installation of Service — **Second Revised Page No. 15**
9. Relocations of Facilities — **Cancelling First Revised Page No. 15**

Rule No. 9 Relocations of Facilities, A. Pole Removal or Relocation for Residential Customers (2), (3) and (4) and B. Other Company Facilities for all Customers previously shown on First Revised Page No. 15, Cancelling First Revised Page No. 15 in Supplement No. 2 has been moved to Original Page No. 15A in Supplement No. 174 in order to accommodate the revisions to Rule No. 8 Nonstandard Service.

Rules and Regulations
Installation of Service
9. Relocations of Facilities – (Continued) — **Original Page No. 15A**

Original Page No. 15A has been added to Tariff No. 24.

Rule No. 9 Relocations of Facilities, A. Pole Removal or Relocation for Residential Customers (2), (3) and (4) and B. Other Company Facilities for all Customers previously shown on First Revised Page No. 15, Cancelling First Revised Page No. 15 in Supplement No. 2 has been moved to Original Page No. 15A in Supplement No. 174 in order to accommodate the revisions to Rule No. 8 Nonstandard Service.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

Rules and Regulations
Measurement and Use of Service — **Fifth Revised Page No. 22**
14.2 Customer Request for Special Metering – (Continued) — **Cancelling Fourth Revised Page No. 22**

Language has been removed as obsolete.

Rules and Regulations
Measurement and Use of Service — **Fifth Revised Page No. 22**
14.3 Sub-Metering — **Cancelling Fourth Revised Page No. 22**

Rule No. 14.3 Sub-Metering has been removed as unnecessary.

Rules and Regulations
Bills and Net Payment Periods — **Fifth Revised Page No. 23**
18. Redistribution — **Cancelling Fourth Revised Page No. 23**

Language has been modified for clarity.

Rules and Regulations
Bills and Net Payment Periods — **Fifth Revised Page No. 23**
20.2 Summary Billing — **Cancelling Fourth Revised Page No. 23**

Rule No. 20.2 Summary Billing has been added to explain the availability of Summary Bills to qualifying customers.

Rules and Regulations — **Sixth Revised Page No. 23A**
Bills and Net Payment Periods — **Cancelling Fifth Revised Page No. 23A**

Rule No. 20.2 Bills (as numbered in Fifth Revised Page No. 23A, Cancelling Fourth Revised Page No. 23A in Supplement No. 128) has been renumbered to Rule No. 20.3 and Rule No. 20.3 Budget Payment Plan for Residential Customers (as numbered in Fifth Revised Page No. 23A, Cancelling Fourth Revised Page No. 23A in Supplement No. 128) has been renumbered to Rule No. 20.4 to accommodate the addition of Rule No. 20.2 Summary Billing in Supplement No. 174.

Rules and Regulations
Bills and Net Payment Periods — **Sixth Revised Page No. 23A**
20.4 Budget Payment Plan for Residential Customers — **Cancelling Fifth Revised Page No. 23A**

Language has been inserted to clarify budget billing for customers of bill-ready EGSs.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES – (Continued)

Rules and Regulations
Company Property on Customer's Premises — **Fifth Revised Page No. 24**
22 Access to Premises — **Cancelling Fourth Revised Page No. 24**

Language has been inserted to ensure Company access to facilities, particularly in the event of emergency, and to clarify that failure to provide access is grounds for termination.

Rules and Regulations
Company Property on Customer's Premises — **Fifth Revised Page No. 24**
22.1 Vegetation Management and Right-Of-Way — **Cancelling Fourth Revised Page No. 24**

Rule No. 22.1 Vegetation Management and Right-Of-Way has been added to clarify customer and Company responsibilities regarding vegetation management around Company facilities.

Rules and Regulations
Company Property on Customer's Premises — **Fifth Revised Page No. 24**
25 Repairs or Losses — **Cancelling Fourth Revised Page No. 24**

Rule No. 25 Repairs or Losses previously shown on Fourth Revised Page No. 24, Cancelling Third Revised Page No. 24 in Supplement No. 100 has been moved to First Revised Page No. 24A, Cancelling Original Page No. 24A in Supplement No. 174 in order to accommodate the addition of Rule No. 22.1 Vegetation Management and Right-Of-Way.

Rules and Regulations — **First Revised Page No. 24A**
Discontinuance, Curtailment or Interruption of Electric Service — **Cancelling Original Page No. 24A**

The "Bills and Net Payment Periods – (Continued)" heading has been removed as it is not applicable to the section.

Rules and Regulations
Company Property on Customer's Premises — **First Revised Page No. 24A**
25 Repairs or Losses — **Cancelling Original Page No. 24A**

Rule No. 25 Repairs or Losses previously shown on Fourth Revised Page No. 24, Cancelling Third Revised Page No. 24 in Supplement No. 100 has been moved to First Revised Page No. 24A, Cancelling Original Page No. 24A in Supplement No. 174 in order to accommodate the addition of Rule No. 22.1 Vegetation Management and Right-Of-Way.

Rules and Regulations
Discontinuance, Curtailment or Interruption of Electric Service — **Third Revised Page No. 25**
27.1 Death of A Residential Customer — **Cancelling Second Revised Page No. 25**

Rule No. 27.1 Death of A Residential Customer has been added to clarify the Company's process for ending service in the name(s) of customers reported as deceased.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES – (Continued)

Rules and Regulations
Discontinuance, Curtailment or Interruption of Electric Service — **Second Revised Page No. 26**
33 Inaccessibility — **Cancelling First Revised Page No. 26**

Language has been revised and inserted to clarify that failure to provide Company representatives access to Company facilities is grounds for termination, consistent with Rule No. 22.

Rules and Regulations
General Provisions — **Fourth Revised Page No. 31A**
46. Provision of Load Data — **Cancelling Third Revised Page No. 31A**

Language has been modified to reflect current business practice. Rule No. 46 has been revised to comply with Commission Order dated October 11, 2012, at Docket No. R-2012-2320394. The reference to “once each calendar year” has been updated to “five (5) requests in a calendar year.”

Rate GS/GM – General Service Small and Medium — **Eighth Revised Page No. 40**
Cancelling Seventh Revised Page No. 40

Seventh Revised Page No. 42
Cancelling Sixth Revised Page No. 42

The design of the Monthly Rate section, including sub-section titling, has been modified for customer clarity.

Rate GS/GM – General Service Small and Medium — **Eighth Revised Page No. 41**
Cancelling Seventh Revised Page No. 41

Language has been modified to clarify customer rate assignments among Rate GS, Rate GM < 25 kW and Rate GM ≥ 25 kW.

The last three paragraphs of the “Electric Charges” section as well as the “Minimum Charge” section previously shown on Seventh Revised Page No. 41, Cancelling Sixth Revised Page No. 41 in Supplement No. 35 has been moved to Seventh Revised Page No. 42, Cancelling Sixth Revised Page No. 42 in Supplement No. 174 to accommodate the addition of the rate assignment language.

Rate GS/GM – General Service Small and Medium — **Seventh Revised Page No. 42**
Cancelling Sixth Revised Page No. 42

The last three paragraphs of the “Electric Charges” section as well as the “Minimum Charge” section previously shown on Seventh Revised Page No. 41, Cancelling Sixth Revised Page No. 41 in Supplement No. 35 has been moved to Seventh Revised Page No. 42, Cancelling Sixth Revised Page No. 42 in Supplement No. 174 to accommodate the addition of the rate assignment language.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES – (Continued)

Rate GMH – General Service Medium Heating

Eighth Revised Page No. 43
Cancelling Seventh Revised Page No. 43

Ninth Revised Page No. 44
Cancelling Eighth Revised Page No. 44

The design of the Monthly Rate section has been modified for customer clarity.

Rate GMH – General Service Medium Heating

Ninth Revised Page No. 44
Cancelling Eighth Revised Page No. 44

Language has been modified to clarify customer rate assignments between Rate GM < 25 kW and Rate GM ≥ 25 kW.

Rate GL – General Service Large

Eighth Revised Page No. 47
Cancelling Seventh Revised Page No. 47

Language has been modified to correct the name of Rider No. 9 to “Day-Ahead Hourly Price Service.”

Rate GLH – General Service Large Heating

Eighth Revised Page No. 50
Cancelling Seventh Revised Page No. 50

Fifth Revised Page No. 51
Cancelling Fourth Revised Page No. 51

Language has been modified to correct the name of Rider No. 9 to “Day-Ahead Hourly Price Service.”

Rate L – Large Power Service

Eighth Revised Page No. 53
Cancelling Seventh Revised Page No. 53

Language has been modified to correct the name of Rider No. 9 to “Day-Ahead Hourly Price Service.”

Rate L – Large Power Service

Eighth Revised Page No. 53
Cancelling Seventh Revised Page No. 53

Language and relevant rate charges have been removed as “Service Voltage 138 kV and Greater” is no longer applicable to Rate L – Large Power Service.

Rate L – Large Power Service

Second Revised Page No. 56
Cancelling First Revised Page No. 56

Language has been modified from “his” to “its.”

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES – (Continued)

Rate HVPS – High Voltage Power Service

Eighth Revised Page No. 57
Cancelling Seventh Revised Page No. 57

Language has been modified to correct the name of Rider No. 9 to "Day-Ahead Hourly Price Service."

Rate HVPS – High Voltage Power Service

Eighth Revised Page No. 57
Cancelling Seventh Revised Page No. 57

Fourth Revised Page No. 58
Cancelling Third Revised Page No. 58

Second Revised Page No. 60
Cancelling First Revised Page No. 60

Language has been modified to lower the kilowatts from "greater than 30,000" to "greater than "5,000" in order to move Rate L – Large Power Service 138 kV and Greater customers to Rate HVPS – High Voltage Power Service.

Rate HVPS – High Voltage Power Service

Second Revised Page No. 60
Cancelling First Revised Page No. 60

Language has been modified from "his" to "its."

Rate AL – Architectural Lighting Service

Second Revised Page No. 63
Cancelling First Revised Page No. 63

Item No. 5 under the "Special Terms and Conditions" section has been removed as the Company no longer provides a separate seasonal service rate.

Rate SM – Street Lighting Municipal

Ninth Revised Page No. 68
Cancelling Eighth Revised Page No. 68

Language has been inserted to reflect the availability of replacement of mercury vapor lamps, fixtures or luminaries, including brackets and ballasts, beginning January 1, 2019.

Language has been inserted as to the minimum number of LED lights per customer, per order requirement and the contiguous location requirement when replacing existing lighting.

Language has been inserted as to the maximum LED light installations the Company shall be required to perform annually.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES – (Continued)

Rate SM – Street Lighting Municipal

Ninth Revised Page No. 68
Cancelling Eighth Revised Page No. 68

Eighth Revised Page No. 69
Cancelling Seventh Revised Page No. 69

Columns in the Monthly Rate section have been updated to reflect "Minimum" Nominal Lamp Wattage as well as Company Owned and Maintained Equipment and Customer Owned and Maintained Equipment charges.

Rate SM – Street Lighting Municipal

Eighth Revised Page No. 69
Cancelling Seventh Revised Page No. 69

Current LED lamp wattages have been removed as obsolete.

New LED lamp wattages have been inserted as well as choices of Cobra Head, Colonial and Contemporary fixtures.

The last three (3) paragraphs under "Electric Charges" that resided on Seventh Revised Page No. 69, Cancelling Sixth Revised Page No. 69 in Supplement No. 91 have been moved to Fifth Revised Page No. 70, Cancelling Fourth Revised Page No. 70 in Supplement No. 174 in order to accommodate the additional LED lamp wattages.

Rate SM – Street Lighting Municipal

Fifth Revised Page No. 70
Cancelling Fourth Revised Page No. 70

The Rate Schedule name in the header has been revised to read "Lighting."

The last three (3) paragraphs under "Electric Charges" that resided on Seventh Revised Page No. 69, Cancelling Sixth Revised Page No. 69 in Supplement No. 91 have been moved to Fifth Revised Page No. 70, Cancelling Fourth Revised Page No. 70 in Supplement No. 174 in order to accommodate the additional LED lamp wattages.

The "Special Terms and Conditions" section that resided on Fourth Revised Page No. 70, Cancelling Third Revised Page No. 70 in Supplement No. 155 has been moved to Original Page No. 70A in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate SM – Street Lighting Municipal.

A "Customer Owned and Maintained Equipment Charge" section has been added to Rate SM – Street Lighting Municipal.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES – (Continued)

Rate SM – Street Lighting Municipal **Original Page No. 70A**

Original Page No. 70A has been added in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate SM – Street Lighting Municipal.

The "Special Terms and Conditions" section originally shown on Fourth Revised Page No. 70, Cancelling Third Revised Page No. 70 in Supplement No. 155 has been moved to Original Page No. 70A in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate SM – Street Lighting Municipal.

Item No. 5 Non-standard installations has been added under the "Special Terms and Conditions" section of Rate SM – Street Lighting Municipal.

Rate SH – Street Lighting Highway **Ninth Revised Page No. 71**
Cancelling Eighth Revised Page No. 71

Columns in the Monthly Rate section have been updated to reflect "Minimum" Nominal Lamp Wattage as well as Company Owned and Maintained Equipment and Customer Owned and Maintained Equipment charges.

New LED lamp wattages have been inserted as choices for Cobra Head fixtures.

The first three (3) paragraphs under "Electric Charges" that resided on Eighth Revised Page No. 71, Cancelling Seventh Revised Page No. 71 in Supplement No. 155 have been moved to Third Revised Page No. 72, Cancelling Second Revised Page No. 72 in Supplement No. 174 in order to accommodate the additional LED lamp wattages.

Rate SH – Street Lighting Highway **Third Revised Page No. 72**
Cancelling Second Revised Page No. 72

The first three (3) paragraphs under "Electric Charges" that resided on Eighth Revised Page No. 71, Cancelling Seventh Revised Page No. 71 in Supplement No. 155 have been moved to Third Revised Page No. 72, Cancelling Second Revised Page No. 72 in Supplement No. 174 in order to accommodate the additional LED lamp wattages.

Rate SH – Street Lighting Highway **Third Revised Page No. 72**
Cancelling Second Revised Page No. 72

The "Special Terms and Conditions" section that resided on Second Revised Page No. 72, Cancelling First Revised Page No. 72 in Supplement No. 72 has been moved to Second Revised Page No. 73, Cancelling First Revised Page No. 73 in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate SH – Street Lighting Highway.

A "Customer Owned and Maintained Equipment Charge" section has been added to Rate SH – Street Lighting Highway.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES – (Continued)

Rate SH – Street Lighting Highway **Second Revised Page No. 73**
Cancelling First Revised Page No. 73

A "Customer Owned and Maintained Equipment Charge" section has been added to Rate SH – Street Lighting Highway.

The "Special Terms and Conditions" section that resided on Second Revised Page No. 72, Cancelling First Revised Page No. 72 in Supplement No. 72 has been moved to Second Revised Page No. 73, Cancelling First Revised Page No. 73 in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate SH – Street Lighting Highway.

Language has been modified to remove "230/460 volts" in Item No. 2 under the "Special Terms and Conditions" section.

Rate SH – Street Lighting Highway **Original Page No. 73A**

Original Page No. 73A has been added to Tariff No. 24 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate SH – Street Lighting Highway.

The "Special Terms and Conditions" section that resided on First Revised Page No. 73, Cancelling Original Page No. 73 in Supplement No. 2 has been moved to Original Page No. 73A in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate SH – Street Lighting Highway.

Item No. 9 Non-standard installations has been added under the "Special Terms and Conditions" section of Rate SH – Street Lighting Highway.

The "Term of Contract" section that resided on First Revised Page No. 73, Cancelling Original Page No. 73 in Supplement No. 2 has been moved to Original Page No. 73A in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate SH – Street Lighting Highway.

Rate PAL – Private Area Lighting **Ninth Revised Page No. 76**
Cancelling Eighth Revised Page No. 76

Columns in the Monthly Rate section have been updated and revised to reflect "Minimum" Nominal Lamp Wattage as well as Company Owned and Maintained Equipment and Customer Owned and Maintained Equipment charges.

New LED lamp wattages have been inserted as well as choices of Cobra Head, Colonial and Contemporary fixtures.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES – (Continued)

Rate PAL – Private Area Lighting **Fifth Revised Page No. 77**
Cancelling Fourth Revised Page No. 77

The "Supply Charges" section that resided on Eighth Revised Page No. 76, Cancelling Seventh Revised Page No. 76 in Supplement No. 155 has been moved to Fifth Revised page No. 77, Cancelling Fourth Revised Page No. 77 in Supplement No. 174 to accommodate the new LED lamp wattages that have been added to Rate PAL – Private Area Lighting.

Language has been modified to correct the reference from "UMS – Unmetered Service" to "PAL – Private Area Lighting."

Rate PAL – Private Area Lighting **Sixth Revised Page No. 78**
Cancelling Fifth Revised Page No. 78

The "Special Terms and Conditions" section that resided on Fifth Revised Page No. 78, Cancelling Fourth Revised Page No. 78 in Supplement No. 155 has been moved to Original Page No. 78A in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate PAL – Private Area Lighting.

A "Customer Owned and Maintained Equipment Charge" section has been added to Rate PAL – Private Area Lighting.

Rate PAL – Private Area Lighting **Original Page No. 78A**

Original Page No. 78A has been added to Tariff No. 24 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate PAL – Private Area Lighting.

The "Special Terms and Conditions" section that resided on Fifth Revised Page No. 78, Cancelling Fourth Revised Page No. 78 in Supplement No. 155 has been moved to Original Page No. 78A in Supplement No. 174 to accommodate the addition of a "Customer Owned and Maintained Equipment Charge" section that has been added to Rate PAL – Private Area Lighting.

Item No. 5 Non-standard installations has been added under the "Special Terms and Conditions" section of Rate PAL – Private Area Lighting.

Standard Contract Riders **Seventh Revised Page No. 79A**
Rider Matrix **Cancelling Sixth Revised Page No. 79A**

The Rider Matrix has been revised to show the removal of Rider No. 4 – Budget Billing HUD Finance Multi-Family Housing and Rider No. 7 – SECA Charge. The Riders now read "Intentionally Left Blank."

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES – (Continued)

Rider No. 1 – Retail Market Enhancement Surcharge — **Nineteenth Revised Page No. 80**
Cancelling Eighteenth Revised Page No. 80

Rider No. 1 – Retail Market Enhancement Surcharge has been modified to remove the recovery of the Purchase of Receivables ("POR") program discount expense associated with the uncollectible expense of EGS consolidated billings. In accordance with Docket No. P-2016-2543140, the expense is being rolled into and recovered through base rates.

Rider No. 1 – Retail Market Enhancement Surcharge — **Nineteenth Revised Page No. 80**
Cancelling Eighteenth Revised Page No. 80

Fifth Revised Page No. 80A
Cancelling Fourth Revised Page No. 80A

In the "Calculation of Rates" section, reference to Purchase of Receivables ("POR") has been removed from the formula and the definition.

Rider No. 4 – Budget Billing HUD Financed Multi Family Housing — **Second Revised Page No. 83**
Cancelling First Revised Page No. 83

Rider No. 4 – Budget Billing HUD Financed Multi-Family Housing is being removed as obsolete.

Rider No. 5 – Universal Service Charge — **Fourteenth Revised Page No. 84**
Cancelling Thirteenth Revised Page No. 84

Rider No. 5 – Universal Service Charge — **Sixth Revised Page No. 85**
Cancelling Fifth Revised Page No. 85

Language in the "Calculation of Charge" section has been revised. This language was included in the tariff to address a prior CAP Plus proposal. The Company does not have a CAP Plus plan; therefore, it is appropriate to remove this language.

Rider No. 5 – Universal Service Charge — **Sixth Revised Page No. 85**
Cancelling Fifth Revised Page No. 85

Language in the "Calculation of Charge" section has been revised. Pursuant to the Company's 2017-2019 Universal Service and Energy Conservation Plan, customers who receive a LIHEAP grant are no longer auto-enrolled in CAP. The elimination of the Company's auto-enrollment program was approved by Commission Order entered March 23, 2017 at Docket Number M-2016-2534323.

The CAP participation level has been reset as per the provisions of Rider No. 5.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES – (Continued)

Rider No. 7 – SECA Charge — **Third Revised Page No. 87**
Cancelling Second Revised Page No. 87

Rider No. 7 – SECA Charge is being removed as the charges are being recovered through the Company's Appendix A – Transmission Service Charges ("TSC").

Rider No. 8 – Default Service Supply — **Third Revised Page No. 88A-1**
Cancelling Second Revised Page No. 88A-1

A new application period is reflected in the heading and added to the chart to reflect the addition of LED lighting.

Current LED lamp wattages have been removed.

New LED lamp wattages have been inserted as well as choices of Cobra Head, Colonial and Contemporary fixtures.

Rider No. 8 – Default Service Supply — **First Revised Page No. 88A-2**
Cancelling Original Page No. 88A-2

Current LED lamp wattages have been removed.

New LED lamp wattages have been inserted as well as choices of Cobra Head, Colonial and Contemporary fixtures.

Rider No. 8 – Default Service Supply — **Sixth Revised Page No. 88C**
Cancelling Fifth Revised Page No. 88C

In the "Calculation of Rates" section, the Docket No. has been updated in DSSa.

Rider No. 9 – Day-Ahead Hourly Price Service — **Sixth Revised Page No. 91**
Cancelling Fifth Revised Page No. 91

Under "Fixed Retail Administrative Charge" section, the Docket No. has been updated in FRA.

Rider No. 10 – State Tax Adjustment — **Fourteenth Revised Page No. 94**
Cancelling Thirteenth Revised Page No. 94

Rider No. 10 – State Tax Adjustment has been modified to reflect that Part 1 of the STAS has been set to zero.

Rider No. 13 – General Service Separately Metered Electric Space Heating Service — **Fifth Revised Page No. 97**
Cancelling Fourth Revised Page No. 97

The word "metered" has been removed in the paragraph under "Energy Charges."

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES – (Continued)

Rider No. 20 – Smart Meter Charge — **Thirty-Seventh Revised Page No. 108**
Cancelling Thirty-Sixth Revised Page No. 108

Rider No. 20 – Smart Meter Charge has been modified to reflect that it has been set to zero.

Rider No. 21 – Net Metering Service — **Fourth Revised Page No. 110**
Cancelling Third Revised Page No. 110

Language has been revised and inserted to require the installation of a generation meter to measure actual customer-generator facility output to accommodate and plan for increased saturation of net metered installations.

Rider No. 22 – Distribution System Improvement Charge — **Seventh Revised Page No. 112B**
Cancelling Sixth Revised Page No. 112B

Rider No. 22 – Distribution System Improvement Charge ("DSIC") has been modified to reflect that it has been set to zero.

Appendix A – Transmission Service Charges — **Eleventh Revised Page No. 114**
Cancelling Tenth Revised Page No. 114

Current LED lamp wattages have been removed.

New LED lamp wattages have been inserted as well as choices of Cobra Head, Colonial and Contemporary fixtures.

INCREASES

Rate RS – Residential Service — **Ninth Revised Page No. 32**
Cancelling Eighth Revised Page No. 32

Rate RH – Residential Service Heating — **Ninth Revised Page No. 34**
Cancelling Eighth Revised Page No. 34

Rate RA – Residential Service Add-On Heat Pump — **Ninth Revised Page No. 37**
Cancelling Eighth Revised Page No. 37

Rate GS/GM – General Service Small and Medium — **Eighth Revised Page No. 40**
Cancelling Seventh Revised Page No. 40

Rate GMH – General Service Medium Heating — **Eighth Revised Page No. 43**
Cancelling Seventh Revised Page No. 43

LIST OF MODIFICATIONS MADE BY THIS TARIFF

INCREASES – (Continued)

Rate GMH – General Service Medium Heating	**Eighth Revised Page No. 45** **Cancelling Seventh Revised Page No. 45**
Rate GL – General Service Large	**Eighth Revised Page No. 47** **Cancelling Seventh Revised Page No. 47**
Rate GLH – General Service Large Heating	**Eighth Revised Page No. 50** **Cancelling Seventh Revised Page No. 50**
Rate GLH – General Service Large Heating	**Fifth Revised Page No. 51** **Cancelling Fourth Revised Page No. 51**
Rate L – Large Power Service	**Eighth Revised Page No. 53** **Cancelling Seventh Revised Page No. 53**
Rate AL – Architectural Lighting Service	**Ninth Revised Page No. 61** **Cancelling Eighth Revised Page No. 61**
Rate SE – Street Lighting Energy	**Ninth Revised Page No. 64** **Cancelling Eighth Revised Page No. 64**
Rate SM – Street Lighting Municipal	**Ninth Revised Page No. 68** **Cancelling Eighth Revised Page No. 68**
Rate SM – Street Lighting Municipal	**Fifth Revised Page No. 70** **Cancelling Fourth Revised Page No. 70**
Rate SH – Street Lighting Highway	**Ninth Revised Page No. 71** **Cancelling Eighth Revised Page No. 71**
Rate PAL – Private Area Lighting	**Ninth Revised Page No. 76** **Cancelling Eighth Revised Page No. 76**
Rate PAL – Private Area Lighting	**Sixth Revised Page No. 78** **Cancelling Fifth Revised Page No. 78**
Rider No. 10 – State Tax Adjustment	**Fourteenth Revised Page No. 94** **Cancelling Thirteenth Revised Page No. 94**

Unit prices have changed, resulting in increases.

LIST OF MODIFICATIONS MADE BY THIS TARIFF

DECREASES

Rate HVPS – High Voltage Power Service	**Eighth Revised Page No. 57** **Cancelling Seventh Revised Page No. 57**
Rate UMS – Unmetered Service	**Ninth Revised Page No. 74** **Cancelling Eighth Revised Page No. 74**
Rate PAL – Private Area Lighting	**Ninth Revised Page No. 76** **Cancelling Eighth Revised Page No. 76**
Rider No. 1 – Retail Market Enhancement Surcharge	**Nineteenth Revised Page No. 80** **Cancelling Eighteenth Revised Page No. 80**
Rider No. 20 – Smart Meter Charge	**Thirty-Seventh Revised Page No. 108** **Cancelling Thirty-Sixth Revised Page No. 108**
Rider No. 22 – Distribution System Improvement Charge	**Seventh Revised Page No. 112B** **Cancelling Sixth Revised Page No. 112B**

Unit prices have changed, resulting in decreases.

TABLE OF CONTENTS

(C) – Indicates Change

RULES AND REGULATIONS

THE ELECTRIC SERVICE TARIFF

1. FILING AND POSTING A copy of the Tariff, comprising of the Rules and Regulations, Rates and Riders, and governing electric service, is filed with the Pennsylvania Public Utility Commission. A copy of the Tariff may be obtained by calling, e-mailing or writing the Company's business office. The Tariff may also be accessed at www.duquesnelight.com and is posted and open to inspection at the offices of the Company where payments are made by customers.

2. REVISIONS The tariff is subject to such change and modification as may be made from time to time in the manner prescribed by the Public Utility Law. If any rate for electric service is increased, the affected customer shall have the option of discontinuing service, but shall be obligated to pay the increased rate from the effective date thereof until service has been discontinued.

2.1 RULES AND REGULATIONS The Rules and Regulations, filed as part of this Tariff, are a part of every contract for service made by the Company and govern all classes of service where applicable. The obligations imposed on customers in the Rules and Regulations apply as well to everyone receiving service unlawfully and to unauthorized use of service. **(C)**

2.2 STATEMENT BY AGENTS No representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto. **(C)**

3. APPLICATION Rates of the tariff apply only to the Company's Standard Service delivered from overhead supply lines except in certain restricted areas where the Company is required to provide underground distribution. Riders of the tariff amend or modify the terms governing the electric service under the rates to which they apply. Beginning January 1, 2019, Standard Service is alternating current of sixty cycles frequency, conforming as to voltage and phase with the following list of standard nominal service delivery voltages. **(C)**

SINGLE-PHASE	THREE-PHASE		
120/240 volts, 3 wire	120/208 volts, 4 wire	23,000 volts, 3 wire	
480 volts, 2 wire	277/480 volts, 4 wire	13,200/23,000 volts, 4 wire	**(C)**
13,200 volts, 2 wire	2,400 volts, 3 wire	138,000 volts, 3 wire	**(C)**
	2,400/4,160 volts, 4 wire		

For service installations completed prior to January 1, 2019, Standard Service may include the delivery voltages listed above as well as the following list of standard nominal service delivery voltages, as applicable. **(C)**

SINGLE-PHASE	THREE-PHASE **(C)**
120 volts, 2 wire	230 volts, 3 wire
120/208 volts, 3 wire	460 volts, 3 wire
230 volts, 2 wire	11,500 volts, 3 wire
460 volts, 2 wire	69,000 volts, 3 wire
230/460 volts, 3 wire	345,000 volts, 3 wire
2,400 volts, 2 wire	
23,000 volts, 2 wire	

The supply of electricity may be provided by the Company or by an alternative Electric Generation Supplier ("EGS"). Rates for the supply of electricity shall apply per applicable tariffs of the Company or the EGS.

(C)

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

THE ELECTRIC SERVICE TARIFF - (Continued)

3.1 DEFINITIONS **(C)**

(1) Aggregator or Market Aggregator – An entity, licensed by the Commission, which purchases electric energy and takes title to electric energy as an intermediary for sale to retail customers. **(C)**

(2) Applicant – A natural person not currently receiving service who applies for residential service provided by a public utility or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential utility service is requested. The term does not include a person who, within thirty (30) days after service termination or discontinuance of service, seeks to have service reconnected at the same location or transferred to another location within the service territory of the Company. **(C)**

(3) Basic Services – The services necessary for the physical delivery of electricity service such as supply, including default service, transmission and distribution. Unless directed otherwise, "electric service" or "service" used throughout this tariff have the same meaning.

(4) Bill Ready – A form of consolidated billing where Duquesne Light provides a customer's usage to its electric generation supplier ("EGS") and the EGS then calculates the customer's charges and sends the line item(s) back to the Company to be presented on the supplier portion of the bill.

(5) Broker or Marketer – An entity, licensed by the Commission, which acts as an agent or intermediary in the sale and purchase of electric energy but does not take title to electric energy.

(6) Commission – The Pennsylvania Public Utility Commission.

(7) Company - Duquesne Light Company.

(8) Customer –Any person, partnership, association, corporation or other legal entity lawfully receiving service from the Company. Unless indicated otherwise, "retail customer" and "customer" used throughout this tariff shall have the same meaning. A residential customer is a natural person in whose name a residential service account is listed and who is primarily responsible for payment of bills rendered for the service or any adult occupant whose name appears on the mortgage, deed or lease of the property of which the residential utility service is requested. The term includes a person who, within thirty (30) days after service termination or discontinuance of service, seeks to have service reconnected at the same location or transferred to another location within the service territory of the public utility. **(C)**

(9) Default Service – The Company will provide electricity to the customer in the event that a customer: 1) elects not to obtain electricity from an EGS; 2) elects to have the Company supply electricity after having previously purchased electricity from an EGS; 3) contracts with an EGS who fails to supply electricity, or 4) has been returned to Default Service by the EGS under circumstances as described in Rule No. 45.2 of this tariff.

(10) Direct access – The right of EGSs and retail customers to utilize and interconnect with the electric transmission and distribution system of the Company on a non-discriminatory basis at rates and terms and conditions of service comparable to the Companies' own use of the system to transport electricity from any generator of electricity to any retail customer.

(11) Distribution Charges – Basic service charges for delivering electricity over a distribution system (e.g. wires, transformers, substations and other equipment) to the home or business from the transmission system. The distribution charge is regulated by the Commission. These charges include basic service under 52 Pa. Code §56.15 (4) (relating to billing information) and Riders, as applicable.

(12) Electric Distribution Company ("EDC") – An entity, including Duquesne Light Company ("Company"), owning and providing facilities for the jurisdictional transmission and distribution of electricity to retail customers, except building or facility owners or operators that manage the internal distribution system serving such building or facility and that supply electric power and other related electric power services to occupants of the building or facility.

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

THE ELECTRIC SERVICE TARIFF - (Continued)

3.1 DEFINITIONS - (Continued)

(13) Electric Generation Suppliers ("EGS") – A person or corporation, including municipal corporation, which provides service outside its municipal limits except to the extent provided prior to January 1, 1997. This includes brokers and marketers, aggregators or any other entities that sell to end-use customers electricity or related services utilizing the jurisdictional transmission or distribution facilities of an electric distribution company. The term excludes building or facility owner/operators that manage the internal distribution system for the building or facility and that supply electric power and other related power services to occupants of the building or facility. The term also excludes electric cooperative corporations except as provided in 15 Pa. C.S. Ch. 74 (relating to generation choice for customers of electric cooperatives).

(14) Electricity Provider - The term refers collectively to the EDC, EGS, electricity supplier, marketer, aggregator and/or broker, as well as any third party acting on behalf of these entities.

(15) Non-Basic Services - Optional recurring services which are distinctly separate and clearly not required for the physical delivery of electric service.

(16) PJM – PJM Interconnection, L.L.C. **(C)**

(17) PJM Tariff - The PJM Open Access Transmission Tariff ("OATT") on file with the Federal Energy Regulatory Commission ("FERC") and which sets forth the rates, terms and conditions of transmission service over transmission facilities located in the PJM Control Area. **(C)**

(18) Rate Ready – A form of consolidated billing where Duquesne Light calculates the charge to be presented on the supplier portion of the bill based upon the rates previously supplied by the electric generation supplier ("EGS"). **(C)**

(19) Renewable Resource - Includes technologies such as solar photovoltaic energy, solar thermal energy, wind power, low-head hydropower, geothermal energy, landfill or other biomass-based methane gas, mine-based methane gas, energy from waste and sustainable biomass energy. **(C)**

(20) Summary Bill - An aggregate bill prepared for two or more meter locations owned or legally controlled by the same customer for charges for electric service. **(C)**

(21) Supply Charges - Basic service charges for acquiring or producing electricity for supply to retail customers. This excludes charges for transmission or other charges related to electric service. **(C)**

(22) Transmission Charges - Basic charges for the cost of transporting electricity over high voltage wires from the generator to the distribution system of the Company billed to customers that acquire their electricity from the Company. Customers who choose to acquire electricity from an EGS will be billed for transmission services by the EGS. **(C)**

3.2 ELECTRIC GENERATION SUPPLIER TARIFF The rules and guidelines provided in the Company's "Electric Generation Supplier Coordination Tariff" (Supplier Tariff) shall apply to EGS's accessing the Company's transmission and distribution systems to supply electricity to retail customers. Those rules and guidelines pertaining to direct access procedures shall apply accordingly to customers who elect to purchase part or all of their electricity from an EGS. Copies of these rules may be obtained by calling, e-mailing or writing the Company's business office. In addition, they may also be accessed at www.duquesnelight.com and are posted and open to inspection at the offices of the Company where payments are made by customers.

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

CONTRACTS, DEPOSITS AND ADVANCE PAYMENTS

4. CONTRACTS The Company reserves the right to require non-residential customers to sign a written contract indicating the rate for electric service and to require a contract term which, in the judgment of the Company, is sufficient to justify the cost of any facilities installed for the exclusive use of the customer and to **(C)** compensate the Company for other incremental costs of Nonstandard Service. Customers who have facilities extended for their exclusive use will be permitted to purchase electricity from an EGS according to the provisions of direct access and 66 Pa.C.S. § 2807. Extension of such facilities will not be conditioned on the customer's agreement to purchase supply from the Company. Receipt of electric service by any entity, however, shall constitute the receiver a customer of the Company, subject to its rules and regulations, whether service is based upon contract, agreement, accepted signed application or otherwise. The customer shall notify the Company, in advance of receipt of electric service, of the customer's name, address to which the electricity is to be delivered, the address to which the bill is to be mailed, the date delivery of electricity is to commence, and provide information requested by the Company regarding the customer's credit standing. The customer shall notify the Company to cancel electric service and the customer shall be responsible for payment for all electric charges until the customer has so notified the Company to cancel electric service.

The Company at its sole discretion may enter into special contracts for electric service with industrial or commercial customers to address changing business needs, operating conditions or less expensive competitive **(C)** alternatives for energy. If requested by the Company, the customer shall provide to the Company, on a **(C)** confidential basis, all information, records and financial analysis necessary to evaluate the customer's request for a special contract.

Terms and conditions of service will be mutually agreed upon by the Company and the customer and included in a signed contract, which will be filed with the Public Utility Commission. The Company at its sole discretion may request Public Utility Commission approval. The terms of the agreement will be confidential upon filing with the Commission. Rates established under special contracts will be sufficient to recover, at a minimum, all appropriate incremental costs. Any special contracts written to become effective on or after January 1, 2007, shall apply only to charges for the distribution service provided by the Company.

The contract shall contain all terms and conditions and the rates and charges to be paid for electric service.

The contract shall be for a period of no less than one (1) year and no greater than ten (10) years. **(C)**

The contract will be terminated by the Company if the Company charges are not paid when due as specified in Tariff Rule No. 21, before the addition of the Late Payment Charge. Upon termination of the contract under these conditions, the regular electric tariff rates will be applied to electric service rendered from that point forward. A new special contract will not be made available to a customer whose previous special contract was terminated because of failure to pay bills as specified in Tariff Rule No. 21.

(C)

For contracts that contain provisions governing the customer's rights under direct access, the Company will unbundle the customer's contract and the customer will be eligible to obtain electricity from an EGS only in accordance with the terms and conditions of the customer's contract. Upon expiration of their contract, special contract customers will default to Rider No. 9 – Day-Ahead Hourly Price Service. **(C)**

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

CONTRACTS, DEPOSITS AND ADVANCE PAYMENTS - (Continued)

5. DEPOSITS AND ADVANCE PAYMENTS The Company reserves the right to require a cash deposit from applicants taking service for a period of less than thirty (30) days, in an amount equal to the estimated gross bill for Company charges, including applicable EGS charges, for such temporary service. The gross bill for Company charges shall include all fixed, demand and energy charges for Company charges in accordance with the applicable tariff. Deposits may be required from all other applicants when creditworthiness has not been established. A deposit may also be required from existing customers when such customer's credit standing is impaired by delinquent payments of any two (2) consecutive electric bills for Company charges or three (3) or more electric bills for Company charges within the preceding twelve (12) months, or as a condition to the reconnection of service or failure to comply with a payment arrangement. Company charges include the customer's EGS receivables that are purchased by the Company. The Company shall not require an applicant or customer who is confirmed to be eligible for a customer assistance program to provide a cash deposit. **(C)**

The Company, at its discretion, may deem a non-residential customer or applicant to be not creditworthy. Evidence that such a customer or applicant is not creditworthy may include, but shall not be limited to, where the customer or applicant: (i) is insolvent (as evidenced by a credit report prepared by a reputable credit bureau or credit reporting agency or public financial data, liabilities exceeding assets or generally failing to pay debts as they become due); (ii) has a class of publicly-traded debt outstanding that is rated to be below investment grade; (iii) has tendered two (2) or more checks that are subsequently dishonored by a payee according to 13 Pa.C.S. § 3502, within the last twelve (12) billing cycles; or (iv) has had an account balance at least sixty (60) days in arrears within the last twelve (12) billing cycles. The Company may require non-residential customers or applicants to provide financial data as reasonably necessary for the Company to assess their creditworthiness. **(C)**

The Company may also use an applicant or customer credit score from a third party credit agency as a means to establish creditworthiness. The credit score in the report will be based in part on previous utility billing history and will use a commercially recognized credit scoring methodology that is within the range of generally accepted industry practices to determine whether security or advance payments are required to establish service. The Company may request a government issued photo ID of any applicant to verify the application.

Where the Company requires a deposit, the amount of the deposit will be based on Company charges in an amount that is equal to one-sixth of the applicant's estimated annual bill or one-sixth of the actual average annual bill for existing customers at the premises, provided that the minimum deposit amount for non-residential customers shall be $250.00. In accordance with Commission regulations, the deposit shall be payable during the 90-day period commencing when the Company determines a deposit is required whether for new service or for deposits required upon reconnection of service as described in Rule No. 40. Failure to pay a required deposit within the time period noted above may result in termination of service consistent with Commission regulations. An applicant or existing customer may furnish a third party guarantor in lieu of a cash deposit, with the provision of a written guaranty setting forth the terms therein. The guarantor will be responsible for all missed payments of the applicant or customer. **(C)** **(C)**

The Company will pay interest on residential cash deposits computed at the simple annual interest rate determined by the Commonwealth of Pennsylvania's Secretary of Revenue. The interest rate in effect when the deposit is required to be paid shall remain in effect until the later of the date the deposit is refunded or credited or December 31. On January 1 of each year, the new interest rate for that year will apply to the deposit. For all other cash deposits, the Company will pay interest at the lower of the average of 1-year Treasury Bills for September, October and November of the previous year beginning May 1, 1995 and January 1, 1996 and each year thereafter, or six percent per annum without deduction for any taxes thereon, provided that interest accrued prior to April 14, 1995 shall be calculated at 6%. On deposits held for more than one year, accrued interest will be paid at the end of each anniversary year. Upon the return of a deposit, any unpaid interest accrued thereon will be paid.

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

CONTRACTS, DEPOSITS AND ADVANCE PAYMENTS - (Continued)

5. DEPOSITS AND ADVANCE PAYMENTS - (Continued)

Deposits secured from a residential applicant or customer shall be returned to the depositor when a timely payment history has been established. A timely payment history is established when a customer has paid undisputed bills in full and on time for twelve (12) consecutive months. Should a customer become delinquent prior to establishing a timely payment history, the Company may deduct the outstanding balance from the deposit. Deposits secured from other than residential customers shall be returned to the depositor upon annual review provided such depositor shall have paid undisputed bills during those consecutive twelve (12) months without having service terminated and without having paid the bill subsequent to the due date so long as the customer is not currently delinquent. Payment of any disputed bill, where the payment is withheld beyond the due date set forth on the face of the bill at issue and the dispute over which is terminated substantially in favor of the customer, shall be made by the customer within fifteen (15) days following the termination of that dispute in order to be deemed timely. Where service is discontinued, the deposit and unpaid interest accrued thereon to the date of discontinuance of service, less the amount of all bills due the Company, will promptly be paid to the customer.

(C)

For purposes of all of the provisions of this Rule No. 5, when a customer resides at a place of business or commercial establishment, legitimately served pursuant to a commercial or industrial rate schedule, that is not a residential dwelling unit attached thereto, the customer is not thereby entitled to any of the protections in the Pennsylvania Public Utility Code or the Commission's regulations implementing the Pennsylvania Public Utility Code, or to any of the provisions of these rules or this Tariff, that apply exclusively to deposits for residential customers. **(C)**

PAYMENT OF OUTSTANDING BALANCE

5a. PAYMENT OF OUTSTANDING BALANCE As a condition of the furnishing of service to an applicant or customer, the payment of any outstanding account amount with the Company for which the applicant or customer is legally responsible is required. The Company may require the payment of an outstanding balance or portion of an outstanding balance as a condition of furnishing service if the applicant or customer resided at the property for which service is requested during the time the outstanding balance accrued and for the time applicant/customer resided there, not exceeding four (4) years from the date that the last bill rendered, except for fraud or theft. The Company may require the applicant or customer to provide, and may establish that an applicant or customer previously resided at a property for which residential service is requested through the use of a mortgage, deed or lease or a commercially available consumer credit reporting service. In addition, the Company may also require and use valid government-issued photo identification, and may use billing/mailing records, court records, factual reporting and Company records where the applicant or customer was listed as a spouse or an occupant of a premise, such as on a customer assistance program enrollment form, a payment arrangement, a power of attorney or authorization or a medical certification. **(C)** **(C)** **~~(C)~~** **(C)** **(C)** **(C)** **(C)** **(C)**

RULES AND REGULATIONS - (Continued)

INSTALLATION OF SERVICE

6. INSTALLATION RULES Except for Nonstandard Service expressly approved in advance by the Company, service installations shall be made in accordance with the Company's "Electric Service Installation Rules," copies of which may be obtained by calling, e-mailing or writing the Company's business office. In addition, the Rules may be accessed at www.duquesnelight.com. **(C)**

6.1 SERVICE POINT The Service Point for the customer's service installation shall depend on the customer's type of service. The Service Point shall generally be designated as follows: **(C)**

Type of Service	Service Point
Service voltage greater than 600V	Metering terminals, or for transformed service, secondary transformer terminals
Overhead service at voltage less than 600V	Service drop
Underground service at voltage less than 600V	For underground service from overhead secondary lines: the service lateral connection to Company pole. For underground service from underground spot networks: the network protector spade(s). For underground service from street secondary underground networks: the collector bus. For three-phase transformed underground service: the secondary transformer terminal. In Underground Residential Developments covered by Rule No. 13.2: the meter base. For other underground service from underground secondary lines: the terminal box.
Any service via lines supported by a customer-owned pole or structure	Point of service line connection to the first customer-owned pole or structure to which Company facilities connect

The Company reserves the right to designate an alternative Service Point, at its sole discretion, for customers with atypical or specialized service configurations, or customers participating in the Company's EV ChargeUp pilot program for electric vehicle charging stations.

The Company shall not be required to install or maintain any conductors, meter base, equipment or apparatus except meter and meter accessories, as applicable, beyond the Service Point.

RULES AND REGULATIONS - (Continued) **(C)**

INSTALLATION OF SERVICE - (Continued)

7. SUPPLY LINE EXTENSIONS

A. Definitions

For the purposes of this rule, the following definitions are applicable:

(1) Contractor cost - The amount paid to a contractor for work performed on a line extension.

(2) Direct labor cost - The pay and expenses of public utility employees directly attributable to work performed on line extensions, but does not include construction overheads or payroll taxes, workers' compensation expenses, or similar expenses.

(3) Direct material cost - The purchase price of materials used for a line extension, but does not include the related stores expenses. In computing direct material costs, proper allowance should be made for unused materials recovered from temporary structures, and discounts allowed and realized in the purchase of materials.

(4) Total construction cost - The contractor cost, direct labor cost, direct material cost, stores expense, construction overheads, payroll taxes, workers' compensation expenses, or similar expenses.

(5) Current Year - For purposes of calculating a revenue guarantee, current year shall be each consecutive period of twelve (12) calendar months following the date permanent electric delivery service was first provided to a customer.

(6) Income Tax - Federal and State tax relating to the tax liability of contributions in aid-of-construction ("CIAC").

B. Overhead Areas

(1) In areas where the existing supply lines are overhead, the Company will construct and maintain extensions of all single-phase overhead supply lines operating at 23,000 volts or less to approximately 100 feet within the customer's property line without a guarantee of revenue. **(C)**

RULES AND REGULATIONS - (Continued)

INSTALLATION OF SERVICE - (Continued)

7. SUPPLY LINE EXTENSIONS - (Continued)

B. Overhead Areas - (Continued)

(2) In areas where the existing supply lines are overhead, the Company will construct and maintain extensions of all three-phase overhead supply lines, operating at 23,000 volts or less, which are usable as a part of its general supply system without a guarantee of revenue. When the three-phase supply line extension is to supply service exclusively to a single customer, such a supply line will be extended to the customer's property line only if a guarantee of revenue is provided by the customer over a period of five years which is sufficient to recover the actual total construction cost of the three-phase overhead line extension, less the estimated total construction cost for an equivalent single-phase overhead line extension. In the event that a revenue guarantee is not sufficient to recover the estimated total cost of the construction, or if the Company determines that the extension is speculative, or the customer represents a credit risk, the Company may require an up-front contribution in aid of construction (CIAC) from the customer to recover the total cost of construction. A customer may choose the option to make a CIAC rather than utilize a revenue guarantee. The Company will consider financing alternatives, such as a letter of credit or other payment arrangements, in lieu of a CIAC when appropriate. Any additional CIAC payment required will include the related income tax.

(C)

C. Underground Areas

(1) In areas where the existing supply lines are underground outside the limits of a residential development covered by Tariff Rule 13.2, the Company will construct and maintain extensions of all single-phase underground supply lines operating at 23,000 volts or less which are usable as part of its general supply system without a guarantee of revenue. When the single-phase supply line extension is to supply electricity exclusively to a single customer, such a supply line will be extended to the customer's property line only if a guarantee of revenue is provided by the customer, over a period of five years which is sufficient to recover the actual total contractor cost, direct labor cost and direct material cost for the full length of the single-phase underground line extension, less the estimated total contractor cost, direct labor cost, and direct material cost for an equivalent single-phase overhead line extension. In the event that a revenue guarantee is not sufficient to recover the estimated total cost of the construction, or if the Company determines that the extension is speculative, or the customer represents a credit risk, the Company may require an up-front contribution in

RULES AND REGULATIONS - (Continued)

INSTALLATION OF SERVICE - (Continued)

7. SUPPLY LINE EXTENSIONS - (Continued)

C. Underground Areas - (Continued)

aid of construction (CIAC) from the customer to recover the total cost of construction. A customer may choose the option to make a CIAC rather than utilize a revenue guarantee. The Company will consider financing alternatives, such as a letter of credit or other payment arrangements, in lieu of a CIAC when appropriate. Any additional CIAC payment required will include the related income tax.

(2) In areas where the existing supply lines are underground outside of the limits of a residential development covered by Tariff Rule 13.2, the Company will construct and maintain extensions of all three-phase underground supply lines operating at 23,000 volts or less which are usable as part of its general supply system without a guarantee of revenue. When the three-phase supply line extension is to supply service exclusively to a single customer, such a supply line will be extended to the customer's property line only if a guarantee of revenue is provided by the customer over a period of five years which is sufficient to recover the actual total construction cost of the three-phase underground line extension, less the estimated total construction cost for an equivalent single-phase overhead line extension. In the event that a revenue guarantee is not sufficient to recover the estimated total cost of the construction, or if the Company determines that the extension is speculative, or the customer represents a credit risk, the Company may require an up-front contribution in aid of construction (CIAC) from the customer to recover the total cost of construction. A customer may choose the option to make a CIAC rather than utilize a revenue guarantee. The Company will consider financing alternatives, such as a letter of credit or other payment arrangements, in lieu of a CIAC when appropriate. Any additional CIAC payment required will include the related income tax.

(C)

D. Rights-of-Way

Before construction of a line extension, satisfactory rights of way and other necessary permits must be granted to the Company for the construction of the supply line extension along the route selected by the Company. The customer agrees to pay the Company any initial and recurring rights-of-way or license fees in excess of an amount normally incurred by the Company in constructing and maintaining the supply line extension.

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

INSTALLATION OF SERVICE - (Continued)

7. SUPPLY LINE EXTENSIONS - (Continued)

E. Revenue Guarantees

The revenue guarantee amount shall be the estimated combined cost of (i) the line extension and (ii) other new Company facilities necessary to serve the customer. The annual revenue guarantee amount shall be the revenue guarantee amount, divided by the number of years in the guarantee period. The annual revenue guarantee amount will be reviewed yearly and will be adjusted to the minimum charges as provided in the applicable rate schedule on the following basis: **(C)** **(C)**

(1) When the total of the monthly Company delivery charges at the end of the current year is less than the annual revenue guarantee amount, a payment equal to the difference plus the related income tax where applicable shall be immediately due and payable.

(2) When the total of the monthly Company delivery charges within the number of years in the guarantee period equals or exceeds the revenue guarantee amount, no further payments toward the revenue guarantee amount are required. Any prior payments in excess of the revenue guarantee amount, except for otherwise-applicable charges for electric service, will be refunded with accrued interest. **(C)** **(C)**

(3) If an additional customer is served from the line extension, the revenue guarantee amount will be reduced to the cost of the line extension which is used exclusively to serve the single customer. If the cost of the line extension to serve the new customer would increase the revenue guarantee amount for an existing customer, the extension shall be considered as a new line extension.

(4) In the event the customer discontinues or cancels service before the end of the guarantee period, the balance of the revenue guarantee amount plus the related income tax where applicable shall be immediately due and payable.

F. Contributions in Aid of Construction

The Contribution in Aid of Construction (CIAC) will be refunded to the customer over the five-year revenue guarantee period to the extent that the revenue from the customer satisfies the revenue guarantee.

(1) When the total of the monthly Company delivery charges at the end of the current year is greater than or equal to one-fifth of the CIAC, a refund of one-fifth of the CIAC will be made to the customer.

(2) When the total of the monthly Company delivery charges at the end of the current year is less than one-fifth of the CIAC, a refund of one-fifth of the CIAC less the revenue shortfall will be made to the customer.

(3) At the end of the five-year revenue guarantee period, a final reconciliation of delivery charges during the period will be made against the CIAC. If the total delivery charges paid exceed or equal the original CIAC, any remaining CIAC will be returned to the customer. If the total delivery charges paid are less than the original CIAC, the remaining CIAC will be retained by the Company.

RULES AND REGULATIONS - (Continued)

INSTALLATION OF SERVICE - (Continued)

8. NONSTANDARD SERVICE The Company reserves the right to require a customer or applicant for service to pay the cost, including the related income tax, of any special installation necessary to meet the unusual requirements of the customer or applicant for service, including, but not limited to: **(C)**

(1) service at other than standard voltages, **(C)**

(2) service for intermittent, unbalanced or fluctuating loads, which, in the Company's sole judgement, would not generate sufficient revenue to recover the installation costs of the required facilities, **(C)**

(3) service for loads that will be continuous but that will generate minimal usage, and which, in the Company's sole judgement, would not generate sufficient revenue to recover the installation costs of the required facilities, **(C)**

(4) service for loads that will require provision of closer voltage regulation than required by standard service, **(C)**

(5) redundant service requested by the customer and not required by the Company, and **(C)**

(6) service routings or configurations that deviate from the Company's standard construction standards described in the Company's "Electric Service Installation Rules," or that would otherwise necessitate significant construction of new Company facilities. **(C)**

The customer or applicant shall pay all costs to the Company of performing environmental assessments, including, but not limited to, the cost of consultants utilized by the Company, the cost of removal and disposal of contamination, waste or hazardous materials or dealing with other adverse environmental conditions associated with either the initial installation, modification, repair, maintenance or removal of service facilities. **(C)**

The Company may decline to provide Nonstandard Service where, in the Company's sole judgment, it would not be commercially, operationally, and/or technically reasonable to provide such service. **(C)**

9. RELOCATIONS OF FACILITIES

A. Pole Removal or Relocation for Residential Customers

When requested by a residential property owner who is not otherwise entitled to receive condemnation damages to cover the cost of the pole removal or relocation or who is not requesting a pole removal or relocation as the result of damages caused by the intentional or negligent conduct of any party, the Company will when it is practicable, subject to the execution and receipt of required easements, licenses or municipal permits, remove or relocate a pole or poles and associated attachments, upon receipt, in advance, of the Company's estimated contractor or direct labor and direct material costs associated with the particular pole removal or relocation, less any maintenance expenses avoided as a result of the pole removal or relocation.

For purposes of this Rule, the following definitions are applicable:

(1) Contractor costs - Amount paid by the utility to a contractor for work performed on a pole removal or relocation.

(C)

RULES AND REGULATIONS - (Continued) **(C)**

INSTALLATION OF SERVICE - (Continued)

9. RELOCATIONS OF FACILITIES – (Continued)

A. Pole Removal or Relocation for Residential Customers – (Continued)

(2) Direct labor costs - Includes pay and expenses of public utility employees directly attributable to work performed on pole removals or relocations. Excludes payroll taxes, workmen's compensation, similar items of expense and construction overhead costs.

(3) Direct materials costs - Includes the purchase price of materials used in performing a pole removal or relocation and excludes the related stores expenses. Proper allowance shall be made for unused materials, and materials recovered from temporary structures, and for discounts allowed and realized in purchase of materials.

(4) Income tax - Federal and State tax relating to the tax liability of contributions in aid-of-construction.

B. Other Company Facilities for all Customers

When requested or required by the action of a customer or a third party, relocation of Company facilities, except those covered under Section A of this Rule, will be performed by the Company upon receipt, in advance, of the Company's estimated total direct and indirect costs including the related income tax of such relocations from the customer or such third party. The Company may waive charges under this rule if, in the Company's judgment, the location of the Company's existing supply line and/or service line on the customer's property restricts the growth of the customer's operations and the potential increase in the Company's revenues.

RULES AND REGULATIONS - (Continued)

MEASUREMENT AND USE OF SERVICE - (Continued)

14.2 CUSTOMER REQUEST FOR SPECIAL METERING – (Continued)

The Company has adopted a program that provides all customers with meters to provide data for normal monthly billing services. In the event that a residential or small commercial customer, or an EGS on behalf of a residential or small commercial customer, requests an upgrade to an Alpha Powerplus meter, which the Company provides for large commercial and industrial customers, installation of that meter will be provided at a cost of $586.00, plus additional costs for the appropriate communication/system infrastructure. These net incremental charges, as set forth in the Company's Advance Meter Catalog, may be paid to the Company by either the customer or the EGS, or jointly by the customer and the EGS pursuant to a mutual agreement.

(C)
(C)

15. INABILITY TO READ RESIDENTIAL METERS When scheduled readings of kilowatt-hour meters are not obtained because of inability to gain access to the meter location, the customer may read his meter and furnish the Company the reading on cards supplied by the Company, or by telephone to the Company, in which case the bill will be rendered on the basis of such reading; otherwise, the Company will estimate the bill. No more than five (5) successive bills will be rendered on readings made by the customer.

15.1 INABILITY TO READ COMMERCIAL OR INDUSTRIAL METERS When scheduled readings of kilowatt-hour and demand meters are not obtained, the Company may render an interim statement for each month until the meters are read.

16. USE OF SERVICE BY CUSTOMER The customer shall use the electric service only at the premise where service is established; and after electric service has been established, shall notify the Company of any change in connected load, demand, or other conditions of use. The customer shall notify the Company of other on site sources of electric generation or electricity concurrently produced as a by-product of another process or electricity produced utilizing renewable resources. Customers who own and operate electric generation equipment shall conform with the Company's "Electric Service Installation Rules," copies of which may be obtained by calling, e-mailing or writing the Company's business office or at www.duquesnelight.com. For customers who own and operate electric generation, the provisions of Rider No. 16 - Service to Non-Utility Generating Facilities and Rider No. 21 - Net Metering Service may also apply.

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

MEASUREMENT AND USE OF SERVICE - (Continued)

18. REDISTRIBUTION All electric energy shall be consumed by the customer to whom the Company supplies and delivers such energy, except that (1) the customer owning and operating a separate office building, and (2) any other customer who, upon showing that special circumstances exist, obtains the written consent of the Company may redistribute electric energy to tenants of such customer, but only if such tenants are not required to make a specific payment for such energy. **(C)**

This Rule shall not affect any practice undertaken prior to June 1, 1965. See Rule No. 41 for special requirements for residential dwelling units in a building.

18.1 ELECTRIC VEHICLE CHARGING For purposes of third party-owned electric vehicle charging stations, charging the electric vehicle shall not be considered redistribution as defined in Rule No. 18 - Redistribution. Electric vehicles are defined as any vehicle licensed to operate on public roadways that are propelled in whole or in part by electrical energy stored on-board for the purpose of propulsion. Types of electric vehicles include, but are not limited to, plug-in hybrid electric vehicles and battery electric vehicles. Electric vehicle charging stations shall be made in accordance with the Company's "Electric Service Installation Rules," a copy of which may be found at www.duquesnelight.com. The station must be designed to protect for back flow of electricity to the Company's electrical distribution circuit as required by Company rules. The Company shall not be liable for any damages associated with operation of the charging station. For stations dedicated solely for the purpose of charging electric vehicles wherein a third party owns the charger and allows an electric vehicle owner to use their facility to charge an electric vehicle, the owner of the charging facility shall notify the Company at least one hundred twenty (120) days in advance of the planned installation date and may be required to install metering for the station as determined by the Company. The third party owner of the station shall be responsible for all applicable Tariff rates, fees and charges. For such installations, the electric vehicle owner shall be responsible for all fees imposed by the owner of the station for charging the electric vehicle.

19. CONTINUITY AND SAFETY The Company will use all reasonable care to provide safe and continuous delivery of electricity but shall not be liable for any damages arising through interruption of the delivery of electricity or for injury to persons or property resulting from the use of the electricity delivered.

BILLS AND NET PAYMENT PERIODS

20. BILLING The Company will render a bill monthly for electric service.

20.1 BILLING OPTIONS Customers who elect to purchase their electricity from an Electric Generation Supplier ("EGS") may choose: (1) Consolidated Billing and receive a single bill from the Company that includes Company charges and EGS charges; or (2) Separate Billing and receive one bill from the Company for Company charges and a second bill from the EGS for EGS charges. The customer's billing option will be communicated to the Company by the EGS, in accordance with the provisions contained in the Company's Supplier Tariff.

20.2 SUMMARY BILLING The Company may, at its discretion and upon customer request, provide Summary Bills in lieu of individual bills to qualifying customers. Summary Bills shall include an abridged summary of electric service usage and charges associated with each meter location. The Company may remove a customer from Summary Billing at its option or at the customer's request. **(C)**

For the purpose of determining whether to provide Summary Billing, the Company may consider, among other factors, whether the read and due dates of the multiple meter locations allow for Summary Billing without adversely affecting the timely payment of bills, and whether Summary Billing would have an adverse financial impact on the Company.

BILLS AND NET PAYMENT PERIODS – (Continued)

20.3 BILLS Bills for electric service are due and payable upon presentation and may be paid with a check or money order and placed in the payment drop box located at the Company's business office, by any of the means listed under the "Billing and Payment Conveniences" as described on Page 2 of the customer's bill or to any of its collecting agencies during the regular office hours of such agencies. For customers who select an EGS and who select the Separate Billing Option, payment of the bill from the EGS is due to the EGS per the EGS terms and conditions. When the meter readings are taken at other than monthly intervals or when the elapsed time between meter readings is substantially greater or less than one month, the rate values applicable to monthly delivery periods will be adjusted. **(C)**

20.4 BUDGET PAYMENT PLAN FOR RESIDENTIAL CUSTOMERS The Budget Payment Plan provides residential customers the option of paying a budget amount each month based on their average monthly charges over a rolling twelve (12) month period. The Budget Payment Plan is available upon request for residential customers not in arrears for payment of service. The Budget Payment Plan will average utility service charges on an estimated annual basis by account and will be reviewed periodically for adjustment. When the Company provides Consolidated EDC Rate Ready Billing, the EGS's charges for conventionally-priced supply service will be included in the customer's Budget Payment Plan. When the Company provides Consolidated EDC Bill Ready Billing, the EGS's charges for conventionally-priced supply service will be included in the customer's Budget Payment Plan at the EGS's election. If the customer elects a dynamically-priced supply product (e.g., time-of-use pricing, real-time pricing, critical-peak pricing, peak-time rebate pricing, etc.) from the EGS, charges will not be included in the customer's Budget Payment Plan unless the customer receives prior authorization from the EGS and is on Consolidated EDC Rate Ready Billing. If a customer fails to pay an outstanding bill by the required due date, the Company may, in its sole discretion, terminate that customer's enrollment in the Budget Payment Plan and the difference owed the Company shall be immediately due. For customers enrolled in the Budget Payment Plan, the Company will reconcile the difference between the actual amount due and the budget amount paid to date in the twelfth month from the date of the Customer's enrollment in the Plan. Reconciliation amounts will be handled in accordance with Pennsylvania Public Utility Commission regulations including 52 Pa. Code § 56.12. **(C)** **(C)**

21. NET PAYMENT Payments placed in the payment drop box at the Company's business office or payments made direct to the Company's collecting agencies will be accepted by the Company in the amount billed as per the terms stated at each respective location. Payments made by mail may be accepted in the amount billed by the Company, at its option, if the payment is received within five (5) days after the due date. A Late Payment Charge will be added to Company charges for failure to make payment of the bill in accord with the above.

21.1 PAYMENT OF BILLS FOR RESIDENTIAL SERVICE The Company will designate a due date on its bill which shall be a business day no less than 20 days from the date of transmittal of the bill. The Company may accommodate changes to due dates for residential customers upon written customer request and when a demonstrated financial burden for the current due date exists for ratepayers receiving Social Security or equivalent monthly checks.

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

BILLS AND NET PAYMENT PERIODS – (Continued)

21.2 PARTIAL PAYMENT OF BILLS For customers who submit payments which are insufficient to cover all of the charges billed by the Company, including EGS charges for those customers who have selected consolidated billing, the Company will apply the payment based upon their outstanding balance, if any, and their current bill, as follows: (1) past due deposit; (2) past-due distribution charges; (3) past-due transmission and supply charges; (4) past due non-basic charges; (5) current deposit; (6) current distribution charges; (7) current transmission and supply charges; and (8) current non-basic charges.

21.3 RETURNED PAYMENT CHARGE If a payment on a Customer's account is returned to the Company unpaid by the Customer's financial institution or another entity responsible for processing payment and cannot be reprocessed by the Company for payment, a $20.00 charge will be added to the Customer's account. If such an occurrence happens a second time within any twelve (12) month period, personal checks and electronic checks will not be accepted by the Company to make the current payment and future payments on the Customer's account until a timely payment history is established by the Customer as defined by 52 Pa. Code § 56.53(b).

COMPANY PROPERTY ON CUSTOMER'S PREMISES

22. ACCESS TO PREMISES Company representatives, who are properly identified, shall have full and free access to the customer's premises at all reasonable times for the purpose of reading Company meters, for inspection and repairs, for removal of Company property, or for any other purpose incident to the service. The **(C)** Company shall have the right to access customer owned facilities and equipment at all hours for the purposes of responding to an emergency, restoring electric service, rendering the electric facilities safe and reliable, or for the purpose of reducing the likelihood of damage to the Company's facilities or equipment. The customer should immediately communicate with the Company in case of any question as to the authority or credentials of Company representatives. A customer's failure to provide access may be grounds for service termination **(C)** pursuant to Rule No. 33 herein.

22.1. VEGETATION MANAGEMENT AND RIGHT-OF-WAY The customer, applicant, or property owner shall **(C)** provide, without charge to the Company, right-of-way and access across property owned or controlled by customer/applicant/property owner, and locations and housings which are suitable, in the opinion of Company, for the construction, reconstruction, maintenance or operation of Company facilities that serve the customer/applicant/property owner. Suitable right-of-way includes, but is not limited to, the right of ingress and egress to and from the electric facilities for any of the purposes aforesaid; and also the right to prune, cut or remove trees, underbrush and other obstructions which, in the judgment of Company, may at any time interfere with the construction, reconstruction, maintenance or operation of the electric facilities, and in connection therewith, the right to treat with herbicides approved for the removal and control of trees, brush and undergrowth. The Company shall also have all of the aforesaid rights related to its provision of underground service to a customer/applicant/property owner, even if the Company does not require the customer/applicant/property owner to execute a formal right-of-way document.

23. CUSTOMER'S RESPONSIBILITY The customer shall protect the property of the Company on the premises and shall not permit access thereto except by authorized representatives of the Company.

24. TAMPERING Where evidence is found that the service wires, meters, switch box or other appurtenances on the customer's premises have been tampered with, the customer shall be required to bear all costs incurred by the Company for investigations and inspections, and for such protective equipment as, in the judgment of the Company, may be necessary (including the relocation of inside metering equipment to an accessible outside location); and in addition, where the tampering has resulted in improper measurement of the electricity delivered, the customer shall be required to pay for such electric delivery service, and any Company supplied electricity, including interest at the Late Payment Charge rate, as the Company may estimate, from available information to have been used but not registered by the Company's meters.

(C)

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

(C)

DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE

25. REPAIRS OR LOSSES The customer shall pay the Company for any repairs to or any loss of the Company's property on the premises when such repairs are necessitated, or loss occasioned, by negligence on the part of the customer or failure to comply with the rules and regulations under which service is furnished. **(C)**

26. ARREARS The Company upon reasonable notice may terminate electric service and remove its equipment from the premises for nonpayment of undisputed Company service charges, Company charges as the default service charges or EGS receivables purchased by the Company up to the amount that the customer would have paid under Default Service rates during the non-payment period, pursuant to Duquesne's Electric Generation Supplier Coordination Tariff Rule No. 12.1.7. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE – (Continued)

26.1 COLLECTION REVIEW The Company shall review accounts for collection purposes as reasonable and appropriate. The Company may pursue all lawful means of collection of accounts as permitted by applicable law.

27. CONTRACTS OR APPLICATIONS Where electric service has been established without the customer first having executed a written contract or application, the Company reserves the right to terminate electric service and remove its equipment from the premises upon reasonable notice in case the customer refuses or neglects to execute a written contract or application when requested so to do by the Company. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

27.1 DEATH OF A RESIDENTIAL CUSTOMER A residential customer shall notify the Company upon the death of any other customer listed on the same residential service account. The Company may request and require proof of death prior to removing the deceased customer from the account. The Company may require evidence of the deceased customer's estate (such as a Decree of Probate) prior to listing the account in the name of the deceased customer's estate. **(C)**

Where a residential service account is listed solely in the name of a deceased customer, and service is not established in the name of the deceased customer's estate or a different customer, the Company may discontinue the service consistent with 66 Pa. C.S. § 1503.

28. DEPOSITS The Company reserves the right to terminate electric service and remove its equipment from the premises upon reasonable notice in case the customer refuses or neglects to post a cash deposit based on Company charges when requested to do so by the Company, as provided under Rule No. 5. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

29. UNDERGROUND SERVICE The Company reserves the right to terminate electric service and remove its equipment from the premises upon reasonable notice when the customer refuses or neglects to provide at his own expense the necessary facilities for receiving underground service, as provided under Rule No. 13.1. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

30. HAZARDOUS AND IMPROPER CONDITIONS The Company may terminate electric service and remove its equipment from the premises if in the judgment of the Company the customer's installation has become dangerous or defective, or if the Company has received a notice from the proper authorities that the customer's equipment is dangerous or defective, or if the customer's equipment or use thereof injuriously affects the equipment of the Company or the Company's service to other customers. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

31. MISREPRESENTATIONS The Company reserves the right to terminate electric service and remove its equipment from the premises in case the customer has made misrepresentations to the Company with respect to the customer's identity or the use of the electric service. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

32. REDISTRIBUTION The Company reserves the right to terminate electric service and remove its equipment from the premises upon reasonable notice in case the customer redistributes the electric service contrary to the provisions set forth in this tariff. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE - (Continued)

33. INACCESSIBILITY The Company may terminate electric service and remove its equipment from the premises upon reasonable notice in case meter readers or other authorized representatives of the Company cannot gain admittance or are refused admittance to the premises for the purposes of reading Company meters, **(C)** inspection and repairs, removal of Company property, responding to an emergency, restoring electric service, **(C)** rendering the electric facilities safe and reliable, or for any other purpose incident to the service or in case the **(C)** customer interferes with Company representatives in the performance of their duties. When a residential **(C)** customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

34. TAMPERING The Company may terminate electric service and remove its equipment from the premises in case the Company's property on the premises has been interfered with, or in case evidence is found that the service wires, meters, switch-box or other appurtenances on the premises have been tampered with. When a residential customer or residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

35. REPAIRS AND LOSSES The Company may terminate electric service and remove its equipment from the premises upon reasonable notice in case the customer shall neglect or refuse to reimburse the Company for repairs to or loss of the Company's property on the premises when such repairs are necessitated, or loss occasioned, by negligence on the part of the customer. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

36. WRITS AND LEVIES The Company reserves the right to terminate electric service and remove its equipment from the premises upon reasonable notice in case a Writ of Execution is issued against the customer, or in case the premises at which service is supplied is levied upon, or in case of assignment or act of bankruptcy on the part of the customer. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

37. INTERRUPTIONS FOR REPAIRS The Company reserves the right to curtail or temporarily interrupt customers' electric service upon prior notice of the cause and expected duration of interruption when it shall become necessary so to do in order that the Company may make repairs, replacements or changes in its equipment on or off the premises of the customers.

38. GOVERNMENTAL AUTHORITY The Company reserves the right to curtail, interrupt, or discontinue electric service without notice in case it becomes necessary for the Company so to do in compliance with any order or request of any governmental authority. Notice of the cause and expected duration of the interruption will be given to affected customers as soon as possible.

39. CURTAILMENT WITHOUT NOTICE The Company reserves the right to curtail, interrupt or discontinue electric service without prior notice to the extent required to meet emergencies. Notice of the cause and expected duration of the interruption will be given to affected customers as soon as possible.

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)

GENERAL PROVISIONS- (Continued)

45.3 SWITCHING BETWEEN LOCATIONS - (Continued)

1. At least one (1) business day notice to the Company is required to effectuate the move. Requests to start service on the same day as the request will not be honored nor will the Company allow customers to back-date service.

2. The move will not be allowed for any overlapping service or gaps in service lasting more than three (3) days.

3. An EGS must currently be providing service on the customer's account and any termination of EGS service prior to the customer's move will preclude continued service from the same EGS at the new location by the Company.

If the above criteria have been met, the Company will advise the customer that their EGS supply service will seamlessly move to their new location and the Company will send a new move transaction to the EGS.

The move may be terminated or voided after the move transaction is complete under certain circumstances, including where the customer: 1.) voids or terminates the new account prior to the service start date; 2.) requests to change the service start date on the new account to a date occurring in the past; or 3.) enrolls with a new EGS on the current account before the connection to the new account occurs. In these instances, the Company will send a drop notification to the EGS.

45.4 STARTING SERVICE WITH AN EGS Customers starting new service with the Company will be permitted to begin supply service with an EGS on their start date subject to meeting the eligibility requirements in Rule No. 45.3 and conditions set forth in this Rule.

The Company will process EGS service to a new customer provided that the customer has met all of the following criteria:

1. the customer has provided notice to the Company at least three (3) business days prior to the start date for new service;

2. the customer will not be permitted to back-date service;

3. the customer has satisfied all requirements to start service at the new location; and

4. the customer has contacted the EGS to initiate supply service.

46. PROVISION OF LOAD DATA The Company will provide to a customer or its authorized representative historical data in accordance with all current regulatory requirements of direct access up to five (5) requests for **(C)**
the same account in a calendar year at no charge. All subsequent requests by the customer, and all requests for **(C)**
historical data by the EGSs or other customer authorized consultant will be provided in accordance with the Supplier Tariff.

47. TAX INDEMNIFICATION If Duquesne Light Company becomes liable under Section 2806(g) or 2809(c) of the Public Utility Code, Pa. C.S. §§ 2806(g) and 2809(f), for Pennsylvania state taxes not paid by an Electric Generation Supplier (EGS), the non-compliant EGS shall indemnify Duquesne for the amount of additional state tax liability imposed upon Duquesne by the Pennsylvania Department of Revenue due to the failure of the EGS to pay or remit to the Commonwealth the tax imposed on its gross receipts under Section 1101 of the Tax Report Code of 1971 or Chapter 28 of Title 66.

(C) – Indicates Change

RATE RS - RESIDENTIAL SERVICE

AVAILABILITY

Available to residential or combined residential and farm customers using the Company's standard low voltage service for lighting, appliance operation, and general household purposes and for commercial or professional activity where associated consumption represents less than 25% of the total monthly usage at the premise.

Available only when supplied at 240 volt (or less) single phase service through a single meter directly by the Company to a single family dwelling or to an individual dwelling unit in a multiple dwelling structure. For the purposes of this rate, a dwelling unit is defined as one or more rooms arranged for the use of one or more individuals for shelter, sleeping, dining, and with permanent provisions for cooking and sanitation.

MONTHLY RATE

DISTRIBUTION CHARGES

Customer Charge .... ~~$16.25~~$12.50 **(I)**

Energy Charge .... ~~6.1147~~ 6.0233 per kilowatt hour **(I)**

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for residential customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the “Calculation of Rate” section in Rider No. 8. Applicability of the Supply rate to residential customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy supply requirements from an EGS will be charged the Distribution Charges by the Company and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the EGS becomes unavailable or during which the customer has not chosen an EGS, the Company will supply electricity at the above Distribution Charges, the Supply Charges in Rider No. 8 and the Transmission Service Charges in Appendix A.

(I) – Indicates Increase

RATE RH - RESIDENTIAL SERVICE HEATING

AVAILABILITY

Available to residential or combined residential and farm customers using the Company's standard low voltage service for lighting, appliance operation, general household purposes and for commercial or professional activity where associated consumption represents less than 25% of the total monthly usage at the premise, and as the sole primary method of space heating except that the space heating system may be supplemented with renewable energy sources such as solar, wind, wood, or hydro.

Available only when supplied at 240 volt (or less) single phase service through a single meter directly by the Company to a single family dwelling or to an individual dwelling unit in a multiple dwelling structure. For the purposes of this rate, a dwelling unit is defined as one or more rooms arranged for the use of one or more individuals for shelter, sleeping, dining, and with permanent provisions for cooking and sanitation.

MONTHLY RATE

DISTRIBUTION CHARGES

Customer Charge .... ~~$16.25~~$12.50 **(I)**

Winter Monthly Rate — For the Billing Months of November through April:

Energy Charge .... ~~4.6451~~ 4.5677 cents per kilowatt hour **(I)**

Summer Monthly Rate — For the Billing Months of May through October:

Energy Charge .... ~~6.1147~~ 6.0233 cents per kilowatt hour **(I)**

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for residential customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the “Calculation of Rate” section in Rider No. 8. Applicability of the Supply rate to residential customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

(I) – Indicates Increase

RATE RA - RESIDENTIAL SERVICE ADD-ON HEAT PUMP

AVAILABILITY

Available to residential or combined residential and farm customers using the Company's standard low voltage service for lighting, appliance operation, general household purposes and for commercial or professional activity where associated consumption represents less than 25% of the total monthly usage at the premise, and an add-on heat pump for space heating. Other energy sources may be used to supplement the add-on heat pump provided that the supplemental energy source is thermostatically controlled to operate only when the outdoor temperature falls to at least 40^{o} F and the add-on heat pump cannot provide the total heating requirements.

Available only when supplied at 240 volt (or less) single phase service through a single meter directly by the Company to a single family dwelling or to an individual dwelling unit in a multiple dwelling structure. For the purposes of this rate, a dwelling unit is defined as one or more rooms arranged for the use of one or more individuals for shelter, sleeping, dining, and with permanent provisions for cooking and sanitation.

MONTHLY RATE

DISTRIBUTION CHARGES

Customer Charge .... ~~$16.25~~$12.50 **(I)**

Winter Monthly Rate — For the Billing Months of November through April:

Energy Charge .... ~~1.5485~~ 1.6394 cents per kilowatt hour **(I)**

Summer Monthly Rate — For the Billing Months of May through October:

Energy Charge .... ~~6.1147~~ 6.0233 cents per kilowatt hour **(I)**

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for residential customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the “Calculation of Rate” section in Rider No. 8. Applicability of the Supply rate to residential customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

(I) – Indicates Increase

RATE GS/GM - GENERAL SERVICE SMALL AND MEDIUM

AVAILABILITY

Available for all the standard electric service taken on a small or medium general service customer's premises for which a residential rate is not available.

MONTHLY RATE FOR NON-DEMAND CUSTOMERS (C)

DISTRIBUTION CHARGES — RATE GS (C)

Customer Charge .... ~~$16.25~~$12.50 (I)

Energy Charge — All kWh .... ~~7.2821~~ 7.3313 cents per kilowatt-hour (I)

MONTHLY RATE FOR DEMAND CUSTOMERS (C)

DISTRIBUTION CHARGES — RATE GM < 25 kW (C)

Customer Charge .... ~~$56.00~~$54.50 (I)

Energy Charge — All kWh .... ~~1.5123~~ 1.3961 cents per kilowatt-hour (I)

Demand Charge — First five (5) kilowatts or less .... No Charge

— Additional kilowatts of Demand .... ~~$7.09~~ $6.54 per kilowatt (I)

DISTRIBUTION CHARGES — RATE GM ≥ 25 kW (C)

Customer Charge .... ~~$67.00~~$65.65 (I)

Energy Charge — All kWh .... ~~0.9381~~ 0.9685 cents per kilowatt-hour (I)

Demand Charge — First five (5) kilowatts or less .... No Charge

— Additional kilowatts of Demand .... ~~$7.09~~$6.54 per kilowatt (I)

RATE GS/GM - GENERAL SERVICE SMALL AND MEDIUM - (Continued)

MONTHLY RATE FOR NON-DEMAND AND DEMAND CUSTOMERS **(C)**

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for customers will be updated through competitive requests for proposal described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the "Calculation of Rate" section in Rider No. 8. Applicability of the Supply rate to non-demand customers, customers **(C)** with monthly demand less than 25 kW and customers with monthly demand equal to or greater than 25 kW shall **(C)** be as described in Rider No. 8 and for the effective periods defined in Rider No. 8.

(C)

A new customer or a customer with limited or no historical data shall be eligible for and assigned to the applicable **(C)** rate based on Duquesne Light's estimate of the customer's monthly usage and/or peak monthly demand for the next twelve (12) month period. In no instance shall a customer be eligible for more than one of Rate GS, Rate GM < 25kW or Rate GM $\geq$ 25 kW at a time.

Rate GS Customers A customer's assignment to Rate GS is for a twelve-month period. The Company shall **(C)** review the customer's rate upon the expiration of such twelve-month period and shall assign the customer to the applicable rate based on a rolling twelve-month average of the customer's usage and billing demand as follows:

- If the customer's average monthly usage is 1,000 kWh or less, and the customer's average monthly **(C)** billing demand is 5 kW or less, the customer shall be assigned to Rate GS.

- If the customer's average monthly usage is greater than 1,000 kWh, or the customer's average monthly **(C)** billing demand is greater than 5 kW, the customer shall be assigned to the Rate GM < 25kW or Rate GM $\geq$ 25 kW, as applicable, effective with the customer's next billing cycle.

Rate GM < 25 kW and Rate GM $\geq$ 25 kW Customers A customer's assignment to Rate GM < 25kW or to Rate **(C)** GM $\geq$ 25 kW is for a period of twelve (12) months or until the customer's next January billing, whichever is longer. Each October, Duquesne Light shall evaluate the customer's average monthly usage and billing demand for the past twelve (12) most recent months, for purposes of determining the customer's rate for the following year.

- If the customer's average monthly usage was 1,000 kWh or less and the customer's average monthly **(C)** billing demand was 5 kW or less, the customer shall be assigned to Rate GS effective with the customer's next January billing.

- If the customer's average monthly billing demand was greater than 5 kW but less than 25 kW, the **(C)** customer shall be assigned to Rate GM < 25 kW effective with the customer's next January billing.

- If the customer's average monthly billing demand was 25 kW or greater, the customer shall be assigned **(C)** to Rate GM $\geq$ 25 kW effective with the customer's next January billing.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

(C) – Indicates Change

RATE GS/GM - GENERAL SERVICE SMALL AND MEDIUM - (Continued)

MONTHLY RATE FOR NON-DEMAND AND DEMAND CUSTOMERS - (Continued) (C)

ELECTRIC CHARGES – (Continued) (C)

Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution Charge by the Company, and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above Distribution and Supply Charges and the Transmission Service Charges in Appendix A.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

MINIMUM CHARGE

The Minimum Charge shall be the sum of the Customer Distribution Charge plus a Demand Charge based on 50% of the current month Billing Demand or 30% of the highest Billing Demand, during the preceding eleven months, whichever is greater, plus the current billing period charges for Company supplied transmission and supply service, if any. The Demand Charge shall be determined using the Distribution Charge only, but shall not be less than the Customer Distribution Charge.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

DETERMINATION OF DEMAND

The demand will be measured where a customer's monthly use exceeds 1,000 kilowatt-hours or where the demand is known to exceed 5 kilowatts. Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen-minute period of greatest kilowatt-hour use during the billing period. Individual demands which exceed 30 kilowatts will be adjusted for power factor by multiplying by

$$\left\{0.8 + \left[0.6 \frac{\text{Reactive Kilovolt - ampere hours}}{\text{Kilowatt - hours}}\right]\right\},$$

where such multiplier will be not less than 1.00 nor more than 2.00. The Billing Demand will be the sum of the individual demands of each metered service, adjusted for power factor as defined above.

CONTRACT PROVISIONS

Contracts will be written for a period of not less than one year.

STANDARD CONTRACT RIDERS

For modifications of the above rate under special conditions, see "Standard Contract Riders."

RATE GMH - GENERAL SERVICE MEDIUM HEATING

AVAILABILITY

Available for all the standard electric service taken on a customer's premises for which a residential rate is not available, where the Company's service is the sole method of space heating, and where the heat loss of the customer's premises is calculated in accordance with the ASHRAE* Handbook of Fundamentals, and where such calculated heat loss converted into kilowatt-hour consumption during the heating season is determined by the Company to be at least 25% of the customer's entire electric energy requirements during the heating season. The space heating system may be supplemented with renewable energy sources such as solar, wind, wood, or hydro.

*American Society of Heating, Refrigerating and Air Conditioning Engineers

MONTHLY RATE (C)

WINTER MONTHLY RATE — FOR THE BILLING MONTHS OF OCTOBER THROUGH MAY (C)

DISTRIBUTION CHARGES (C)

Customer Charge .... ~~$56.00~~$54.50 (I)

Energy Charge — All kWh .... ~~3.1725~~ 2.9609 cents per kilowatt-hour (I)

SUMMER MONTHLY RATE — FOR THE BILLING MONTHS OF JUNE THROUGH SEPTEMBER (C)

DISTRIBUTION CHARGES (C)

Customer Charge .... ~~$56.00~~$54.50 (I)

Energy Charge — All kWh .... ~~1.5123~~ 1.3961 cents per kilowatt-hour (I)

Demand Charge — First five (5) kilowatts or less .... No Charge

— Additional kilowatts of Demand .... ~~$7.09~~ $6.54 per kilowatt (I)

RATE GMH - GENERAL SERVICE MEDIUM HEATING - (Continued)

MONTHLY RATE - (Continued)

(C)

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for customers will be updated through competitive requests for proposal described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the "Calculation of Rate" section in Rider No. 8. Applicability of the Supply rate to non-demand customers, customers **(C)**
with monthly demand less than 25 kW and customers with monthly demand equal to or greater than 25 kW shall **(C)**
be as described in Rider No. 8 and for the effective periods defined in Rider No. 8.

For purposes of determining the monthly rate for demand customers, Duquesne Light shall evaluate the **(C)**
customer's twelve (12) most recent months of monthly billing demand for that customer available in October of the **(C)**
preceding year. If the customer's average monthly billing demand is less than 25 kW in the twelve (12) months, **(C)**
then that customer shall be charged the monthly rate for demand customers less than 25 kW for the next calendar **(C)**
year and automatically assigned to that rate effective with their January billing. If the customer's average monthly **(C)**
demand is 25 kW or greater in the twelve (12) month period, then that customer shall be charged the monthly rate **(C)**
for demand customers equal to or greater than 25 kW for the next calendar year and automatically assigned to **(C)**
that rate as their default service rate effective with their January billing. In no instance shall a customer be eligible for more than one default service offering at a time. A new customer or a customer with limited or no historical data shall be eligible for and assigned to the applicable rate based on Duquesne Light's estimate of the customer's average monthly billing demand for the next twelve (12) month period. **(C)**

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

(C) – Indicates Change

RATE GMH - GENERAL SERVICE MEDIUM HEATING - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC CHARGES – (Continued)

Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution Charge by the Company, and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above Distribution and Supply Charges and the Transmission Service Charges in Appendix A.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

MINIMUM CHARGE

For the months of October through May, the Minimum Charge shall be the Customer Distribution Charge for the first kilowatt, plus a Distribution Charge of ~~$7.09~~ $6.54 per kW, plus the current billing period charges for **(I)** Company supplied transmission and supply service, if any. The Minimum Charge shall not be less than the Customer Distribution Charge. For the months of June through September, the Minimum Charge shall be calculated in accordance with the Minimum Charge provisions in Rate GS/GM.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

DETERMINATION OF DEMAND

The demand will be measured where a customer's monthly use exceeds 1,000 kilowatt-hours or where the demand is known to exceed 5 kilowatts. The demand will be the sum of individual demands of each metered standard service. Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen-minute period of greatest kilowatt-hour use during the billing period. For the months of June through September, demand will be determined as defined in Rate GS/GM.

(I) – Indicates Increase

RATE GL - GENERAL SERVICE LARGE

AVAILABILITY

Available for all the standard electric service taken on a customer's premises where the demand is not less than 300 kilowatts.

MONTHLY RATE

SUPPLY

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 9 – Day-Ahead Hourly Price Service and will be billed in accordance with the terms contained therein. **(C)**

DISTRIBUTION

DEMAND CHARGES

First 300 kilowatts or less of Demand	~~$3,000.00~~$3,180.00	**(I)**
Additional kilowatts of Demand	~~$9.66~~ $8.41 per kW	**(I)**

ELECTRIC CHARGES

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the full Distribution Charge by the Company, and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity pursuant to Rider No. 9 – Day-Ahead Hourly Price Service. **(C)**

Customers who choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

RATE GLH - GENERAL SERVICE LARGE HEATING

AVAILABILITY

Available for all the standard electric service taken on a customer's premises for which a residential rate is not available, where the Company's service is the sole method of space heating, and where the heat loss of the customer's premises is calculated in accordance with the ASHRAE* Handbook of Fundamentals, and where such calculated heat loss converted into kilowatt-hour consumption during the heating season is determined by the Company to be at least 25% of the customer's entire electric energy requirements during the heating season. The space heating system may be supplemented with renewable energy sources such as solar, wind, wood, or hydro.

*American Society of Heating, Refrigerating and Air Conditioning Engineers

MONTHLY RATE

CUSTOMER CHARGE

Customer Distribution Charge..$67.00 **(I)**

SUPPLY

Customers who elect to purchase their electric supply requirements from the Company may do so under the provisions of Rider No. 9 – Day-Ahead Hourly Price Service and will be billed in accordance with the terms contained therein. **(C)**

DISTRIBUTION

For the Billing Months of October through May:

ENERGY CHARGES

All kilowatt-hours ~~2.4828~~ 2.3145 cents per kWh **(I)**

For the Billing Months of June through September:

Rate GL shall apply.

RATE GLH - GENERAL SERVICE LARGE HEATING - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC CHARGES

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the full Distribution Charge by the Company, and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity pursuant to Rider No. 9 – Day-Ahead Hourly Price Service. **(C)**

Customers who choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

MINIMUM CHARGE

For the months of October through May, the Minimum Charge shall be the Customer Distribution Charge for the first kilowatt plus a Distribution Charge of ~~$9.66~~ $8.41 per kW and the charges for Company supplied transmission and supply, if any. For Company supplied transmission and supply, the transmission charges shall be calculated as set forth in Appendix A and the supply charges shall be calculated as set forth under Rider No. 9. The Minimum Charge shall not be less than the Customer Distribution Charge. For the months of June through September, the Minimum Charge shall be calculated in accordance with the Minimum Charge provisions contained in Rate GL. **(I)**

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

RATE L - LARGE POWER SERVICE

AVAILABILITY

Available for all the standard electric service taken on a customer's premises where the Contract Demand is not less than 5,000 kilowatts.

MONTHLY RATE

SUPPLY

Customers who elect to purchase their electric supply requirements from the Company may do so under the provisions of Rider No. 9 – Day-Ahead Hourly Price Service and will be billed in accordance with the terms contained therein. **(C)**

DISTRIBUTION

DEMAND CHARGES

Service Voltage Less than 138 kV:

First 5,000 kilowatts or less of Demand	~~$48,500.00~~$34,900.00	~~**(I)**~~
Additional kilowatts of Demand	~~$11.50~~ $13.12 per kW	**(I)**

(C)

ELECTRIC CHARGES

The Company will provide and charge for Transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the full Distribution Charge by the Company, and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity pursuant to Rider No. 9 – Day-Ahead Hourly Price Service. **(C)**

Customers who choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

RATE L - LARGE POWER SERVICE - (Continued)

VOLTAGE CONTROL PROVISION

The customer shall be required to operate its equipment in such a manner that the voltage fluctuations produced thereby on the Company's system shall not exceed the following limits, the measurements to be made at the Company's substation nearest (electrically) the customer. **(C)**

1. Instantaneous voltage fluctuations, defined as a change in voltage consuming two seconds or less, shall not exceed 1-1/4% more than six times a day, of which not more than one such fluctuation shall occur between 6:00 PM and midnight, and in no case shall such fluctuations exceed 3%.

2. Periodic voltage fluctuations, where the change in voltage consumes a period from 2 seconds to 1 minute, shall not exceed 1-1/4% more than five times an hour, and in no case shall such fluctuations exceed 3%.

(C) – Indicates Change

RATE HVPS - HIGH VOLTAGE POWER SERVICE

AVAILABILITY

Available to customers with Contract On-Peak Demands greater than 5,000 kilowatts where service is supplied at 69,000 volts or higher. **(C)**

MONTHLY RATE

SUPPLY

Customers who elect to purchase their electric supply requirements from the Company may do so under the provisions of Rider No. 9 – Day-Ahead Hourly Price Service and will be billed in accordance with the terms contained therein. **(C)**

DISTRIBUTION

FIXED MONTHLY CHARGE

Up to and Including 50,000 kW Billing Demand	~~$7,482.78~~$2,050.31	**(D)**
50,001 kW to 100,000 kW Billing Demand	~~$11,688.61~~$3,202.72	**(D)**
Greater than 100,000 kW Billing Demand	~~$16,576.26~~$4,541.96	**(D)**

ELECTRIC CHARGES

The Company will provide and charge for Transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the full Distribution Charge by the Company, and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity pursuant to Rider No. 9 – Day-Ahead Hourly Price Service. **(C)**

Customers who choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

RATE HVPS - HIGH VOLTAGE POWER SERVICE - (Continued)

MONTHLY RATE - (Continued)

MINIMUM CHARGE

The Minimum Charge shall be the Demand Charge based on 70% of the Contract On-Peak Demand for transmission and distribution and the Demand Charge as calculated under Rider No. 9 for Company supplied supply. The Demand Charge shall be determined using the Distribution Charge, and the Transmission and Supply Charges associated with Company supplied transmission and supply, if any, but in total not less than the demand charges associated with the first 5,000 kWs or less of demand. **(C)**

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

DETERMINATION OF DEMAND FOR DISTRIBUTION

Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen-minute period of greatest kilowatt-hour use during the billing period. Individual demands will be adjusted for power factor by multiplying by

$$\left\{0.8 + \left[0.6\ \frac{\text{Reactive Kilovolt - ampere hours}}{\text{Kilowatt - hours}}\right]\right\},$$

where such multiplier will be not less than 1.00 nor more than 2.00. The Billing Demand will be the sum of the individual demands of each metered service adjusted for power factor as defined above, but not less than 70% of the Contract On-Peak Demand, nor less than 33 1/3% of the Contract Off-Peak Demand nor less than 5,000 kilowatts, whichever is the greater. **(C)**

ON-PEAK AND OFF-PEAK CONTRACT DEMAND

The Contract On-Peak Demand is the maximum electrical capacity in kilowatts that the Company shall be required by the contract to deliver during the On-Peak hours to the customer.

(C) – Indicates Change

RATE HVPS - HIGH VOLTAGE POWER SERVICE - (Continued)

CONTRACT PROVISION – (Continued)

Where the customer has established an energy management and conservation program and has demonstrated to the satisfaction of the Company that such program has resulted in a reduced demand, the Company will, upon the customer's request, amend the contract to reflect such reduced demand for the purpose of calculating the Minimum Charge, but in no case shall the Billing Demand be reduced to less than 5,000 kilowatts if the customer remains on this rate. **(C)**

VOLTAGE CONTROL PROVISION

The customer shall be required to operate its equipment in such a manner that the voltage fluctuations produced thereby on the Company's system shall not exceed the following limits, the measurements to be made at the Company's substation nearest (electrically) the customer. **(C)**

1. Instantaneous voltage fluctuations, defined as a change in voltage consuming two seconds or less, shall not exceed 1-1/4% more than six times a day, of which not more than one such fluctuation shall occur between 6:00 p.m. and midnight, and in no case shall such fluctuations exceed 3%.

2. Periodic voltage fluctuations, where the change in voltage consumes a period from 2 seconds to 1 minute, shall not exceed 1-1/4% more than five times an hour, and in no case shall such fluctuations exceed 3%.

FACILITIES CHARGE

Customer must pay for all new or additional facilities installed on the premises with the exception of meters and metering equipment.

(C) – Indicates Change

RATE AL - ARCHITECTURAL LIGHTING SERVICE

AVAILABILITY

Available for separately metered circuitry connected solely to outdoor architectural lighting equipment, with demand of 5 kilowatts or greater, to be operated during non-peak periods.

MONTHLY RATE

DISTRIBUTION CHARGES

Customer Charge .... $8.00 **(I)**

Demand Charge .... $1.59 per kilowatt **(I)**

Energy Charge .... 0.2110 cents per kilowatt hour **(I)**

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for Rate AL – Architectural Lighting Service customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the “Calculation of Rate” section in Rider No. 8. Applicability of the Supply rate to Rate AL customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy supply requirements from an EGS will be charged the Distribution Charges by the Company, and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the EGS becomes unavailable or during which the customer has not chosen an EGS, the Company will supply electricity at the above Distribution Charges, the Supply Charges in Rider No. 8 and the Transmission Service Charges in Appendix A.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

(I) – Indicates Increase

RATE AL - ARCHITECTURAL LIGHTING SERVICE - (Continued)

STANDARD CONTRACT RIDERS

For modifications of the above rate under special conditions, see “Standard Contract Riders.”

SPECIAL TERMS AND CONDITIONS

1. The service must supply only non-essential lighting facilities installed for decorative purposes and is not applicable to security lighting or the lighting of streets, highways, parking lots or athletic fields.
2. The lights must be controlled by a device that limits the equipment to operation during dusk to dawn hours only.
3. Responsibility for the provision and maintenance of all equipment used in the decorative lighting will remain with the customer.
4. In the event of a system emergency, the Company reserves the right to curtail the usage under this rate.

(C)

RATE SE - STREET LIGHTING ENERGY

AVAILABILITY

Available for the entire electric energy requirements of municipal street lighting systems where the municipality has not less than 15,000 street lamp installations and provides for the ownership, operation, and maintenance of its own street lamp installations and takes its entire energy requirements for street lighting under this rate.

MONTHLY RATE

DISTRIBUTION CHARGE

Monthly charge per lamp... ~~$2.91~~$2.92 **(I)**

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for Rate SE – Street Lighting Energy customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the "Calculation of Rate" section in Rider No. 8. Applicability of the Supply rate to Rate SE customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy supply requirements from an EGS will be charged the Distribution Charges by the Company and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the EGS becomes unavailable or during which the customer has not chosen an EGS, the Company will supply electricity at the above Distribution Charge, the Supply Charges in Rider No. 8 and the Transmission Service Charges in Appendix A.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

(I) – Indicates Increase

RATE SM - STREET LIGHTING MUNICIPAL

AVAILABILITY

Available for mercury vapor, high pressure sodium and light-emitting diode (LED) lighting of public streets, highways, bridges, parks and similar public places, for normal dusk to dawn operation of approximately 4,200 hours per year.

Mercury vapor street lighting is only available where served prior to January 30, 1983, and continuously thereafter at the same location. Beginning January 1, 2019, replacement of mercury vapor lamps, fixtures or luminaries, including brackets and ballasts, will not be available. In such cases, the customer must take service under one of the available lighting unit options listed below. **(C)** **(C)** **(C)**

A minimum of ten (10) LED lights per customer per individual order is required and must be installed in a contiguous location when replacing existing lighting. **(C)**

The Company shall not be required to install more than 3,000 LED lights annually. **(C)**

MONTHLY RATE

DISTRIBUTION CHARGE — Monthly Rate Per Unit **(C)**

Minimum Nominal Lamp Wattage	Nominal kWh Energy Usage per Unit per Month	Company Owned and Maintained Equipment Distribution Charge per Unit	Customer Owned and Maintained Equipment Distribution Charge per Unit	(C)(C)(C)(C)
Mercury Vapor				
100	44	$12.69	$2.71	(I)(C)
175	74	$12.95	$2.71	(I)(C)
250	102	$13.20	$2.71	(I)(C)
400	161	$13.73	$2.71	(I)(C)
1,000	386	$15.79	$2.71	(I)(C)
Sodium Vapor				
70	29	$13.11	$2.71	(I)(C)
100	50	$13.21	$2.71	(I)(C)
150	71	$13.40	$2.71	(I)(C)
250	110	$13.75	$2.71	(I)(C)
400	170	$14.30	$2.71	(I)(C)
1,000	387	$16.44	$2.71	(I)(C)

(C) – Indicates Change **(I) – Indicates Increase**

RATE SM - STREET LIGHTING MUNICIPAL - (Continued)

MONTHLY RATE – (Continued) **(C)**

DISTRIBUTION CHARGE — Monthly Rate Per Unit - (Continued) **(C)**

Minimum Nominal Lamp Wattage	Nominal kWh Energy Usage per Unit per Month	Company Owned and Maintained Equipment Distribution Charge per Unit	Customer Owned and Maintained Equipment Distribution Charge per Unit	
Light-Emitting Diode (LED) — Cobra Head				**(C)**
45	16	$13.01	$2.71	
60	21	$13.52	$2.71	
95	34	$13.99	$2.71	
139	49	$15.08	$2.71	
219	77	$17.54	$2.71	
275	97	$19.24	$2.71	
Light-Emitting Diode (LED) — Colonial				**(C)**
48	17	$12.18	$2.71	
83	29	$12.18	$2.71	
Light-Emitting Diode (LED) — Contemporary				**(C)**
47	17	$14.19	$2.71	
62	22	$14.19	$2.71	

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for Rate SM – Street Lighting Municipal customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the "Calculation of Rate" section in Rider No. 8. Applicability of the Supply rate to Rate SM customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

(C)

RATE SM - STREET LIGHTING MUNICIPAL - (Continued) **(C)**

MONTHLY RATE – (Continued)

ELECTRIC CHARGES – (Continued) **(C)**

Customers who elect to purchase their electric energy supply requirements from an EGS will be charged the Distribution Charges by the Company and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the EGS becomes unavailable or during which the customer has not chosen an EGS, the Company will supply electricity at the above Distribution Charge, the Supply Charges in Rider No. 8 and the Transmission Service Charges in Appendix A.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before thirty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

POLES

No charge is made for wood poles used jointly for street lighting and the support of the Company's general distribution system or for tubular steel poles, trolley type, used jointly for street lighting and the support of trolley span wires.

Where the installation of one (1) or more wood poles is required to serve the customer, the customer has the option to install the pole(s) at his own expense in accordance with SPECIAL TERM AND CONDITION NO. 2 or the Company will install, own and maintain the pole(s) and bill the customer at the monthly rate of $10.32 for each pole required. **(I)**

CUSTOMER OWNED AND MAINTAINED EQUIPMENT CHARGE **(C)**

A per unit monthly charge whenever the customer or an agent of the customer owns the entire street lighting system, including, but not limited to, the fixture, pole, circuit, controls, and all other related equipment on the load side of the Company's service point or when such facility is provided by a public agency and the customer and/or agent is obligated to operate and maintain such facility.

The street lighting system equipment must be approved by and installed in a manner acceptable to the Company and must be equipped with photocells or other such equipment that permit only dusk-to-dawn operation.

(C) – Indicates Change **(I) – Indicates Increase**

RATE SM - STREET LIGHTING MUNICIPAL - (Continued) **(C)**

MONTHLY RATE – (Continued)

CUSTOMER OWNED AND MAINTAINED EQUIPMENT CHARGE – (Continued) **(C)**

The customer/agent must provide the Company with a written inventory of all street lighting fixtures. This inventory shall include the location, type and wattage rating for each fixture. The customer/agent will update its inventory of lighting fixtures by informing the Company in writing of changes in type, rating, location, and quantity of lighting fixtures as such changes occur and billings will be adjusted accordingly.

The Company reserves the right to inspect the equipment at each location and make prospective adjustments in billing as indicated by such inspections. The Company shall be under no obligation to conduct such inspections for the purpose of determining accuracy of billing or otherwise. The Company's decision not to conduct such inspections shall not release the customer/agent from the obligation to provide to the Company, and to update, an accurate inventory of the types, ratings, and quantities of lighting equipment upon which billing is based.

As this service is a per unit monthly charge, the customer/agent agrees to pay amounts billed in accordance with the current inventory, regardless of whether any of the equipment was electrically operable during the period in question and regardless of the cause of any such equipment's failure to operate.

The contract period is as covered by any existing contract now in effect with the customer/agent. All new contracts shall be for a period of one year.

SPECIAL TERMS AND CONDITIONS

1. The above charges include installation of standard Company facilities including lamps, fixtures or luminaries, brackets and ballasts, all when installed on the overhead distribution system. The above charges include normal operation and maintenance. Normal operation and maintenance does not include periodic tree trimming around the fixture or luminaire.

2. Where it is necessary to install wood, metal, or ornamental poles, or other special facilities or services not in conformance with the Company's standard overhead practice, the additional cost shall be borne by the customer. Title to all facilities, except as noted below, shall vest in the Company.

3. All facilities used in providing street lighting service shall be and remain the property of the Company and may be removed upon termination of service, except that poles, ducts, conduits, manholes and junction boxes shall be the property of and maintained by the customer if they are an integral part of bridges, viaducts or similar structures, or highway project constructed by the joint participation of the customer and other governmental agencies.

4. The customer agrees that the facilities installed under this rate shall not be removed or converted, or the use thereof discontinued by the customer, except upon payment to the Company of the original investment in such facilities, less depreciation to the date of discontinuance of such facilities, less salvage, plus the cost of removal.

5. Non-standard installations. The Company may offer non-standard lighting units and installations in addition to those listed in the Monthly Rate Table. For customers requesting such service, there will be an additional charge, as specified in the customer's contract, based on the incremental cost over that listed in the Monthly Rate Table. **(C)**

(C) – Indicates Change

RATE SH - STREET LIGHTING HIGHWAY

AVAILABILITY

Available for high intensity discharge lighting of state highways for normal dusk to dawn operation of approximately 4,200 hours per year where the highway lighting system acceptable to Duquesne Light Company is installed by the State and ownership of the entire highway lighting system has been transferred to the Company for a nominal consideration.

MONTHLY RATE

DISTRIBUTION CHARGE — Monthly Rate Per Unit (C)

Minimum Nominal Lamp Wattage	Nominal kWh Energy Usage per Unit per Month	Company Owned and Maintained Equipment Distribution Charge per Unit	Customer Owned and Maintained Equipment Distribution Charge per Unit	(C)(C)(C)(C)
Sodium Vapor				
100	50	$12.54	$2.71	(I)(C)
150	71	$12.71	$2.71	(I)(C)
200	95	$12.89	$2.71	(I)(C)
400	170	$13.57	$2.71	(I)(C)
Light-Emitting Diode (LED) — Cobra Head				(C)
60	21	$13.52	$2.71	
95	34	$13.99	$2.71	
139	49	$15.08	$2.71	
219	77	$17.54	$2.71	

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

(C)

RATE SH - STREET LIGHTING HIGHWAY - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC CHARGES **(C)**

The Supply Charges for Rate SH – Street Lighting Highway customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the "Calculation of Rate" section in Rider No. 8. Applicability of the Supply rate to Rate SH customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy supply requirements from an EGS will be charged the Distribution Charges by the Company and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the EGS becomes unavailable or during which the customer has not chosen an EGS, the Company will supply electricity at the above Distribution Charge, the Supply Charges in Rider No. 8 and the Transmission Service Charges in Appendix A.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before thirty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

CUSTOMER OWNED AND MAINTAINED EQUIPMENT CHARGE **(C)**

A per unit monthly charge whenever the customer or an agent of the customer owns the entire street lighting system, including, but not limited to, the fixture, pole, circuit, controls, and all other related equipment on the load side of the Company's service point or when such facility is provided by a public agency and the customer and/or agent is obligated to operate and maintain such facility.

The street lighting system equipment must be approved by and installed in a manner acceptable to the Company and must be equipped with photocells or other such equipment that permit only dusk-to-dawn operation.

(C) – Indicates Change

RATE SH - STREET LIGHTING HIGHWAY - (Continued)

MONTHLY RATE - (Continued)

CUSTOMER OWNED AND MAINTAINED EQUIPMENT CHARGE – (Continued) **(C)**

The customer/agent must provide the Company with a written inventory of all street lighting fixtures. This inventory shall include the location, type and wattage rating for each fixture. The customer/agent will update its inventory of lighting fixtures by informing the Company in writing of changes in type, rating, location, and quantity of lighting fixtures as such changes occur and billings will be adjusted accordingly.

The Company reserves the right to inspect the equipment at each location and make prospective adjustments in billing as indicated by such inspections. The Company shall be under no obligation to conduct such inspections for the purpose of determining accuracy of billing or otherwise. The Company's decision not to conduct such inspections shall not release the customer/agent from the obligation to provide to the Company, and to update, an accurate inventory of the types, ratings, and quantities of lighting equipment upon which billing is based.

As this service is a per unit monthly charge, the customer/agent agrees to pay amounts billed in accordance with the current inventory, regardless of whether any of the equipment was electrically operable during the period in question and regardless of the cause of any such equipment's failure to operate.

The contract period is as covered by any existing contract now in effect with the customer/agent. All new contracts shall be for a period of one year.

SPECIAL TERMS AND CONDITIONS

1. The above charges include operation, normal maintenance and replacement of the entire highway lighting system including conduit, cable, wire, ornamental poles, brackets, fixtures, lamps and photo electric controls.

2. Energy shall be supplied at a standard 120/240 volts from a single point or multiple points of supply satisfactory to the Company. Fixtures operating at higher voltages will not be acceptable. **(C)**

3. The highway lighting system design shall include proper control devices to energize the system, such as individual photo electric controls.

4. If additional highway lighting is to be added to an existing highway lighting system, it shall be installed completely by the customer or the Company will install such facilities at the customer's expense with ownership transferred to the Company for a nominal consideration.

5. In accepting conduit, junction boxes, etc. installed by the State or other governmental agency in bridges, and bridge approaches, the Company accepts no liability for damage to concrete due to deteriorating conduit or junction boxes.

6. The State Department of Transportation or other governmental agency shall provide the necessary drawings of the entire highway lighting system to the Company specifying the type of equipment so that acceptability can be established before contracts are awarded.

(C)

RATE SH - STREET LIGHTING HIGHWAY - (Continued) **(C)**

SPECIAL TERMS AND CONDITIONS - (Continued)

7. The State Department of Transportation or other governmental agency shall furnish any requisite authority necessary to provide for the installation, operation and maintenance of the entire highway lighting system within the highway right-of-way including authority for equipment to stop on the paved portion of the highway.

8. Maintenance and/or replacement of poles and pole equipment in excess of 35 feet is not included, but will be maintained and/or replaced on a time and material basis by the Company. Charges for this will be reimbursed by the customer. All poles in excess of 35 feet high must be equipped with lowering device equipment so that the lighting equipment can be maintained from the ground.

9. Non-standard installations. The Company may offer non-standard lighting units and installations in addition to those listed in the Monthly Rate Table. For customers requesting such service, there will be an additional charge, as specified in the customer's contract, based on the incremental cost over that listed in the Monthly Rate Table. **(C)**

TERM OF CONTRACT

Contracts under this rate shall be for a term of not less than five years.

(C) – Indicates Change

RATE UMS – UNMETERED SERVICE

AVAILABILITY

Available to customers using unmetered standard service at each point of connection for customer-owned and maintained equipment such as traffic signals, communication devices and billboard lighting.

MONTHLY RATE

DISTRIBUTION CHARGES

Customer Charge $10.00

Energy Charge .... ~~1.2822~~ 1.8171 cents per kilowatt hour **(~~D~~I)**

SUPPLY CHARGES

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for Rate UMS – Unmetered Service customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the "Calculation of Rate" section in Rider No. 8. Applicability of the Supply rate to Rate UMS customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8.

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy supply requirements from an EGS will be charged the Distribution Charges by the Company and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the EGS becomes unavailable or during which the customer has not chosen an EGS, the Company will supply electricity at the above Distribution Charges, the Supply Charges in Rider No. 8 and the Transmission Service Charges in Appendix A.

Customers who choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

(~~D~~I) – Indicates Increase~~Decrease~~

RATE PAL - PRIVATE AREA LIGHTING

AVAILABILITY

Available for high pressure sodium lighting and flood lighting of residential, commercial and industrial private property installations including parking lots, for normal dusk to dawn operation of approximately 4,200 hours per year.

MONTHLY RATE

DISTRIBUTION CHARGE - Monthly Rate Per Unit (C)

Minimum Nominal Lamp Wattage	Nominal kWh Energy Usage per Unit per Month	Company Owned and Maintained Equipment Distribution Charge per Unit	Customer Owned and Maintained Equipment Distribution Charge per Unit	
				(C)(C)(C)(C)
High Pressure Sodium				
70	29	$13.11	$2.71	(I)(D)
100	50	$13.21	$2.71	(I)(D)
150	71	$13.40	$2.71	(I)(D)
250	110	$13.75	$2.71	(I)(D)
400	170	$14.30	$2.71	(I)(D)
Flood Lighting				
100	46	$13.11	$2.71	(I)(D)
250	100	$13.72	$2.71	(I)(D)
400	155	~~$14.33~~$14.34	$2.71	(I)(D)
Light-Emitting Diode (LED) — Cobra Head				(C)
45	16	$13.01	$2.71	
60	21	$13.52	$2.71	
95	34	$13.99	$2.71	
139	49	$15.08	$2.71	
219	77	$17.54	$2.71	
275	97	$19.24	$2.71	
Light-Emitting Diode (LED) — Colonial				(C)
48	17	$12.18	$2.71	
83	29	$12.18	$2.71	
Light-Emitting Diode (LED) — Contemporary				(C)
47	17	$14.19	$2.71	
62	22	$14.19	$2.71	
				(C)

RATE PAL - PRIVATE AREA LIGHTING - (Continued)

MONTHLY RATE - (Continued)

SUPPLY CHARGES **(C)**

Customers who elect to purchase their electric supply requirements from the Company will do so under the provisions of Rider No. 8 – Default Service Supply and will be billed in accordance with the terms contained therein.

ELECTRIC CHARGES

The Supply Charges for Rate PAL – Private Area Lighting customers will be updated through competitive requests for proposal as described in Rider No. 8 – Default Service Supply. The Supply rate shall be determined based on the formula described in the "Calculation of Rate" section in Rider No. 8. Applicability of the Supply rate to Rate UMS customers shall be as described in Rider No. 8 and for the effective period defined in Rider No. 8. **(C)**

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Default Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy supply requirements from an EGS will be charged the Distribution Charges by the Company and must purchase their transmission and supply requirements from their selected EGS. Customers may change suppliers or return to the Company for electric supply requirements as defined in Rule No. 45.

For customers who elect to purchase their supply from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the EGS becomes unavailable or during which the customer has not chosen an EGS , the Company will supply electricity at the above Distribution Charge, the Supply Charges in Rider No. 8 and the Transmission Service Charges in Appendix A.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before thirty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

POLES

No charge is made for wood poles used jointly for street lighting and the support of the Company's general distribution system or for tubular steel poles, trolley type, used jointly for street lighting and the support of trolley span wires.

(C) – Indicates Change

RATE PAL - PRIVATE AREA LIGHTING - (Continued)

MONTHLY RATE - (Continued)

POLES – (Continued)

Where the installation of one (1) or more wood poles is required to serve the customer, the customer has the option to install the pole(s) at his own expense in accordance with SPECIAL TERM AND CONDITION NO. 2 or the Company will install, own and maintain the pole(s) and bill the customer at the monthly rate of $10.32 for each pole required. **(I)**

CUSTOMER OWNED AND MAINTAINED EQUIPMENT CHARGE **(C)**

A per unit monthly charge whenever the customer or an agent of the customer owns the entire street lighting system, including, but not limited to, the fixture, pole, circuit, controls, and all other related equipment on the load side of the Company's service point or when such facility is provided by a public agency and the customer and/or agent is obligated to operate and maintain such facility.

The street lighting system equipment must be approved by and installed in a manner acceptable to the Company and must be equipped with photocells or other such equipment that permit only dusk-to-dawn operation.

The customer/agent must provide the Company with a written inventory of all street lighting fixtures. This inventory shall include the location, type and wattage rating for each fixture. The customer/agent will update its inventory of lighting fixtures by informing the Company in writing of changes in type, rating, location, and quantity of lighting fixtures as such changes occur and billings will be adjusted accordingly.

The Company reserves the right to inspect the equipment at each location and make prospective adjustments in billing as indicated by such inspections. The Company shall be under no obligation to conduct such inspections for the purpose of determining accuracy of billing or otherwise. The Company's decision not to conduct such inspections shall not release the customer/agent from the obligation to provide to the Company, and to update, an accurate inventory of the types, ratings, and quantities of lighting equipment upon which billing is based.

As this service is a per unit monthly charge, the customer/agent agrees to pay amounts billed in accordance with the current inventory, regardless of whether any of the equipment was electrically operable during the period in question and regardless of the cause of any such equipment's failure to operate.

The contract period is as covered by any existing contract now in effect with the customer/agent. All new contracts shall be for a period of one year.

SPECIAL TERMS AND CONDITIONS

1. The above charges include installation of standard Company facilities including lamps, fixtures or luminaries, brackets and ballasts, all when installed on the overhead distribution system. The above charges include normal operation and maintenance. Normal operation and maintenance does not include periodic tree trimming around the fixture or luminaire.

2. Where it is necessary to install wood, metal, or ornamental poles, or other special facilities or services not in conformance with the Company's standard overhead practice, the additional cost shall be borne by the customer. Title to all facilities, except as noted below, shall vest in the Company.

3. All facilities used in providing street lighting service shall be and remain the property of the Company and may be removed upon termination of service.

(C)

RATE PAL - PRIVATE AREA LIGHTING - (Continued) **(C)**

SPECIAL TERMS AND CONDITIONS – (Continued)

4. The customer agrees that the facilities installed under this rate shall not be removed or converted, or the use thereof discontinued by the customer, except upon payment to the Company of the original investment in such facilities, less depreciation to the date of discontinuance of such facilities, less salvage, plus the cost of removal.

5. Non-standard installations. The Company may offer non-standard lighting units and installations in addition to those listed in the Monthly Rate Table. For customers requesting such service, there will be an additional charge, as specified in the customer's contract, based on the incremental cost over that listed in the Monthly Rate Table. **(C)**

(C) – Indicates Change

STANDARD CONTRACT RIDERS – (Continued)

RIDER MATRIX

	RS	RH	RA	GS/GM	GMH	GL	GLH	L	HVPS	AL	SE	SM	SH	UMS	PAL	
Rider No. 1	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Rider No. 2				X	X	X	X									
Rider No. 3				X	X	X	X	X								
Rider No. 4																**(C)**
Rider No. 5	X	X	X													
Rider No. 6				X												
Rider No. 7																**(C)**
Rider No. 8	X	X	X	X	X					X	X	X	X	X	X	
Rider No. 9						X	X	X	X							
Rider No. 10	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Rider No. 11				X		X										
Rider No. 12				X	X											
Rider No. 13				X												
Rider No. 14	X															
Rider No. 15																
Rider No. 15A	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Rider No. 16				X	X	X	X	X								
Rider No. 17						X	X	X	X							
Rider No. 18	X	X	X	X	X	X	X									
Rider No. 19																
Rider No. 20	X	X	X	X	X	X	X	X	X	X						
Rider No. 21	X	X	X	X	X	X										
Rider No. 22	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Appendix A	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	

Rider Titles:

Rider No. 1 — Retail Market Enhancement Surcharge
Rider No. 2 — Untransformed Service
Rider No. 3 — School and Government Service Discount Period
Rider No. 4 — Intentionally Left Blank **(C)**
Rider No. 5 — Universal Service Charge
Rider No. 6 — Temporary Service
Rider No. 7 — Intentionally Left Blank **(C)**
Rider No. 8 — Default Service Supply
Rider No. 9 — Day-Ahead Hourly Price Service
Rider No. 10 — State Tax Adjustment
Rider No. 11 — Street Railway Service
Rider No. 12 — Billing Option – Volunteer Fire Companies and Nonprofit Senior Citizen Centers
Rider No. 13 — General Service Separately Metered Electric Space Heating Service
Rider No. 14 — Residential Service Separately Metered Electric Space and Water Heating
Rider No. 15 — Intentionally Left Blank
Rider No. 15A — Phase III Energy Efficiency and Conservation Surcharge
Rider No. 16 — Service to Non-Utility Generating Facilities
Rider No. 17 — Emergency Energy Conservation
Rider No. 18 — Rates for Purchase of Electric Energy from Customer-Owned Renewable Resources Generating Facilities
Rider No. 19 — Intentionally Left Blank
Rider No. 20 — Smart Meter Charge
Rider No. 21 — Net Metering Service
Rider No. 22 — Distribution System Improvement Charge ("DSIC")
Appendix A — Transmission Service Charges

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 1 – RETAIL MARKET ENHANCEMENT SURCHARGE

(Applicable to all Rates)

The Retail Market Enhancement Surcharge (“RMES”) is instituted as a cost recovery mechanism to recover all eligible costs incurred by the Company associated with implementing Commission-mandated activities, programs, projects, services etc. to enhance the competitive energy market in Pennsylvania. As an example, some of the mandated activities may be found in, but are not limited to, Commission Order’s at Docket No. I-2011-2237952, Docket No. M-2013-2355751, and Docket No. M-2014-2401345. The RMES shall remain in effect to recover all expenses associated with Commission-mandated consumer education and retail market enhancement activities that are directed by the Commission to be recovered through the RMES or other Commission-approved mechanism and that are not otherwise being recovered in base rates. Consumer education activities shall also include those expenses to educate low-income and Customer Assistance Program (“CAP”) customers about shopping in the retail market. The RMES will be recomputed annually and filed, to be effective June 1 of each year, unless the new rate is such a small change as to warrant no change in rates. The RMES shall be applied to all customers’ bills. The RMES process will reconcile actual expense with revenue billed in accordance with this Rider. **(C)**

MONTHLY RETAIL MARKET ENHANCEMENT SURCHARGE RATES

(C)

Tariff Rate Class	Monthly RME Surcharge per Customer (cents)
Rate RS	(2.00)
Rate RH	(2.00)
Rate RA	(2.00)
Rate GS	(1.00)
Rate GM < 25 kW	(1.00)
Rate GM > 25 kW	(3.00)
Rate GMH < 25 kW	(1.00)
Rate GMH > 25 kW	(3.00)
Rates GL, GLH, L and HVPS	(1.00)
Rates AL, SE, UMS, SM, SH and PAL	(5.00)

CALCULATION OF RATES

The RMES, calculated independently for each customer class in this Tariff, shall be applied to all customers served under the Tariff. The RMES shall be determined in cents per month in accordance with the formula set forth below and shall be applied to all customers served during any part of a billing month:

$$\mathbf{RMES = [\ ((RME - e) / (C * 12) * 100)\ ] * [\ 1 / (1 - T)\ ]}$$ **(C)**

Where **RMES** = Retail Market Enhancement Surcharge, a fixed charge in cents per month, to be billed to each customer served under the applicable Tariff rate class.

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 1 – RETAIL MARKET ENHANCEMENT SURCHARGE – (Continued)

(Applicable to all Rates)

CALCULATION OF RATES – (CONTINUED)

RME = Projected annual expenses associated with retail market enhancement, consumer education activities and CAP customer education mandated by the Commission in dollars for each customer class for the filing year. CAP customer education dollars shall be assigned to the Residential customer class for cost recovery purposes. **(C)**

C **=** Projected average number of customers per customer class for the filing year.

e **=** The net overcollection or undercollection of the consumer education and retail market enhancement related expenses directed by the Commission as computed for each customer class as of the end of the reconciliation year.

T **=** The Pennsylvania Gross Receipts Tax in effect during the billing month, expressed in decimal form.

ANNUAL UPDATE

The RMES defined herein will be updated effective June 1 of each year unless, upon determination, the rates then in effect would result in a significant over or under collection. On or about January 31, the Company will file a reconciliation of the revenue and expense for the previous calendar year. On or about April 1 of the filing year, the Company will file revised RMES rates with the Commission defining rates in effect from June 1 to May 31 of the following year. These rates shall be determined based on the projected budget and number of customers for the filing year and the over or under collection of expenses based on actual RMES revenue and expense incurred for the previous calendar year, the reconciliation year. If it is determined that a significant over or under collection will occur, the Company shall file a revised RMES to become effective on no less than ten (10) day notice.

MISCELLANEOUS

No interest will be included in the RMES.

Rider No. 10 – State Tax Adjustment Surcharge (STAS) shall be applicable to the surcharge defined in this Rider.

The RMES will be added to the monthly Customer Charge of each rate schedule or added as a line item on the monthly bill, as applicable.

The Company shall file reconciliation statements annually.

The RMES shall be subject to review and audit by the Commission.

The RMES shall remain in effect until otherwise directed by the Commission and until the final reconciliation statement is approved and charges fully recovered.

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued) **(C)**

THIS PAGE INTENTIONALLY LEFT BLANK

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 5 – UNIVERSAL SERVICE CHARGE
(Applicable to Rate Schedules RS, RH and RA)

APPLICABILITY

The Universal Service Charge ("USC") is instituted as a cost recovery mechanism to recover the costs incurred by the Company to provide its Commission approved Universal Service and Energy Conservation Plan. The USC shall be applicable to all residential customers who take distribution service under Rate Schedules RS, RH and RA except for residential customers in the Company's Customer Assistance Program ("CAP"). The USC provides for the recovery of the costs, excluding internal administrative costs, associated with universal service programs provided by the Company to residential customers. The USC shall be determined to the nearest one-thousandth of one (1) cent per kilowatt-hour ("kWh") in accordance with the formula set forth below and shall be applied to all kilowatt-hours delivered during the billing month. The USC is a non-bypassable charge.

RATE

In addition to the charges provided in this Tariff, an amount of 0.972 cents per kilowatt-hour shall be added to the distribution energy charges per kilowatt-hour of each applicable rate schedule to determine the total per kilowatt-hour charge. The USC shall not be applicable to customers enrolled in the Company's CAP.

CALCULATION OF CHARGE

$$USC = [\ (US_c - Cr - E) / S_{Res}\ ] * 100 * [1 / (1 - T)\ ]$$

Where: USC = The charge, in cents per kilowatt-hour, to be applied to each kilowatt-hour delivered to all applicable non-CAP customers who take distribution service under the residential retail rate schedules under this Tariff.

US_c = Universal Service Program costs, which are the estimated direct and external administrative costs to be incurred by the Company to provide Universal Service to customers for the USC Computational Year. Such costs shall include, but are not limited to, preparation of the Needs Assessment, Universal Service Plan development, Impact Evaluation and educational materials. Universal Service Programs include the following programs which may change from time to time:

- Customer Assistance Program ("CAP"): CAP costs will be calculated to include the projected CAP discount and CAP program costs for the Computational Year. The total CAP discount will be based on the annual average discount from the previous year, the Reconciliation Year, multiplied by the projected average number of CAP program participants during the Computational Year. **(C)**

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 5 – UNIVERSAL SERVICE CHARGE - (Continued)
(Applicable to Rate Schedules RS, RH and RA)

CALCULATION OF CHARGE – (Continued)

The projected customer additions to the CAP program during the Computational Year will be based on the number of CAP customers receiving a discount at the end of the Reconciliation Year plus a projection of the average monthly number of CAP customers during the Computational Year. The projected number of CAP customers will include net additions to the program (additions minus exits), and a projection of customers enrolled through expected changes in policy (e.g. changes in the definition of poverty, changes in regulatory mandates). The projected CAP program costs will include the estimated costs for new applications, maintenance and annual recertification, and the projected CAP pre-program arrearages to be forgiven and written off during the USC Computational Year. **(C)** **(C)** **(C)** **(C)**

- Smart Comfort Program [Low Income Usage Reduction Program ("LIURP")]: LIURP costs will be calculated based on the projected number of homes that participate in the usage reduction program and the average cost per visit.
- Customer Assistance and Referral Evaluation Services ("CARES"): CARES costs will be calculated based on the projected annual Community Based Organization ("CBO") program costs and CBO costs for administering the program.
- Hardship Fund: Hardship Fund costs will be calculated based on the projected annual program costs and CBO costs for administering the program.
- Any other replacement or Commission-mandated Universal Service Program or low income program that is implemented during the Reconciliation or Computational Year.

Cr = A credit to reduce CAP customer discounts included in the USC to the extent that the monthly CAP enrollment level exceeds 39,088 customers. Specifically, the recoverable CAP discounts will be reduced by the number of CAP participants in excess of 39,088 times the average CAP credit and arrearage forgiveness costs times 10.43%. The participation level above which the offset shall be applied will be reset in each distribution rate case. **(C)** **(C)**

E = The over- or under- collection of actual Universal Service Program costs and revenue that result from the billing of the USC during the USC Reconciliation Year (an over-collection is denoted by a positive E and an under-collection by a negative E), including applicable interest. Interest shall be computed monthly at the statutory legal rate of interest, from the month the over or under collection occurs to the effective month that the over collection is refunded or the under collection is recouped.

(C) – Indicates Change

STANDARD CONTRACT RIDERS – (Continued) **(C)**

THIS PAGE INTENTIONALLY LEFT BLANK

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 – DEFAULT SERVICE SUPPLY – (Continued)

(Applicable to Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL)

DEFAULT SERVICE SUPPLY RATE – (Continued)

Lighting

(Rate Schedules SM, SH and PAL)

Lamp wattage as available on applicable rate schedule.

June 1, 2017 through May 31, 2018, June 1, 2018 through May 31, 2019 and (C)
January 1, 2019 through May 31, 2019 (C)

		Application Period				
Wattage	Nominal kWh Energy Usage per Unit per Month	06/01/2017 through 11/30/2017	12/01/2017 through 05/31/2018	06/01/2018 through 11/30/2018	12/01/2018 through 05/31/2019	01/01/2019 through 05/31/2019 (C)
Supply Charge ¢ per kWh		3.7939	3.8177	3.6653	X.XXXX	X.XXXX
		Fixture Charge — $ per Month				
Mercury Vapor						
100	44	1.67	1.68	1.61	X.XX	—
175	74	2.81	2.83	2.71	X.XX	—
250	102	3.87	3.89	3.74	X.XX	—
400	161	6.11	6.15	5.90	X.XX	—
1000	386	14.64	14.74	14.15	X.XX	—
High Pressure Sodium						
70	29	1.10	1.11	1.06	X.XX	—
100	50	1.90	1.91	1.83	X.XX	—
150	71	2.69	2.71	2.60	X.XX	—
200	95	3.60	3.63	3.48	X.XX	—
250	110	4.17	4.20	4.03	X.XX	—
400	170	6.45	6.49	6.23	X.XX	—
1000	387	14.68	14.77	14.18	X.XX	—
Flood Lighting - Unmetered						
70	29	1.10	1.11	1.06	X.XX	—
100	46	1.75	1.76	1.69	X.XX	—
150	67	2.54	2.56	2.46	X.XX	—
250	100	3.79	3.82	3.67	X.XX	—
400	155	5.88	5.92	5.68	X.XX	—
Light-Emitting Diode (LED) — Cobra Head						(C)
45	16	—	—	—	—	X.XX
60	21	—	—	—	—	X.XX
95	34	—	—	—	—	X.XX
139	49	—	—	—	—	X.XX
219	77	—	—	—	—	X.XX
275	97	—	—	—	—	X.XX
Light-Emitting Diode (LED) — Colonial						
48	17	—	—	—	—	X.XX
83	29	—	—	—	—	X.XX (C)
Light-Emitting Diode (LED) — Contemporary						
47	17	—	—	—	—	X.XX
62	22	—	—	—	—	X.XX (C)

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 – DEFAULT SERVICE SUPPLY – (Continued)

(Applicable to Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL)

DEFAULT SERVICE SUPPLY RATE – (Continued)

Lighting — (Continued)

(Rate Schedules SM, SH and PAL)

Lamp wattage as available on applicable rate schedule.

June 1, 2019 through May 31, 2020 and June 1, 2020 through May 31, 2021

		Application Period				
Wattage	**Nominal kWh Energy Usage per Unit per Month**	**06/01/2019 through 11/30/2019**	**12/01/2019 through 05/31/2020**	**06/01/2020 through 11/30/2020**	**12/01/2020 through 05/31/2021**	
Supply Charge ¢ per kWh		X.XXXX	X.XXXX	X.XXXX	X.XXXX	
		Fixture Charge — $ per Month				
Mercury Vapor						
100	44	X.XXXX	X.XXXX	X.XX	X.XX	
175	74	X.XXXX	X.XXXX	X.XX	X.XX	
250	102	X.XXXX	X.XXXX	X.XX	X.XX	
400	161	X.XXXX	X.XXXX	X.XX	X.XX	
1000	386	X.XXXX	X.XXXX	X.XX	X.XX	
High Pressure Sodium						
70	29	X.XXXX	X.XXXX	X.XX	X.XX	
100	50	X.XXXX	X.XXXX	X.XX	X.XX	
150	71	X.XXXX	X.XXXX	X.XX	X.XX	
200	95	X.XXXX	X.XXXX	X.XX	X.XX	
250	110	X.XXXX	X.XXXX	X.XX	X.XX	
400	170	X.XXXX	X.XXXX	X.XX	X.XX	
1000	387	X.XXXX	X.XXXX	X.XX	X.XX	
Flood Lighting - Unmetered						
70	29	X.XXXX	X.XXXX	X.XX	X.XX	
100	46	X.XXXX	X.XXXX	X.XX	X.XX	
150	67	X.XXXX	X.XXXX	X.XX	X.XX	
250	100	X.XXXX	X.XXXX	X.XX	X.XX	
400	155	X.XXXX	X.XXXX	X.XX	X.XX	
Light-Emitting Diode (LED) — Cobra Head						**(C)**
45	16	X.XX	X.XX	X.XX	X.XX	
60	21	X.XX	X.XX	X.XX	X.XX	
95	34	X.XX	X.XX	X.XX	X.XX	
139	49	X.XX	X.XX	X.XX	X.XX	
219	77	X.XX	X.XX	X.XX	X.XX	
275	97	X.XX	X.XX	X.XX	X.XX	
Light-Emitting Diode (LED) — Colonial						
48	17	X.XX	X.XX	X.XX	X.XX	
83	29	X.XX	X.XX	X.XX	X.XX	**(C)**
Light-Emitting Diode (LED) — Contemporary						
47	17	X.XX	X.XX	X.XX	X.XX	
62	22	X.XX	X.XX	X.XX	X.XX	**(C)**

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 – DEFAULT SERVICE SUPPLY – (Continued)

(Applicable to Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL)

CONTINGENCY PLAN

In the event Duquesne receives bids for less than all Tranches or the Commission does not approve all or some of the submitted bids or in the event of supplier default, then Duquesne will provide the balance of the default supply for commercial and industrial customers through purchases in the PJM spot markets until such time that a different contingency plan is approved by the Commission. Duquesne will submit to the Commission within fifteen (15) days after any such occurrence an emergency plan to handle any default service shortfall. All costs associated with implementing the contingency plan will be included as part of the DSS described in the section below, "Calculation of Rate."

CALCULATION OF RATE

DSS rates shall be determined based on the formula described in this section. The DSS shall be filed with the Commission no less than sixty (60) days prior to the start of the next Application Period as defined under the Default Service Supply Rate section of this Rider. Rates are reconciled on a semi-annual basis in accordance with the Default Service Supply Rate section of this Rider. The rates shall include an adjustment to reconcile revenue and expense for each Application Period. The DSS shall be determined to the nearest one-thousandth of one (1) mill per kilowatt-hour in accordance with the formula set forth below and shall be applied to all kilowatt-hours billed for default service provided during the billing month:

$$\mathbf{DSS = [(RFP + SLR + (DSS_a + E))/S) * F] * [1/(1 – T)]}$$

Where:

DSS = Default Service Supply rate, converted to cents per kilowatt-hour, to be applied to each kilowatt-hour supplied to customers taking default service from the Company under this Rider.

RFP = The weighted average of the winning bids received in a competitive request for proposal for each customer class identified above and described in the "Default Service Supply Rate" section and adjusted for customer class transmission and distribution line losses. The request for proposal shall be conducted as described in "Procurement Process."

DSSa = The total estimated direct and indirect costs incurred by the Company to acquire DSS from any source on behalf of customers described above in the "Procurement Process." The Application Period shall be for each period over which the DSS, as computed, will apply. Projections of the Company's costs to acquire default supply for the Application Period shall include all direct and indirect costs of generation supply to be acquired by the Company from any source plus any associated default service supply-related procurement and administration costs. Company costs may also include the expenses to support time-of-use ("TOU") programs offered by EGSs. Time-of-use expenses will be assigned to the applicable customer class for recovery through this Rider. Default service supply-related costs shall include the cost of preparing the company's default service plan filing and working capital costs associated with default service supply. The Company will recover these costs over the default service plan period as defined **(C)**
in the Commission's order at Docket No. R-2018-3000124.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 9 – DAY-AHEAD HOURLY PRICE SERVICE – (Continued)

(Applicable to Rates GL, GLH, L and HVPS and Generating Station Service)

MONTHLY CHARGES – (Continued)

PJM Ancillary Service Charges and Other PJM Charges – (Continued)

PJM_S= PJM Surcharge is a pass-through of the charges incurred by the Company for grid management and administrative costs associated with membership and operation in PJM. These are the charges incurred by the Company under PJM Schedules 9 and 10 to provide hourly price service.

R_D = Reactive supply service charge in $/MW-day to serve the customer's load as calculated under the PJM Tariff Schedule 2.

B_D = Blackstart service charge in $/MW-day to serve the customer's load as calculated under the PJM Tariff Schedule 6A.

Fixed Retail Administrative Charge

FRA = The Fixed Retail Administrative Charge in $ per MWH. The Fixed Retail Administrative Charge consists of the sum of administrative charges for the suppliers providing hourly price service (as determined by a competitive solicitation process) and for the Company to obtain supply and administer this service. Default service supply-related costs shall include the cost of preparing the company's default service plan filing and working capital costs associated with default service supply. The Company will recover these costs over the default service plan period as defined in the Commission's order at Docket No.R-2018-3000124. **(C)**

The supplier charges shall be based on the winning bids in the Company's most recent solicitation for supply of hourly price default service.

The Company's administrative charges shall be based on an amortization of the costs incurred by the Company to acquire generation supply from any source for the Large C&I Customer Class during the most recent twelve-month (12-month) period ended May 31st (as determined by amortizing such costs over a 12-month period) plus the amortization of the cost of administering the hourly price service over the duration of the default service plan, including any unbundled costs of preparing the Company's default service plan filing and working capital costs associated with default service supply.

This charge shall also include the Company's costs associated with any Commission approved solar contracts and its administration, if applicable, in $ per MWh. The proceeds of any solar energy, capacity, ancillary services and solar AECs that are acquired and in excess of those allocated to default service suppliers, and sold into the market, will be netted against solar contract costs.

Application Period	FRA $/MWH
June 1, 2017 through May 31, 2018	$1.77
June 1, 2018 through May 31, 2019	$1.74
June 1, 2019 through May 31, 2020	$X.XX
June 1, 2020 through May 31, 2021	$X.XX

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 10 - STATE TAX ADJUSTMENT

(Applicable to All Rates)

In addition to the charges provided in this Tariff, a two-part surcharge will apply to all bills rendered by the Company, pursuant to the Pennsylvania Public Utility Commission authorization of March 10, 1970, to compensate the Company for new and increased taxes imposed by the General Assembly.

Part 1 of the surcharge, at a rate of 0.0000% will include Capital Stock Tax, Corporate Net Income Tax, and Public Utility Realty Tax, which will be applied to the distribution charges of customer bills. **(I)**

Part 2 of the surcharge, at a rate of 0.0000% will include Gross Receipts Tax and will be applied to all portions of customer bills.

The Company will recompute the surcharge using the elements prescribed by the Commission's March 10, 1970, authorization:

1. Whenever any of the tax rates used in computing the surcharge is changed, in which case the recomputation shall take into account the changed tax rate.

2. Whenever the Company makes effective increased or decreased rates (other than net energy clause), in which case the recomputation shall take into account the adjustments prescribed by the Commission's March 10, 1970, authorization.

3. On December 22, and each year thereafter.

Every recomputation made pursuant to the above paragraph shall be submitted to the Commission within ten (10) days after the occurrence of the event or date which occasions such recomputation: and if the recomputed surcharge is less than the one then in effect the Company will, and if the recomputed surcharge is more than the one then in effect the Company may, accompany such recomputation with a Tariff or supplement to reflect such recomputed surcharge, the effective date of which, shall be ten (10) days after filing.

(I) – Indicates Increase

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 13 - GENERAL SERVICE SEPARATELY METERED ELECTRIC SPACE HEATING SERVICE

(Applicable to Rate GS/GM)

AVAILABILITY

Available for separately metered circuitry connected to electric space heating devices limited to electric resistance heaters, add-on heat pumps, heat pump compressors, system fans, pumps and controls except where the customer uses the Company's service for water heating, then water heating may also be included on the circuit. The space heating service may be provided at the same voltage as other electric service.

MONTHLY RATE

ENERGY CHARGES

For the billing months of November through April, all kilowatt-hours will be billed the applicable kilowatt-hour Monthly Energy Charges of Rate GS/GM. The applicable Monthly Energy Charge will be determined based on the customer's monthly demand, including the demand associated with the separately metered electric space heating, as described in the Electric Charges section of Rate GS/GM. Customers who purchase their electric supply requirements from the Company will be billed the applicable transmission energy charges of Appendix A and the applicable energy charges of Rider No. 8 – Default Service Supply. For the billing months of May through October, Rate GS/GM will apply. **(C)**

METER CHARGE...$13.21 per month

The customer will be responsible for any necessary wiring, structural or equipment changes or relocations to allow the isolation and metering of the electric space heating system.

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 20 – SMART METER CHARGE

(Applicable to Rates RS, RH, RA, GS/GM, GMH, GL, GLH, L, HVPS and AL)

PURPOSE

The Smart Meter Charge ("SMC") is instituted as a cost recovery mechanism to recover all costs to implement the Company's Smart Meter Procurement and Implementation Plan ("Plan"). The SMC has been added per Commission Order at Docket No. M-2009-2123948. Act 129 ("Act") became effective November 14, 2008, requiring all Pennsylvania electric distribution companies ("EDCs") with more than 100,000 customers to implement smart meters. Act 129 set forth the timeline for implementation, the definition of smart meters and the provisions for full and current cost recovery of all costs incurred by EDCs to install and make fully functional a smart meter system defined in and required by Act 129. The Company filed its Plan on August 14, 2009, in compliance with the Act, including this Charge and provisions for cost recovery. This Charge shall be updated as described below to recover all costs associated with implementing the Plan.

The SMC is a non-bypassable charge and shall be applicable to the monthly bill of all metered customers based on the number of meters installed at the premise.

ELIGIBLE COSTS

The SMC recovers all eligible costs incurred by the Company to implement smart meter technology and the supporting infrastructure. Eligible costs, described in 66 Pa. C.S. § 2807(f), include capital and expense items relating to all Plan elements, equipment and facilities, as well as all related administrative costs. Plan costs include, but are not limited to, capital expenditures for any equipment and facilities that may be required to implement the Plan, as well as depreciation, operating and maintenance expenses, a return component based on the EDC's weighted cost of capital and taxes. In general, eligible administrative costs include, but are not limited to, incremental costs relating to Plan development, cost analysis, measurement and verification and reporting. The costs associated with testing, upgrades, maintenance and personnel training are considered eligible costs.

MONTHLY SMART METER CHARGE

Meter Type	Monthly Charge Per Meter
Single-Phase	$0.00
Poly-Phase	$0.00

(D)
(D)

The SMC, calculated independently for each meter type, shall be applied to all applicable customers served under the Tariff. Customers will be billed based on the number of meter types installed at their premise. Customers with multiple meters will incur multiple charges. The SMC shall be determined in dollars and cents per month per meter in accordance with the formula described in the "Calculation of Charge" section and shall be applied to all applicable customers served during any part of a billing month.

(D) – Indicates Decrease

RIDER NO. 21 – NET METERING SERVICE

(Applicable to Rates RS, RH, RA, GS/GM, GMH and GL)

PURPOSE

This Rider sets forth the eligibility, terms and conditions applicable to Customers with installed qualifying renewable customer-owned generation using a net metering system.

APPLICABILITY

This Rider applies to renewable customer-generators served under Rate Schedules RS, RH, RA, GS/GM, GMH and GL who install a device or devices which are, in the Company's judgment, subject to Commission review, a bona fide technology for use in generating electricity from qualifying Tier I or Tier II alternative energy sources pursuant to Alternative Energy Portfolio Standards Act No. 2004-213 (Act 213) or Commission regulations and which will be operated in parallel with the Company's system. This Rider is available to installations where any portion of the electricity generated by the renewable energy generating system offsets part or all of the customer-generator's requirements for electricity. A renewable customer-generator is a non-utility owner or operator of a net metered generation system with a nameplate capacity of not greater than 50 kilowatts if installed at a residential service (Rate RS, RH or RA) or not larger than 3,000 kilowatts at other customer service locations (Rate GS/GM, GMH and GL), except for Customers whose systems are above three megawatts and up to five megawatts who make their systems available to operate in parallel with the Company during grid emergencies as defined by the regional transmission organization or where a micro grid is in place for the primary or secondary purpose of maintaining critical infrastructure such as homeland security assignments, emergency services facilities, hospitals, traffic signals, wastewater treatment plants or telecommunications facilities provided that technical rules for operating generators interconnected with facilities of the Company have been promulgated by the Institute of Electrical and Electronic Engineers ("IEEE") and the Commission.

Qualifying renewable energy installations are limited to Tier I and Tier II alternative energy sources as defined by Act 213 and Commission Regulations. The Customer's equipment must conform to the Commission's Interconnection Standards and Regulations pursuant to Act 213. This Rider is not applicable when the source of supply is service purchased from a neighboring electric utility under Borderline Service.

Service under this Rider is available upon request to renewable customer-generators on a first come, first served basis so long as the total rated generating capacity installed by renewable customer-generator facilities does not adversely impact service to other Customers and does not compromise the protection scheme(s) employed on the Company's electric distribution system.

METERING PROVISIONS

A Customer may select one of the following metering options in conjunction with service under applicable Rate Schedule RS, RH, RA, GS/GM, GMH and GL.

1. A customer-generator facility used for net metering shall be equipped with a single bi-directional meter, which can measure and record the flow of electricity in both directions at the same rate, for **(C)** all billing-related purposes, including measurement of customer-generator's net electricity **(C)** consumption. A dual meter arrangement may be substituted for a single bi-directional meter at the Company's expense. Except for those customer-generator facilities interconnected, or for **(C)** which the Company has received a completed Part 1 Interconnection Application, prior to January 1, 2019, such facility shall also be equipped with an additional meter (the "generation meter"), which shall be installed at Company expense and which shall be used to record outbound flow of electricity.

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 22 – DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

(Applicable to All Rates)

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply consistent with the Commission Order entered September 15, 2016, at Docket No. P-2016-2540046 approving the Distribution System Improvement Charge ("DSIC"). **(D)**

GENERAL DESCRIPTION

PURPOSE

To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

ELIGIBLE PROPERTY

The DSIC-eligible property will consist of the following:

— Poles and towers (account 364);

— Overhead conductors (account 365) and underground conduit and conductors (accounts 366 and 367);

— Line transformers (account 368) and substation equipment (account 362);

— Any fixture or device related to eligible property listed above including insulators, circuit breakers, fuses, reclosers, grounding wires, cross arms and brackets, relays, capacitors, converters and condensers;

— Unreimbursed costs related to highway relocation projects where an electric distribution company must relocate its facilities; and

— Other related capitalized costs.

EFFECTIVE DATE

The DSIC will become effective October 1, 2016.

(D) – Indicates Decrease

APPENDIX A – (Continued)

TRANSMISSION SERVICE CHARGES – (Continued)

(Applicable to All Rates)

MONTHLY RATES – (Continued)

Rate Class	Energy Charge $/kWh	Demand Charge $/kW	Monthly Charge Per Fixture	Monthly Charge Per Fixture	Monthly Charge Per Fixture	
			Rate Class			
By Wattage			SH	PAL	SM	
Flood Lighting - Unmetered						
70			—	$0.18	—	
100			—	$0.29	—	
150			—	$0.42	—	
250			—	$0.63	—	
400			—	$0.98	—	
Light-Emitting Diode (LED) — Cobra Head						(C)
45			—	$0.00	$0.00	
60			$0.00	$0.00	$0.00	
95			$0.00	$0.00	$0.00	
139			$0.00	$0.00	$0.00	
219			$0.00	$0.00	$0.00	
275			—	$0.00	$0.00	
Light-Emitting Diode (LED) — Colonial						(C)
48			—	$0.00	$0.00	
83			—	$0.00	$0.00	
Light-Emitting Diode (LED) — Contemporary						(C)
47			—	$0.00	$0.00	
62			—	$0.00	$0.00	

BILLING DEMAND

Billing Demand subject to Transmission Service Charges for customers taking service under Rate Schedules GS/GM and GMH shall be the same as that determined for distribution and supply charges under the applicable rate schedules.

Billing Demand subject to Transmission Service Charges for Customers taking service under Rate Schedules GL, GLH, L, HVPS and UMS shall be the customer's daily network service coincident peak load contribution in MW. This quantity is determined based on the customer's load coincident with the annual peak of the Duquesne Zone (single coincident peak) as defined in the PJM Tariff Section 34.1.

ANNUAL UPDATE

The Transmission Service Charges (TSC) defined herein will be updated effective June 1st of each calendar year or more often upon determination that the rates then in effect would result in a significant over or under collection. On or about May 1st, the Company will file revised TSC rates with the PA Public Utility Commission (Commission) defining rates in effect from June 1 to May 31 of the following year, the computation year. These rates shall be determined based on the projected revenue requirement for the computation year, the projected cost of PJM charges and the over or under collection of expenses based on actual TSC revenue and expense incurred up to March 1 of each filing year. The revenue requirement and over or under collection shall be allocated to each rate class based on the class contribution to the Company's coincident peak load (1CP) and Default Service share of the 1CP load from the previous calendar year. The costs for ancillary services and PJM administrative expenses are included in the Default Service Supply rates defined in Rider No. 8. The costs for ancillary services and PJM administrative expenses for rate classes GL, GLH, L and HVPS will be billed in accordance with Rider No. 9. The rates applicable to each Rate Schedule shall be determined in accordance with the following formulas.

(C) – Indicates Change

Appendix B

APPENDIX B
Duquesne Light Company
Summary of Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Summary of Distribution Revenue Calculations
Docket No. R-2018-3000124

A	B	C	D	E	F	G	H
Rate Class	Current Base Rate Revenue	Act 129 Smart Meter Surcharge	Retail Market Enhancement Surcharge POR	Distribution System Improvement Charge (DSIC)	Total Base Rate Revenue	Settlement Increase	Base Rate Revenue at Settlement Rates
	DFR-IV-A	DFR-IV-A	DFR-IV-A	DFR-IV-A	DFR-IV-A [B + C + D + E]		[F + G]
RS	$222,719,859	$20,302,853	$589,195	$13,578,169	$257,190,076	$26,589,970	$283,780,045
RH	$19,118,791	$1,412,677	$42,063	$1,173,471	$21,747,001	$2,619,671	$24,366,672
RA	$2,235,058	$208,628	$6,082	$146,034	$2,595,802	$301,344	$2,897,146
GS	$8,274,270	$1,193,836	$44,202	$480,031	$9,992,338	$601,643	$10,593,981
GM<25	$20,450,860	$1,765,942	$34,201	$1,133,120	$23,384,123	$2,218,430	$25,602,553
GM>25	$66,380,618	$966,423	$115,980	$3,497,782	$70,960,803	$4,274,405	$75,235,208
GMH (Note 1)	$8,208,900	$284,564	$16,203	$437,992	$8,947,659	$1,080,612	$10,028,271
GL	$58,514,105	$119,091	$0	$3,191,499	$61,824,695	$2,353,363	$64,178,058
GLH	$7,926,311	$14,821	$0	$429,057	$8,370,188	$676,562	$9,046,751
L	$19,097,079	$7,899	$0	$1,009,068	$20,114,046	$0	$20,114,046
HVPS	$390,176	$510	$0	$52,044	$442,730	($216,000)	$226,730
AL (Note 2)	$877	$123	$0	$50	$1,051	$0	$1,051
SE	$1,348,937	$0	$0	$67,537	$1,416,474	$0	$1,416,474
SM (Note 2)	$9,074,556	$0	$0	$454,337	$9,528,893	$0	$9,528,893
SH (Note 2)	$104,135	$0	$0	$5,214	$109,349	$0	$109,349
UMS	$968,043	$0	$0	$48,467	$1,016,510	$0	$1,016,510
PAL (Note 2)	$418,176	$0	$0	$20,937	$439,113	$0	$439,113
Total	$445,230,749	$26,277,367	$847,925	$25,724,807	$498,080,849	$40,500,000	$538,580,849
Other Electric Revenue:							
Late Payment/Returned Check Charges (Acct. 450)	$3,813,936				$3,813,936		$3,813,936
Reconnect Fees/PJM Office (Acct. 451)	$966,902				$966,902		$966,902
Rent Electric Property (Acct. 454)	$10,104,667				$10,104,667		$10,104,667
Other Revenue (Acct. 456)	$410,632				$410,632		$410,632
Utility Operations (Acct. 417)	$245,538				$245,538		$245,538
Other Revenue	$15,541,675				$15,541,675		$15,541,675
Total Revenue Requirement					$513,622,524		$554,122,524

1/ Rate GMH shown as a single line item for presentation since it is a single tariff rate for all eligible customers less than 25 kW and greater than or equal 25 kW.

2/ Individual lighting rate classes shown for presentation purposes since these are tariff rates. Consolidated as Lighting Class SL for cost allocation purposes.

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate RS - Residential Service

CURRENT RATES	Units	Rate	Revenue
Rate RS			
Distribution			
Total Bills	5,937,642	$10.00	$59,376,417
kWh, Jan-May	1,289,692,206	$0.047054	$60,685,177
kWh, Jun-Dec	2,189,233,495	$0.047054	$103,012,193
CAP Revenue Credit			($12,574,333)
Subtotal	3,478,925,701		$210,499,454
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	2,477,250	$0.10	$246,060
Non-POR	2,477,250	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	3,461,003	$0.10	$343,135
Non-POR	3,461,003	$0.00	$0
Smart Meter, Jan-Mar, Meters	1,481,601	$3.44	$5,097,617
Smart Meter, Apr-Jun, Meters	1,481,601	$3.43	$5,083,017
Smart Meter, Jul-Sep, Meters	1,481,601	$3.42	$5,068,413
Smart Meter, Oct-Dec, Meters	1,481,601	$3.41	$5,053,807
Energy Efficiency, Jan-May, kWh	1,289,771,988	$0.00134	$1,722,761
Energy Efficiency, Jun-Dec, kWh	2,189,369,329	$0.00133	$2,912,469
Universal Services, Jan-Dec, Non-Cap kWh	3,218,090,522	$0.00713	$22,952,392
Subtotal			$48,479,671
Transmission, All kWh			
Transmission, Jan-May	851,571,828	$0.014744	$12,555,862
Transmission, Jun-Dec	1,445,530,610	$0.014714	$21,268,854
Subtotal	2,297,102,438		$33,824,716
Generation, All kWh			
Generation, Jan-May	851,571,828	$0.060533	$51,548,581
Generation, Jun-Nov	1,246,363,807	$0.051642	$64,364,919
Generation, Dec	199,166,803	$0.051642	$10,285,404
Subtotal	2,297,102,438		$126,198,904
Rate RS & Rider 14			
Distribution			
Meter Charge	612	$1.63	$998
kWh Winter, Jan-Apr	66,068	$0.035742	$2,361
kWh Summer, May	13,714	$0.047054	$645
kWh Summer, Jun-Oct	93,131	$0.047054	$4,382
kWh, Winter Nov-Dec	42,704	$0.035742	$1,526
Subtotal	215,617		$9,913
Transmission - All kWh			
Transmission, Jan-Apr	44,616	$0.0069888	$312
Transmission, May	9,261	$0.0147443	$137
Transmission, Jun-Oct	62,890	$0.0147135	$925
Transmission, Nov-Dec	28,838	$0.0068533	$198
Subtotal	145,605		$1,571
Generation, All kWh			
Generation, Jan-May	53,876	$0.060533	$3,261
Generation, Jun-Nov	74,011	$0.051642	$3,822
Generation, Dec	17,717	$0.051642	$915
Subtotal	145,605		$7,998
Subtotal Revenue			$419,022,228
Rider 10 - State Tax Adjustment		-0.1276%	($363,841)
Rider 22 - Distribution System Improvement Charge		5.00%	$13,578,169
Total Calculated Revenue			**$432,236,556**

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate RS - Residential Service

PROPOSED RATES	Units	Rate	Revenue
Rate RS			
Distribution			
Total Bills	5,937,642	$12.50	$74,220,521
All kWh	3,478,925,701	$0.060233	$209,546,132
CAP Revenue Credit			($12,574,333)
Subtotal	3,478,925,701		$271,192,320
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	2,477,250	$0.00	$0
Non-POR	2,477,250	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	3,461,003	$0.00	$0
Non-POR	3,461,003	$0.00	$0
Smart Meter, Jan-Mar, Meters	1,481,601	$0.00	$0
Smart Meter, Apr-Jun, Meters	1,481,601	$0.00	$0
Smart Meter, Jul-Sep, Meters	1,481,601	$0.00	$0
Smart Meter, Oct-Dec, Meters	1,481,601	$0.00	$0
Energy Efficiency, Jan-May, kWh	1,289,771,988	$0.00134	$1,722,761
Energy Efficiency, Jun-Dec, kWh	2,189,369,329	$0.00133	$2,912,469
Universal Services, Jan-Dec, Non-Cap kWh	3,218,090,522	$0.00713	$22,952,392
Subtotal	3,479,141,318		$27,587,623
Transmission, All kWh			
Transmission, Jan-May	851,571,828	$0.014744	$12,555,862
Transmission, Jun-Dec	1,445,530,610	$0.014714	$21,268,854
Subtotal	2,297,102,438		$33,824,716
Generation, All kWh			
Generation, Jan-May	851,571,828	$0.060533	$51,548,581
Generation, Jun-Dec	1,246,363,807	$0.051642	$64,364,919
Generation, Jun-Dec	199,166,803	$0.051642	$10,285,404
Subtotal	2,297,102,438		$126,198,904
Rate RS & Rider 14			
Distribution			
Meter Charge	612	$1.63	$998
Winter kWh	108,773	$0.045677	$4,968
Summer kWh	106,845	$0.060233	$6,436
Subtotal	215,617		$12,402
Transmission - All kWh			
Transmission, Jan-Apr	44,616	$0.006989	$312
Transmission, May	9,261	$0.014744	$137
Transmission, Jun-Oct	62,890	$0.014714	$925
Transmission, Nov-Dec	28,838	$0.006853	$198
Subtotal	145,605		$1,571
Generation, All kWh			
Generation, Jan-May	53,876	$0.060533	$3,261
Generation, Jun-Nov	74,011	$0.051642	$3,822
Generation, Dec	17,717	$0.051642	$915
Subtotal	145,605		$7,998
Subtotal Revenue			$458,825,534
Rider 10 - State Tax Adjustment		0.0000%	$0
Rider 22 - Distribution System Improvement Charge		0.0000%	$0
Total Calculated Revenue			**$458,825,534**

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	$272,203,365	$33,826,288	$126,206,902	$432,236,556
Proposed Rates	$298,792,344	$33,826,288	$126,206,902	$458,825,534
Revenue Change	$26,588,978	$0	$0	$26,588,978

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate RH - Residential Service Heating

CURRENT RATES	Units	Rate	Revenue
Rate RH			
Distribution			
Total Bills	423,933	$10.00	$4,239,329
kWh Winter, Jan-Apr	177,168,624	$0.035742	$6,332,361
kWh Summer, May	17,935,545	$0.047054	$843,939
kWh Summer, Jun-Oct	101,515,055	$0.047054	$4,776,689
kWh, Winter Nov-Dec	82,757,451	$0.035742	$2,957,917
CAP Revenue Credit			($2,344,275)
Subtotal	379,376,674		$16,805,960
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	176,071	$0.10	$17,489
Non-POR	176,071	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	247,862	$0.10	$24,574
Non-POR	247,862	$0.00	$0
Smart Meter, Jan-Mar, Meters	102,756	$3.45	$354,390
Smart Meter, Apr-Jun, Meters	102,756	$3.44	$353,578
Smart Meter, Jul-Sep, Meters	102,756	$3.43	$352,763
Smart Meter, Oct-Dec, Meters	102,756	$3.43	$351,946
Energy Efficiency, Jan-May, kWh	195,104,168	$0.00134	$260,603
Energy Efficiency, Jun-Dec, kWh	184,272,505	$0.00133	$245,134
Universal Services, Jan-Dec, Non-Cap kWh	330,708,107	$0.00713	$2,358,710
Subtotal			$4,319,186
Transmission, All kWh			
Transmission, Jan-May	157,258,310	$0.006989	$1,099,041
Transmission, Jun-Dec	148,527,748	$0.006853	$1,017,906
Subtotal	305,786,058		$2,116,947
Generation, All kWh			
Generation, Jan-May	157,258,310	$0.060533	$9,519,388
Generation, Jun-Nov	107,656,560	$0.051642	$5,559,617
Generation, Dec	40,871,188	$0.051642	$2,110,676
Subtotal	305,786,058		$17,189,682
Subtotal Revenue			$40,431,775
Rider 10 - State Tax Adjustment		-0.1276%	($31,444)
Rider 22 - Distribution System Improvement Charge		5.00%	$1,173,471
Total Calculated Revenue			**$41,573,802**

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate RH - Residential Service Heating

PROPOSED RATES	Units	Rate	Revenue
Rate RH			
Distribution			
Total Bills	423,933	$12.50	$5,299,161
Summer, All kWh	119,450,599	$0.060233	$7,194,868
Winter, All kWh	259,926,074	$0.045677	$11,872,643
CAP Revenue Credit			($2,344,275)
Subtotal	379,376,674		$22,022,397
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	176,071	$0.00	$0
Non-POR	176,071	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	247,862	$0.00	$0
Non-POR	247,862	$0.00	$0
Smart Meter, Jan-Mar, Meters	102,756	$0.00	$0
Smart Meter, Apr-Jun, Meters	102,756	$0.00	$0
Smart Meter, Jul-Sep, Meters	102,756	$0.00	$0
Smart Meter, Oct-Dec, Meters	102,756	$0.00	$0
Energy Efficiency, Jan-May, kWh	195,104,168	$0.0013	$260,603
Energy Efficiency, Jun-Dec, kWh	184,272,505	$0.0013	$245,134
Universal Services, Jan-Dec, Non-Cap kWh	330,708,107	$0.00713	$2,358,710
Subtotal			$2,864,446
Transmission, All kWh			
Transmission, Jan-May	157,258,310	$0.006989	$1,099,041
Transmission, Jun-Dec	148,527,748	$0.006853	$1,017,906
Subtotal	305,786,058		$2,116,947
Generation, All kWh			
Generation, Jan-May	157,258,310	$0.060533	$9,519,388
Generation, Jun-Dec	107,656,560	$0.051642	$5,559,617
Generation, Dec	40,871,188	$0.051642	$2,110,676
Subtotal	305,786,058		$17,189,682
Subtotal Revenue			$44,193,473
Rider 10 - State Tax Adjustment		0.0000%	$0
Rider 22 - Distribution System Improvement Charge		0.0000%	$0
Total Calculated Revenue			**$44,193,473**

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	$22,267,173	$2,116,947	$17,189,682	$41,573,802
Proposed Rates	$24,886,844	$2,116,947	$17,189,682	$44,193,473
Revenue Change	$2,619,671	$0	$0	$2,619,671

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate RA - Residential Service Add-On Heat Pump

CURRENT RATES	Units	Rate	Revenue
Rate RA			
Distribution			
Total Bills	61,299	$10.00	$612,990
kWh Winter, Jan-Apr	19,717,589	$0.011492	$226,595
kWh Summer, May	3,989,092	$0.047054	$187,703
kWh Summer, Jun-Oct	23,383,472	$0.047054	$1,100,286
kWh, Winter Nov-Dec	9,693,556	$0.011492	$111,398
CAP Revenue Credit			($92,277)
Subtotal	56,783,709		$2,146,695
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	25,398	$0.10	$2,523
Non-POR	25,398	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	35,901	$0.10	$3,559
Non-POR	35,901	$0.00	$0
Smart Meter, Jan-Mar, Meters	15,222	$3.44	$52,380
Smart Meter, Apr-Jun, Meters	15,222	$3.43	$52,231
Smart Meter, Jul-Sep, Meters	15,222	$3.42	$52,083
Smart Meter, Oct-Dec, Meters	15,222	$3.41	$51,934
Energy Efficiency, Jan-May, kWh	23,706,680	$0.00134	$31,665
Energy Efficiency, Jun-Dec, kWh	33,077,028	$0.00133	$44,002
Universal Services, Jan-Dec, Non-Cap kWh	54,867,989	$0.00713	$391,335
Subtotal			$681,712
Transmission, All kWh			
Transmission, Jan-May	16,008,956	$0.012449	$199,295
Transmission, Jun-Dec	22,336,686	$0.012300	$274,741
Subtotal	38,345,642		$474,036
Generation, All kWh			
Generation, Jan-May	16,008,956	$0.060533	$969,077
Generation, Jun-Nov	18,701,588	$0.051642	$965,790
Generation, Dec	3,635,098	$0.051642	$187,724
Subtotal	38,345,642		$2,122,592
Subtotal Revenue			$5,425,034
Rider 10 - State Tax Adjustment		-0.1276%	($3,913)
Rider 22 - Distribution System Improvement Charge		5.00%	$146,034
Total Calculated Revenue			**$5,567,155**

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate RA - Residential Service Add-On Heat Pump

PROPOSED RATES	Units	Rate	Revenue
Rate RA			
Distribution			
Total Bills	61,299	$12.50	$766,237
Summer, All kWh	27,372,564	$0.060233	$1,648,732
Winter, All kWh	29,411,145	$0.016394	$482,166
CAP Revenue Credit			($92,277)
Subtotal	56,783,709		$2,804,859
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	25,398	$0.00	$0
Non-POR	25,398	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	35,901	$0.00	$0
Non-POR	35,901	$0.00	$0
Smart Meter, Jan-Mar, Meters	15,222	$0.00	$0
Smart Meter, Apr-Jun, Meters	15,222	$0.00	$0
Smart Meter, Jul-Sep, Meters	15,222	$0.00	$0
Smart Meter, Oct-Dec, Meters	15,222	$0.00	$0
Energy Efficiency, Jan-May, kWh	23,706,680	$0.0013	$31,665
Energy Efficiency, Jun-Dec, kWh	33,077,028	$0.0013	$44,002
Universal Services, Jan-Dec, Non-Cap kWh	54,867,989	$0.00713	$391,335
Subtotal			$467,002
Transmission, All kWh			
Transmission, Jan-May	16,008,956	$0.012449	$199,295
Transmission, Jun-Dec	22,336,686	$0.012300	$274,741
Subtotal	38,345,642		$474,036
Generation, All kWh			
Generation, Jan-May	16,008,956	$0.060533	$969,077
Generation, Jun-Dec	18,701,588	$0.051642	$965,790
Generation, Dec	3,635,098	$0.051642	$187,724
Subtotal	38,345,642		$2,122,592
Subtotal Revenue			$5,868,488
Rider 10 - State Tax Adjustment		0.0000%	$0
Rider 22 - Distribution System Improvement Charge		0.0000%	$0
Total Calculated Revenue			**$5,868,488**

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	$2,970,527	$474,036	$2,122,592	$5,567,155
Proposed Rates	$3,271,860	$474,036	$2,122,592	$5,868,488
Revenue Change	$301,333	$0	$0	$301,333

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate GS - General Service Small

CURRENT RATES	Units	Rate	Revenue
Rate GS			
Distribution			
Total Bills	277,405	$10.00	$2,774,052
kWh, Jan-May	41,321,344	$0.056713	$2,343,457
kWh, Jun-Dec	55,481,683	$0.056713	$3,146,533
Subtotal	96,803,027		$8,264,042
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	115,595	$0.16	$18,362
Non-POR	115,595	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	162,016	$0.16	$25,840
Non-POR	162,016	$0.00	$0
Smart Meter, Jan-Mar, Meters	71,322	$4.00	$285,423
Smart Meter, Apr-Jun, Meters	71,322	$4.12	$294,202
Smart Meter, Jul-Sep, Meters	71,322	$4.25	$302,829
Smart Meter, Oct-Dec, Meters	71,322	$4.37	$311,382
Energy Efficiency, Jan-May, kWh	41,437,874	$0.00078	$32,435
Energy Efficiency, Jun-Dec, kWh	55,812,100	$0.00077	$43,006
Subtotal			$1,313,478
Transmission, All kWh			
Transmission, Jan-May	28,868,367	$0.01022	$295,144
Transmission, Jun-Dec	38,758,480	$0.01002	$388,447
Subtotal	67,626,848		$683,591
Generation, All kWh			
Generation, Jan-May	28,868,367	$0.060533	$1,747,502
Generation, Jun-Nov	32,426,103	$0.051642	$1,674,554
Generation, Dec	6,332,377	$0.051642	$327,018
Subtotal	67,626,848		$3,749,074
Rate GS & Rider 12			
Distribution			
Meter Charge	206	$10.00	$2,060
kWh, Jan-May	116,530	$0.047054	$5,483
kWh, Jun-Dec	330,417	$0.047054	$15,547
Subtotal	446,946		$23,091
Transmission, All kWh			
Transmission, Jan-May	83,250	$0.014744	$1,227
Transmission, Jun-Dec	236,054	$0.014714	$3,473
Subtotal	319,304		$4,701
Generation, All kWh			
Generation, Jan-May	83,250	$0.060533	$5,039
Generation, Jun-Nov	203,838	$0.051642	$10,527
Generation, Dec	32,216	$0.051642	$1,664
Subtotal	319,304		$17,230
Subtotal Revenue			$14,055,205
Rider 10 - State Tax Adjustment		-0.1276%	($12,863)
Rider 22 - Distribution System Improvement Charge		5.00%	$480,031
Total Calculated Revenue			**$14,522,373**

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate GS - General Service Small

PROPOSED RATES	Units	Rate	Revenue
Rate GS			
Distribution			
Total Bills	277,405	$12.50	$3,467,565
All kWh	96,803,027	$0.073313	$7,096,920
Subtotal	96,803,027		$10,564,485
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	115,595	$0.00	$0
Non-POR	115,595	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	162,016	$0.00	$0
Non-POR	162,016	$0.00	$0
Smart Meter, Jan-Mar, Meters	71,322	$0.00	$0
Smart Meter, Apr-Jun, Meters	71,322	$0.00	$0
Smart Meter, Jul-Sep, Meters	71,322	$0.00	$0
Smart Meter, Oct-Dec, Meters	71,322	$0.00	$0
Energy Efficiency, Jan-May, kWh	41,437,874	$0.0008	$32,435
Energy Efficiency, Jun-Dec, kWh	55,812,100	$0.0008	$43,006
Subtotal			$75,440
Transmission, All kWh			
Transmission, Jan-May	28,868,367	$0.010224	$295,144
Transmission, Jun-Dec	38,758,480	$0.010022	$388,447
Subtotal	67,626,848		$683,591
Generation, All kWh			
Generation, Jan-May	28,868,367	$0.060533	$1,747,502
Generation, Jun-Dec	32,426,103	$0.051642	$1,674,554
Generation, Dec	6,332,377	$0.051642	$327,018
Subtotal	67,626,848		$3,749,074
Rate GS & Rider 12			
Distribution			
Meter Charge	206	$12.50	$2,575
All kWh	446,946	$0.060233	$26,921
Subtotal	446,946		$29,496
Transmission, All kWh			
Transmission, Jan-May	83,250	$0.014744	$1,227
Transmission, Jun-Dec	236,054	$0.014714	$3,473
Subtotal	319,304		$4,701
Generation, All kWh			
Generation, Jan-May	83,250	$0.060533	$5,039
Generation, Jun-Nov	203,838	$0.051642	$10,527
Generation, Dec	32,216	$0.051642	$1,664
Subtotal	319,304		$17,230
Subtotal Revenue			$15,124,016
Rider 10 - State Tax Adjustment		0.0000%	$0
Rider 22 - Distribution System Improvement Charge		0.0000%	$0
Total Calculated Revenue			**$15,124,016**

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	$10,067,778	$688,291	$3,766,303	$14,522,373
Proposed Rates	$10,669,421	$688,291	$3,766,303	$15,124,016
Revenue Change	$601,643	$0	$0	$601,643

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate GM<25 - General Service Small

CURRENT RATES	Units	Rate	Revenue
Rate GM<25			
Distribution			
Total Bills	212,525	$42.00	$8,926,049
Demand first 5 kW	966,604	$0.00	$0
Demand additional kW	1,079,417	$5.60	$6,044,737
kWh, Jan-May	184,521,748	$0.011061	$2,040,995
kWh, Jun-Dec	282,302,446	$0.011061	$3,122,547
Subtotal	466,824,194		$20,134,329
Rider 13 Meter Charge	67	$13.21	$885
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	89,827	$0.16	$14,269
Non-POR	89,827	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	124,974	$0.16	$19,932
Non-POR	124,974	$0.00	$0
Smart Meter, Jan-Mar, Meters	63,187	$6.07	$383,839
Smart Meter, Apr-Jun, Meters	63,187	$6.69	$422,635
Smart Meter, Jul-Sep, Meters	63,187	$7.29	$460,805
Smart Meter, Oct-Dec, Meters	63,187	$7.89	$498,663
Energy Efficiency, Jan-May, kWh (1)	187,185,977	$0.00081	$151,910
Energy Efficiency, Jun-Dec, kWh (1)	286,507,960	$0.00080	$229,120
Subtotal			$2,181,173
Transmission			
KW, Jan-May	431,230	$1.51	$651,657
KW, Jun-Dec	663,177	$1.51	$999,181
kWh, Jan-May	99,773,590	$0.00648	$646,697
kWh, Jun-Dec	152,636,417	$0.00652	$995,221
Subtotal	252,410,007		$3,292,756
Generation, All kWh			
Generation, Jan-May	99,773,590	$0.060533	$6,039,640
Generation, Jun-Nov	131,590,157	$0.051642	$6,795,600
Generation, Dec	21,046,259	$0.051642	$1,086,874
Subtotal	252,410,007		$13,922,114
Rate GM<25 & Rider 12			
Distribution			
Meter Charge	2,276	$10.00	$22,760
kWh, Jan-May	2,664,229	$0.047054	$125,363
kWh, Jun-Dec	4,205,514	$0.047054	$197,886
Subtotal	6,869,743		$346,009
Transmission, All kWh			
Transmission, Jan-May	1,512,873	$0.014744	$22,306
Transmission, Jun-Dec	2,388,087	$0.014714	$35,137
Subtotal	3,900,960		$57,443
Generation, All kWh			
Generation, Jan-May	1,512,873	$0.060533	$91,579
Generation, Jun-Nov	2,070,046	$0.051642	$106,902
Generation, Dec	318,041	$0.051642	$16,424
Subtotal	3,900,960		$214,905
Subtotal Revenue			$40,149,615
Rider 10 - State Tax Adjustment		-0.1276%	($30,363)
Rider 22 - Distribution System Improvement Charge		5.00%	$1,133,120
Total Calculated Revenue			**$41,252,372**

1/ Energy Efficiency surcharge is a weighted rate for calculation purposes based on commercial and industrial sales.

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate GM<25 - General Service Small

PROPOSED RATES	Units	Rate	Revenue
Rate GM<25			
Distribution			
Total Bills	212,525	$54.50	$11,582,612
Demand first 5 kW	966,604	$0.00	$0
Demand additional kW	1,079,417	$6.54	$7,059,390
All kWh	466,824,194	$0.013961	$6,517,333
Subtotal	466,824,194		$25,159,334
Rider 13 Meter Charge	67	$13.21	$885
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	89,827	$0.00	$0
Non-POR	89,827	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	124,974	$0.00	$0
Non-POR	124,974	$0.00	$0
Smart Meter, Jan-Mar, Meters	63,187	$0.00	$0
Smart Meter, Apr-Jun, Meters	63,187	$0.00	$0
Smart Meter, Jul-Sep, Meters	63,187	$0.00	$0
Smart Meter, Oct-Dec, Meters	63,187	$0.00	$0
Energy Efficiency, Jan-May, kWh (1)	187,185,977	$0.0008	$151,910
Energy Efficiency, Jun-Dec, kWh (1)	286,507,960	$0.0008	$229,120
Subtotal			$381,030
Transmission			
KW, Jan-May	431,230	$1.51	$651,657
KW, Jun-Dec	663,177	$1.51	$999,181
kWh, Jan-May	99,773,590	$0.006482	$646,697
kWh, Jun-Dec	152,636,417	$0.006520	$995,221
Subtotal	252,410,007		$3,292,756
Generation, All kWh			
Generation, Jan-May	99,773,590	$0.060533	$6,039,640
Generation, Jun-Nov	131,590,157	$0.051642	$6,795,600
Generation, Dec	21,046,259	$0.051642	$1,086,874
Subtotal	252,410,007		$13,922,114
Rate GM<25 & Rider 12			
Distribution			
Meter Charge	2,276	$12.50	$28,450
All kWh	6,869,743	$0.060233	$413,785
Subtotal	6,869,743		$442,235
Transmission, All kWh			
Transmission, Jan-May	1,512,873	$0.014744	$22,306
Transmission, Jun-Dec	2,388,087	$0.014714	$35,137
Subtotal	3,900,960		$57,443
Generation, All kWh			
Generation, Jan-May	1,512,873	$0.060533	$91,579
Generation, Jun-Nov	2,070,046	$0.051642	$106,902
Generation, Dec	318,041	$0.051642	$16,424
Subtotal	3,900,960		$214,905
Subtotal Revenue			$43,470,703
Rider 10 - State Tax Adjustment		0.0000%	$0
Rider 22 - Distribution System Improvement Charge		0.0000%	$0
Total Calculated Revenue			**$43,470,703**

1/ Energy Efficiency surcharge is a weighted rate for calculation purposes based on commercial and industrial sales.

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	$23,765,153	$3,350,200	$14,137,019	$41,252,372
Proposed Rates	$25,983,484	$3,350,200	$14,137,019	$43,470,703
Revenue Change	$2,218,331	$0	$0	$2,218,331

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate GM>25 - General Service Medium

CURRENT RATES	Units	Rate	Revenue
Rate GM>25			
Distribution			
Total Bills	118,845	$54.00	$6,417,625
Demand first 5 kW	594,225	$0.00	$0
Demand additional kW	6,918,600	$5.58	$38,605,788
kWh, Jan-May	917,942,698	$0.009364	$8,595,615
kWh, Jun-Dec	1,372,618,775	$0.009364	$12,853,202
Subtotal	2,290,561,473		$66,472,231
Meter Charge	160	$13.21	$2,114
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	49,538	$0.97	$48,278
Non-POR	49,538	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	69,307	$0.98	$67,702
Non-POR	69,307	$0.00	$0
Smart Meter, Jan-Mar, Meters	34,580	$6.07	$210,058
Smart Meter, Apr-Jun, Meters	34,580	$6.69	$231,290
Smart Meter, Jul-Sep, Meters	34,580	$7.29	$252,179
Smart Meter, Oct-Dec, Meters	34,580	$7.89	$272,896
Energy Efficiency, Jan-May, kWh (1)	917,942,698	$0.00105	$966,306
Energy Efficiency, Jun-Dec, kWh (1)	1,372,618,775	$0.00104	$1,432,591
Subtotal			$3,481,301
Transmission			
KW, Jan-May	795,639	$1.71	$1,363,881
KW, Jun-Dec	1,220,217	$1.69	$2,062,416
kWh, Jan-May	245,922,563	$0.005628	$1,383,991
kWh, Jun-Dec	367,607,010	$0.005525	$2,030,906
Subtotal	613,529,573		$6,841,193
Generation, All kWh			
Generation, Jan-Feb	98,366,346	$0.060533	$5,954,454
Generation, Mar-May	147,556,217	$0.060533	$8,932,087
Generation, Jun-Aug	171,016,096	$0.051642	$8,831,641
Generation, Sep-Nov	146,668,403	$0.051642	$7,574,273
Generation, Dec	49,922,511	$0.051642	$2,578,106
Subtotal	613,529,573		$33,870,561
Subtotal Revenue			$110,667,399
Rider 10 - State Tax Adjustment		-0.1276%	($93,727)
Rider 22 - Distribution System Improvement Charge		5.00%	$3,497,782
Total Calculated Revenue			**$114,071,455**

1/ Energy Efficiency surcharge is a weighted rate for calculation purposes based on commercial and industrial sales.

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate GM>25 - General Service Medium

PROPOSED RATES	Units	Rate	Revenue
Rate GM>25			
Distribution			
Total Bills	118,845	$65.65	$7,802,168
Demand first 5 kW	594,225	$0.00	$0
Demand additional kW	6,918,600	$6.54	$45,247,644
All kWh	2,290,561,473	$0.009685	$22,184,088
Subtotal	2,290,561,473		$75,233,900
Meter Charge	160	$13.21	$2,114
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	49,538	$0.00	$0
Non-POR	49,538	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	69,307	$0.00	$0
Non-POR	69,307	$0.00	$0
Smart Meter, Jan-Mar, Meters	34,580	$0.00	$0
Smart Meter, Apr-Jun, Meters	34,580	$0.00	$0
Smart Meter, Jul-Sep, Meters	34,580	$0.00	$0
Smart Meter, Oct-Dec, Meters	34,580	$0.00	$0
Energy Efficiency, Jan-May, kWh (1)	917,942,698	$0.0011	$966,306
Energy Efficiency, Jun-Dec, kWh (1)	1,372,618,775	$0.0010	$1,432,591
Subtotal			$2,398,898
Transmission			
KW, Jan-May	795,639	$1.71	$1,363,881
KW, Jun-Dec	1,220,217	$1.69	$2,062,416
kWh, Jan-May	245,922,563	$0.005628	$1,383,991
kWh, Jun-Dec	367,607,010	$0.005525	$2,030,906
Subtotal	613,529,573		$6,841,193
Generation, All kWh			
Generation, Jan-Feb	98,366,346	$0.060533	$5,954,454
Generation, Mar-May	147,556,217	$0.060533	$8,932,087
Generation, Jun-Aug	171,016,096	$0.051642	$8,831,641
Generation, Sep-Nov	146,668,403	$0.051642	$7,574,273
Generation, Dec	49,922,511	$0.051642	$2,578,106
Subtotal	613,529,573		$33,870,561
Subtotal Revenue			$118,346,666
Rider 10 - State Tax Adjustment		0.0000%	$0
Rider 22 - Distribution System Improvement Charge		0.0000%	$0
Total Calculated Revenue			**$118,346,666**

1/ Energy Efficiency surcharge is a weighted rate for calculation purposes based on commercial and industrial sales.

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	$73,359,700	$6,841,193	$33,870,561	$114,071,455
Proposed Rates	$77,634,911	$6,841,193	$33,870,561	$118,346,666
Revenue Change	$4,275,211	$0	$0	$4,275,211

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate GMH<25 - General Service Small Heating

CURRENT RATES	Units	Rate	Revenue
Rate GMH<25			
Distribution			
Total Bills	25,640	$42.00	$1,076,892
Demand first 5 kW, Jun-Sep	34,187	$0.00	$0
Demand additional kW, Jun-Sep	20,411	$5.60	$114,299
kWh, Jan-May	16,541,376	$0.024716	$408,837
kWh, Jun-Sep	10,107,586	$0.011061	$111,800
kWh, Oct-Dec	9,217,256	$0.024716	$227,814
Subtotal	35,866,218		$1,939,641
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	10,770	$0.16	$1,711
Non-POR	10,770	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	14,918	$0.16	$2,379
Non-POR	14,918	$0.00	$0
Smart Meter, Jan-Mar, Meters	7,047	$5.97	$42,064
Smart Meter, Apr-Jun, Meters	7,047	$6.56	$46,214
Smart Meter, Jul-Sep, Meters	7,047	$7.14	$50,298
Smart Meter, Oct-Dec, Meters	7,047	$7.71	$54,347
Energy Efficiency, Jan-May, kWh (1)	16,567,756	$0.00080	$13,261
Energy Efficiency, Jun-Dec, kWh (1)	19,354,037	$0.00079	$15,259
Subtotal			$225,534
Transmission			
Jan-May, kWh	10,607,690	$0.00407	$43,184
Jun-Dec, kWh	12,389,388	$0.00409	$50,714
Jun-Sep, kW	34,592	$2.68	$92,594
Subtotal	34,592		$186,492
Generation, All kWh			
Generation, Jan-May	10,607,690	$0.060533	$642,120
Generation, Jun-Nov	9,881,807	$0.051642	$510,318
Generation, Dec	2,507,581	$0.051642	$129,497
Subtotal	22,997,078		$1,281,935
Rate GMH<25 & Rider 12			
Distribution			
Total Bills	48	$10.00	$480
kWh Winter, Jan-Apr	20,810	$0.035742	$744
kWh Summer, May	5,569	$0.047054	$262
kWh Summer, Jun-Oct	19,082	$0.047054	$898
kWh, Winter Nov-Dec	10,113	$0.035742	$361
Subtotal	55,575		$2,745
Transmission, All kWh			
Transmission, Jan-May	16,769	$0.006989	$117
Transmission, Jun-Dec	18,674	$0.006853	$128
Subtotal	35,444		$245
Generation, All kWh			
Generation, Jan-May	16,769	$0.060533	$1,015
Generation, Jun-Nov	15,222	$0.051642	$786
Generation, Dec	3,453	$0.051642	$178
Subtotal	35,444		$1,979
Subtotal Revenue			$3,638,572
Rider 10 - State Tax Adjustment		-0.1276%	($2,905)
Rider 22 - Distribution System Improvement Charge		5.00%	$108,396
Total Calculated Revenue			**$3,744,063**

1/ Energy Efficiency surcharge is a weighted rate for calculation purposes based on commercial and industrial sales.

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate GMH<25 - General Service Small Heating

PROPOSED RATES	Units	Rate	Revenue
Rate GMH<25			
Distribution			
Total Bills	25,640	$54.50	$1,397,395
Demand first 5 kW, Jun-Sep	34,187	$0.00	$0
Demand additional kW, Jun-Sep	20,411	$6.54	$133,485
kWh, Oct-May	25,758,633	$0.029609	$762,687
kWh, Jun-Sep	10,107,586	$0.013961	$141,112
Subtotal	35,866,218		$2,434,680
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	10,770	$0.00	$0
Non-POR	10,770	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	14,918	$0.00	$0
Non-POR	14,918	$0.00	$0
Smart Meter, Jan-Mar, Meters	7,047	$0.00	$0
Smart Meter, Apr-Jun, Meters	7,047	$0.00	$0
Smart Meter, Jul-Sep, Meters	7,047	$0.00	$0
Smart Meter, Oct-Dec, Meters	7,047	$0.00	$0
Energy Efficiency, Jan-May, kWh (1)	16,567,756	$0.0008	$13,261
Energy Efficiency, Jun-Dec, kWh (1)	19,354,037	$0.0008	$15,259
Subtotal			$28,520
Transmission			
Jan-May, kWh	10,607,690	$0.004071	$43,184
Jun-Dec, kWh	12,389,388	$0.004093	$50,714
Jun-Sep, kW	34,592	$2.68	$92,594
Subtotal	22,997,078		$186,492
Generation, All kWh			
Generation, Jan-May	10,607,690	$0.060533	$642,120
Generation, Jun-Nov	9,881,807	$0.051642	$510,318
Generation, Dec	2,507,581	$0.051642	$129,497
Subtotal	22,997,078		$1,281,935
Rate GMH<25 & Rider 12			
Distribution			
Total Bills	48	$12.50	$600
kWh Winter, Nov-Apr	30,923	$0.045677	$1,412
kWh Summer, May-Oct	24,652	$0.060233	$1,485
Subtotal	55,575		$3,497
Transmission, All kWh			
Transmission, Jan-May	16,769	$0.006989	$117
Transmission, Jun-Dec	18,674	$0.006853	$128
Subtotal	35,444		$245
Generation, All kWh			
Generation, Jan-May	16,769	$0.060533	$1,015
Generation, Jun-Nov	15,222	$0.051642	$786
Generation, Dec	3,453	$0.051642	$178
Subtotal	35,444		$1,979
Subtotal Revenue			$3,937,349
Rider 10 - State Tax Adjustment		0.0000%	$0
Rider 22 - Distribution System Improvement Charge		0.0000%	$0
Total Calculated Revenue			**$3,937,349**

1/ Energy Efficiency surcharge is a weighted rate for calculation purposes based on commercial and industrial sales.

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	$2,273,412	$186,737	$1,283,914	$3,744,063
Proposed Rates	$2,466,698	$186,737	$1,283,914	$3,937,349
Revenue Change	$193,285	$0	$0	$193,285

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate GMH>25 - General Service Medium Heating

CURRENT RATES	Units	Rate	Revenue
Rate GMH>25			
Distribution			
Total Bills	12,412	$42.00	$521,286
Demand first 5 kW, Jun-Sep	20,681	$0.00	$0
Demand additional kW, Jun-Sep	188,825	$5.60	$1,057,419
kWh, Jan-May	102,495,852	$0.024716	$2,533,287
kWh, Jun-Sep	68,727,731	$0.011061	$760,197
kWh, Oct-Dec	56,888,611	$0.024716	$1,406,059
Subtotal	228,112,194		$6,278,250
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	5,176	$0.97	$5,044
Non-POR	5,176	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	7,236	$0.98	$7,068
Non-POR	7,236	$0.00	$0
Smart Meter, Jan-Mar, Meters	3,348	$5.97	$19,981
Smart Meter, Apr-Jun, Meters	3,348	$6.56	$21,952
Smart Meter, Jul-Sep, Meters	3,348	$7.14	$23,892
Smart Meter, Oct-Dec, Meters	3,348	$7.71	$25,816
Energy Efficiency, Jan-May, kWh (1)	102,495,852	$0.00093	$94,916
Energy Efficiency, Jun-Dec, kWh (1)	125,616,342	$0.00092	$115,009
Subtotal			$313,677
Transmission			
Jan-May, kWh	32,626,063	$0.004403	$143,654
Jun-Dec, kWh	39,987,073	$0.004348	$173,874
Jun-Sep, kW	66,407	$4.73	$314,400
Subtotal	66,407		$631,928
Generation, All kWh			
Generation, Jan-Feb	15,544,082	$0.060533	$940,937
Generation, Mar-May	17,081,981	$0.060533	$1,034,031
Generation, Jun-Aug	16,821,024	$0.051642	$868,674
Generation, Sep-Nov	15,913,257	$0.051642	$821,795
Generation, Dec	7,252,792	$0.051642	$374,550
Subtotal	72,613,136		$4,039,987
Subtotal Revenue			$11,263,843
Rider 10 - State Tax Adjustment		-0.1276%	($8,832)
Rider 22 - Distribution System Improvement Charge		5.00%	$329,596
Total Calculated Revenue			**$11,584,607**

1/ Energy Efficiency surcharge is a weighted rate for calculation purposes based on commercial and industrial sales.

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate GMH>25 - General Service Medium Heating

PROPOSED RATES	Units	Rate	Revenue
Rate GMH>25			
Distribution			
Total Bills	12,412	$54.50	$676,431
Demand first 5 kW, Jun-Sep	20,681	$0.00	$0
Demand additional kW, Jun-Sep	188,825	$6.54	$1,234,915
kWh, Oct-May	159,384,463	$0.029609	$4,719,215
kWh, Jun-Sep	68,727,731	$0.013961	$959,508
Subtotal	228,112,194		$7,590,068
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	5,176	$0.00	$0
Non-POR	5,176	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	7,236	$0.00	$0
Non-POR	7,236	$0.00	$0
Smart Meter, Jan-Mar, Meters	3,348	$0.00	$0
Smart Meter, Apr-Jun, Meters	3,348	$0.00	$0
Smart Meter, Jul-Sep, Meters	3,348	$0.00	$0
Smart Meter, Oct-Dec, Meters	3,348	$0.00	$0
Energy Efficiency, Jan-May, kWh (1)	102,495,852	$0.0009	$94,916
Energy Efficiency, Jun-Dec, kWh (1)	125,616,342	$0.0009	$115,009
Subtotal			$209,925
Transmission			
Jan-May, kWh	32,626,063	$0.004403	$143,654
Jun-Dec, kWh	39,987,073	$0.004348	$173,874
Jun-Sep, kW	66,407	$4.73	$314,400
Subtotal	72,613,136		$631,928
Generation, All kWh			
Generation, Jan-Feb	15,544,082	$0.060533	$940,937
Generation, Mar-May	17,081,981	$0.060533	$1,034,031
Generation, Jun-Aug	16,821,024	$0.051642	$868,674
Generation, Sep-Nov	15,913,257	$0.051642	$821,795
Generation, Dec	7,252,792	$0.051642	$374,550
Subtotal	72,613,136		$4,039,987
Subtotal Revenue			$12,471,909
Rider 10 - State Tax Adjustment		0.0000%	$0
Rider 22 - Distribution System Improvement Charge		0.0000%	$0
Total Calculated Revenue			**$12,471,909**

1/ Energy Efficiency surcharge is a weighted rate for calculation purposes based on commercial and industrial sales.

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	$6,912,692	$631,928	$4,039,987	$11,584,607
Proposed Rates	$7,799,993	$631,928	$4,039,987	$12,471,909
Revenue Change	$887,301	$0	$0	$887,301

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate GL - General Service Large

CURRENT RATES	Units	Rate	Revenue
Rate GL			
Distribution			
First 300 kW or less	8,738	$2,700.00	$23,592,754
Demand additional kW, Jan-May	1,689,752	$8.09	$13,670,095
Demand additional kW, Jun-Dec	2,633,966	$8.09	$21,308,788
All kWh	2,759,629,710	$0.000000	$0
Subtotal	4,323,719		$58,571,637
Untransformed Service Credit			($47,013)
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	3,642	$0.00	$0
Non-POR	3,642	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	5,096	$0.00	$0
Non-POR	5,096	$0.00	$0
Smart Meter, Jan-Mar, Meters	2,859	$8.61	$24,614
Smart Meter, Apr-Jun, Meters	2,859	$9.82	$28,086
Smart Meter, Jul-Sep, Meters	2,859	$11.02	$31,502
Smart Meter, Oct-Dec, Meters	2,859	$12.20	$34,890
Energy Efficiency, Jan-May, Bills (1)	3,642	$328.27	$1,195,547
Energy Efficiency, Jan-May, kW (PLC) (1)	2,682,702	$0.36	$975,960
Energy Efficiency, Jun-Dec, Bills (1)	5,096	$323.94	$1,650,800
Energy Efficiency, Jun-Dec, kW (PLC) (1)	3,755,783	$0.34	$1,288,957
Subtotal			$5,230,354
Transmission, 1CP			
KW, Jan-May	143,394	$4.22	$604,900
KW, Jun-Dec	200,751	$3.84	$771,508
Subtotal	344,145		$1,376,408
Generation, All kWh			
Generation, Jan-May	57,652,614	$0.060533	$3,489,912
Generation, Jun-Dec	86,549,110	$0.051642	$4,469,583
Subtotal	144,201,725		$7,959,495
Rate GL & Rider 16			
Distribution			
Demand Charge kW	30,000	$2.50	$75,000
Subtotal			$75,000
Subtotal Revenue			$73,165,881
Rider 10 - State Tax Adjustment		-0.1276%	($85,519)
Rider 22 - Distribution System Improvement Charge		5.00%	$3,191,499
Total Calculated Revenue			**$76,271,861**

1/ Energy Efficiency surcharge is a weighted rate for calculation purposes based on commercial and industrial sales.

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate GL - General Service Large

PROPOSED RATES	Units	Rate	Revenue
Rate GL			
Distribution			
First 300 kW or less	8,738	$3,180.00	$27,787,021
Demand additional kW	4,323,719	$8.410000	$36,362,473
Subtotal	4,323,719		$64,149,494
Untransformed Service Credit			($47,013)
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	3,642	$0.00	$0
Non-POR	3,642	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	5,096	$0.00	$0
Non-POR	5,096	$0.00	$0
Smart Meter, Jan-Mar, Meters	2,859	$0.00	$0
Smart Meter, Apr-Jun, Meters	2,859	$0.00	$0
Smart Meter, Jul-Sep, Meters	2,859	$0.00	$0
Smart Meter, Oct-Dec, Meters	2,859	$0.00	$0
Energy Efficiency, Jan-May, Bills (1)	3,642	$328.27	$1,195,547
Energy Efficiency, Jan-May, kW (PLC) (1)	2,682,702	$0.36	$975,960
Energy Efficiency, Jun-Dec, Bills (1)	5,096	$323.94	$1,650,800
Energy Efficiency, Jun-Dec, kW (PLC) (1)	3,755,783	$0.34	$1,288,957
Subtotal			$5,111,263
Transmission, 1CP			
KW, Jan-May	143,394	$4.22	$604,900
KW, Jun-Dec	200,751	$3.84	$771,508
Subtotal	344,145		$1,376,408
Generation, All kWh			
Generation, Jan-May	57,652,614	$0.060533	$3,489,912
Generation, Jun-Dec	86,549,110	$0.051642	$4,469,583
Subtotal	144,201,725		$7,959,495
Rate GL & Rider 16			
Distribution			
Demand Charge kW	30,000	$2.50	$75,000
Subtotal			$75,000
Subtotal Revenue			$78,624,647
Rider 10 - State Tax Adjustment		0.0000%	$0
Rider 22 - Distribution System Improvement Charge		0.0000%	$0
Total Calculated Revenue			**$78,624,647**

1/ Energy Efficiency surcharge is a weighted rate for calculation purposes based on commercial and industrial sales.

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	$66,935,958	$1,376,408	$7,959,495	$76,271,861
Proposed Rates	$69,288,745	$1,376,408	$7,959,495	$78,624,647
Revenue Change	$2,352,786	$0	$0	$2,352,786

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate GLH - General Service Large Heating

CURRENT RATES	Units	Rate	Revenue
Rate GLH			
Distribution			
Total Bills	1,093	$50.00	$54,634
First 300 kW or less, Jun-Sep	364	$2,700.00	$983,235
Demand additional kW, Jun-Sep	207,959	$8.09	$1,682,388
kWh, Jan-May	167,055,746	$0.019908	$3,325,746
kWh, Oct-Dec	95,225,019	$0.019908	$1,895,740
Summer, All kWh	128,778,217	$0.000000	$0
Subtotal	391,058,983		$7,941,742
Untransformed Credit			($3,935)
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	456	$0.00	$0
Non-POR	456	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	637	$0.00	$0
Non-POR	637	$0.00	$0
Smart Meter, Jan-Mar, Meters	351	$8.71	$3,059
Smart Meter, Apr-Jun, Meters	351	$9.95	$3,494
Smart Meter, Jul-Sep, Meters	351	$11.17	$3,922
Smart Meter, Oct-Dec, Meters	351	$12.38	$4,346
Energy Efficiency, Jan-May, Bills (1)	456	$295.87	$134,829
Energy Efficiency, Jan-May, kW (PLC) (1)	374,781	$0.35	$132,630
Energy Efficiency, Jun-Dec, Bills (1)	637	$291.82	$185,883
Energy Efficiency, Jun-Dec, kW (PLC) (1)	524,693	$0.33	$175,166
Subtotal			$643,329
Transmission, 1CP			
KW, Jan-May	21,250	$4.22	$89,642
KW, Jun-Dec	29,750	$3.84	$114,333
Subtotal	51,000		$203,975
Generation, All kWh			
Generation, Jan-May	9,475,368	$0.060533	$573,577
Generation, Jun-Dec	12,710,613	$0.051642	$656,404
Subtotal	22,185,981		$1,229,980
Subtotal Revenue			$10,015,092
Rider 10 - State Tax Adjustment		-0.1276%	($11,497)
Rider 22 - Distribution System Improvement Charge		5.00%	$429,057
Total Calculated Revenue			**$10,432,652**

1/ Energy Efficiency surcharge is a weighted rate for calculation purposes based on commercial and industrial sales.

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate GLH - General Service Large Heating

PROPOSED RATES	Units	Rate	Revenue
Rate GLH			
Distribution			
Total Bills	1,093	$67.00	$73,209
First 300 kW or less, Jun-Sep	364	$3,180.00	$1,158,032
Demand additional kW, Jun-Sep	207,959	$8.41	$1,748,935
All kWh Oct-May	262,280,765	$0.023145	$6,070,488
Subtotal	262,280,765		$9,050,665
Untransformed Credit			($3,935)
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	456	$0.00	$0
Non-POR	456	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	637	$0.00	$0
Non-POR	637	$0.00	$0
Smart Meter, Jan-Mar, Meters	351	$0.00	$0
Smart Meter, Apr-Jun, Meters	351	$0.00	$0
Smart Meter, Jul-Sep, Meters	351	$0.00	$0
Smart Meter, Oct-Dec, Meters	351	$0.00	$0
Energy Efficiency, Jan-May, Bills (1)	456	$295.87	$134,829
Energy Efficiency, Jan-May, kW (PLC) (1)	374,781	$0.35	$132,630
Energy Efficiency, Jun-Dec, Bills (1)	637	$291.82	$185,883
Energy Efficiency, Jun-Dec, kW (PLC) (1)	524,693	$0.33	$175,166
Subtotal			$628,508
Transmission, 1CP			
KW, Jan-May	21,250	$4.22	$89,642
KW, Jun-Dec	29,750	$3.84	$114,333
Subtotal	51,000		$203,975
Generation, All kWh			
Generation, Jan-May	9,475,368	$0.060533	$573,577
Generation, Jun-Dec	12,710,613	$0.051642	$656,404
Subtotal	22,185,981		$1,229,980
Subtotal Revenue			$11,109,194
Rider 10 - State Tax Adjustment		0.0000%	$0
Rider 22 - Distribution System Improvement Charge		0.0000%	$0
Total Calculated Revenue			**$11,109,194**

1/ Energy Efficiency surcharge is a weighted rate for calculation purposes based on commercial and industrial sales.

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	$8,998,697	$203,975	$1,229,980	$10,432,652
Proposed Rates	$9,675,239	$203,975	$1,229,980	$11,109,194
Revenue Change	$676,542	$0	$0	$676,542

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate L - Large Power Service

CURRENT RATES	Units	Rate	Revenue	
Rate L				
Distribution				
First 5,000 kW or less	264	$34,900.00	$9,213,600	[A]
Demand additional kW, Jan-May	341,654	$10.96	$3,744,523	[A]
Demand additional kW, Jun-Dec	535,390	$10.96	$5,867,876	[A]
>138 kV Rate, Jan-May	20	$9,643.14	$192,863	[A]
>138 kV Rate, Jun-Dec	28	$9,643.14	$270,008	[A]
All kWh	1,242,566,969	$0.000000	$0	[A]
Subtotal	877,044		$19,288,870	
Untransformed Service Credit	877,044		($164,753)	[A]
Surcharges				
Retail Market Enhancement, Jan-May, Bills				
POR	130	$0.00	$0	
Non-POR	130	$0.00	$0	
Retail Market Enhancement, Jun-Dec, Bills				
POR	182	$0.00	$0	
Non-POR	182	$0.00	$0	
Smart Meter, Jan-Mar, Meters	186	$8.76	$1,629	[A]
Smart Meter, Apr-Jun, Meters	186	$10.01	$1,862	[A]
Smart Meter, Jul-Sep, Meters	186	$11.24	$2,091	[A]
Smart Meter, Oct-Dec, Meters	186	$12.46	$2,318	[A]
Energy Efficiency, Jan-May, Bills (1)	130	$334.24	$43,451	
Energy Efficiency, Jan-May, kW (PLC) (1)	1,114,726	$0.37	$407,570	
Energy Efficiency, Jun-Dec, Bills (1)	182	$329.86	$60,034	
Energy Efficiency, Jun-Dec, kW (PLC) (1)	1,560,616	$0.34	$538,281	
Subtotal			$1,057,235	
Transmission, 1CP				
KW, Jan-May	0	$4.22	$0	
KW, Jun-Dec	0	$3.84	$0	
Subtotal	0		$0	
Generation, All kWh				
Generation, Jan-May	0	$0.060533	$0	
Generation, Jun-Dec	0	$0.051642	$0	
Subtotal	0		$0	
Subtotal Revenue			$20,181,353	
Rider 10 - State Tax Adjustment		-0.1276%	($27,039)	[A]
Rider 22 - Distribution System Improvement Charge		5.00%	$1,009,068	[A]
Total Calculated Revenue			**$21,163,382**	

1/ Energy Efficiency surcharge is a weighted rate for calculation purposes based on commercial and industrial sales.

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate L - Large Power Service

PROPOSED RATES	Units	Rate	Revenue	
Rate L				
Distribution				
First 5,000 kW or less	252	$34,900.00	$8,794,800	[B]
Demand additional kW	870,967	$13.12	$11,427,081	[B]
Subtotal	870,967		$20,221,881	
Untransformed Service Credit			($110,609)	[B]
Surcharges				
Retail Market Enhancement, Jan-May, Bills				
POR	105	$0.00	$0	
Non-POR	105	$0.00	$0	
Retail Market Enhancement, Jun-Dec, Bills				
POR	147	$0.00	$0	
Non-POR	147	$0.00	$0	
Smart Meter, Jan-Mar, Meters	165	$0.00	$0	
Smart Meter, Apr-Jun, Meters	165	$0.00	$0	
Smart Meter, Jul-Sep, Meters	165	$0.00	$0	
Smart Meter, Oct-Dec, Meters	165	$0.00	$0	
Energy Efficiency, Jan-May, Bills (1)	105	$334.24	$35,095	
Energy Efficiency, Jan-May, kW (PLC) (1)	924,697	$0.37	$338,091	
Energy Efficiency, Jun-Dec, Bills (1)	147	$329.86	$48,489	
Energy Efficiency, Jun-Dec, kW (PLC) (1)	1,383,068	$0.34	$477,042	
Subtotal			$898,717	
Transmission, 1CP				
KW, Jan-May	0	$4.22	$0	
KW, Jun-Dec	0	$3.84	$0	
Subtotal	0		$0	
Generation, All kWh				
Generation, Jan-May	0	$0.060533	$0	
Generation, Jun-Dec	0	$0.051642	$0	
Subtotal	0		$0	
Subtotal Revenue			$21,009,989	
Rider 10 - State Tax Adjustment		0.0000%	$0	
Rider 22 - Distribution System Improvement Charge		0.0000%	$0	
Total Calculated Revenue			**$21,009,989**	

1/ Energy Efficiency surcharge is a weighted rate for calculation purposes based on commercial and industrial sales.

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	$21,163,382	$0	$0	$21,163,382
Proposed Rates	$21,009,989	$0	$0	$21,009,989
Revenue Change	($153,393)	$0	$0	($153,393)

Base Distribution Revenue Summary

Σ [A]	$20,114,046
Σ [B]	$20,111,272
Difference	($2,774)

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate HVPS - High Voltage Power Service

CURRENT RATES	Units	Rate	Revenue	
Rate HVPS				
Distribution				
Demand first 50,000 kW, Jan-May	10	$7,741.15	$77,412	[A]
Demand first 50,000 kW, Jun-Dec	14	$7,741.15	$108,376	[A]
Demand 50,001-100,000 kW, Jan-May	0	$12,092.20	$0	[A]
Demand 50,001-100,000 kW, Jun-Dec	0	$12,092.20	$0	[A]
Demand >100,000 kW, Jan-May	5	$17,148.61	$85,743	[A]
Demand >100,000 kW, Jun-Dec	7	$17,148.61	$120,040	[A]
Total kWh	1,140,934,272	$0.000000	$0	[A]
Subtotal	36		$391,571	
Untransformed Service Credit			$0	[A]
Surcharges				
Retail Market Enhancement, Jan-May, Bills				
POR	15	$0.00	$0	
Non-POR	15	$0.00	$0	
Retail Market Enhancement, Jun-Dec, Bills				
POR	21	$0.00	$0	
Non-POR	21	$0.00	$0	
Smart Meter, Jan-Mar, Meters	12	$8.76	$105	[A]
Smart Meter, Apr-Jun, Meters	12	$10.01	$120	[A]
Smart Meter, Jul-Sep, Meters	12	$11.24	$135	[A]
Smart Meter, Oct-Dec, Meters	12	$12.46	$150	[A]
Energy Efficiency, Jan-May, Bills (1)	15	$449.05	$6,736	
Energy Efficiency, Jan-May, kW (PLC) (1)	680,347	$0.40	$272,649	
Energy Efficiency, Jun-Dec, Bills (1)	21	$443.70	$9,318	
Energy Efficiency, Jun-Dec, kW (PLC) (1)	952,485	$0.38	$360,089	
Subtotal			$649,300	
Transmission, 1CP				
KW, Jan-May	0	$4.22	$0	
KW, Jun-Dec	0	$3.84	$0	
Subtotal	0		$0	
Generation, All kWh				
Generation, Jan-May	0	$0.060533	$0	
Generation, Jun-Dec	0	$0.051642	$0	
Subtotal	0		$0	
Subtotal Revenue			$1,040,871	
Rider 10 - State Tax Adjustment		-0.1276%	($1,395)	[A]
Rider 22 - Distribution System Improvement Charge		5.00%	$52,044	[A]
Total Calculated Revenue			**$1,091,520**	

1/ Energy Efficiency surcharge is a weighted rate for calculation purposes based on commercial and industrial sales.

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate HVPS - High Voltage Power Service

PROPOSED RATES	Units	Rate	Revenue	
Rate HVPS				
Distribution				
Demand first 50,000 kW	84	$2,050.31	$172,226	[B]
Demand 50,001-100,000 kW	0	$3,202.72	$0	[B]
Demand >100,000 kW	12	$4,541.96	$54,504	[B]
Subtotal	96		$226,730	
Untransformed Service Credit			$0	[B]
Surcharges				
Retail Market Enhancement, Jan-May, Bills				
POR	40	$0.00	$0	
Non-POR	40	$0.00	$0	
Retail Market Enhancement, Jun-Dec, Bills				
POR	56	$0.00	$0	
Non-POR	56	$0.00	$0	
Smart Meter, Jan-Mar, Meters	33	$0.00	$0	
Smart Meter, Apr-Jun, Meters	33	$0.00	$0	
Smart Meter, Jul-Sep, Meters	33	$0.00	$0	
Smart Meter, Oct-Dec, Meters	33	$0.00	$0	
Energy Efficiency, Jan-May, Bills (1)	40	$449.05	$17,962	
Energy Efficiency, Jan-May, kW (PLC) (1)	870,376	$0.40	$348,803	
Energy Efficiency, Jun-Dec, Bills (1)	56	$443.70	$24,847	
Energy Efficiency, Jun-Dec, kW (PLC) (1)	1,130,033	$0.38	$427,211	
Subtotal			$818,823	
Transmission, 1CP				
KW, Jan-May	0	$4.22	$0	
KW, Jun-Dec	0	$3.84	$0	
Subtotal	0		$0	
Generation, All kWh				
Generation, Jan-May	0	$0.060533	$0	
Generation, Jun-Dec	0	$0.051642	$0	
Subtotal	0		$0	
Subtotal Revenue			$1,045,552	
Rider 10 - State Tax Adjustment		0.0000%	$0	
Rider 22 - Distribution System Improvement Charge		0.0000%	$0	
Total Calculated Revenue			**$1,045,552**	

1/ Energy Efficiency surcharge is a weighted rate for calculation purposes based on commercial and industrial sales.

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	$1,091,520	$0	$0	$1,091,520
Proposed Rates	$1,045,552	$0	$0	$1,045,552
Revenue Change	($45,968)	$0	$0	($45,968)

Base Distribution Revenue Summary

Σ [A]	$442,730
Σ [B]	$226,730
Difference	($216,000)

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate UMS - Unmetered Service

CURRENT RATES	Units	Rate	Revenue
Rate UMS			
Distribution			
Total Bills	66,340	$10.00	$663,396
kWh, Jan-May	8,029,974	$0.015744	$126,424
kWh, Jun-Dec	11,402,556	$0.015744	$179,522
Subtotal	19,432,530		$969,342
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	27,633	$0.00	$0
Non-POR	27,633	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	38,707	$0.00	$0
Non-POR	38,707	$0.00	$0
Subtotal	66,340		$0
Transmission			
Transmission, kWh Jan-May	1,349,265	$0.003124	$4,215
Transmission, kWh Jun-Dec	1,915,956	$0.003093	$5,926
Transmission, 1CP Jan-May	2,186	$2.11	$4,618
Transmission, 1CP Jun-Dec	3,060	$1.92	$5,880
Subtotal	3,265,221		$20,639
Generation, All kWh			
Generation, Jan-May	1,349,265	$0.060533	$81,676
Generation, Jun-Nov	1,638,098	$0.051642	$84,595
Generation, Dec	277,857	$0.051642	$14,349
Subtotal	3,265,221		$180,620
Subtotal Revenue			$1,170,600
Rider 10 - State Tax Adjustment		-0.1276%	($1,299)
Rider 22 - Distribution System Improvement Charge		5.00%	$48,467
Total Calculated Revenue			**$1,217,769**

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate UMS - Unmetered Service

PROPOSED RATES	Units	Rate	Revenue
Rate UMS			
Distribution			
Total Bills	66,340	$10.00	$663,396
Total kWh	19,432,530	$0.018171	$353,109
Subtotal	19,432,530		$1,016,504
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	27,633	$0.00	$0
Non-POR	27,633	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	38,707	$0.00	$0
Non-POR	38,707	$0.00	$0
Subtotal			$0
Transmission			
Transmission, kWh Jan-May	1,349,265	$0.003124	$4,215
Transmission, kWh Jun-Dec	1,915,956	$0.003093	$5,926
Transmission, 1CP Jan-May	2,186	$2.11	$4,618
Transmission, 1CP Jun-Dec	3,060	$1.92	$5,880
Subtotal	3,265,221		$20,639
Generation, All kWh			
Generation, Jan-May	1,349,265	$0.060533	$81,676
Generation, Jun-Nov	1,638,098	$0.051642	$84,595
Generation, Dec	277,857	$0.051642	$14,349
Subtotal	3,265,221		$180,620
Subtotal Revenue			$1,217,763
Rider 10 - State Tax Adjustment		0.0000%	$0
Rider 22 - Distribution System Improvement Charge		0.0000%	$0
Total Calculated Revenue			**$1,217,763**

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	$1,016,510	$20,639	$180,620	$1,217,769
Proposed Rates	$1,016,504	$20,639	$180,620	$1,217,763
Revenue Change	($6)	$0	$0	($6)

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate SE - Street Lighting Energy

CURRENT RATES	Units	Rate	Revenue
Rate SE			
Distribution			
Total Bills	12	$0.00	$0
Total Fixtures, Jan-May	202,450	$2.78	$562,811
Total Fixtures, Jun-Dec	283,430	$2.78	$787,935
All kWh	24,252,151	$0.00000	$0
Subtotal	485,880		$1,350,746
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	5	$0.00	$0
Non-POR	5	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	7	$0.00	$0
Non-POR	7	$0.00	$0
Subtotal	12		$0
Transmission, All kWh			
Transmission, Jan-May	0	$0.000000	$0
Transmission, Jun-Dec	0	$0.000000	$0
Subtotal	0		$0
Generation, All kWh			
Generation, Jan-May	0	$0.060533	$0
Generation, Jun-Nov	0	$0.051642	$0
Generation, Dec	0	$0.051642	$0
Subtotal	0		$0
Subtotal Revenue			$1,350,746
Rider 10 - State Tax Adjustment		-0.1276%	($1,810)
Rider 22 - Distribution System Improvement Charge		5.00%	$67,537
Total Calculated Revenue			**$1,416,474**

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate SE - Street Lighting Energy

PROPOSED RATES	Units	Rate	Revenue
Rate SE			
Distribution			
Total Fixtures	485,880	$2.92	$1,418,770
Subtotal	485,880		$1,418,770
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	5	$0.00	$0
Non-POR	5	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	7	$0.00	$0
Non-POR	7	$0.00	$0
Subtotal	12		$0
Transmission, All kWh			
Transmission, Jan-May	0	$0.000000	$0
Transmission, Jun-Dec	0	$0.000000	$0
Subtotal	0		$0
Generation, All kWh			
Generation, Jan-May	0	$0.060533	$0
Generation, Jun-Nov	0	$0.051642	$0
Generation, Dec	0	$0.051642	$0
Subtotal	0		$0
Subtotal Revenue			$1,418,770
Rider 10 - State Tax Adjustment		0.0000%	$0
Rider 22 - Distribution System Improvement Charge		0.0000%	$0
Total Calculated Revenue			**$1,418,770**

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	$1,416,474	$0	$0	$1,416,474
Proposed Rates	$1,418,770	$0	$0	$1,418,770
Revenue Change	$2,296	$0	$0	$2,296

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate AL - Architectural Lighting Service

CURRENT RATES	Units	Rate	Revenue
Rate AL			
Distribution			
Total Bills	36	$6.89	$248
kWh, Jan-May	46,201	$0.001817	$84
kWh, Jun-Dec	62,218	$0.001817	$113
All kW	336	$1.29	$433
Subtotal	108,419		$878
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	15	$0.00	$0
Non-POR	15	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	21	$0.00	$0
Non-POR	21	$0.00	$0
Smart Meter, Jan-Mar, Meters	9	$3.44	$31
Smart Meter, Apr-Jun, Meters	9	$3.43	$31
Smart Meter, Jul-Sep, Meters	9	$3.42	$31
Smart Meter, Oct-Dec, Meters	9	$3.41	$31
Subtotal			$123
Transmission, All kWh			
Transmission, Jan-May	1,562	$0.000000	$0
Transmission, Jun-Dec	2,103	$0.000000	$0
Subtotal	3,665		$0
Generation, All kWh			
Generation, Jan-May	1,562	$0.060533	$95
Generation, Jun-Nov	1,730	$0.051642	$89
Generation, Dec	373	$0.051642	$19
Subtotal	3,665		$203
Subtotal Revenue			$1,205
Rider 10 - State Tax Adjustment		-0.1276%	($1)
Rider 22 - Distribution System Improvement Charge		5.00%	$50
Total Calculated Revenue			**$1,254**

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate AL - Architectural Lighting Service

PROPOSED RATES	Units	Rate	Revenue
Rate AL			
Distribution			
Total Bills	36	$8.00	$288
All kWh	108,419	$0.002110	$229
All kW	336	$1.59	$534
Subtotal	108,419		$1,051
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	15	$0.00	$0
Non-POR	15	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	21	$0.00	$0
Non-POR	21	$0.00	$0
Smart Meter, Jan-Mar, Meters	9	$0.00	$0
Smart Meter, Apr-Jun, Meters	9	$0.00	$0
Smart Meter, Jul-Sep, Meters	9	$0.00	$0
Smart Meter, Oct-Dec, Meters	9	$0.00	$0
Subtotal			$0
Transmission, All kWh			
Transmission, Jan-May	1,562	$0.000000	$0
Transmission, Jun-Dec	2,103	$0.000000	$0
Subtotal	3,665		$0
Generation, All kWh			
Generation, Jan-May	1,562	$0.060533	$95
Generation, Jun-Nov	1,730	$0.051642	$89
Generation, Dec	373	$0.051642	$19
Subtotal	3,665		$203
Subtotal Revenue			$1,254
Rider 10 - State Tax Adjustment		0.0000%	$0
Rider 22 - Distribution System Improvement Charge		0.0000%	$0
Total Calculated Revenue			**$1,254**

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	$1,051	$0	$203	$1,254
Proposed Rates	$1,051	$0	$203	$1,254
Revenue Change	$0	$0	$0	$0

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate PAL - Private Area Lighting

CURRENT RATES	*Units*	*Rate*	*Revenue*
Rate PAL			
Distribution, Jan-May			
PAL High Pressure Sodium 70W	3,925	$12.50	$49,063
PAL High Pressure Sodium 100W	930	$12.60	$11,718
PAL High Pressure Sodium 150W	1,490	$12.78	$19,042
PAL High Pressure Sodium 250W	1,950	$13.11	$25,565
PAL High Pressure Sodium 400W	945	$13.64	$12,890
PAL Flood Lighting 100W	685	$12.50	$8,563
PAL Flood Lighting 250W	1,050	$13.08	$13,734
PAL Flood Lighting 400W	2,250	$13.67	$30,758
PAL Unmetered 70W	50	$2.78	$139
PAL Unmetered 100W	10	$2.78	$28
PAL Unmetered 150W	200	$2.78	$556
PAL Unmetered 250W	440	$2.78	$1,223
PAL Unmetered 400W	0	$2.78	$0
Pole Fee	107	$9.84	$1,049
Subtotal	10,107		$174,326
Distribution, Jun-Dec			
PAL High Pressure Sodium 70W	5,495	$12.50	$68,688
PAL High Pressure Sodium 100W	1,302	$12.60	$16,405
PAL High Pressure Sodium 150W	2,086	$12.78	$26,659
PAL High Pressure Sodium 250W	2,730	$13.11	$35,790
PAL High Pressure Sodium 400W	1,323	$13.64	$18,046
PAL Flood Lighting 100W	959	$12.50	$11,988
PAL Flood Lighting 250W	1,470	$13.08	$19,228
PAL Flood Lighting 400W	3,150	$13.67	$43,061
PAL Unmetered 70W	70	$2.78	$195
PAL Unmetered 100W	14	$2.78	$39
PAL Unmetered 150W	280	$2.78	$778
PAL Unmetered 250W	616	$2.78	$1,712
PAL Unmetered 400W	0	$2.78	$0
Pole Fee	185	$9.84	$1,823
Subtotal	19,680		$244,411
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	4,047	$0.00	$0
Non-POR	4,047	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	5,689	$0.00	$0
Non-POR	5,689	$0.00	$0
Subtotal	9,736		$0
Transmission, Jan-May			
PAL High Pressure Sodium 70W	3014	$0.11	$334
PAL High Pressure Sodium 100W	714	$0.19	$136
PAL High Pressure Sodium 150W	1,144	$0.27	$311
PAL High Pressure Sodium 250W	1,497	$0.42	$630
PAL High Pressure Sodium 400W	726	$0.65	$472
PAL Flood Lighting 100W	526	$0.18	$92
PAL Flood Lighting 250W	806	$0.38	$308
PAL Flood Lighting 400W	1,728	$0.59	$1,024
PAL Unmetered 70W	38	$0.11	$4
PAL Unmetered 100W	8	$0.18	$1
PAL Unmetered 150W	154	$0.26	$39
PAL Unmetered 250W	338	$0.38	$129
PAL Unmetered 400W	0	$0.59	$0
Subtotal	10,693		$3,481
Transmission, Jun-Dec			
PAL High Pressure Sodium 70W	4,220	$0.00	$0
PAL High Pressure Sodium 100W	1,000	$0.00	$0
PAL High Pressure Sodium 150W	1,602	$0.00	$0
PAL High Pressure Sodium 250W	2,096	$0.00	$0
PAL High Pressure Sodium 400W	1,016	$0.00	$0
PAL Flood Lighting 100W	736	$0.00	$0
PAL Flood Lighting 250W	1,129	$0.00	$0
PAL Flood Lighting 400W	2,419	$0.00	$0
PAL Unmetered 70W	54	$0.00	$0
PAL Unmetered 100W	11	$0.00	$0
PAL Unmetered 150W	215	$0.00	$0
PAL Unmetered 250W	473	$0.00	$0
PAL Unmetered 400W	0	$0.00	$0
Subtotal	14,970		$0
Generation, Jan-May			
PAL High Pressure Sodium 70W	3,014	$1.08	$3,255
PAL High Pressure Sodium 100W	714	$1.86	$1,328
PAL High Pressure Sodium 150W	1,144	$2.64	$3,021
PAL High Pressure Sodium 250W	1,497	$4.10	$6,139
PAL High Pressure Sodium 400W	726	$6.33	$4,593
PAL Flood Lighting 100W	526	$1.71	$899
PAL Flood Lighting 250W	806	$3.72	$2,999
PAL Flood Lighting 400W	1,728	$5.77	$9,969
PAL Unmetered 70W	38	$1.08	$41
PAL Unmetered 100W	8	$1.71	$13
PAL Unmetered 150W	154	$2.49	$382
PAL Unmetered 250W	338	$3.72	$1,257
PAL Unmetered 400W	0	$5.77	$0
Subtotal	10,693		$33,899
Generation, Jun-Nov			
PAL High Pressure Sodium 70W	3,617	$0.90	$3,255
PAL High Pressure Sodium 100W	857	$2.99	$2,562
PAL High Pressure Sodium 150W	1,373	$2.20	$3,021
PAL High Pressure Sodium 250W	1,797	$3.41	$6,127
PAL High Pressure Sodium 400W	871	$5.28	$4,598
PAL Flood Lighting 100W	631	$1.43	$903
PAL Flood Lighting 250W	968	$3.10	$2,999
PAL Flood Lighting 400W	2,073	$4.81	$9,973
PAL Unmetered 70W	46	$0.90	$41
PAL Unmetered 100W	9	$1.43	$13
PAL Unmetered 150W	184	$2.08	$383
PAL Unmetered 250W	405	$3.10	$1,257
PAL Unmetered 400W	0	$4.81	$0
Subtotal	12,832		$35,133
Generation, Dec			
PAL High Pressure Sodium 70W	603	$0.90	$543
PAL High Pressure Sodium 100W	143	$1.55	$221
PAL High Pressure Sodium 150W	229	$2.20	$503
PAL High Pressure Sodium 250W	299	$3.41	$1,021
PAL High Pressure Sodium 400W	145	$5.28	$766
PAL Flood Lighting 100W	106	$1.43	$150
PAL Flood Lighting 250W	161	$3.10	$500
PAL Flood Lighting 400W	346	$4.81	$1,662
PAL Unmetered 70W	8	$0.90	$7
PAL Unmetered 100W	2	$1.43	$2
PAL Unmetered 150W	31	$2.08	$64
PAL Unmetered 250W	68	$3.10	$209
PAL Unmetered 400W	0	$4.81	$0
Subtotal	2,139		$5,650
Subtotal Revenue			$496,901
Rider 10 - State Tax Adjustment		-0.1276%	($561)
Rider 22 - Distribution System Improvement Charge		5.00%	$20,937
Total Calculated Revenue			**$517,276**

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate PAL - Private Area Lighting

PROPOSED RATES	Units	Rate	Revenue
Rate PAL			
Distribution			
PAL High Pressure Sodium 70W	9,420	$13.11	$123,496
PAL High Pressure Sodium 100W	2,232	$13.21	$29,485
PAL High Pressure Sodium 150W	3,576	$13.40	$47,918
PAL High Pressure Sodium 250W	4,680	$13.75	$64,350
PAL High Pressure Sodium 400W	2,268	$14.30	$32,432
PAL Flood Lighting 100W	1,644	$13.11	$21,553
PAL Flood Lighting 250W	2,520	$13.72	$34,574
PAL Flood Lighting 400W	5,400	$14.34	$77,436
PAL Unmetered 70W	120	$2.92	$350
PAL Unmetered 100W	24	$2.92	$70
PAL Unmetered 150W	480	$2.92	$1,402
PAL Unmetered 250W	1,056	$2.92	$3,084
PAL Unmetered 400W	0		$0
Pole Fee	292	$10.32	$3,013
Subtotal	24,292		$439,163
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	4,047	$0.00	$0
Non-POR	4,047	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	5,689	$0.00	$0
Non-POR	5,689	$0.00	$0
Subtotal	9,736		$0
Transmission, Jan-May			
PAL High Pressure Sodium 70W	3,014	$0.11	$334
PAL High Pressure Sodium 100W	714	$0.19	$136
PAL High Pressure Sodium 150W	1,144	$0.27	$311
PAL High Pressure Sodium 250W	1,497	$0.42	$630
PAL High Pressure Sodium 400W	726	$0.65	$472
PAL Flood Lighting 100W	526	$0.18	$92
PAL Flood Lighting 250W	806	$0.38	$308
PAL Flood Lighting 400W	1,728	$0.59	$1,024
PAL Unmetered 70W	38	$0.11	$4
PAL Unmetered 100W	8	$0.18	$1
PAL Unmetered 150W	154	$0.26	$39
PAL Unmetered 250W	338	$0.38	$129
PAL Unmetered 400W	0	$0.59	$0
Subtotal	10,693		$3,481
Transmission, Jun-Dec			
PAL High Pressure Sodium 70W	4,220	$0.00	$0
PAL High Pressure Sodium 100W	1,000	$0.00	$0
PAL High Pressure Sodium 150W	1,602	$0.00	$0
PAL High Pressure Sodium 250W	2,096	$0.00	$0
PAL High Pressure Sodium 400W	1,016	$0.00	$0
PAL Flood Lighting 100W	736	$0.00	$0
PAL Flood Lighting 250W	1,129	$0.00	$0
PAL Flood Lighting 400W	2,419	$0.00	$0
PAL Unmetered 70W	54	$0.00	$0
PAL Unmetered 100W	11	$0.00	$0
PAL Unmetered 150W	215	$0.00	$0
PAL Unmetered 250W	473	$0.00	$0
PAL Unmetered 400W	0	$0.00	$0
Subtotal	14,970		$0
Generation, Jan-May			
PAL High Pressure Sodium 70W	3,014	$1.08	$3,255
PAL High Pressure Sodium 100W	714	$1.86	$1,328
PAL High Pressure Sodium 150W	1,144	$2.64	$3,021
PAL High Pressure Sodium 250W	1,497	$4.10	$6,139
PAL High Pressure Sodium 400W	726	$6.33	$4,593
PAL Flood Lighting 100W	526	$1.71	$899
PAL Flood Lighting 250W	806	$3.72	$2,999
PAL Flood Lighting 400W	1,728	$5.77	$9,969
PAL Unmetered 70W	38	$1.08	$41
PAL Unmetered 100W	8	$1.71	$13
PAL Unmetered 150W	154	$2.49	$382
PAL Unmetered 250W	338	$3.72	$1,257
PAL Unmetered 400W	0	$5.77	$0
Subtotal	10,693		$33,899
Generation, Jun-Nov			
PAL High Pressure Sodium 70W	3,617	$0.90	$3,255
PAL High Pressure Sodium 100W	857	$2.99	$2,562
PAL High Pressure Sodium 150W	1,373	$2.20	$3,021
PAL High Pressure Sodium 250W	1,797	$3.41	$6,127
PAL High Pressure Sodium 400W	871	$5.28	$4,598
PAL Flood Lighting 100W	631	$1.43	$903
PAL Flood Lighting 250W	968	$3.10	$2,999
PAL Flood Lighting 400W	2,073	$4.81	$9,973
PAL Unmetered 70W	46	$0.90	$41
PAL Unmetered 100W	9	$1.43	$13
PAL Unmetered 150W	184	$2.08	$383
PAL Unmetered 250W	405	$3.10	$1,257
PAL Unmetered 400W	0	$4.81	$0
Subtotal	12,832		$35,133
Generation, Dec			
PAL High Pressure Sodium 70W	603	$0.90	$543
PAL High Pressure Sodium 100W	143	$1.55	$221
PAL High Pressure Sodium 150W	229	$2.20	$503
PAL High Pressure Sodium 250W	299	$3.41	$1,021
PAL High Pressure Sodium 400W	145	$5.28	$766
PAL Flood Lighting 100W	105	$1.43	$150
PAL Flood Lighting 250W	161	$3.10	$500
PAL Flood Lighting 400W	346	$4.81	$1,662
PAL Unmetered 70W	8	$0.90	$7
PAL Unmetered 100W	2	$1.43	$2
PAL Unmetered 150W	31	$2.08	$64
PAL Unmetered 250W	68	$3.10	$209
PAL Unmetered 400W	0	$4.81	$0
Subtotal	2,139		$5,650
Subtotal Revenue			$517,326
Rider 10 - State Tax Adjustment		0.0000%	$0
Rider 22 - Distribution System Improvement Charge		0.0000%	$0
Total Calculated Revenue			**$517,326**

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	$439,113	$3,481	$74,682	$517,276
Proposed Rates	$439,163	$3,481	$74,682	$517,326
Revenue Change	$50	$0	$0	$50

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate SM - Street Lighting Municipal

CURRENT RATES	Units	Rate	Revenue
Rate SM			
Distribution, Jan-May			
Mercury Vapor 100W	1,815	$12.10	$21,962
Mercury Vapor 175W	5,565	$12.35	$68,728
Mercury Vapor 250W	865	$12.59	$10,890
Mercury Vapor 400W	710	$13.09	$9,294
Mercury Vapor 1,000W	20	$15.06	$301
Sodium Vapor 70W	208,865	$12.50	$2,611,063
Sodium Vapor 100W	25,855	$12.60	$325,773
Sodium Vapor 150W	31,895	$12.78	$407,618
Sodium Vapor 250W	8,635	$13.11	$113,205
Sodium Vapor 400W	1,315	$13.64	$17,937
Sodium Vapor 1,000W	20	$15.68	$314
43LED	8,090	$11.16	$90,284
106LED	6,970	$12.82	$89,355
Poles	1,965	$9.84	$19,334
Subtotal	302,605		$3,786,057
Distribution, Jun-Dec			
Mercury Vapor 100W	2,541	$12.10	$30,746
Mercury Vapor 175W	7,791	$12.35	$96,219
Mercury Vapor 250W	1,211	$12.59	$15,246
Mercury Vapor 400W	994	$13.09	$13,011
Mercury Vapor 1,000W	28	$15.06	$422
Sodium Vapor 70W	292,439	$12.50	$3,655,488
Sodium Vapor 100W	36,197	$12.60	$456,082
Sodium Vapor 150W	44,653	$12.78	$570,665
Sodium Vapor 250W	12,089	$13.11	$158,487
Sodium Vapor 400W	1,841	$13.64	$25,111
Sodium Vapor 1,000W	28	$15.68	$439
43LED	11,326	$11.16	$126,398
106LED	9,758	$12.82	$125,098
Poles	2,770	$9.84	$27,261
Subtotal	423,666		$5,300,673
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	874	$0.00	$0
Non-POR	874	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	1,218	$0.00	$0
Non-POR	1,218	$0.00	$0
Subtotal	2,092		$0
Transmission, Jan-May			
Mercury Vapor 100W	851	$0.00	$0
Mercury Vapor 175W	2,609	$0.00	$0
Mercury Vapor 250W	406	$0.00	$0
Mercury Vapor 400W	333	$0.00	$0
Mercury Vapor 1,000W	9	$0.00	$0
Sodium Vapor 70W	97,926	$0.00	$0
Sodium Vapor 100W	12,121	$0.00	$0
Sodium Vapor 150W	14,953	$0.00	$0
Sodium Vapor 250W	4,048	$0.00	$0
Sodium Vapor 400W	616	$0.00	$0
Sodium Vapor 1,000W	9	$0.00	$0
43LED	3,793	$0.00	$0
106LED	3,268	$0.00	$0
Subtotal	140,941		$0
Transmission, Jun-Dec			
Mercury Vapor 100W	1,191	$0.00	$0
Mercury Vapor 175W	3,652	$0.00	$0
Mercury Vapor 250W	568	$0.00	$0
Mercury Vapor 400W	466	$0.00	$0
Mercury Vapor 1,000W	13	$0.00	$0
Sodium Vapor 70W	137,097	$0.00	$0
Sodium Vapor 100W	16,969	$0.00	$0
Sodium Vapor 150W	20,934	$0.00	$0
Sodium Vapor 250W	5,667	$0.00	$0
Sodium Vapor 400W	863	$0.00	$0
Sodium Vapor 1,000W	13	$0.00	$0
43LED	5,310	$0.00	$0
106LED	4,575	$0.00	$0
Subtotal	197,318		$0
Generation, Jan-May			
Mercury Vapor 100W	851	$1.64	$1,395
Mercury Vapor 175W	2,609	$2.75	$7,174
Mercury Vapor 250W	406	$3.80	$1,541
Mercury Vapor 400W	333	$5.99	$1,994
Mercury Vapor 1,000W	9	$14.37	$135
Sodium Vapor 70W	97,926	$1.08	$105,760
Sodium Vapor 100W	12,121	$1.86	$22,545
Sodium Vapor 150W	14,953	$2.64	$39,475
Sodium Vapor 250W	4,048	$4.10	$16,597
Sodium Vapor 400W	616	$6.33	$3,902
Sodium Vapor 1,000W	9	$14.41	$135
43LED	3,793	$0.57	$2,172
106LED	3,268	$1.41	$4,616
Subtotal	140,941		$207,442
Generation, Jun-Nov			
Mercury Vapor 100W	1,021	$1.37	$1,399
Mercury Vapor 175W	3,131	$2.30	$7,201
Mercury Vapor 250W	487	$3.17	$1,543
Mercury Vapor 400W	399	$9.63	$3,846
Mercury Vapor 1,000W	11	$11.98	$135
Sodium Vapor 70W	117,512	$0.90	$105,760
Sodium Vapor 100W	14,545	$1.55	$22,545
Sodium Vapor 150W	17,943	$2.20	$39,475
Sodium Vapor 250W	4,858	$3.41	$16,565
Sodium Vapor 400W	740	$5.28	$3,906
Sodium Vapor 1,000W	11	$12.01	$135
43LED	4,561	$0.57	$2,606
106LED	3,921	$1.41	$5,539
Subtotal	169,130		$210,654
Generation, Dec			
Mercury Vapor 100W	170	$2.30	$391
Mercury Vapor 175W	522	$3.17	$1,654
Mercury Vapor 250W	81	$5.00	$406
Mercury Vapor 400W	67	$11.98	$798
Mercury Vapor 1,000W	2	$0.90	$2
Sodium Vapor 70W	19,585	$1.55	$30,357
Sodium Vapor 100W	2,424	$2.20	$5,333
Sodium Vapor 150W	2,991	$3.41	$10,198
Sodium Vapor 250W	810	$5.28	$4,275
Sodium Vapor 400W	123	$12.01	$1,481
Sodium Vapor 1,000W	2	$0.57	$1
43LED	759	$1.41	$1,071
106LED	654	$0.00	$0
Subtotal	28,188		$55,966
Subtotal Revenue			$9,560,793
Rider 10 - State Tax Adjustment		-0.1276%	($12,174)
Rider 22 - Distribution System Improvement Charge		5.00%	$454,337
Total Calculated Revenue			$10,002,955

APPENDIX B

Duquesne Light Company

Proof of Revenue Calculation at Current and Proposed Settlement Rates

12 Months Ending December 31, 2019

Rate SM - Street Lighting Municipal

PROPOSED RATES	Units	Rate	Revenue
Rate SM			
Distribution			
Mercury Vapor 100W	4,356	$12.69	$55,278
Mercury Vapor 175W	13,356	$12.95	$172,960
Mercury Vapor 250W	2,076	$13.20	$27,403
Mercury Vapor 400W	1,704	$13.73	$23,396
Mercury Vapor 1,000W	48	$15.79	$758
Sodium Vapor 70W	501,324	$13.11	$6,572,358
Sodium Vapor 100W	62,052	$13.21	$819,707
Sodium Vapor 150W	76,548	$13.40	$1,025,743
Sodium Vapor 250W	20,724	$13.75	$284,955
Sodium Vapor 400W	3,156	$14.30	$45,131
Sodium Vapor 1,000W	48	$16.44	$789
43LED	19,416	$11.70	$227,167
106LED	16,728	$13.44	$224,824
Poles	4,735	$10.32	$48,868
Subtotal	726,271		$9,529,337
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	874	$0.00	$0
Non-POR	874	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	1,218	$0.00	$0
Non-POR	1,218	$0.00	$0
Subtotal	2,092		$0
Transmission, Jan-May			
Mercury Vapor 100W	851	$0.00	$0
Mercury Vapor 175W	2,609	$0.00	$0
Mercury Vapor 250W	406	$0.00	$0
Mercury Vapor 400W	333	$0.00	$0
Mercury Vapor 1,000W	9	$0.00	$0
Sodium Vapor 70W	97,926	$0.00	$0
Sodium Vapor 100W	12,121	$0.00	$0
Sodium Vapor 150W	14,953	$0.00	$0
Sodium Vapor 250W	4,048	$0.00	$0
Sodium Vapor 400W	616	$0.00	$0
Sodium Vapor 1,000W	9	$0.00	$0
43LED	3,793	$0.00	$0
106LED	3,268	$0.00	$0
Subtotal	140,941		$0
Transmission, Jun-Dec			
Mercury Vapor 100W	1,191	$0.00	$0
Mercury Vapor 175W	3,652	$0.00	$0
Mercury Vapor 250W	568	$0.00	$0
Mercury Vapor 400W	466	$0.00	$0
Mercury Vapor 1,000W	13	$0.00	$0
Sodium Vapor 70W	137,097	$0.00	$0
Sodium Vapor 100W	16,969	$0.00	$0
Sodium Vapor 150W	20,934	$0.00	$0
Sodium Vapor 250W	5,667	$0.00	$0
Sodium Vapor 400W	863	$0.00	$0
Sodium Vapor 1,000W	13	$0.00	$0
43LED	5,310	$0.00	$0
106LED	4,575	$0.00	$0
Subtotal	197,318		$0
Generation, Jan-May			
Mercury Vapor 100W	851	$1.64	$1,395
Mercury Vapor 175W	2,609	$2.75	$7,174
Mercury Vapor 250W	406	$3.80	$1,541
Mercury Vapor 400W	333	$5.99	$1,994
Mercury Vapor 1,000W	9	$14.37	$135
Sodium Vapor 70W	97,926	$1.08	$105,760
Sodium Vapor 100W	12,121	$1.86	$22,545
Sodium Vapor 150W	14,953	$2.64	$39,475
Sodium Vapor 250W	4,048	$4.10	$16,597
Sodium Vapor 400W	616	$6.33	$3,902
Sodium Vapor 1,000W	9	$14.41	$135
43LED	3,793	$0.57	$2,172
106LED	3,268	$1.41	$4,616
Subtotal	140,941		$207,442
Generation, Jun-Nov			
Mercury Vapor 100W	1,021	$1.37	$1,399
Mercury Vapor 175W	3,131	$2.30	$7,201
Mercury Vapor 250W	487	$3.17	$1,543
Mercury Vapor 400W	399	$9.63	$3,846
Mercury Vapor 1,000W	11	$11.98	$135
Sodium Vapor 70W	117,512	$0.90	$105,760
Sodium Vapor 100W	14,545	$1.55	$22,545
Sodium Vapor 150W	17,943	$2.20	$39,475
Sodium Vapor 250W	4,858	$3.41	$16,565
Sodium Vapor 400W	740	$5.28	$3,906
Sodium Vapor 1,000W	11	$12.01	$135
43LED	4,551	$0.57	$2,606
106LED	3,921	$1.41	$5,539
Subtotal	169,130		$210,654
Generation, Dec			
Mercury Vapor 100W	170	$2.30	$391
Mercury Vapor 175W	522	$3.17	$1,654
Mercury Vapor 250W	81	$5.00	$406
Mercury Vapor 400W	67	$11.98	$798
Mercury Vapor 1,000W	2	$0.90	$2
Sodium Vapor 70W	19,585	$1.55	$30,357
Sodium Vapor 100W	2,424	$2.20	$5,333
Sodium Vapor 150W	2,991	$3.41	$10,198
Sodium Vapor 250W	810	$5.28	$4,275
Sodium Vapor 400W	123	$12.01	$1,481
Sodium Vapor 1,000W	2	$0.57	$1
43LED	759	$1.41	$1,071
106LED	654	$0.00	$0
Subtotal	28,188		$55,966
Subtotal Revenue			$10,003,399
Rider 10 - State Tax Adjustment		0.0000%	$0
Rider 22 - Distribution System Improvement Charge		0.0000%	$0
Total Calculated Revenue			$10,003,399

Revenue Summary	*Distribution*	*Transmission*	*Generation*	Total
Current Rates	$9,528,893	$0	$474,062	$10,002,955
Proposed Rates	$9,529,337	$0	$474,062	$10,003,399
Revenue Change	$444	$0	$0	$444

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate SH - Street Lighting Highway

CURRENT RATES	Units	Rate	Revenue
Rate SH			
Distribution, Jan-May			
SH Sodium Vapor 100W	70	$11.96	$837
SH Sodium Vapor 150W	200	$12.12	$2,424
SH Sodium Vapor 200W	2,775	$12.29	$34,105
SH Sodium Vapor 400W	470	$12.94	$6,082
Subtotal	3,515		$43,448
Distribution, Jun-Dec			
SH Sodium Vapor 100W	98	$11.96	$1,172
SH Sodium Vapor 150W	280	$12.12	$3,394
SH Sodium Vapor 200W	3,885	$12.29	$47,747
SH Sodium Vapor 400W	658	$12.94	$8,515
Subtotal	4,921		$60,827
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	65	$0.00	$0
Non-POR	65	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	91	$0.00	$0
Non-POR	91	$0.00	$0
Subtotal	156		$0
Transmission, Jan-May			
SH Sodium Vapor 100W	70	$0.00	$0
SH Sodium Vapor 150W	200	$0.00	$0
SH Sodium Vapor 200W	2,775	$0.00	$0
SH Sodium Vapor 400W	470	$0.00	$0
Subtotal	3,515		$0
Transmission, Jun-Dec			
SH Sodium Vapor 100W	98	$0.00	$0
SH Sodium Vapor 150W	280	$0.00	$0
SH Sodium Vapor 200W	3,885	$0.00	$0
SH Sodium Vapor 400W	658	$0.00	$0
Subtotal	4,921		$0
Generation, Jan-May			
SH Sodium Vapor 100W	70	$1.86	$130
SH Sodium Vapor 150W	200	$2.64	$528
SH Sodium Vapor 200W	2,775	$3.54	$9,824
SH Sodium Vapor 400W	470	$6.33	$2,975
Subtotal	3,515		$13,457
Generation, Jun-Nov			
SH Sodium Vapor 100W	84	$1.55	$130
SH Sodium Vapor 150W	240	$2.20	$528
SH Sodium Vapor 200W	3,330	$2.95	$9,824
SH Sodium Vapor 400W	564	$5.28	$2,978
Subtotal	4,218		$13,460
Generation, Dec			
SH Sodium Vapor 100W	14	$1.55	$22
SH Sodium Vapor 150W	40	$2.20	$88
SH Sodium Vapor 200W	555	$2.95	$1,637
SH Sodium Vapor 400W	94	$5.28	$496
Subtotal	703		$2,243
Subtotal Revenue			$133,434
Rider 10 - State Tax Adjustment		-0.1276%	($140)
Rider 22 - Distribution System Improvement Charge		5.00%	$5,214
Total Calculated Revenue			**$138,508**

APPENDIX B
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2019
Rate SH - Street Lighting Highway

PROPOSED RATES	Units	Rate	Revenue
Rate SH			
Distribution			
SH Sodium Vapor 100W	168	$12.54	$2,107
SH Sodium Vapor 150W	480	$12.71	$6,101
SH Sodium Vapor 200W	6,660	$12.89	$85,847
SH Sodium Vapor 400W	1,128	$13.57	$15,307
Subtotal	8,436		$109,362
Surcharges			
Retail Market Enhancement, Jan-May, Bills			
POR	65	$0.00	$0
Non-POR	65	$0.00	$0
Retail Market Enhancement, Jun-Dec, Bills			
POR	91	$0.00	$0
Non-POR	91	$0.00	$0
Subtotal	156		$0
Transmission, Jan-May			
SH Sodium Vapor 100W	70	$0.00	$0
SH Sodium Vapor 150W	200	$0.00	$0
SH Sodium Vapor 200W	2,775	$0.00	$0
SH Sodium Vapor 400W	470	$0.00	$0
Subtotal	3,515		$0
Transmission, Jun-Dec			
SH Sodium Vapor 100W	98	$0.00	$0
SH Sodium Vapor 150W	280	$0.00	$0
SH Sodium Vapor 200W	3,885	$0.00	$0
SH Sodium Vapor 400W	658	$0.00	$0
Subtotal	4,921		$0
Generation, Jan-May			
SH Sodium Vapor 100W	70	$1.86	$130
SH Sodium Vapor 150W	200	$2.64	$528
SH Sodium Vapor 200W	2,775	$3.54	$9,824
SH Sodium Vapor 400W	470	$6.33	$2,975
Subtotal	3,515		$13,457
Generation, Jun-Nov			
SH Sodium Vapor 100W	84	$1.55	$130
SH Sodium Vapor 150W	240	$2.20	$528
SH Sodium Vapor 200W	3,330	$2.95	$9,824
SH Sodium Vapor 400W	564	$5.28	$2,978
Subtotal	4,218		$13,460
Generation, Dec			
SH Sodium Vapor 100W	14	$1.55	$22
SH Sodium Vapor 150W	40	$2.20	$88
SH Sodium Vapor 200W	555	$2.95	$1,637
SH Sodium Vapor 400W	94	$5.28	$496
Subtotal	703		$2,243
Subtotal Revenue			$138,522
Rider 10 - State Tax Adjustment		0.0000%	$0
Rider 22 - Distribution System Improvement Charge		0.0000%	$0
Total Calculated Revenue			**$138,522**

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	$109,349	$0	$29,160	$138,508
Proposed Rates	$109,362	$0	$29,160	$138,522
Revenue Change	$13	$0	$0	$13

Appendix C

APPENDIX C

Duquesne Light Company

Present, Proposed, and Settled Rates with Bill Impact

Docket No. R-2018-3000124

Rate RS - Residential Service Using 600 kWh	Present [1]	Proposed 1/1/2019	Settled 1/1/2019	Present vs. Proposed	Present vs. Settled
Customer Charge	$10.00	$16.25	$12.50		
Distribution Charges	$28.23	$36.69	$36.14		
Roll In Surcharges	$6.05	$0.00	$0.00		
Base Distribution	$44.28	$52.94	$48.64	19.55%	9.85%
Remaining Surcharges [1]	$6.91	$6.91	$6.91		
Total Distribution	$51.19	$59.85	$55.55		
Transmission [1]	$9.51	$9.51	$9.51		
Generation [1]	$37.44	$37.44	$37.44		
Total	**$98.15**	**$106.80**	**$102.51**	8.82%	4.44%

Rate RH - Residential Service Heating Using 1,000 kWh	Present [1]	Proposed 1/1/2019	Settled 1/1/2019	Present vs. Proposed	Present vs. Settled
Customer Charge	$10.00	$16.25	$12.50		
Distribution Charges	$35.74	$46.45	$45.68		
Roll In Surcharges	$6.46	$0.00	$0.00		
Base Distribution	$52.20	$62.70	$58.18	20.12%	11.46%
Remaining Surcharges [1]	$11.52	$11.52	$11.52		
Total Distribution	$63.72	$74.22	$69.70		
Transmission [1]	$9.55	$9.55	$9.55		
Generation [1]	$62.41	$62.41	$62.41		
Total	**$135.68**	**$146.18**	**$141.66**	7.74%	4.41%

Rate GM>25 - General Service Medium (25kW Demand) using 10,000 kWh	Present [1]	Proposed 1/1/2019	Settled 1/1/2019	Present vs. Proposed	Present vs. Settled
Customer Charge	$54.00	$67.00	$65.65		
Distribution Charges	$205.24	$235.61	$227.65		
Roll In Surcharges	$14.60	$0.00	$0.00		
Base Distribution	$273.84	$302.61	$293.30	10.51%	7.11%
Remaining Surcharges [1]	$12.00	$12.00	$12.00		
Total Distribution	$285.84	$314.61	$305.30		
Transmission [1]	$119.36	$119.36	$119.36		
Generation [1]	$579.74	$579.74	$579.74		
Total	**$984.94**	**$1,013.71**	**$1,004.40**	2.92%	1.98%

Rate GL - General Service Large (500 kW Demand) using 200,000 kWh	Present [1]	Proposed 1/1/2019	Settled 1/1/2019	Present vs. Proposed	Present vs. Settled
Customer Charge	$0.00	$0.00	$0.00		
Distribution Charges	$4,318.00	$4,932.00	$4,862.00		
Roll In Surcharges	$179.24	$0.00	$0.00		
Base Distribution	$4,497.24	$4,932.00	$4,862.00	9.67%	8.11%
Remaining Surcharges [1]	$873.94	$873.94	$873.94		
Total Distribution	$5,371.18	$5,805.94	$5,735.94		
Transmission [1]	$2,430.00	$2,430.00	$2,430.00		
Generation [1]	$10,929.33	$10,929.33	$10,929.33		
Total	**$18,730.50**	**$19,165.27**	**$19,095.27**	2.32%	1.95%

Rate GS - General Service Small using 350 kWh	Present [1]	Proposed 1/1/2019	Settled 1/1/2019	Present vs. Proposed	Present vs. Settled
Customer Charge	$10.00	$16.25	$12.50		
Distribution Charges	$19.85	$25.49	$25.66		
Roll In Surcharges	$5.60	$0.00	$0.00		
Base Distribution	$35.45	$41.74	$38.16	17.74%	7.65%
Remaining Surcharges [1]	$0.42	$0.42	$0.42		
Total Distribution	$35.87	$42.16	$38.58		
Transmission [1]	$4.56	$4.56	$4.56		
Generation [1]	$19.56	$19.56	$19.56		
Total	**$59.99**	**$66.28**	**$62.70**	10.48%	4.52%

[1] - Reflects current rates that were originally in effect when presented in the "Notice of Proposed Rate Changes" (March 2018).

Appendix D

APPENDIX D
Duquesne Light Company
Proposed Tax Refund by Class
Docket No. R-2018-3000124

				Note [A]	
Rate Class	2019 Pro Forma Base Revenue	2019 Pro Forma Base Revenue Allocation	Tax Refund Allocation	Customer Count	Average One Time Bill Credit
RS	$283,780,045	52.7%	$12,645,680	493,692	$25.61
RH	$24,366,672	4.5%	$1,085,817	34,907	$31.11
RA	$2,897,146	0.5%	$129,101	5,407	$23.88
GS	$10,593,981	2.0%	$472,084	23,269	$20.29
GM<25	$25,602,553	4.8%	$1,140,890	19,087	Note [B]
GM>25	$75,235,208	14.0%	$3,352,598	9,045	
GMH<25	$2,470,303	0.5%	$110,081	2,268	
GMH>25	$7,557,968	1.4%	$336,795	996	
GL	$64,178,058	11.9%	$2,859,874	732	
GLH	$9,046,751	1.7%	$403,137	91	
L	$20,114,046	3.7%	$896,313	22	
L>138KV/HVPS	$226,730	0.0%	$10,103	8	
AL	$1,051	0.0%	$47	3	$15.60
SE	$1,416,474	0.3%	$63,120	1	$63,120.28
SM	$9,528,893	1.8%	$424,622	173	Note [B]
SH	$109,349	0.0%	$4,873	13	$374.83
PAL	$439,113	0.1%	$19,568	816	$23.98
UMS	$1,016,510	0.2%	$45,297	5,472	$8.28
Total	$538,580,849		$24,000,000	596,002	

[**A**] Illustrative purposes only. A fixed one-time bill credit will be provided to customers of record as of December 1, 2018 in each of these rate classes. The credit will be provided during the January 2019 billing cycle.

[**B**] For the Medium & Large C&I classes and Rate SM, the Company proposes an individual calculation for each customer based on their percentage of actual base distribution revenue to the class for the period December 1, 2017 through November 30, 2018.

Appendix E

Duquesne Light Company
Rate Class Revenue Increase
Docket No. R-2018-3000124

A	B	C	D	E	F	G	H	I
		As-Filed Revenue (Direct Testimony)				Proposed Settlement Revenue		
		Base Rate Revenue	3/28/2018 Proposed Increase	As-Filed "Target" Revenue	As-Filed Increase to Base Rates	Settlement Increase	Settlement "Target" Revenue	Settlement Rate Class Increase
Residential	RS	257,190,076	52,035,055	309,225,130	20.2%	26,589,970	283,780,045	10.3%
	RH	21,747,001	4,519,780	26,266,781	20.8%	2,619,671	24,366,672	12.0%
	RA	2,595,802	529,488	3,125,290	20.4%	301,344	2,897,146	11.6%
Small & Medium C&I	GS	9,992,338	1,595,466	11,587,804	16.0%	601,643	10,593,981	6.0%
	GM<25	23,384,123	3,688,062	27,072,185	15.8%	2,218,430	25,602,553	9.5%
	GM>25	70,960,803	7,544,551	78,505,354	10.6%	4,274,405	75,235,208	6.0%
	GMH<25	2,244,892	309,448	2,554,340	13.8%	256,841	2,501,732	11.4%
	GMH>25	6,702,767	1,426,892	8,129,659	21.3%	823,771	7,526,538	12.3%
Large C&I	GL	61,824,695	6,349,584	68,174,280	10.3%	2,353,363	64,178,058	3.8%
	GLH	8,370,188	1,312,360	9,682,548	15.7%	676,562	9,046,751	8.1%
	L	20,114,046	2,013,461	22,127,506	10.0%	-	20,114,046	0.0%
	HVPS	442,730	384,739	827,469	86.9%	(216,000)	226,730	-48.8%
Lighting	AL	1,051	0	1,051	0.0%	-	1,051	0.0%
	SE	1,416,474	(2,563)	1,413,911	-0.2%	-	1,416,474	0.0%
	SM	9,528,893	444	9,529,337	0.0%	-	9,528,893	0.0%
	SH	109,349	13	109,362	0.0%	-	109,349	0.0%
	UMS	1,016,510	(103,950)	912,560	-10.2%	-	1,016,510	0.0%
	PAL	439,113	(4)	439,109	0.0%	-	439,113	0.0%
	Total	498,080,849	81,602,827	579,683,676	16.4%	40,500,000	538,580,849	8.1%

		As-Filed Revenue (Rebuttal Testimony)				Proposed Settlement Revenue		
		Base Rate Revenue	7/23/2018 Proposed Increase	As-Filed "Target" Revenue	As-Filed Increase to Base Rates	Settlement Increase	Settlement "Target" Revenue	Settlement Rate Class Increase
Residential	RS	257,190,076	44,036,843	301,226,919	17.1%	26,589,970	283,780,045	10.3%
	RH	21,747,001	4,446,086	26,193,087	20.4%	2,619,671	24,366,672	12.0%
	RA	2,595,802	521,410	3,117,212	20.1%	301,344	2,897,146	11.6%
Small & Medium C&I	GS	9,992,338	1,253,983	11,246,321	12.5%	601,643	10,593,981	6.0%
	GM<25	23,384,123	3,646,536	27,030,659	15.6%	2,218,430	25,602,553	9.5%
	GM>25	70,960,803	7,319,606	78,280,409	10.3%	4,274,405	75,235,208	6.0%
	GMH<25	2,244,892	303,298	2,548,190	13.5%	256,841	2,501,732	11.4%
	GMH>25	6,702,767	1,388,218	8,090,985	20.7%	823,771	7,526,538	12.3%
Large C&I	GL	61,824,695	6,176,636	68,001,331	10.0%	2,353,363	64,178,058	3.8%
	GLH	8,370,188	1,235,587	9,605,775	14.8%	676,562	9,046,751	8.1%
	L	20,114,046	1,865,396	21,979,442	9.3%	-	20,114,046	0.0%
	HVPS	442,730	(27,534)	415,195	-6.2%	(216,000)	226,730	-48.8%
Lighting	AL	1,051	(3)	1,047	-0.3%	-	1,051	0.0%
	SE	1,416,474	(2,563)	1,413,911	-0.2%	-	1,416,474	0.0%
	SM	9,528,893	(14,306)	9,514,587	-0.2%	-	9,528,893	0.0%
	SH	109,349	(155)	109,193	-0.1%	-	109,349	0.0%
	UMS	1,016,510	(110,596)	905,914	-10.9%	-	1,016,510	0.0%
	PAL	439,113	(733)	438,380	-0.2%	-	439,113	0.0%
	Total	498,080,849	72,037,707	570,118,556	14.5%	40,500,000	538,580,849	8.1%

Appendix F

APPENDIX F

I. PROPOSED FINDINGS OF FACT

1. Duquesne Light Company ("Duquesne Light" or the "Company") provides electric distribution and transmission services to approximately 596,000 customers in Allegheny and Beaver Counties, Pennsylvania.

2. Duquesne Light is a "public utility" and an "electric distribution company" as defined under the Public Utility Code, *see* 66 Pa. C.S. §§ 102 & 2803, serving customers within its certificated service territory and subject to the regulatory jurisdiction of this Commission.

3. Duquesne Light also provides default service to customers that are not being served by an electric generation supplier ("EGS").

4. On March 28, 2018, Duquesne Light filed with the Pennsylvania Public Utility Commission ("Commission") Tariff Supplement No. 174 to Tariff Electric - Pa. P.U.C. No. 24 at Docket No. R-2018-3000124. Supplement No. 174 was proposed to become effective on May 29, 2018, together with supporting data, written testimony, and exhibits. In Supplement No. 174, Duquesne Light proposed a general increase in distribution base rates designed to produce approximately $133.8 million in additional annual base rate operating revenues based upon data for the fully projected future test year ("FPFTY") ending December 31, 2019, including $52.2 million currently being recovered in surcharges, for a net increase in revenues of $81.6 million.

5. At the hearings held on August 15, 16 and 17, 2018, the parties advised Administrative Law Judge Katrina L. Dunderdale (the "ALJ") that all parties had achieved a Settlement of all issues except those related to Rider No. 16.

6. The Parties filed a Joint Petition for Settlement ("Settlement") on September 14, 2018.

7. The Settlement is supported by Duquesne Light, the Bureau of Investigation and Enforcement ("I&E") of the Commission, the Office of Consumer Advocate ("OCA"), the Office of Small Business Advocate ("OSBA"), the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania ("CAUSE-PA"), Duquesne Industrial Intervenors ("DII"),[1] Community Action Association of Pennsylvania ("CAAP"), Wal-Mart Stores East, LP and Sam's East, Inc. ("Wal-Mart"), ChargePoint, Inc. ("ChargePoint"), the Keystone Energy Efficiency Alliance ("KEEA"), NRG Energy Center Pittsburgh, LLC ("NRGP"), CAC Council ("CAC") and the Natural Resources Defense Council, Inc. ("NRDC") (collectively the "Joint Petitioners").

8. The other parties in the proceeding, including Peoples Natural Gas Company, LLC ("Peoples") and the International Brotherhood of Electric Workers Local 129 ("IBEW") have indicated that they do not oppose the Settlement.

9. All active parties in this proceeding either support or do not oppose the Settlement.

10. There are 2 customer complaints in this proceeding: Jason Dolby (Docket No. C-2018-3001074) and Leonard Coyer (Docket No. C-2018-3002424). These Customer Complainants have not been active parties.

11. The Settlement reflects a carefully balanced compromise of the interests of all of the Joint Petitioners.

12. Under the Settlement, Duquesne Light will be permitted to recover a net increase in revenues of $40.5 million and an increase in base rates of $92.7 million after roll in of current recoveries under the Smart Meter Charge, Distribution System Improvement Charge ("DSIC")

---

[1] Allegheny County Airport Authority, Duquesne University, Linde Energy Services, Inc., United States Steel Corporation, and the University of Pittsburgh constitute the DII.

and the Purchase of Receivable Portion of the Retail Market Enhancement Surcharge. (Settlement ¶ 30.)

13. The Company has undertaken considerable efforts to control costs, improve customer service and continue to provide highly reliable service to customers since the Company's last base rate proceeding in 2013. (Duquesne Light St. No. 1, pp. 5-8.)

14. The Company's costs of providing electric distribution service have increased in many areas, including increased investment in facilities to maintain high levels of service and reliability and increased operation and maintenance ("O&M") expenses. In addition, the Company has experienced a sharp reduction in sales due to energy efficiency measures. (Duquesne Light St. No. 1, pp. 9-10.)

15. Absent rate relief, Duquesne Light projected an overall return on rate base of approximately 5.27% for the fully projected future test year ("FPFTY"). (See Duquesne Light St. No. 1, p. 13.) This would translate into a return on equity for the FPFTY of 5.83%. (See Duquesne Light St. No. 1, p. 13.)

16. Absent rate relief, the Company would earn a return on equity substantially lower than the Company's proposed ROE of 10.95% in this proceeding. (Duquesne Light St. No. 17, p. 1.) This return is also substantially lower than the latest ROE set forth by the Commission in its Quarterly Earning Report for electric company distribution system improvement charge of 9.65% ("DSIC"). *Report on Quarterly Earnings for March 31, 2018*, Docket No. M-2018-3003513, Appendix F, Public Meeting of August 2, 2018.

17. During the course of the proceeding, the difference between the parties' litigation positions narrowed. In rebuttal testimony, the Company revised its proposed net revenue increase down from its original position of $81.6 million to $72 million. (Duquesne Light St.

No. 9-R, p. 4.) In surrebuttal, both I&E and OCA increased their litigation positions with regard to the Company's revenue requirement. (See I&E St. No. 1-SR, p. 3 (proposed increase of $19.5 million as opposed to $13.1 million); OCA St. No. 1-SR, p. 2 (proposed increase of $12.8 million as opposed to a proposed decrease of $618,000).)

18. The revenue increase under the Settlement represents a compromise the parties' competing litigation positions. The increase under the Settlement is within the range proposed by the parties, is in the public interest and should be adopted without modification.

19. The Company's smart meter installations will be completed by the end of 2019, which corresponds to the FPFTY in this case. The remaining smart meter investments in 2019 are reflected in the rate base in this case so it is appropriate to roll in the smart meter surcharge revenues and assets into base rates in this proceeding. The SMC will remain in place solely for purposes of reconciling over and under recovery of charges prior to January 1, 2019. (Duquesne Light St. No. 15, pp. 27-28.)

20. Under the Settlement, Duquesne Light will refund to customers $24 million related to collections from customers in 2018 to account for reductions in income taxes under the Tax Cuts and Jobs Act ("TCJA"), beginning January 2019 through a one- or two -time bill credit on a distribution revenue basis. (Settlement ¶ 31.)

21. The $24 million in tax refunds will be allocated to customers on the basis of the relative distribution revenues of the classes. This was developed by determining the percentage of distribution revenues for each class for the FPFTY to total distribution revenues for the Company.

22. The $24 million tax refund for 2018 reflects a compromise of parties' positions in this proceeding. (Duquesne Light St. No. 11-R, pp. 2, 6; Duquesne Light St. No. 9-RJ, p. 11; Ex. No. RLO-13R; OCA St. No. 2, p. 22; OCA St. No. 2-SR, p. 17.)

23. The $24 million in refunds exceeds the effect of the tax rate change on Duquesne Light's annual current and deferred tax allowance for 2018 of $19.6 million. (Duquesne Light St. No. 11-R, p. 7.)

24. Under the Settlement, Duquesne Light will be eligible to include plant additions in the Distribution System Improvement Charge ("DSIC") once the total eligible account balances exceed the levels projected by the Company at December 31, 2019. (Settlement ¶ 33.)

25. Paragraph 35 of the Settlement affirms that all EDIT related to plant will be returned under the ARAM procedure and that unamortized balances will be deducted from rate base in future base rate proceedings. (OCA St. No. 2, pp. 19-20; Duquesne Light St. No. 9-R, pp. 70-76, Duquesne Light Ex. No. RLO-12-R; Duquesne Light St. No. 11-R, pp. 9-16.)

26. Under the Settlement, Duquesne Light is permitted to amortize the non-labor expenses for the field inventory and graphic design tool of $20.6 million related to the development and implementation of the electrical model over a 5 year period. (Settlement ¶ 36.)

27. The Electrical Model is comprehensive computerized layout of the electric distribution system, which will be housed in the Company's existing Geographic Information System ("GIS"), and which will represent the data on a geo-spatially correct digital map. The Electric Model will illustrate connectivity from substation circuit breaker to the transformer to the customer meter, including all switchable devices. The model will also enhance Duquesne Light's ability to analyze the distribution grid for present and future conditions. (Duquesne Light St. No. 5, p. 2.)

28. The Settlement provides for Duquesne Light to fund its pension trusts in the amount equal to $10,000,000 per year; provided, however, that contribution(s) in any year in excess of the foregoing may be used on a cumulative basis to satisfy future contribution obligations under the Settlement. (Settlement ¶ 37.)

29. Under the Settlement, Duquesne Light's rate allowance for Other Post-Employment Benefits ("OPEBs") is based upon the estimated ASC 715 cost for the FPFTY of approximately $0.4 million ($0.3 million on a distribution basis), which reflects a two-year normalization of the Net Periodic Benefit Cost for historic and future test year distribution costs. (Settlement ¶ 38.)

30. Under the Settlement, Duquesne Light's jurisdictional separation study of distribution and transmission costs and assets shall be approved for purposes of this case. (Settlement ¶ 39.)

31. The Jurisdictional Separation Study separates the total revenue requirement, after first eliminating revenues and costs to provide supply service, between the portion subject to the jurisdiction of the Federal Energy Regulatory Commission (*i.e.* transmission revenue requirement) and the portion subject to the jurisdiction of the Pennsylvania Public Utility Commission (*i.e.* the distribution revenue requirement). (Duquesne Light St. No. 14, p. 3.)

32. Under the Settlement, Duquesne Light is permitted to capitalize the development costs for cloud-based information systems, for implementations subsequent to May 1, 2015. (*See* Settlement ¶¶ 41-42.)

33. Cloud-based information systems provide benefits to customers over extended periods of time. (*See* Duquesne Light St. No. 2, pp. 4-6.)

34. Under the Settlement, Duquesne Light will update the unbundled costs that are currently recovered in default service rates that was previously approved by the Commission as part of the Petition of Duquesne Light Company for Approval of a Default Service Plan for the Period June 1, 2017 to May 31, 2021 at Docket No. P-2016-2543140. (*See* Duquesne Light Exhibit DBO-5; Settlement ¶ 44.)

35. These updated unbundling costs will be fixed and reconciled only for differences between projected and actual consumption. The Company would reflect the updated unbundled costs in rates effective June 1, 2019, the first effective default service supply rate change for all classes after new distribution rates become effective January 1, 2019. (Duquesne Light St. No. 15, pp. 24-25.)

36. The Company received support from several parties for the EV Pilot – ChargePoint and NRDC. (ChargePoint St. No. 1, pp. 11-21; NRDC St. No. 1, pp. 14-15.) OCA, I&E and OSBA expressed concerns that Duquesne Light customers should not be funding charging stations. (I&E St. No. 1, p. 44; I&E St. No. 3, pp. 10-11; OCA St. No. 4, pp. 44-60 OSBA St. No. 1, pp. 7-9.)

37. Under the Settlement, the Company has agreed to revise the EV Pilot to focus on: (1) providing make ready infrastructure for and funding fast chargers to be owned by the Company to be used both by Company vehicles and by the Port Authority for its buses; and (2) providing only make ready infrastructure to provide service to public charging stations that will be purchased and owned by third parties. (Settlement ¶ 45.)

38. "Make ready infrastructure" includes: the electric distribution service drop; transformer (including transformer pad) or transformer upgrades, as necessary to serve the new EV charging station load; separate utility service meter (one for the entire "bank" of EV charging

stations); new electric service panel; and all the associated conduit and conductor necessary to connect the EV charging stations at the electrical "stub." (*See* Duquesne Light St. No. 6, pp. 21-22.)

39. Under the Settlement, Duquesne Light's revised Light Emitting Diode ("LED") Street Light Program, as explained in Duquesne Light Statement No. 6 and as set forth in Rate SM of the Company's tariff, is approved. (*See* Settlement ¶ 46; *see also* Duquesne Light Exhibit No. DBO-1.)

40. The Company's proposal to expand the number of LED fixture types offered in its Tariff accounts for the reduction in high pressure sodium ("HPS") fixtures supplies and increasing product costs. (Duquesne Light St. No. 6, p. 32.)

41. The Company's proposal to install or convert up to 3,000 LED street lights per year acknowledges the benefits of LED versus HPS street lights communicated by municipalities participating in the previously approved LED Pilot Program. (Duquesne Light St. No. 6, p. 32.)

42. Under the Settlement, Duquesne Light's proposed fee free bank card payment program is approved. (Settlement ¶ 47; *see also* Duquesne Light St. No. 7, p. 17.) Low income customers currently make up the majority of such payments and currently bear such costs. (Duquesne Light St. No. 7, p. 12.)

43. Under the Settlement, Duquesne Light has withdrawn its Woods Run Microgrid Proposal without prejudice. (Settlement ¶ 48.)

44. The proposed revenue allocation to each class at the settlement increase of $40.5 million is reflected in Appendix E to the Settlement. (Settlement ¶ 49.)

45. Appendix B to the Settlement provides the adjusted rates and a proof of revenues to demonstrate that the changes in rates produce this Settlement revenue increase by class.

46. Both the class cost of service study submitted by Duquesne Light and the class cost of service study submitted by OCA demonstrate that the residential rate classes are providing returns below the system average at present rates. Industrial classes are generally providing returns above the system average. (Duquesne Light Exh. No. 6-10-R; OCA St. No. 4, p. 38.)

47. The revenue allocation set forth in Appendix E to the Settlement is consistent with fundamental cost allocation principles and reflects the rate class revenue requirements set forth in the Settlement. (*See* Duquesne Light St. No. 15, p. 5.)

48. Under the Settlement, the fixed monthly customer charge for Rates RS, RA and RH will be increased from $10.00 per month to $12.50 per month. (Settlement ¶ 50.)

49. The Smart Meter charge currently contains a fixed monthly charge of $4.17 per month, bringing the current fixed charge to $14.17 per month. (Duquesne Light St. No. 15-R, p. 8.) The Smart Meter Charge will be removed with the roll in, resulting in a decrease of the current combined fixed charge from $14.17 per month to $12.50 per month.

50. The revenue allocation and rate design components of the Settlement equitably resolve the positions of the Parties in this proceeding and are in the public interest.

51. Under the Settlement, Duquesne Light will engage in a non-confidential collaborative process open to all interested stakeholders regarding residential time of use rates. (Settlement ¶ 52.)

52. Paragraph 52 of the Settlement is appropriate and reasonable because it provides for a TOU collaborative and for Duquesne Light to file for approval of a TOU program in its next default service proceeding, unless the Commission directs Duquesne Light to file a TOU plan earlier than the next default service filing.

53. Under Paragraph 54 of the Settlement, Duquesne Light will use its best efforts to ensure that 10% of its completed Low Income Usage Reduction Program ("LIURP") jobs are for electric heating customers, and will provide reports on its progress toward reaching that goal to members of its Income Eligible Advisory Group. (Settlement ¶ 54.)

54. This Settlement provision addresses concerns raised by CAUSE-PA regarding LIURP issues. (CAUSE-PA St. No. 1, p. 21.) These LIURP Settlement provisions are reasonable because they increase LIURP funding and prioritize funding to appropriate customers.

55. Under the Settlement, Duquesne Light will revise its medical certificate policy and accompanying procedures, share the revised policy with parties to this proceeding, and provide an opportunity for feedback and suggestions. (*See* Settlement ¶ 55.)

56. Under the Settlement, Duquesne Light will revise its Protection From Abuse Order ("PFA") policy and accompanying procedures, share the revised policy with parties to this proceeding, and provide an opportunity for feedback and suggestions. (*See* Settlement ¶ 56.) This provision was adopted in response to CAUSE-PA's concerns that Duquesne Light's PFA terms were too restrictive. (CAUSE-PA St. No. 1, p. 29.) Duquesne Light agreed to this recommendation from CAUSE-PA in the Company's rebuttal testimony and has incorporated it into the Settlement. (Duquesne Light St. No. 7-R, p. 30.)

57. In this proceeding, several parties argued that Duquesne Light should allow residential master-metering for multifamily buildings. (CAUSE-PA St. No. 2, p. 9; KEEA St. No. 1, p. 39.) These parties believe that master-metering would allow individual families in multifamily buildings to avoid customer charges and receive lower electric bills. (KEEA St. No. 1, p. 39.)

58. There are many issues to evaluate before providing master-metering to multifamily buildings. First, it is important to evaluate the impacts of master-metering on the Company's revenues and revenue allocation. If customers are avoiding customer charges, which recover fixed costs, the Company must recover these fixed costs from other customers. It is important to evaluate whether tenants of multifamily buildings should be able to avoid paying customer charges and if so, how these costs should be recovered from other customers. Second, if tenants of multifamily buildings are not customers of Duquesne Light, they will not be eligible for low-income programs, budget billing, or competitive shopping opportunities and will not have smart meters. (Duquesne Light St. No. 6-R, pp. 16-17.)

59. Within 180 days of the effective date of rates, Duquesne Light will convene a non-confidential collaborative with all parties to this proceeding, and all interested stakeholders who are developers of multifamily housing within its service territory, to discuss the feasibility of revising its tariff to permit master-metering of multifamily housing. (Settlement ¶ 59.)

60. The collaborative will allow interested stakeholders the opportunity to discuss and evaluate issues before any master-metering proposal is adopted. The Settlement provisions regarding master-metering are an appropriate and reasonable compromise of parties' positions in this proceeding.

APPENDIX F

II. PROPOSED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter and the parties to this proceeding. 66 Pa. C.S. §§ 1301, 1308(d).

2. Under Section 1301 of the Public Utility Code, a public utility's rates must be just and reasonable. 66 Pa. C.S. § 1301.

3. The Commission possesses a great deal of flexibility in its ratemaking function. *See Popowsky v. Pa. Pub. Util. Comm'n*, 542 Pa. 99, 108, 665 A.2d 808, 812 (Pa. 1995). "In determining just and reasonable rates, the [Commission] has discretion to determine the proper balance between the interests of ratepayers and utilities." *Id.*

4. The term "just and reasonable" is not intended to confine the ambit of regulatory discretion to an absolute or mathematical formulate; rather, the Commission is granted the power to balance the prices charged to utility customers and returns on capital to utility investors. *Pa. Pub. Util. Comm'n v. Pennsylvania Gas and Water Co.*, 494 Pa. 326, 337, 424 A.2d 1213, 1219 (Pa. 1980), *cert. denied*, 454 U.S. 824, 102 S. Ct. 112, 70 L. Ed. 2d 97 (1981).

5. The Public Utility Code expressly allows electric distribution companies to recover smart meter costs through an automatic adjustment clause or through base rates. 66 Pa. C.S. § 2807(f)(7).

6. Commission policy promotes settlements. 52 Pa. Code § 5.231. Settlements lessen the time and expense the parties must expend litigating a case and at the same time conserve administrative resources.

7. Settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. 52 Pa. Code § 69.401.

8. The Commission encourages black box settlements. *Pa. P.U.C. v. Aqua Pennsylvania, Inc.*, Docket No. R-2011-2267958, Order entered June 7, 2012, pp. 26-27; *Pa. P.U.C. v. Peoples TWP LLC*, Docket No. R-2013-2355886, Order entered December 19, 2013, p. 27 ("*Peoples TWP LLC*"); Statement of Chairman Robert F. Powelson, *Implementation of Act 11 of 2012*, Docket No. M-2012-2293611, Public Meeting, August 2, 2012.

9. In order to accept a settlement, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. Pub. Util. Comm'n, et al. v. UGI Utilities, Inc. – Gas Division*, Docket Nos. R-2015-2518438 et al. (Order entered Oct. 14, 2016); *Pa. Pub. Util. Comm'n v. Philadelphia Gas Works*, Docket No. M-00031768 (Order entered Jan. 7, 2004).

10. The Petitioners have the burden to prove that the Settlement is in the public interest. *Pa. Pub. Util. Comm'n, et al. v. Pike County Light & Power (Electric)*, Docket Nos. R-2013-2397237, C-2014-2405317, et al. (Order entered Sept. 11, 2014).

11. The decision of the Commission must be supported by substantial evidence. 2 Pa. C.S. § 704.

12. "Substantial evidence" is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. *Norfolk & Western Ry. Co. v. Pa. P.U.C.*, 489 Pa. 109, 413 A.2d 1037 (1980); *Erie Resistor Corp. v. Unemployment Comp. Bd. of Review*, 194 Pa. Superior Ct. 278, 166 A.2d 96 (1961); *Murphy v. Comm., Dept. of Public Welfare, White Haven Center*, 85 Pa. Commonwealth Ct. 23, 480 A.2d 382 (1984).

13. The rates and terms of service set forth in the Settlement are supported by substantial evidence and are in the public interest. Therefore, consistent with the terms and

conditions set forth in the Settlement, Duquesne Light's proposed rate increase should be granted.

APPENDIX F

III. PROPOSED ORDERING PARAGRAPHS

1. That the Pennsylvania Public Utility Commission approve this Settlement, including all the terms and modifications thereof, without modification;

2. That the investigation into this matter be terminated and the matter marked closed; and

3. That the Commission issue an Order terminating the proceeding, and authorizing Duquesne Light to file pro forma the tariff supplement attached to the Settlement as **Appendix A** hereto to become effective for service on and after December 29, 2018.

Appendix G

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	Docket No. R-2018-3000124
	:	Docket No. R-2018-3000829
	:	
Office of Consumer Advocate	:	Docket No. C-2018-3001029
Peoples Natural Gas Company LLC	:	Docket No. C-2018-3001152
Jason Dolby	:	Docket No. C-2018-3001074
Office of Small Business Advocate	:	Docket No. C-2018-3001566
Duquesne Industrial Intervenors	:	Docket No. C-2018-3001713
NRG Energy	:	Docket No. C-2018-3002755
Leonard Coyer	:	Docket No. C-2018-3002424
	:	
	:	
v.	:	
	:	
Duquesne Light Company	:	
	:	

DUQUESNE LIGHT COMPANY STATEMENT IN SUPPORT OF JOINT PETITION FOR APPROVAL OF SETTLEMENT STIPULATION

TO ADMINISTRATIVE LAW JUDGE KATRINA L. DUNDERDALE:

I. INTRODUCTION

Duquesne Light Company ("Duquesne Light" or the "Company") hereby submits this Statement in Support of the Joint Petition for Approval of Settlement Stipulation ("Settlement") entered into by the Bureau of Investigation and Enforcement ("I&E") of the Pennsylvania Public Utility Commission ("Commission"), the Office of Consumer Advocate ("OCA"), the Office of Small Business Advocate ("OSBA"), the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania ("CAUSE-PA"), Duquesne Industrial Intervenors ("DII"),[1]

[1] Allegheny County Airport Authority, Duquesne University, Linde Energy Services, Inc., United States Steel Corporation, and the University of Pittsburgh constitute the DII.

17522815v1

Community Action Association of Pennsylvania ("CAAP"), Wal-Mart Stores East, LP and Sam's East, Inc. ("Wal-Mart"), ChargePoint, Inc. ("ChargePoint"), the Keystone Energy Efficiency Alliance ("KEEA"), NRG Energy Center Pittsburgh LLC ("NRGP"),[2] Clean Air Council ("CAC") and the Natural Resources Defense Council, Inc. ("NRDC") (collectively the "Joint Petitioners" or "Parties"). The other parties in the proceeding, including Peoples Natural Gas Company, LLC ("Peoples") and the International Brotherhood of Electric Workers Local 129 ("IBEW") have indicated that they do not oppose the Settlement.

The Settlement resolves all issues in this proceeding except those related to Rider No. 16, which have been reserved for litigation. All active parties in this proceeding either support or do not oppose the Settlement.[3]

The Settlement was achieved only after a comprehensive investigation of Duquesne Light's operations and finances. In addition to informal discovery, Duquesne Light responded to approximately 700 formal discovery requests. Parties filed five rounds of testimony, including the Company's direct testimony, other parties' direct testimony, rebuttal testimony, surrebuttal testimony and rejoinder testimony. Moreover, numerous settlement discussions and formal negotiations occurred which ultimately led to the Settlement.

The Settlement reflects a carefully balanced compromise of the interests of all of the Joint Petitioners. For the reasons explained herein, the Settlement is just and reasonable and supported by substantial evidence. The Settlement should be approved without modification.

---

[2] NRGP supports only the provisions relating to the stipulation between NRGP and Duquesne Light as set forth in Section E, Paragraph 60 of the Settlement Petition. NRGP does not oppose the remainder of the Settlement Petition.

[3] There are 2 customer complaints in this proceeding: Jason Dolby (Docket No. C-2018-3001074) and Leonard Coyer (Docket No. C-2018-3002424). These Customer Complainants have not been active parties. Duquesne Light is serving a copy of the Settlement on the Customer Complainants.

II. EXPLANATION OF PROVISIONS OF SETTLEMENT

Pursuant to Administrative Law Judge Katrina L. Dunderdale's (the "ALJ") request at the hearing on August 17, 2018, Duquesne Light is providing in this Statement in Support an explanation of each provision of the Settlement. At the hearing on August 17, 2018, the ALJ also identified questions about certain provisions of the Settlement that should be addressed in the Statement in Support. This section of Duquesne Light's Statement in Support also responds to the ALJ's inquiries.

1. Revenue Requirement – Paragraph No. 30 of the Settlement provides the revenue requirement settlement, which provides for a net increase in revenues of $40.5 million and an increase in base rates of $92.7 million after roll in of projected recoveries under the Smart Meter Charge ("SMC"), Distribution System Improvement Charge ("DSIC"), and the Purchase of Receivable ("POR") portion of the Retail Market Enhancement Surcharge ("RMES").

As explained by the Company's Director – Rates, Energy Procurement, and Federal/RTO Affairs, Mr. C. James Davis, the Company has undertaken considerable efforts to control costs, improve customer service and continue to provide highly reliable service to customers since the Company's last base rate proceeding in 2013. (Duquesne Light St. No. 1, pp. 5-8.) As explained by Mr. Davis, the Company's costs of providing electric distribution service have increased in many areas, including increased investment in facilities to maintain high levels of service and reliability and increased operation and maintenance ("O&M") expenses. In addition, the Company has experienced a sharp reduction in sales due to energy efficiency measures. (Duquesne Light St. No. 1, pp. 9-10.)

Absent rate relief, Duquesne Light projected an overall return on rate base of approximately 5.27% for the fully projected future test year ("FPFTY"). (See Duquesne Light St. No. 1, p. 13.) This would translate into a return on equity ("ROE") for the FPFTY of 5.83%.

(See Duquesne Light St. No. 1, p. 13.) This is substantially lower than the Company's proposed ROE of 10.95% in this proceeding. (Duquesne Light St. No. 12, p. 1.) It is also substantially lower than the latest ROE set forth by the Commission in its Quarterly Earning Report for electric company distribution system improvement charge of 9.65% ("DSIC"). *Report on Quarterly Earnings for March 31, 2018*, Docket No. M-2018-3003513, Appendix F, Public Meeting of August 2, 2018.

The $40.5 million increase, although less than requested by the Company, will allow Duquesne Light to recover its necessary expenses, including the expense component of pension contributions and increased O&M expenses. The revenue increase also provides the Company with the reasonable opportunity to earn a fair return. The revenue increase should also allow the Company to attract capital on reasonable terms and allow the Company to continue to provide safe and reliable service to customers.

In this proceeding, Duquesne Light, I&E and OCA presented testimony on revenue requirement issues. During the course of the proceeding, the difference between the parties' litigation positions narrowed. In rebuttal testimony, the Company revised its proposed net revenue increase down from its original position of $81.6 million to $72 million. (Duquesne Light St. No. 9-R, p. 4.) In surrebuttal, both I&E and OCA increased their litigation positions with regard to the Company's revenue requirement. (See I&E St. No. 1-SR, p. 3 (proposed increase of $19.5 million as opposed to $13.1 million); OCA St. No. 1-SR, p. 2 (proposed increase of $12.8 million as opposed to a proposed decrease of $618,000).) Through negotiations, the Joint Petitioners were able to compromise their competing litigation positions and arrive at the Settlement increase.

The revenue requirement under the Settlement is generally a "black box" number. Under a "black box" settlement, parties do not specifically identify the rate base, revenue, expense and return amounts that are allowed or disallowed. The Company has found that the "black box" concept often facilitates settlement agreements because parties are not required to identify a specific return on equity or specifically identify rate base, revenue, expense and return amounts that are allowed or disallowed. This process allows a settlement without requiring parties to abandon or reverse their positions on important issues, which could impact their positions in later cases. The Commission encourages black box settlements. *Pa. P.U.C. v. Aqua Pennsylvania, Inc.*, Docket No. R-2011-2267958, Order entered June 7, 2012, pp. 26-27; *Pa. P.U.C. v. Peoples TWP LLC*, Docket No. R-2013-2355886, Order entered December 19, 2013, p. 27 ("*Peoples TWP LLC*"); Statement of Chairman Robert F. Powelson, *Implementation of Act 11 of 2012*, Docket No. M-2012-2293611, Public Meeting, August 2, 2012.

Duquesne Light provided substantial evidence to support its proposed revenue requirement increase in this proceeding. Duquesne Light St. Nos. 2, 2-R, 9, 9-R, 11, 11-R, 12, and 12-R. The increase under the Settlement is well within the range proposed by the parties, is in the public interest and should be adopted without modification.

Exceptions to the "black box" concept under this Settlement were made to specify the refund with regard to 2018 tax reductions, amortization of electric model costs, pension funding and accounting requirements, other post employment benefits ("OPEB") funding, and accounting for cloud-based information technology systems. These exceptions to the black box settlement are explained below, along with various other aspects of the Settlement generally related to revenue requirement issues. These specific resolutions of issues are the kinds of innovative solutions that can be developed by parties in a rate case through the settlement process that generally are not produced by litigation. *Peoples TWP LLC*, p. 27.

The Settlement also reflects the roll-in of certain surcharges, including the DSIC and the SMC. It is required that the DSIC be rolled in to base rates in a distribution rate proceeding. 66 Pa. C.S. § 1358(b)(1). In addition, the Company's smart meter installations will be completed by the end of 2019, which corresponds to the FPFTY in this case. The remaining smart meter investments in 2019 are reflected in the rate base in this case so it is appropriate to roll in the smart meter surcharge revenues and assets into base rates in this proceeding. The SMC will remain in place solely for purposes of reconciling over and under recovery of charges prior to January 1, 2019. Duquesne Light St. No. 15, pp. 27-28. The Commission has previously approved the roll in of smart meter charges into base rates. See *Pa. P.U.C. v. Duquesne Light Company*, Docket No. R-2013-2372129 Order approving Settlement entered April 23, 2014, pp. 10-11.

At the hearing, the ALJ asked whether the inclusion of smart meter costs complies with prior Commission Orders and whether the Commission has already given permission for that type of cost to be included. (Tr. 676.) In this proceeding, Duquesne Light sought permission to roll its SMC into base rates. All SMC costs have been subject to audit as part of the reconcilable surcharge, and any costs that were previously included in the surcharge remain subject to audit pursuant to the Commission's rules and regulations. Any smart meter costs that have not previously been included in the SMC were included in the test years in this proceeding and were subject to review by the parties in this proceeding. The Public Utility Code expressly allows electric distribution companies ("EDCs") to recover smart meter costs through an automatic adjustment clause or through base rates. 66 Pa. C.S. § 2807(f)(7). For these reasons, Duquesne

Light's proposal to roll its SMC into base rates and to recover remaining smart meter costs in base rates is appropriate.

2. Tax Refunds – Paragraph No. 31 of the Settlement provides for refunds related to collections from customers in 2018 to account for reductions in income taxes under the Tax Cuts and Jobs Act ("TCJA"). This paragraph provides for $24 million in refunds to customers to be allocated to the customers on the basis of the relative distribution revenues of the classes. This was developed by determining the percentage of distribution revenues for each class for the FPFTY to total distribution revenues for the Company. See Appendix D to the Settlement. It is noted that this is equivalent to the procedures used by the Commission for negative surcharges under its Temporary Rate Orders. In those Orders, the Commission determined a percentage reduction in rates for the TCJA and applied that percentage reduction to distribution charges on a go forward basis, thereby effectively spreading the 2018 reduction in tax costs to customer classes on the basis of the distribution revenues of each class.[4] *See e.g.*, Order of May 17, 2018 at R-2018-3000527, p. 5 providing for a negative surcharge as follows:

> That the above temporary rate tariff or tariff supplement will apply the above percentage rate decrease equally among Respondents various customer classes, by means of a negative surcharge applied to each customer bill rendered for intrastate service on July 1, 2018 and thereafter, exclusive of STAS and automatic adjustment clause revenues (Ordering Par. No. 2)

Once the total tax reduction of $24 million was allocated to the rate classes based upon distribution revenues, the procedures for refunding to customers in each class was developed in conjunction with representatives of each class in this proceeding. As shown in Appendix D to the Settlement, the allocated portion of the refund to each class will be provided to customers in

[4] Tax reductions for the period January 1, 2019, and thereafter were fully reflected in the Company's filing. (Duquesne Light St. No. 11-R, p. 4.)

the classes in one of two manners. For classes with small customers (RS, RH, RA, GS, AL, SE, SH, PAL), a single fixed one-time bill credit for all members of the class will be applied to customer bills. For the remaining commercial and industrial rate schedules which have a greater range of usage, and the SM schedule, which has a range of customers with different numbers of street lights, individual customer credits will be determined based upon each customer's distribution revenue to total distribution revenue for the rate schedule. All customer credits will be provided on bills during the January 2019 bill cycle.

The $24 million tax refund for 2018 reflects a compromise of parties' positions in this proceeding. In Rebuttal Testimony, Duquesne Light proposed a refund of $10 million. (Duquesne Light St. No. 11-R, p. 2.) Duquesne Light explained that it should not be required to refund the full amount of 2018 tax savings because Duquesne Light did not earn a fair return in 2018. (Duquesne Light St. No. 11-R, p. 6.)

The OCA initially proposed that Duquesne Light refund $33.5 million in 2018 taxes to customers but reduced that amount to $28.4 million on withdrawal of its proposal to accelerate return of unprotected reserves.[5] (OCA St. No. 2, p. 22; OCA St. No. 2-SR, p. 17.) This amount included the 2018 reversal of protected Excess Deferred Income Taxes ("EDIT") and the OCA's proposed accelerated amortization of unprotected EDIT. (Duquesne Light St. No. 11-R, p. 7.) OCA withdrew its claim for accelerated return of unprotected EDIT in its surrebuttal testimony based upon a demonstration by the Company in rebuttal that the accelerated return would increase customer rates by $52 million over the next 25 years. (Duquesne Light St. No. 9-R, pp. 70-76 and Ex. No. RLO-12-R; OCA St. No. 2-SR, pp. 10-11.)

---

[5] I&E adopted OCA's initial proposal in surrebuttal testimony which OCA reduced in surrebuttal. (I&E St. No. 1-SR, p. 32; OCA St. No. 2-SR, p. 17.)

In Rebuttal, the Company also explained that it was not appropriate to refund EDIT in 2018. EDIT does not relate to current year collections from customers and the Commission has not required the return of these amounts in its temporary rate orders. (Duquesne Light St. No. 11-R, p. 9.)

Finally, the Company demonstrated in rejoinder that making a refund of $20 million for 2018 tax reductions would result in the Company earning only a 8.61% return on equity in 2018. (Duquesne Light St. No. 9-RJ, p. 11; Ex. No. RLO-13R.) It is noted that the lowest ROE proposed by any party in this proceeding was 8.5%. (OCA St. No. 3, p. 26.) I&E proposed an ROE of 9.21%. (I&E St. No. 2, p. 6.) While the Company does not agree that these are adequate equity return rates, it is clear from these proposed return rates that the settlement refund of $24 million will put the Company well below the level of a reasonable return rate for 2018.[6] This is further evidenced by the Commission's resetting of the DSIC ROE from 9.55% to 9.65%. *Report on Quarterly Earnings for March 31, 2018*, Docket No. M-2018-3003513, Appendix F, Public Meeting of August 2, 2018.

For these reasons, Duquesne Light agreed to refund $24 million to customers for 2018 taxes in a one-time or two-time bill credit. This is a significant refund that exceeds the effect of the tax rate change on Duquesne Light's annual current and deferred tax allowance for 2018 of $19.6 million, which amount would be consistent with amounts reflected in the Commission's temporary rate orders. (Duquesne Light St. No. 11-R, p. 7.) Duquesne Light believes that this is a reasonable compromise of Parties' positions given the overall Settlement.

[6] The return rate after the refund is important because base rates cannot be revised retroactively for a change in a single item of cost if that cost reduction causes the utility to earn an inadequate return. *National Fuel Gas Distribution Corp. v. Pa. P.U.C.*, 464 A.2d 546 (Pa. Cmwlth. 1983); *Popowsky v. Pa. P.U.C.*, 683 A.2d 958 (Pa. Cmwlth. 1996). The Settlement avoids this legal issue because it provides for a refund related to the tax changes that has been agreed to by the Company.

3. Pa. Act 40 – Paragraph No. 32 of the Settlement addresses requirements of Pa. Act 40, codified as Section 1301.1 of the Public Code. Section 1301.1(a) eliminated the former consolidated income tax adjustment and requires that income taxes be based solely on the expenses and tax deductions of the utility and not its affiliates. Section 1301.1(b) contains provisions about the use of funds during a transition period ending 2025. There was a dispute in this proceeding as to whether these funds should be deducted from rate base. (OCA St. No. 2, pp. 23-27; Duquesne Light St. No. 11-R, pp. 19-21.) The Settlement paragraph provides that the effects of this section are reflected in the negotiated black box revenue requirement.

4. DSIC – Paragraph No. 33 of the Settlement addresses when the Company will be permitted to charge the DSIC. Specifically, the Company will be permitted to charge the DSIC when the Company's total DSIC plant balances exceed the levels reflected in the rate case and justify inclusion of such increased balances in the DSIC. The Settlement provides that the DSIC may be charged once the total DSIC plant balances exceed the levels projected at the end of the FPFTY. See 66 Pa. C.S. § 1358(b) which provides that only the fixed costs of new eligible property that have not previously been reflected in the utility's rate base shall be reflected in the quarterly updates of the DSIC.

5. DSIC – Return – Paragraph No. 34 of the Settlement specifies, as required by the Commission, that Settlements provide a mechanism for determining the return on equity to be used in future DSIC calculations. Because settlements do not typically specify a return on equity, the Commission has accepted agreements by settling parties that the DSIC ROE published in the quarterly earnings reports may be used. *Petition of Duquesne Light Company for Approval of Smart Meter Technology Procurement and Installation Plan*, Docket No. M-2009-2123948, Order entered May 11, 2010, pp. 24-25; See also *Pa. P.U.C. v. Duquesne Light*

Company, Docket No. R-2013-2372129, Order approving Settlement entered April 23, 2014. In this regard, even if there were an ROE determined by litigation in this rate case, it would only be effective for 2 years from the effective date of the rate increase after which the DSIC published return must be used. 66 Pa. C.S. § 1357(b). Because Paragraph No. 33 of the Settlement precludes use of the DSIC until after the total DSIC plant balances exceed those at the end of the FPFTY, an ROE specified in the Settlement other than the Commission's published DSIC return in quarterly reports would be applied to the DSIC only for one year.

6. Return of EDIT – Paragraph No. 35 of this Settlement addresses the period for return of excess deferred income taxes. Excess deferred income taxes are created when there is a tax rate reduction and previously deferred taxes are not necessary. Under the TCJA, certain excess deferred taxes must be returned to customers over the life of the property, with the unreturned or unamortized amounts deducted from rate base, thereby benefiting customers (the Average Rate Assumption Method or ARAM). While other excess deferred taxes are not subject to this requirement, and OCA proposed accelerated return of such amounts, the Company demonstrated in its rebuttal that accelerated return would increase rates by over $52 million. (OCA St. No. 2, pp. 19-20; Duquesne Light St. No. 9-R, pp. 70-76, Duquesne Light Ex. No. RLO-12-R; Duquesne Light St. No. 11-R, pp. 9-16.) In surrebuttal, OCA withdrew the adjustment. (OCA St. No. 2-SR, pp. 10-11.) The Settlement provision affirms that all EDIT related to plant will be returned under the ARAM procedure and that unamortized balances will be deducted from rate base in future base rate proceedings, thereby benefiting customers.

7. Electrical Model – Paragraph No. 36 of the Settlement addresses the claim for costs of building an electrical model, which will enhance the Company's ability to maintain and improve the grid's reliability, resiliency and operation. The electrical model will allow the

Company to identify the location and interconnection of all critical facilities and customer meters on the Company's system on a computerized layout and will provide critical information about the distribution system. (Duquesne Light St. No. 5, pp. 1-5.) The Company claimed the costs of $24.5 million of expense for conducting field inventory over years 2019-2021 and claimed capital costs and additional expenses in the FPFTY. (Duquesne Light St. No. 5, p. 9.) OCA proposed to normalize these field inventory expenses, less Company labor, over 5 years and I&E proposed to normalize these costs over 10 years. (OCA St. No. 1, p. 15; I&E St. No. 1, p. 52.) The Company explained in rebuttal that the costs will be incurred primarily in 2019 and 2020, with a small amount in 2021, and that normalization was inappropriate because unrecovered normalized costs cannot be recovered in a future rate case that is filed before the end of the normalization period. (Duquesne Light St. No. 9-R, pp. 60-63.) Therefore, the Company proposed a 3-year amortization of these costs in rebuttal. (Duquesne Light St. No. 9-R, pp. 61-62.) To resolve this issue, the Settlement provides for amortization of these field inventory costs less Company labor expenses over 5 years. While this does not provide the Company with recovery of costs as incurred, it does provide a reasonable opportunity for the Company to ultimately recover its costs since the unamortized portion of costs can be recovered in a future case. *Pa. P.U.C. v. Butler Twp. Water Co.*, 52 Pa. PUC 571, 1980 Pa. PUC LEXIS 2 (December 18, 1980).

8. Pension Contributions – Paragraph No. 37 of the Settlement addresses pension contributions. The Company proposed to make pension contributions of $10 million per year over the next three years, 2019-2021. Half of those costs are recovered as expense and half are capitalized and added to rate base. The Company also proposed a provision, used in its prior rate cases, that any expense recovery for pensions that is not contributed to the pension would be

returned to customers. In addition, any capital amount for pensions not contributed to the trust would not be added to rate base. (Duquesne Light St. No. 2, pp. 25-27.) These provisions ensure that only pension contributions that are actually made are reflected in rates charged to customers. No party opposed these proposals. Settlement paragraph 37 includes these commitments in the final order in this proceeding. This Settlement provision is consistent with prior Company settlements approved by the Commission. *Pa. P.U.C. v. Duquesne Light Company*, Docket No. R-2010-2179522, Order entered February 24, 2011; *Pa. P.U.C. v. Duquesne Light Company*, Docket No. R-2013-2372129, Order entered April 23, 2014.

9. Other Post Employment Benefits ("OPEBs") – Paragraph No. 38 of the Settlement provides the unopposed Company proposals with regard to the Company's OPEB claim and provides commitments similar to those for pensions for inclusion in the final order in this proceeding. (Duquesne Light St. No. 2, pp. 27-30.) This Settlement provision is consistent with prior Company settlements approved by the Commission. *Pa. P.U.C. v. Duquesne Light Company*, Docket No. R-2010-2179522, Order entered February 24, 2011; *Pa. P.U.C. v. Duquesne Light Company*, Docket No. R-2013-2372129, Order entered April 23, 2014.

10. Jurisdictional Separation Study – Paragraph No. 39 of the Settlement provides for approval of the study used to separate the Company's assets, revenues and expenses into FERC and state jurisdictional amounts, with separated amounts used to set rates for interstate and intrastate service. As the separation is typically approved by the Commission, this provision provides the basis for use of the study for FERC's setting of rates for interstate service. This Settlement provision is consistent with prior Company settlements approved by the Commission. *Pa. P.U.C. v. Duquesne Light Company*, Docket No. R-2010-2179522, Order entered February

24, 2011; *Pa. P.U.C. v. Duquesne Light Company*, Docket No. R-2013-2372129, Order entered April 23, 2014.

11. Reports of Actual Capital Expenditures, Plant Additions, Retirements and Expenses for the FTY and FPFTY – Paragraph No. 40 provides for the filing of actual data for the FYP and FPFTY after those years are completed. The purpose of this provision is to permit the Commission and Parties to review the accuracy of Company projections in this proceeding. Requests for these reports were made in I&E testimony as a requirement in this proceeding. (I&E Statement No. 3, p. 44.)

12. Capitalization of Cloud Computing Costs – Paragraph Nos. 41 and 42 address capitalization of cloud computing costs, which relate to software costs that if installed on Company computers would be capitalized. With the advent of cloud computing, these software costs provided by third parties cannot be capitalized without Commission approval. Duquesne Light has requested this approval. (Duquesne Light St. No. 2, p. 4-6.) OCA raised some concerns about capitalizing future costs between rate cases without review. (OCA St. No. 2, p. 5.) The Company responded that future costs would be subject to review and the Settlement is designed to confirm that. (Duquesne Light St. No. 2-R, p. 17.) The Settlement provision provides for capitalization of these costs but preserves rights to challenge the reasonableness and prudence of costs in future base rate proceedings.

13. Notice Regarding Dividends – Paragraph No. 43 revises a prior commitment by Duquesne Light to provide notice if annual dividends exceed 85% of annual net income for a calendar year. In this filing, the Company proposed a timing change to this commitment so that the Company does not inadvertently exceed the 85% as the end of the calendar year when annual net income is being finalized. The revision simply changes the annual period to year ending

March 31 of each year. (Duquesne Light St. No. 13, p. 8-9.) No party opposed this change. (Duquesne Light St. No. 5, pp. 24-25.)

14. Update of Unbundled Costs – Paragraph No. 44 of the Settlement provides for an update of costs that were unbundled in the Company's last default service proceeding. These are costs of providing default service that are not charged to shopping customers. The unbundled costs will be updated to reflect costs in this proceeding on June 1, 2019, which is the first effective default service supply rate change after the effective date of rates in this proceeding. See Duquesne Light St. No. 15, p. 22.

15. Electric Vehicle Charge Up Pilot ("EV Pilot") – Paragraph No. 45 of the Settlement addresses the Company's proposed EV Pilot. In its filing, Duquesne Light proposed to commence a pilot to obtain experience concerning the provision of electric distribution service for charging of electric vehicles. In direct testimony, Mr. DeMatteo explained that the future demand for electric vehicles could be significant and that increased usage of the Company's facilities to charge vehicles would benefit customers by providing additional revenues to offset future costs of rebuilding the Company's electric distribution system. (Duquesne Light St. No. 6, pp. 4-16.) Importantly, a significant component of future charging of electric vehicles owned by individuals is likely to occur overnight at homes, resulting in use of the existing distribution system during lower use periods. These vehicles and commercial vehicles also will require charging at other times and locations to make use of such vehicles practical. The pilot also is designed to evaluate and address such options.

As proposed, the EV Pilot contained the following components:

	L2	DC Fast Charging	DLC Workplace Charging
No. of Stations	Average of 65 stations installed annually from 2018 – 2022	~15 stations	~10 stations
Ownership Structure	DLC owns "make-ready" infrastructure; customer-site host owns charging station	DLC owns "make-ready" infrastructure and charging station	DLC owns "make-ready" infrastructure and charging station
Customer Rebate	Yes – approx. 50% of charging station cost	No	Not Applicable
Operations & Maintenance	DLC operates and maintains make-ready infrastructure; customer site-host operates and maintains charging station	DLC operates and maintains make-ready infrastructure; customer site-host operates and maintains charging station	DLC operates and maintains make-ready infrastructure and charging station
Pricing Strategy	Customer-site host chooses how to bill customer for charging session; DLC charges customer-site host at appropriate general service rate	Customer-site host chooses how to bill customer for charging session; DLC charges customer-site host at appropriate general service rate	DLC choice
Capital Costs (by 12/31/19)	$1,300,000	$1,000,000	$200,000
O&M Costs	Not broken out by program – total of $442,000 annually dedicated to EV Infrastructure Evaluation Programs		

(Duquesne Light St. No. 6, pp. 19-20.)

The Company received support from several parties for EV Pilot – ChargePoint and NRDC. (ChargePoint St. No. 1, pp. 11-21; NRDC St. No. 1, pp. 14-15.) OCA, I&E and OSBA expressed concerns that Duquesne Light customers should not be funding charging stations. (I&E St. No. 1, p. 44; I&E St. No. 3, pp. 10-11; OCA St. No. 4, pp. 44-60 OSBA St. No. 1, pp. 7-9.) In response, the Company has agreed to revise the EV Pilot, and these changes are reflected in the Settlement. The Company has changed the focus of the EV Pilot to: (1) providing make ready infrastructure for and funding fast chargers to be owned by the Company to be used both by Company vehicles and by the Port Authority for its buses; and (2) providing only make ready infrastructure to provide service to public charging stations that will be purchased and owned by third parties.

The Company's capital investment in the pilot that will be recovered in this rate proceeding is reduced from the proposed $2.5 million to $1.15 million, with $500,000 for make ready infrastructure and fast charging stations for Company vehicles and the electric bus trial [DC Fast Charging Evaluation] and $650,000 for make ready infrastructure for Level 2 chargers at public stations to be owned and operated by third parties.[7] The proposed EV Pilot also contained a proposed employee charging station at a capital cost of $200,000, which has been eliminated by the Settlement.

The capital costs for make ready infrastructure for the Level 2 chargers relate primarily to costs for the Company to extend facilities and install meters for the charging stations and are typical investments made by the utility for costs in front of the meter. Duquesne Light St. No. 6, p. 22.

The Settlement also provides that the Company may provide up to $650,000 in rebates to customers for installation of equipment by owners of Level 2 charging stations between the meter and charging Level 2 stations. The rebates are designed to encourage third parties to purchase and install public chargers to allow the EV Pilot to proceed. The equipment would be electrical panels and conduits from the meter to the charging stations. (Duquesne Light St. No. 6, p. 22.) The rebates are not included in the rate increase. Under the Settlement, they may be recorded as a regulatory asset and claimed in a future rate case.

The proposed EV Pilot contained EV Education and Outreach expenses of $357,000. (Duquesne Light St. No. 6, p. 28.) This amount has been reduced under the Settlement to

[7] The revenue requirement on $1.15 million is approximately $140 thousand. This amount reflects an estimated return on equity of 9.65% (i.e. PUC published Distribution System Improvement Charge (DSIC) Return for the year ended March 31, 2018), and an overall rate of return of 7.30%; a gross revenue conversion factor of 1.515790 (source: Exhibit 2, Schedule D-18, page 3, column 3, line 11); and annual depreciation expense of roughly $29 thousand. The Company utilized these assumptions to demonstrate the approximate cost of the plant investment.

$200,000. The Company explained that the scope of education in direct testimony designed to engage customers on the benefit and values of use of electric vehicles as a new technology in the transportation market. This education would include the availability of the public stations and information about customer applications in their homes. (Duquesne Light St. No. 6, pp. 25-26.)

Finally, the Company proposed a one-time incentive of $60 per customer for vehicle owners to register their electric vehicles with the Company. The purpose of the registration is to allow the Company to track changes in electric usage and evaluate the effects of electric vehicle charging on the Company's distribution grid. (Duquesne Light St. No. 6, p. 27.) Monitoring these effects will provide valuable information for planning the building and replacement of future distribution infrastructure. The proposed annual registration incentive amount of $110,000 has been reduced to $70,000 under the Settlement. In addition, any unused portion of the $70,000 per year will be addressed in the Company's next base rate proceeding. At the hearing, the ALJ asked who will get the EV Pilot rebates. (Tr. 676.) In Direct Testimony, Mr. DeMatteo explained that the rebates will be available to customers that register their EV with the Company. (Duquesne Light St. No. 6, p. 17.) This will allow the Company to enter the EV into the electrical model and evaluate the impacts on the system, which will assist in grid planning.

The ALJ also asked about the allocation of EV Pilot costs to customers. (Tr. 676.) There is no specific allocation of pilot costs to customer classes. They are allocated across all classes. (I&E St. No. 3, p. 10.) The costs reflected in rates are relatively small, comprised of return on $1.15 million in rate base, the education cost of $200,000 and the costs of $70,000 for vehicle registration incentives.

At the hearing, the ALJ asked for the justification for consumers to pay the costs to install stations that will be owned by third parties. (Tr. 676.) It is noted that the Company is not installing charging stations other than the fast charging station for its own use and for the Port Authority Pilot. The Company will provide make ready infrastructure and rebates for certain behind the meter equipment. There are several reasons that this is justified. First, in response to concerns raised by I&E and OCA, these stations must be available to the general public and not for private use. This ensures that the stations will be available to all people in Duquesne Light's service territory as opposed to a limited subset. It also allows Duquesne Light to evaluate the effect of adding the Level 2 chargers to the Company's distribution grid for grid planning purposes, which benefits all customers. Finally, it will increase usage of the distribution system, which again benefits all customers.

The Company and the Parties have carefully considered the proposed EV Pilot and made modifications in the Settlement to ensure that the expenditures included in rates under Settlement will produce benefits to customers with minimal effects on rates charged to customers. In response to concerns raised by I&E and OCA, the Settlement focuses the EV Pilot on public benefits and limits the Company's expenditures. The EV Pilot settlement provisions are in the public interest because they streamline the EV Pilot and at the same time allow the Company an opportunity to incent EV usage in its service territory, which will increase usage of the distribution system and also allow the Company to evaluate the impacts of EV usage on the grid.

17. Light Emitting Diode ("LED") Street Lighting Program – Paragraph No. 46 of the Settlement addresses the Company's revised LED Street Lighting Program. The Company proposed an expanded program for conversion of mercury vapor, high pressure sodium lights to LEDs. Under the primary program, the Company pays the cost of the conversion to LED fixtures and reflects that cost in its base rates after lights are replaced. However, the Company also has included an option whereby the customer can pay the conversion cost, in which case

the Company only charges for distribution service. (Duquesne Light St. No. 15, pp. 20-22.) No Party opposed these changes and related charges to Lighting rate schedules. The provision is included in the Settlement to confirm approval of the changes.

18. Fee Free Bank Card Payment Program – Paragraph No. 47 of the Settlement confirms approval of a program to allow bank card payments by customers without charges for the transaction to customers. (Duquesne Light St. No. 7, pp. 9-17.) It is noted that lower income customers currently make up the majority of such payments and currently bear such costs. (Id.; Duquesne Light St. No. 7, p. 12.) There was no opposition to the program, but a dispute about the projected costs. (I&E St. No. 1, p. 47; Duquesne Light St. No. 7-R, pp. 12-14.) This dispute is resolved by the black box revenue requirement settlement.

19. Woods Run Microgrid – Paragraph No. 48 of the Settlement withdraws the Company's proposal to build a microgrid to increase reliability, control center and operations facilities at Woods Run. (Duquesne Light St. No. 4, pp. 18-28.) Withdrawal of the microgrid proposal is without prejudice.

20. Revenue Allocation and Rate Design – Paragraph No. 49 of the Settlement and related Appendices contain the provisions of the Settlement for allocating the net increase of $40.5 million to the customer rate classes and provide rates to recover the allocated increases. Appendix "E" to the Settlement provides the allocations to the rate classes. Appendix "B" provides the adjusted rates and a proof of revenues to demonstrate that the changes in rates produce this Settlement revenue increase by class.

In reaching the allocation of the increase to the classes, the Parties have generally compromised their positions to achieve a settlement. The primary tool for allocating increases to the rate classes is a class cost of service study. While both the Company and OCA submitted studies in this proceeding, both studies demonstrate that the residential rate classes are providing returns below the system average at present rates. In contrast, industrial classes are generally providing returns above the system average. (Duquesne Light Exh. No. 6-10-R; OCA St. No. 4, p. 38.) Under such circumstances, it is appropriate to apply a greater percentage increase to the residential rates and lower percentage increases or no increases to industrial rates. In some instances, a decrease in rates is appropriate for a rate class that is paying rates that produce a return well above the system average return at present rates. However, in most instances, rate decreases are not implemented and rate classes with returns above system are brought in line by receiving less than average increases over time.

It also is helpful to review the allocation proposals in testimony of the Parties to place the Settlement Allocation in context. Provided below is a chart showing the percentage increases proposed by each of the Parties at the proposed increase and the increases that would result from those approaches at Settlement revenue increase.

	Duquesne Initial @ \$81.6 M[8]	Duquesne Scale Back	OSBA Scale – Back	OCA Scale Back	DII First Proposal – 100% ACOS[9]	DII Second Proposal – 50% ACOS[10]	Amount
Residential	20.3%	10.1%	10.1%	8.7%	14.5%	12.4%	10.5%
Small & Medium C&I	12.7%	6.3%	6.3%	8.4%	4.5%	5.6%	7.2%
Large C&I	11.1%	5.5%	5.5%	7.2%	-2.8%	1.1%	3.1%
Lighting	0.0%	0.0%	0.0%	0.0%	-26.1%	-15.5%	0.0%
Total	16.4%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%

[8] The Duquesne Light, OSBA and OCA scale back percentages are based upon a straight percentage scale back of each parties' initial revenue allocation proposal.

[9] DII's primary recommendation was to move all rate classes to full cost of service. See DII St. No. 1, pp. 4-10; DII Exh. JC-3; Duquesne Light Exh. 6-10, 6-10-R; DII Cross Exh. No. 3.

[10] DII's secondary recommendation was to move all rate classes to full cost of service in two phases, 50% in the current case, and the balance of the movement in the next base rate case of the Company. DII St. No. 1, pp. 4-10.

The Company's initial proposed allocation is basically in the middle of the Parties' proposed allocations. See Duquesne Light Exh. No. 6; OCA St. No. 4; DII Exh. JC-3; and DII St. No. 1. At the Settlement revenue increase, the increases in rates for residential customers are basically scaled back from the Company proposal to reflect the lower revenue increase. As noted previously, residential customers are receiving an above average increase because they provide less than a system average return at current rates. (Duquesne Light Exh. No. 6-10-R; OCA St. No. 4, p. 38.) Consistent with Commission practice, rate reductions are not reflected in the Settlement, except for Rate HVPS, which produces a very high rate of return (1,543% under the Company COS study and 5,608% under the OCA study). (Duquesne Light Exh. No. 6-10-R; OCA St. No. 4, p. 38.)

With regard to rate design, the Parties agreed to an increase in the base rate residential customer charge from $10 per month to $12.50 per month. However, it is to be noted that the SMC currently contains a fixed monthly charge of $4.17 per month, bringing the current fixed charge to $14.17 per month. (Duquesne Light St. No. 15-R, p. 8.) The SMC will be removed with the roll in, resulting in a decrease of the current combined fixed charge from $14.17 per month to $12.50 per month.

The Company believes that the revenue allocation and rate design components of the Settlement equitably resolve the positions of the Parties in this proceeding and are in the public interest.

21. Tariff Language – Paragraph No. 51 of the Settlement provides that Duquesne Light will not remove the phrase "for which service is requested" from its retail tariff Rule No. 5a. As explained by Ms. Scholl, the Company proposed to remove this language from its tariff to clarify that when a customer accrued a balance at one or more premises, the customer may

be required to pay that balance as a condition of establishing service at a different premise. (Duquesne Light St. No. 7-R, p. 32.) CAUSE-PA argued that the Company should not remove this phrase because the Public Utility Code ties responsibility for balances from prior residences to individuals when the individual is on the mortgage, deed or lease. (CAUSE-PA St. No. 1, pp. 31-32.)

Under the Settlement, Duquesne Light agreed not to remove the phrase "for which service is requested" pursuant to CAUSE-PA's request. Duquesne Light will continue to rely on its statutory and regulatory rights and obligations under the Public Utility Code and Commission's regulations with respect to unpaid balances, and therefore, was amenable to maintaining its existing tariff language at CAUSE-PA's request.

22. TOU Rates – Paragraph No. 52 of the Settlement provides that Duquesne Light will hold a collaborative with interested stakeholders to discuss residential TOU rates. In addition, Duquesne Light agrees to make a proposal regarding TOU rates in its next default service rate filing, unless the Commission directs Duquesne Light to make a TOU filing prior to its next default service rate filing.

The TOU settlement provision addresses issues raised by KEEA, NRDC and CAC's witness Mr. Baatz regarding TOU rates. Mr. Baatz requested that Duquesne Light implement TOU rates in order to reduce peak demand. (KEEA St. No. 1, pp. 30-36.) In Rebuttal Testimony, Duquesne Light explained that distribution costs do not vary with the time that the distribution system is used. (Duquesne Light St. No. 15-R, p. 16.) Therefore, a TOU proposal is better suited for generation charges and should be addressed in a default service proceeding.

The Settlement is appropriate and reasonable because it provides for a TOU collaborative and for Duquesne Light to file for approval of a TOU program in its next default service proceeding, unless the Commission directs Duquesne Light to file a TOU plan earlier than the next default service filing.

At the hearing, the ALJ directed the parties to address the issue of whether Duquesne Light should make a TOU filing prior to its next default service rate filing. (Tr. 676.) Duquesne Light does not believe that it should be required to make a TOU filing outside of its default service filings. As explained above and in the Company's testimony, TOU rates are appropriate for generation charges but not for distribution charges. Issues regarding generation charges are addressed in default service proceedings.

Duquesne Light notes that it filed its most recent Petition for Approval of a Default Service filing for the period June 1, 2017 through May 31, 2021 on May 2, 2016. Therein, the Company explained that it had recently conducted a Request for Proposal ("RFP") for electricity generation suppliers ("EGSs") to provide TOU service for the delivery period of June 1, 2016 through May 31, 2017. (See Petition at Docket No. P-2016-2543140.) Duquesne Light solicited two TOU providers to provide TOU service to residential customers. Duquesne Light also noted its plan to continue to facilitate EGS-supplied TOU service for customers.

Multiple parties participated in the DSP VIII proceeding, including OCA, CAUSE-PA, the Retail Energy Supply Association, Exelon Generation Company, LLC, NextEra Energy Power Marketing, LLC and Noble Americas Energy Solutions, LLC. Under the Settlement, Duquesne Light's proposal to continue to rely on EGSs to provide TOU service was adopted. At this time, Duquesne Light believes that it is appropriate to continue to rely on EGSs to provide TOU service.

Duquesne Light also believes that it is reasonable to hold the collaborative and consider proposals offered by parties prior to filing a new TOU program. The collaborative process will occur in 2019, and Duquesne Light will make its next default service filing in 2020. This is a reasonable timeframe for considering TOU proposals and developing a new TOU program. For these reasons, Duquesne Light does not support filing a revised TOU program prior to its next default service filing.

23. Aggregate Energy Usage Data – Paragraph No. 53 of the Settlement provides that Duquesne Light intends to provide anonymized aggregate energy usage data for residential multi-family buildings that are 50,000 square feet or larger and will update the Income Charitable Program Advisory Group regarding the status of implementation.

In this proceeding, CAUSE-PA requested that Duquesne Light provide aggregate data for residential buildings that are larger than 50,000 square feet in order to understand how much energy large buildings are using. (CAUSE-PA St. No. 2, pp. 11-12.) Duquesne Light stated that it was amenable to providing this type of data when it was capable of doing it. (Duquesne Light St. No. 7-R, p. 26.) Duquesne Light believes that this Settlement provision is reasonable because it notes Duquesne Light's intent while also allowing time to implement this capability.

24. LIURP – Paragraph No. 54 provides that Duquesne Light will use its best efforts to ensure that 10% of its completed LIURP jobs are for elective heating customers, will provide reports on reaching that goal to its Income Eligible Program Advisory Group, will increase its LIURP budget by $140,740 annually and will prioritize certain CAP customers for LIURP.

This Settlement provision addresses concerns raised by CAUSE-PA regarding LIURP issues. (CAUSE-PA St. No. 1, p. 21.) Duquesne Light believes that these LIURP Settlement provisions are reasonable because they increase LIURP funding and prioritize funding to appropriate customers.

25. Medical Certificates – In Paragraph No. 55, Duquesne Light agrees to revise its medical certificate policies to allow customers to continue to renew their medical certificates if they continue to pay their current bill or budget bill in full by the due date for the duration of their medical condition or emergency. Under the Settlement, Duquesne Light will be permitted to write off any outstanding balances that are overdue for more than one year for customers that have medical certificates for a period of one year or longer.

This Settlement provision was adopted in response to CAUSE-PA's concerns that the Commission's regulations allow for unlimited medical certificates for customers with a medical condition who continue to pay their current charges or budget bill in full. (CAUSE-PA St. No. 1, p. 26.) Duquesne Light is not opposed to these medical certificate provisions but is concerned that customers could have large unpaid balances if they continue to obtain medical certificates for an extended period and do not pay their past due balances. The Settlement addresses this concern by clarifying that Duquesne Light will write off outstanding balances that are overdue for more than one year for customers that have medical certificates for one year or longer.

At the hearing, the ALJ asked whether this Settlement provision applies to consumers with balances that are greater than $10,000, and if it does apply, how will these be handled. (Tr. 677.) Duquesne Light clarifies that there is no limitation with respect to this Settlement provision and it would apply to balances over $10,000, if any. Duquesne Light notes that it will continue to follow all Commission regulations and orders with respect to balances that are greater than $10,000.

26. Protection from Abuse ("PFA") – Paragraph No. 56 provides that within 60 days of the effective date of rates, Duquesne Light will revise its PFA policy and procedures to accept PFAs or civil or criminal court orders with evidence of domestic violence toward an applicant

for service, a current customer or member of an applicant or customer's household. This provision was adopted in response to CAUSE-PA's concerns that Duquesne Light's PFA terms were too restrictive. (CAUSE-PA St. No. 1, p. 29.) Duquesne Light agreed to this recommendation from CAUSE-PA in the Company's rebuttal testimony and has incorporated it into the Settlement. (Duquesne Light St. No. 7-R, p. 30.)

27. Budget Billing – Paragraph No. 57 provides that Duquesne Light will engage in discussions regarding budget billing issues and will consider proposals to address budget billing concerns raised by the parties in its next base rate proceeding, or earlier if consensus is reached and the proposals will have minimal or no revenue impact.

OCA raised several concerns regarding budget billing in this proceeding. (OCA St. No. 5, p. 29.) Duquesne Light believes that it will be beneficial to discuss concerns regarding budget billing with its Income Eligible Program Advisory Group so that all interested participants have a better understanding of the concerns and potential solutions.

28. Universal Service Program Providers – Paragraph No. 58 provides that Duquesne Light will conduct a competitive selection process to select its universal service program providers and will invite local community based organizations ("CBO") to participate in the process. This is consistent with how Duquesne Light currently selects universal program providers and was set forth in the Settlement to address issues raised by CAAP regarding use of CBOs. (CAAP St. No. 1, p. 7.)

29. Master Metering – In Paragraph 59, Duquesne Light agreed to hold a collaborative to discuss master-metering issues related to multifamily housing. Duquesne Light also agreed to present a proposal regarding master-metering of multifamily housing buildings as part of its next general base rate case.

In this proceeding, two parties argued that Duquesne Light should allow residential master-metering for multifamily buildings. (CAUSE-PA St. No. 2, p. 9; KEEA St. No. 1, p. 39.) These parties believe that master-metering would allow individual families in multifamily buildings to avoid customer charges and receive lower electric bills. (KEEA St. No. 1, p. 39.)

There are many issues to evaluate before providing master-metering to multifamily buildings. First, it is important to evaluate the impacts of master-metering on the Company's revenues and revenue allocation. If customers are avoiding customer charges, which recover fixed costs, the Company must recover these fixed costs from other customers. It is important to evaluate whether tenants of multifamily buildings should be able to avoid paying customer charges and if so, how these costs should be recovered from other customers. Second, if tenants of multifamily buildings are not customers of Duquesne Light, they will not be eligible for low-income programs, budget billing, or competitive shopping opportunities and will not have smart meters. (Duquesne Light St. No. 6-R, pp. 16-17.) It is appropriate to evaluate these issues before allowing master-metering.

For these reasons, Duquesne Light believes that the Settlement provisions regarding master-metering are in the public interest. The collaborative will allow interested stakeholders the opportunity to discuss and evaluate issues before any master-metering proposal is adopted. The Settlement provisions regarding master-metering are an appropriate and reasonable compromise of parties' positions in this proceeding.

30. Non-Electric Services – In Paragraph No. 60, Duquesne Light agrees to provide NRGP notice before developing or funding certain projects for the generation or distribution of steam, hot water or chilled water services within NRGP's service territory. This provision was

important to NRGP and Duquesne Light was willing to adopt it for settlement purposes. (See NRGP St. No. 1, p. 7; Duquesne Light St. No. 1-R, pp. 12-15.)

31. Generation Meter for Net Metered Facilities – In its initial filings in this proceeding, Duquesne Light proposed to update Rider No. 21 – Net Metering Service to require installation of a Generation Meter at new net metered facilities. (See Duquesne Light St. No. 5, pp. 10-12.) This proposal supports distributed generation implementation by enabling Duquesne Light to collect more granular data regarding net metered facility generation output. These data will inform Duquesne Light's distribution system planning and operation, and may also be useful in the aggregate to distributed generation advocates or to the Commission. No parties opposed this proposal, so it is preserved without modification in this settlement agreement.

At the hearing, the ALJ asked the parties to explain the proposed changes to Rider No. 21, and identify how this proposal, including the allocation of associated incremental costs, complies with Commission regulations at 52 Pa. Code § 75.14. (Tr. 675-676.) As Mr. Karcher explains, under this proposal, Duquesne Light would install an additional meter at new net metered facilities to measure the facility's total generation output (not net of customer load). (Duquesne Light St. No. 5, p. 10, lns 22-23.) The customer would be responsible for installing the meter socket for the Generation Meter. This would be the only change to the customer's existing responsibilities associated with net metered facility interconnection. (Duquesne Light St. No. 5, p. 12, lns 13-16.) Existing net metered facilities and those in the interconnection queue would be grandfathered, though Duquesne Light would reserve the right to retrofit such facilities with a Generation Meter at its expense. (Duquesne Light St. No. 5, p. 12, lns 3-6.)

This proposal is consistent with 52 Pa. Code § 75.14 because it does not implicate the metering requirements established by that regulation. The Commission promulgated § 75.14

through the *Final Rulemaking Re Net Metering for Customer-generators pursuant to Section 5 of the Alternative Energy Portfolio Standards Act, 73 P.S. § 1648.5,* L-00050174 (Final Rulemaking Order entered June 23, 2006), In relevant part, § 75.14 provides:

> (a) A customer-generator facility used for net metering must be equipped with a single bidirectional meter that can measure and record the flow of electricity in both directions at the same rate. If the customer-generator agrees, a dual meter arrangement may be substituted for a single bidirectional meter.
>
> (b) If the customer-generator's existing electric metering equipment does not meet the requirements in subsection (a), the EDC shall install new metering equipment for the customer-generator at the EDC's expense. Any subsequent metering equipment change necessitated by the customer-generator shall be paid for by the customer-generator.

The *Final Rulemaking Order* explains that the bi-directional meter requirement was intended to "provide an immediate impact on the customer's bill while reducing administrative costs" in support of Act 129's intent "to encourage the increased use of alternative energy and provide an immediate positive feedback to the customer-generator." *Final Rulemaking Order* at 17.

The proposed change does not implicate § 75.14's bidirectional meter requirement. Under the proposed change, Duquesne Light would continue to equip net metered facilities with a bi-directional net meter for all billing-related purposes, including measurement of customer-generators' net consumption and/or excess generation credits. Duquesne Light would continue to install such bidirectional meters at its expense, consistent with § 75.14(a). Net-metered customers would therefore experience no change in the manner, speed, or degree at which they realize the benefits of net metering. The Generation Meter would serve data-collection purposes only, and as such would not represent a "dual meter arrangement" (i.e., two single-directional meters that together measure net energy consumption) as contemplated by § 75.14 and the *Final Rulemaking Order*.[11]

Incremental costs associated with this change would be allocated consistent with existing practice. Duquesne Light would bear the costs of the Generation Meter, as with any Company-owned meter. The revenue impacts of these incremental costs are reflected in the negotiated black box revenue requirement. Customers would continue to bear the costs of customer-owned equipment. Duquesne Light estimates that procuring and installing an additional meter socket would yield incremental customer cost of about $75 (tr. 211), which would be incurred as part of the customer's overall costs of installing the net metered facility. This modest cost is reasonable in light of the benefits of the Generation Meter as explained above.

To the extent this proposed change would require a waiver of § 75.14, the Company hereby respectfully requests such a waiver for the sole purpose of effectuating this provision of the settlement agreement.

---

[11] *See Final Rulemaking Order* at 17.

III. CONCLUSION

This Settlement is the result of detailed examination of Duquesne Light's proposed rate increase, extensive discovery by numerous parties, multiple rounds of testimony and reasonable compromise by knowledgeable Joint Petitioners. Duquesne Light believes that a fair and reasonable compromise has been achieved in this case. Duquesne Light fully supports this Settlement and respectfully requests that Administrative Law Judge Katrina L. Dunderdale recommend and the Pennsylvania Public Utility Commission approve the Settlement without modifications.

Respectfully Submitted,

Michael W. Gang, Esquire
Anthony D. Kanagy, Esquire
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
Phone: 717-731-1970
Fax: 717-731-1985
E-mail: mgang@postschell.com
E-mail: akanagy@postschell.com

Tishekia Williams, Esquire
Michael Zimmerman, Esquire
Emily Farah, Esquire
Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219
Phone: (412) 393-1058
Fax: (412) 393-5897
E-mail: TWilliams@duqlight.com
E-mail: MZimmerman@duqlight.com
E-mail: EFarah@duqlight.com
Counsel for Duquesne Light Company

Date: September 14, 2018

Appendix H

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, *et al.*	:	
	:	
v.	:	
	:	Docket Nos. R-2018-3000124, *et al.*
	:	
Duquesne Light Company 1308(d) Proceeding	:	
	:	

THE BUREAU OF INVESTIGATION AND ENFORCEMENT'S STATEMENT IN SUPPORT OF JOINT PETITION FOR SETTLEMENT

TO ADMINISTRATIVE LAW JUDGE KATRINA L. DUNDERDALE:

The Bureau of Investigation and Enforcement ("I&E") of the Pennsylvania Public Utility Commission ("Commission"), by and through its Prosecutors Gina L. Miller and John M. Coogan, hereby respectfully submits that the terms and conditions of the foregoing Joint Settlement Petition ("Joint Petition" or "Settlement") are in the public interest and represent a fair, just, and reasonable balance of the interests of Duquesne Light Company ("Duquesne" or "the Company"), and its customers.

I. BACKGROUND

1. I&E is charged with representing the public interest in Commission proceedings related to rates, rate-related services, and applications affecting the public interest. In negotiated settlements, it is incumbent upon I&E to identify how an amicable resolution of any such proceeding benefits the public interest and to ensure that the public interest is served. Based upon I&E's analysis of DLC's base rate filings, acceptance of this proposed Settlement is in the public interest and I&E recommends that the Administrative Law Judge and the Commission approve the Settlement in its entirety and without modification.

2. On March 28, 2018, Duquesne filed Supplement No. 174 to Tariff – Electric Pa. P.U.C. No. 24 to become effective on May 29, 2018. Duquesne requested an overall increase to its total annual distribution rates of approximately $133.8 million.[1] Because Duquesne's proposed base rate increase included $52.2 million of revenues currently recovered under surcharges, the actual amount of the increase to customers over current charges was approximately $81.6 million.[2] If approved as filed, the total bill for an average residential customer using 600 kilowatt-hours would increase from $98.15 to $106.80 (8.82%), an average commercial customer using 10,000 kilowatt-hours would increase from $984.94 to $1,013.71 (2.92%), and an average industrial customer using 200,000 kilowatt-hours would increase from $18,730.50 to $19,165.27 (2.32%).[3]

[1] DLC St. No. 1, p. 4.
[2] Id.
[3] Joint Petition, Appendix C.

3. By Order entered April 19, 2018, the Commission instituted a formal investigation to determine the lawfulness, justness, and reasonableness of the existing and proposed rates, rules, and regulations. Pursuant to 66 Pa. C.S. §1308(d), the filings were suspended by operation of law until December 29, 2018, unless permitted by Commission Order to become effective at an earlier date.

4. I&E entered the Notice of Appearance of Prosecutor Gina L. Miller on March 30, 2018.

5. Administrative Law Judge Katrina L. Dunderdale ("ALJ") was assigned to this proceeding to conduct hearings and issue a Recommended Decision.

6. The ALJ held a prehearing conference on May 3, 2018, during which the parties agreed to a schedule for the conduct of the case including the service of testimony among the parties and the dates for evidentiary hearings.

7. I&E attended both Public Input Hearings held on June 14, 2018 in Pittsburgh, PA at 1:00 p.m. and in Beaver Falls, PA at 6:00 p.m.

8. In accordance with the procedural schedule established at the prehearing conference, I&E served all active parties the following pieces of testimony and accompanying exhibits, which were entered into the evidentiary record on August 15, 2018:[4]

- I&E Statement No. 1: the Direct Testimony of Christopher Keller

[4] On the same date, at the outset of the hearing on August 15, I&E also entered a Joint Stipulation for Admission of Evidence between Peoples Natural Gas Company and I&E.

- I&E Exhibit No. 1: the Exhibit to accompany the Direct Testimony of Christopher Keller

- I&E Statement No. 1 –SR: the Surrebuttal Testimony of Christopher Keller

- I&E Exhibit No. 1 –SR: the Exhibit to accompany the Surrebuttal Testimony of Christopher Keller

- An Errata Sheet correcting Statement No. 1 –SR: the Surrebuttal Testimony of Christopher Keller

- I&E Statement No. 2: the Direct Testimony of Anthony Spadaccio

- I&E Exhibit No. 2: the Exhibit to accompany the Direct Testimony of Anthony Spadaccio

- I&E Statement No. 2-SR: the Surrebuttal Testimony of Anthony Spadaccio

- I&E Statement No. 3: the Direct Testimony of Ethan Cline

- I&E Exhibit No. 3: the Exhibit to accompany the Direct Testimony of Ethan Cline

- I&E Statement No. 3-R: the Rebuttal Testimony of Ethan Cline

- I&E Statement No. 3 –SR: the Surrebuttal Testimony of Ethan Cline

- I&E Exhibit No. 3–SR: the Exhibit to accompany the Surrebuttal Testimony of Ethan Cline

- I&E Statement No. 3 –SSR: the Supplemental Surrebuttal Testimony of Ethan Cline

- I&E Exhibit No. 3 –SSR: the Exhibit to accompany the Supplemental Surrebuttal Testimony of Ethan Cline

9. In accordance with Commission policy favoring settlements at 52 Pa. Code § 5.231, I&E participated in multiple in-person and telephonic settlement discussions with the Company and other parties to the proceeding. Following extensive settlement negotiations, the parties reached a settlement. Following extensive settlement negotiations, before hearings began, all parties reached a settlement with Duquesne on all issues other than Peoples Natural Gas Company ("Peoples") and the Duquesne Industrial Intervenors ("DII"). At issue between Duquesne, Peoples, and DII was Duquesne's proposal regarding Rider 16, and this issue was the subject of the evidentiary hearings held in this matter on August 15 through August 17, 2018. However, at the hearings, Duquesne withdrew its proposed changes to Rider 16. As a result, Peoples indicates that it does not oppose this Settlement and DII supports this Settlement but challenges the current rate and terms of Rider 16.

II. TERMS AND CONDITIONS OF SETTLEMENT

10. It is the policy of the Commission to encourage settlements.[5] The Commission issued the following policy statement that articulates general settlement guidelines and procedures for major rate cases:

> In the Commission's judgment, the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding. It is

---

5 52 Pa. Code § 5.231.

> also the Commission's judgment that the public interest will benefit by the adoption of §§ 69.402—69.406 and this section which establish guidelines and procedures designed to encourage full and partial settlements as well as stipulations in major section 1308(d) general rate increase cases.[6]

11. This policy statement highlights the importance of settlement in Commission proceedings. The instant rate case was filed on March 28, 2018, and over the past six months, the parties engaged in extensive formal and informal discovery, preparation of testimony, and lengthy settlement discussions. All signatories to the Joint Petition actively participated in and vigorously represented their respective positions during the course of the settlement process. As such, the issues raised by I&E have been satisfactorily resolved through discovery and discussions with the parties and are incorporated in the Joint Petition. I&E represents that the Settlement satisfies all applicable legal standards and results in terms that are preferable to those that may have been achieved at the end of a fully litigated proceeding. Accordingly, for the reasons articulated below, I&E maintains that the proposed Settlement is in the public interest and requests that the following terms be approved by the ALJ and the Commission without modification:

A. Revenue Requirement (Joint Petition ¶¶ 30, 32)

At the outset of this case, Duquesne requested an overall increase to its total annual distribution rates of approximately $133.8 million effective January 1, 2019.[7] Because Duquesne's proposed base rate increase included $52.2 million of revenues

---

[6] 52 Pa. Code § 69.401.
[7] DLC St. No. 1, p. 4.

currently recovered under Smart Meter and DSIC surcharges, the actual amount of the increase to customers over current charges was $81.6 million.[8] If approved as filed, the total bill for an average residential customer using 600 kilowatt-hours would increase from $98.15 to $106.80 (8.82%),[9] an average commercial customer using 10,000 kilowatt-hours would increase from $984.94 to $1,013.71 (2.92%),[10] and an average industrial customer using 200,000 kilowatt-hours would increase from $18,730.50 to $19,165.27 (2.32%).[11]

However, pursuant to the Joint Petition, the Settlement Rates are designed to produce additional annual operating revenue of $92.7 million, which includes $52.2 million of revenues currently recovered from customers in surcharges, thereby resulting in an increase in revenues of $40.5 million.[12] If the Settlement is approved as filed, total bill for an average residential customer using 600 kilowatt-hours would only increase from $98.15 to $102.51 (4.44%),[13] an average commercial customer using 10,000 kilowatt-hours would increase from $984.94 to $1,004.40 (1.98%),[14] and an average industrial customer using 200,000 kilowatt-hours would increase from $18,730.50 to $19,095.27 (1.95%).[15] Below is a summary of the revenue increase requested by Duquesne, and the agreed upon increase contained in the Settlement:[16]

---

[8] Id.
[9] Joint Petition, Appendix C.
[10] Id.
[11] Id.
[12] Joint Petition, p. 2; Joint Petition, Appendix E.
[13] Joint Petition, Appendix C.
[14] Id.
[15] Id.
[16] Joint Petition, Appendix E.

	Company Proposed Increase[17]	Percentage of Company Proposed Increase	Settlement Increase[18]	Percentage Increase of Settlement Rates
Residential RS	$52,035,055	20.2%	$26,589,970	10.3%
Residential RH	$4,519,780	20.8%	$2,619,671	12%
Residential RA	$529,488	20.4%	$301,344	11.6%
Small and Medium C&I GS	$1,595,466	16%	$601,643	6%
Small and Medium C&I GM <25	$3,688,062	15.8%	$2,218,430	9.5%
Small and Medium C&I GM >25	$7,544,551	10.6%	$4,274,405	6%
Small and Medium C&I GMH <25	$309,448	13.8%	$256,841	11.4%
Small and Medium C&I GM >25	$1,426,892	21.3%	$823,771	12.3%
Large C&I GL	$6,349,584	10.3%	$2,353,363	3.8%
Large C&I GLH	$1,312,360	15.7%	$676,562	8.1%
Large C&I L	$2,013,461	10%	$0	0%
Large C&I HVPS	$384,739	86.9%	($216,000)	-48.8%
Lighting AL	$0	0%	$0	0%
Lighting SE	($2,563)	-0.2%	$0	0%

[17] Id.
[18] Joint Petition, Appendix B, p. 1.

Lighting SM	$444	0%	$0	0%
Lighting SH	$13	0%	$0	0%
Lighting UMS	($103,950)	-10.2%	$0	0%
Lighting PAL	($4)	0%	$0	0%
Overall	$81,602,827	16.4%	$40,500,000	8.1%

I&E analyzed the ratemaking claims contained in base rate filings including operating and maintenance expenses, rate base, taxes, cash working capital, rate structure, capital structure, and the cost of equity and debt. The Settlement represents over a $41 million savings for Duquesne's customers, and represents over a 50% reduction in Duquesne's as-filed increase. For these reasons, I&E fully supports the revenue levels compromised upon in the Settlement.

Due to the "black box" nature of the Settlement, there is no agreement upon individual issues; rather, the parties have agreed to an overall increase to base rates that is substantially less than what was requested by Duquesne. Line-by-line identification and ultimate resolution of every issue raised in the proceeding is not necessary to find that the Settlement satisfies the public interest nor could such a result be achieved as part of a settlement. Black box settlements benefit ratepayers because they allow for the resolution of a contested proceeding at a level of increase that is below the amount requested by the regulated entity and in a manner that avoids the significant expenditure of time and resources related to further litigation.

Black box settlements are not uncommon in Commission practice. Indeed, the Commission has endorsed the use of black box settlements, as discussed in a recent Order approving such a settlement:

> We have historically permitted the use of "black box" settlements as a means of promoting settlement among the parties in contentious base rate proceedings. *See, Pa. PUC v. Wellsboro Electric Co.*, Docket No. R-2010-2172662 (Final Order entered January 13, 2011); *Pa. PUC v. Citizens' Electric Co. of Lewisburg, PA*, Docket No. R-2010-2172665 (Final Order entered January 13, 2011). Settlement of rate cases saves a significant amount of time and expense for customers, companies, and the Commission and often results in alternatives that may not have been realized during the litigation process. Determining a company's revenue requirement is a calculation involving many complex and interrelated adjustments that affect expenses, depreciation, rate base, taxes and the company's cost of capital. Reaching an agreement between various parties on each component of a rate increase can be difficult and impractical in many cases. For these reasons, we support the use of a "black box" settlement in this proceeding and, accordingly, deny this Exception.[19]

I&E individually, and the Joint Petitioners collectively, considered, discussed, and negotiated all issues of import in this Settlement. From a holistic perspective, each party has agreed that the Settlement benefits its particular interest. The Commission has recognized that a settlement "reflects a compromise of the positions held by the parties of interest, which, arguably fosters and promotes the public interest."[20] The Settlement in this proceeding promotes the public interest because a review of the testimony submitted

[19] *Pa. P.U.C. v. Peoples TWP LLC*, Docket No. R-2013-2355886, p. 28 (Order entered December 19, 2013).
[20] *Pa. P.U.C. v. C S Water and Sewer Associates*, 74 Pa. PUC 767, 771 (1991).

by all parties demonstrates that the Joint Petition reflects a compromise of the litigated positions held by those parties. Therefore, I&E submits that the Settlement balances the interests of Duquesne and its customers in a fair and equitable manner.

Public utility regulation allows for the recovery of prudently incurred expenses as well as the opportunity to earn a reasonable return on the value of assets used and useful in public service. The increases proposed in this Settlement respect this principle. Ratepayers will continue to receive safe and reliable service at just and reasonable rates while allowing Duquesne sufficient additional revenues to meet its operating and capital expenses and providing the opportunity to earn a reasonable return on its investment. Accordingly, I&E submits that the proposed Settlement is in the public interest and requests that it be approved by the ALJ and the Commission without modification.

B. Tax Cuts and Jobs Act of 2017 (Joint Petition ¶ 31)

In its Temporary Rates Order, entered May 17, 2018, the Commission stated tax savings associated with the Tax Cuts and Jobs Act ("TCJA") in 2018 should be returned to ratepayers.[21] Accordingly, I&E recommended that Duquesne flow back to ratepayers the 2018 tax savings as a result of the TCJA, with interest.[22] These tax savings would include deferred income taxes, gross-up of income taxes, and the protected and unprotected EDIT for 2018. I&E recommended a total of $33,042,492 be returned to ratepayers.[23] Duquesne proposed $10 million be returned to ratepayers.[24]

[21] *Temporary Rates Order*, Docket No. M-2018-2641242, p. 15 (Order entered May 17, 2018).
[22] I&E St. No. 1, pp. 31-38; I&E St. No. 1-SR, pp. 28-32.
[23] I&E St. No. 1-SR, p. 30.
[24] DLC St. No. 11-R, p. 8; DLC 20 St. No. 15-R, p. 17.

The Settlement terms reflect a return of $24 million in tax savings to customers. Although less than that recommended by I&E, the Settlement represents a reasonable compromise of the parties' positions. Additionally, the Settlement serves the public interest by returning TCJA tax savings to ratepayers as directed by the Commission.[25] I&E therefore supports the Settlement terms returning $24 million to customers, including interest, as a one- or two-time bill credit on a distribution revenue basis beginning January 2019. I&E also supports that this credit will be subject to audit to ensure that the Company has returned the full amount in the manner referenced in the Joint Petition. These Settlement terms resolve the parties' positions regarding the return of 2018 federal income tax expense savings and 2018 Excess Deferred Income Taxes ("EDIT").

C. DSIC (Joint Petition ¶¶ 33-34)

In accordance with the Settlement, Duquesne will be eligible to include plant additions in its Distribution System Improvement Charge ("DSIC") once the total eligible account balances exceeds the levels it projects in this proceeding at December 31, 2019. However, Duquesne recognizes that the above-mentioned provision is included only for purposes of calculating its DSIC and it is therefore not determinative for future ratemaking purposes of the projected additions to be included in rate base in a FPFTY filing. Additionally, for purposes of calculating its DSIC, Duquesne will use the equity return rate for electric utilities contained in the Commission's most recent Quarterly Report on the Earnings of Jurisdictional Utilities. Duquesne agrees that it will update the

---

[25] *Temporary Rates Order*, Docket No. M-2018-2641242, p. 15 (Order entered May 17, 2018).

equity return rate each quarter consistent with any changes to the equity return rate for electric utilities contained in the most recent Quarterly Earnings Report, consistent with 66 Pa. C.S. § 1357(b)(3), until such time as the DSIC is reset pursuant to the provisions of 66 Pa. C.S. § 1358(b)(1).

I&E supports the terms referenced above because, in I&E's view, they memorialize Duquesne's agreement to impose its DSIC in a manner that is consistent with the Commission's Supplemental Implementation Order at Docket No. M-2012-2293611. I&E avers that the DSIC-related terms of the Settlement are in the public interest because they benefit both Duquesne and its ratepayers. First, Duquesne benefits because it will have access to DSIC funding for necessary infrastructure improvement, which will facilitate its obligation to maintain adequate, efficient, safe, and reasonable service and facilities.[26] Duquesne's customers will benefit because pursuant to these terms, they will not need to fund the DSIC until eligible account balances exceed the levels projected by Duquesne in this proceeding at December 31, 2019. Accordingly, ratepayers will experience relief from paying DSIC costs for a fixed period of time, but even when the charge becomes effective, these customers will benefit from the safe and effective service that is facilitated through improved infrastructure.

D. Normalization (Joint Petition ¶ 35)

I&E supports returning the remaining unamortized EDIT balance as a reduction to rate base in all future base rate proceedings until the full amount is returned to ratepayers.[27]

---

[26] 66 Pa. C.S. § 1501.
[27] I&E St. No. 1, pp. 38-40; I&E St. No. 1-SR, pp. 28-29.

Pursuant to the Settlement, Duquesne will continue to use normalization accounting with respect to the benefits of the tax repairs and Internal Revenue Code ("IRC") Section 263A deductions. Duquesne will reverse EDIT with regard to prior tax repairs and IRC Section 263A deductions pursuant to the Average Rate Assumption Method ("ARAM") used to reverse EDIT associated with accelerated depreciation deductions.

E. Amortization (Joint Petition ¶ 36)

I&E recommended expenses related to the Electrical Model be amortized over a ten-year period since most of Duquesne's intangible plant is recovered over ten years.[28] Pursuant to the Settlement, Duquesne will be permitted to amortize its costs related to the Electrical Model over five years. Specifically, commencing with the effective date of rates in this proceeding (December 29, 2018), the Company will be permitted to amortize the estimated non-labor expenses for the field inventory and graphic design tool of $20.6 million related to the development and implementation of the electrical model over a five-year period for an annual amortization of $4.12 million per year. I&E supports these Settlement terms because allowing amortization over a five-year period represents a reasonable compromise of the parties' positions.

F. Pension Contributions & Other Post-Employment Benefits (OPEBs) (Joint Petition ¶¶ 37-38)

During this proceeding, I&E reviewed Duquesne's pension claim of $10 million, which was comprised of an expense portion of $5 million and a capitalized portion of $5

[28] I&E St. No. 1, pp. 49-53; I&E St. No. 1-SR, pp. 41-44.

million.[29] Duquesne's claim was based upon a three-year average of projected contributions from 2019 through 2021, which totaled $30 million, or $10 million per year, whereby $5 million would be recovered through the expenses component. Duquesne's average three-year average was based upon a claimed rate case normalization period of three years. According to Duquesne, its proposed pension treatment was consistent with the settlement terms in the 2013 base rate case.[30] Although I&E accepted Duquesne's claim, witness Keller recommended that, consistent with the 2013 settlement agreement that Duquesne relied upon for its claim, that if it were to make a pension contribution greater than the $23 million already made in 2018, that it should reduce its FPFTY annual pension contribution of $10 million by amortizing the excess amount over 48 months as an offset to the base rate pension claim.[31] Witness Keller's recommendation was predicated upon the fact that the 2013 settlement agreement required Duquesne to contribute an average of $37 million per year towards its pension, and that while its $23 million contribution made in 2018 fulfilled that pension contribution commitment, any amount of excess contribution for 2018 should be amortized as a reduction to its claimed base rate pension expense.[32]

Through the Settlement, which represents a compromise of parties' positions, Duquesne has agreed to several terms that will, as witness Keller recommended, honor the terms of the 2013 settlement, and which will provide a layer of reporting to ensure

[29] DLC Ex. No. 2, Sch. 2, D-9, line 11.
[30] DLC St. No. 2, pp. 22-23.
[31] I&E St. No. 1, p. 28.
[32] Id. at 29.

accountability. First, Duquesne has agreed to deposit $10 million per year into its pension trust, with the caveat that any excess contribution would be used on a cumulative basis to satisfy future contribution obligations. Furthermore, if Duquesne determines that a contribution less than $10 million to the pension trust is appropriate, it may reduce the pension contribution and will record a regulatory liability on its books of account that is equal to 50% of the reduction to the pension contribution below the level of $10 million. Any regulatory liability recorded will be reduced to the extent of 50% of contributions in excess of $10 million in subsequent years. If a regulatory liability remains at the time of Duquesne's next rate proceeding, the regulatory liability amount will be returned to ratepayers as directed in the next base rate proceeding. Finally, Duquesne has committed to providing a report and affidavit attesting to the actual contributions to pension trusts during each calendar year and to filing these documents with the Commission and providing copies to I&E, OCA and OSBA on or before January 31 of the following calendar year. Under this agreement, the first report and affidavit will be due on or before January 31, 2020.[33]

In I&E's view, the above-referenced terms ensure that Duquesne has the ability to adequately fund its pension trust, but they also serve to ensure accountability to ratepayers who will recoup any regulatory liability amount in the next base rate proceeding. Additionally, because Duquesne has committed to certifying the amount of its actual contributions and providing the certification to the Commission and parties,

[33] Joint Petition, ¶ 37.

which will enable these entities to track and evaluate Duquesne's contributions and to address any deficiencies, overfunding, or other issues that may arise. The reporting requirement provides a level of oversight that will protect Duquesne by ensuring that it accurately and adequately meets its pension obligations, and it will ensure that parties are made aware of any inconsistencies or issues regarding those obligations. Because these terms protect Duquesne and its ratepayers, I&E avers that they are in the public interest.

Other Post-Employment Benefits (OPEBs)

Although I&E did not take an express position regarding Duquesne's claim for OPEBs, I&E nonetheless supports the Settlement term that addresses this matter.[34] I&E notes that the OCA provided testimony regarding a liability of $2.6 million in Duquesne's OPEB regulatory liability account.[35] Specifically, OCA witness Morgan recommended that the $2.6 million be reflected as a reduction to Duquesne's rate base.[36] Although the Settlement did not adopt Mr. Morgan's exact recommendation, it did address the $2.6 million at issue. Specifically, the Settlement indicates that Duquesne's distribution rate allowance for OPEBs is based upon the estimated ASC 715 cost for the FPFTY of approximately $0.4 million ($0.3 million on a distribution basis), which reflects a two-year normalization of the Net Periodic Benefit Cost for historic and future test year distribution costs. The Settlement further clarifies that the distribution expense component included in rates is approximately 50% of this estimated cost less the annual

[34] Joint Petition, ¶38.
[35] OCA St. No. 1, p. 10.
[36] Id.

effect of the 3-year amortization of the regulatory liability of $2.6 million ($2.2 million on a distribution basis) for a net distribution credit of $0.6 million. The remaining 50% of actual ASC 715 cost will be the amount to be capitalized on the Company's books. Duquesne also explained that the actual labor capitalization ratio will be used to determine the split between capitalized and expensed amounts. Thus, it appears that the explanations and the remaining commitments proposed in paragraph 38, in conjunction with all other Settlement terms, were satisfactory to Duquesne and to the OCA. Accordingly, I&E supports this term not only because it was necessary to facilitate the global resolution of this matter, but because it also memorializes Duquesne's commitment regarding OPEB treatment so as to provide certainty and accountability for future evaluation of Duquesne's claims.

G. Jurisdictional Separation Study (Joint Petition ¶ 39)

I&E took no position regarding the Settlement terms for a Jurisdictional Separation Study. Although I&E did not advocate or oppose any particular position, I&E supports the ultimate outcome because these matters were essential elements to globally resolve this proceeding.

H. Jurisdictional Report (Joint Petition ¶ 40)

I&E advocated for use of an "average rate base" in this case.[37] Through use of an average rate base, I&E sought to avoid ratepayers paying for expenses and plant when new

[37] I&E St. No. 1, pp. 21-27.

rates become effective on January 1, 2019, but the associated expenses and plant may not be incurred or placed into service until December 31, 2019 or even later.[38]

Pursuant to the Settlement, Duquesne will file a Total Company Pennsylvania jurisdictional report showing capital expenditures, plant additions and retirements, by month, for the Future Test Year ("FTY") ending December 31, 2018, and the FPFTY ending December 31, 2019, by July 31 of each of the years following the test years. In Duquesne's next base rate proceeding, the Company will prepare a comparison of its actual expenses and rate base additions for the twelve months ending December 31, 2019, to its projections in this case.

Although I&E agrees that this is a black box settlement that is a compromise of the Joint Petitioners' positions, this report will allow the parties' in the next rate case to better evaluate the extent ratepayers are paying for expenses and rate base additions before they are incurred by comparing actual and projected data.

I. Cloud Based Information Systems (Joint Petition ¶¶ 41-42)

As part of this Settlement, parties have agreed that beginning with implementations subsequent to May 1, 2015, Duquesne will be permitted to capitalize the development costs for cloud-based information systems. The Company will record the costs related to the development of cloud-based information systems as a regulatory asset at the time such costs are incurred. Duquesne will amortize the costs after the systems are placed in service and the amortization of the regulatory asset will be included in the

[38] I&E St. No. 1, pp. 21-27.

Company's depreciation claim. However, the unamortized balance in the regulatory asset account will be included in rate base in the Company's current and future base rate proceedings.

Importantly, parties reserve the right to challenge the prudence and or reasonableness of Duquesne's cloud-based expenditures in a future rate base proceeding. Additionally, in each base rate case for which Duquesne seeks to recover cloud-based information systems that were recorded in the regulatory asset as a capital cost for ratemaking purposes, it must provide a listing of the cloud-based computing costs by year. Additionally, it must also list the expected useful life of each item. Specifically, these listing requirements apply to the costs of cloud-based information systems that were recorded in the regulatory asset that were not capitalized for purposes of Generally Accepted Accounting Principles.

Although I&E did not take a position regarding Duquesne's cloud-based computer systems, it nonetheless supports the Settlement terms with respect to those systems because the Settlement preserves parties' ability to challenge the prudence and reasonableness of cloud-based expenditures in a future rate base proceeding. Preserving this right will enable I&E and the Commission to ensure that Duquesne's ratepayers are protected from imprudent and unreasonable cloud-based computer system costs. Additionally, requiring Duquesne to provide an itemized listing, including the corresponding useful life, of the items for which it seeks recovery in future base rate cases, Duquesne will enable I&E and the Commission to effectively review the claimed costs in order to gauge whether the proposed recovery is appropriate. On the other hand, Duquesne also benefits from the term because it is provided with an avenue to recover cloud-based computer costs that it will incur to provide service to its customers, while it anticipates that the cloud-based information systems will optimize the utility provided to those customers.[39] Accordingly, I&E supports this term.

J. Annual Dividends (Joint Petition ¶ 43)

I&E took no position regarding the Settlement terms for annual dividends. Although I&E did not advocate or oppose any particular position, I&E supports the ultimate outcome because these matters were essential elements to globally resolve this proceeding.

K. Unbundled Costs (Joint Petition ¶ 44)

I&E took no position regarding the Settlement terms for unbundled costs. Although I&E did not advocate or oppose any particular position, I&E supports the ultimate outcome because these matters were essential elements to globally resolve this proceeding. Additionally, I&E agrees with Duquesne's position that as a result of Duquesne's Petition for Approval of a Default Service Plan for the Period June 1, 2017 to May 31, 2021 at docket no. P-2016-2543140, it committed to updating unbundled costs that are currently recovered in default service rates. I&E was a party to the default

---

[39] DLC St. No. 2, p. 5.

service proceeding and recognizes Duquesne's obligation as a result of its outcome. For this reason, I&E supports Duquesne's commitment to reflecting the updated unbundled costs in its rates effective June 1, 2019.

L. EV Pilot (Joint Petition ¶ 45)

I&E provided extensive testimony on Duquesne's proposed Electric Vehicle ChargeUp Pilot ("EV Pilot").[40] I&E recommended that costs for the EV Pilot not be recovered by rate base because benefits to rate base from this program are extremely limited or untested.[41] Instead, I&E recommended costs be charged to the customers who elect to install the equipment, much like costs associated with line extensions.[42] In the alternative, I&E recommended that Duquesne defer cost recovery of of the EV Pilot until its next base rate case where Duquesne would have the opportunity to support its position that the expenditures are in the public interest and should be charged to rate base.[43]

Pursuant to the Settlement, the EV Pilot is resolved on the following terms and conditions:

a. The Company's proposed DC Fast Charging Evaluation will be limited to make ready infrastructure, as defined in DLC Statement No. 6, and fast charging stations owned by the Company to be used solely for the Company and the Port Authority of Allegheny County electric bus evaluation. The cost associated with this investment included in rate base in this case is $500,000.

b. The Company's Level 2 charging proposal will be limited to the Company's investment in make ready infrastructure to provide electric service to charging

[40] I&E St. No. 1, pp. 40-45; I&E St. No. 3, pp. 2-11; I&E St. No. 3-R; I&E St. No. 1-SR, pp. 34-37; I&E St. No. 3-SR, pp. 2-17.
[41] I&E St. No. 3-SR, p. 12.
[42] I&E St. No. 3-SR, p. 12.
[43] I&E St. No. 3-SR, p. 17.

stations owned by other parties with at least 4 charging stations available to the public. The Company's total investment in these facilities under the pilot will be limited to $1.3 million: approximately $650,000 of this investment will be capital investment in front of and including the meter, and approximately $650,000 will be expense investment in the form of rebates behind the meter. The Company will be permitted to capitalize all costs for infrastructure in front of and including the meter. The Company will be permitted to provide a rebate for costs for infrastructure behind the meter and will be permitted to record these rebate costs as a regulatory asset. The Company will provide a report in its next base rate proceeding. The report will evaluate customer participation and feedback, public access to charging stations and charger station usage and identify the charging station revenues received by the Company from charging station owners. Report results will be broken down by year. Determination of the appropriate method of cost recovery for the behind the meter Level 2 rebate costs will be deferred to the Company's next base rate case.

c. Customer education costs with regard to the EV Pilot in this proceeding are reduced to $200,000 to reflect the reduction in scope of the pilot in this settlement.

d. The Company will assess the EV Pilot data and develop a plan for an EV load management program to be proposed in its next base rate case proceeding.

e. Customer Electric Vehicle Registration Incentives in this proceeding are reduced to $70,000 per year. Any unused portion of the $70,000 per year will be addressed in the next base rate proceeding.

f. The Company will develop annual public reports, submitted to the Commission, to track the progress of the EV Pilot implementation. Metrics include:

   i. Charging infrastructure deployed over time, including by location and date of activation;

   ii. Charging infrastructure installation costs by site type (broken out by capital and rebate costs);

   iii. For all charging stations deployed through the EV Pilot: the usage rate by site type and charger type;

   iv. Estimated avoided air emissions resulting from the programs.

I&E supports these terms as a prudent scale back of Duquesne's proposed EV Pilot program that is in the public interest for several reasons. First, Duquesne has scaled back the costs of its proposal, including reduction in costs for the DC Fast Charging Evaluation, customer education, and Customer Electric Vehicle Registration Incentives. Second, Duquesne has limited the scope of the proposed DC Fast Charging Evaluation to stations owned by the Company to be used solely for the Company and the Port Authority of Allegheny County ("PAAC") electric bus evaluation. In testimony, I&E expressed concern that the EV Pilot, including the DC Fast Charging Evaluation, did not include adequate protections to ratepayers. Specifically, I&E was concerned that all ratepayers were being asked to pay for a program providing negligible benefit to rate base where only 0.05% of vehicle registrations in Allegheny County were electric vehicles.[44] By limiting DC fast charging costs to Company use and costs for the PAAC electric bus evaluation, Duquesne has narrowly tailored its expenditures to costs reasonably associated with a broader public benefit for ratepayers, as exemplified by public access to PAAC's electric bus service, instead of just costs incurred for the benefit of a very small consumer group.

Third, Duquesne agreed that costs for behind the meter Level 2 infrastructure rebates will be recorded as a regulatory asset with determination of the appropriate method of cost recovery for these costs deferred to the Company's next base rate case. Unlike the DC Fast Charging Evaluation where Duquesne would own the "make ready" infrastructure and charging station, here, Duquesne would own the "make ready"

[44] I&E St. No. 3, p. 7.

infrastructure, but the customer-site would own the charging station. Duquesne proposed to provide customer-sites a 50% rebate for the charging station.[45]

By deferring determination of whether rebates should be recovered from rate base, the Settlement again acknowledges I&E's concern that rate base should not unreasonably subsidize individual customer projects without adequate demonstration of a broader benefit to rate base. This is especially important when ratepayers are asked to subsidize private ownership, rather than Duquesne retaining ownership of the plant. Here, Duquesne will own the "make ready" infrastructure, but customer rebates will not be recovered from rate base until the next rate case, and then only if there is adequate justification. The report to be provided in the next base rate proceeding will aid determination of the appropriate method of cost recovery by providing various analyses related to demonstration of ratepayer benefit.

Lastly, the Settlement allows limited implementation of the EV Pilot, which I&E recognizes was endorsed by Duquesne and other intervenors as benefiting all electric customers. Duquesne and intervenors, including Natural Resources Defense Council and ChargePoint, argued all ratepayers would receive benefits from the EV Pilot.[46] Although I&E did not agree with Duquesne or intervenors regarding ratepayer benefit at the outset of this case, I&E asserts these terms of this Settlement resolve it concerns by narrowly tailoring the EV Pilot in a manner to ensure that it benefits the public without imposing

---

[45] DLC St. No. 6, p. 22.
[46] DLC St. No. 6, p. 16-17; NRDC St. No. 1, pp. 7-9; ChargePoint St. No. 1, pp. 13-14.

unwarranted costs. Accordingly, I&E opines that these Settlement terms represent a reasonable compromise of the parties' positions and should be recommended by the ALJ for approval by the Commission.

M LED Street Light Program (Joint Petition ¶ 46)

I&E took no position regarding the Settlement terms for Duquesne's LED Street Light Program. However, I&E nonetheless supports the Settlement's provision regarding the program because it was necessary to facilitate a global resolution of this case.

N. Fee Free Bank Card Payments (Joint Petition ¶ 47)

As part of this Settlement, the parties have agreed that Duquesne's fee free bank card program is approved. At the outset of this case, Duquesne explained that while the cost of processing all forms of payments are embedded in its customers' rates, the same was not true for Western Union payments.[47] Its customers paying by Western Union, which is the only way that a bank card payment could be made, were assessed a $2.50 fee by Western Union.[48] Duquesne also noted that through its fee free bank card program, Duquesne sought to allow residential customers to make a payment through Western Union without being charged the $2.50 transaction fee with certain limitations.[49] Instead, Duquesne proposed that the costs associated with the transaction fee, approximately $1,100,000, be recovered through distribution rates.[50]

---

[47] DLC St. No. 7, p. 10.
[48] Id.
[49] DLC St. No. 7, p. 17.
[50] Id.

I&E supported Duquesne's fee free bank card proposal in this case.[51] To be sure, the record in this case provides adequate rationale for the program. First, Duquesne explained that customers are generally not accustomed to paying a fee to pay a bill.[52] Additionally, numerous Duquesne customers expressed dissatisfaction with paying a $2.50 Western Union transaction fee.[53] Finally, vulnerable customers were subject to Western union fees when they were delinquent or facing termination for nonpayment since bank card or one-time ACH same-day payments via Western union presented the only opportunities for same-day payment.[54] Accordingly, I&E avers that the fee free bank card program will enable Duquesne to better meet its customers' expectations, and alleviate the compound burden that the existing transaction fees place upon Duquesne's most vulnerable customers; therefore, it is in the public interest.

O. Woods Run Microgrid (Joint Petition ¶ 48)

As a condition of the Settlement, Duquesne agreed to withdraw its Woods Run Microgrid Proposal. By way of further context, at the outset of this case, Duquesne proposed to develop a natural gas-fueled Microgrid for seven facilities located in its Woods Run campus and Preble Avenue Service Center facilities, which are part of its operations facilities.[55] Duquesne explained that the Microgrid would include distributed

---

[51] I&E St. No. 1, p. 47. I&E notes that while it opposed the amount that Duquesne sought to recover in conjunction with its proposal, that issue has been resolved through the overall Settlement revenue requirement.
[52] DLC St. No. 7, p. 14.
[53] DLC Ex. KMS-5.
[54] DLC St. No. 7, p. 11.
[55] DLC St. No. 4, p. 19

energy resources ("DER") to generate electricity to be used by the buildings that are interconnected to it and a controller for use in balancing the electricity produced by the DER assets with connected buildings. Duquesne indicated that it would generate electricity to supply the buildings interconnected to the Microgrid,[56] and the DER assets that Duquesne proposed to use included two natural gas-fueled reciprocating internal combustion engines, two battery energy storage banks, and three small vertical-axis wind turbines.[57] According to Duquesne, its Microgrid was intended to protects its operations from a prolonged or regional grid-outage, or "black sky" event.[58]

I&E strongly opposed Duquesne's Microgrid proposal for several reasons. First, Duquesne admitted that its proposal was contingent upon its ability to generate electricity[59] and it sought to allocate 100% of those associated generation costs to its ratepayers.[60] I&E opposed Duquesne's ownership of the generation assets and the passthrough of its generation costs to ratepayers on the basis that such action conflicted with the policies that underlie the Electric Generation and Customer Choice and Competition Act ("Choice Act").[61] The Choice Act[62] requires that electric distribution companies, like Duquesne, unbundle their rates and services and provide open access over their transmission and distribution systems to permit competitive suppliers to

[56] I&E Ex. No. 3, Sch. 4.
[57] DLC St. No. 4, p. 24.
[58] DLC St. No. 4, p. 21.
[59] DLC St. No. 4, p. 24.
[60] I&E Ex. No. 3, Sch. 5.
[61] I&E St. No. 3, pp. 14-15.
[62] 66 Pa. C.s. § 2802.

generate and sell electricity directly to consumers in this Commonwealth.[63] Because the generation of electricity is no longer a public utility function, I&E opined that Duquesne lacked the authority to pass the cost of its generation assets on to its customers.[64]

Aside from the conflict with the Choice Act, I&E also expressed concern that although Duquesne anticipated that the Microgrid was estimated to cost $9,427,243[65] it failed to identify any economic benefits that would flow to customers through its proposal.[66] As I&E witness Cline explained, "[w]hether the proposed microgrid provides any economic benefits is an important consideration because it shows how the cost of the project would be offset by a higher level of service or other benefits."[67] Although Duquesne claimed that the Microgrid would enable it to respond in a more timely and efficient manner to a grid-wide outage and increase response time in the event of an emergency, it failed to support these claims with any quantification or studies.[68] Additionally, while I&E recognized Duquesne's valid concerns regarding the threat of cyber-attacks to utilities, I&E also recognized that Duquesne failed to supports the claims the Microgrid would provide resiliency and security because it did not quantify those claims or conduct any studies to support them.[69]

[63] I&E St. No. 3, p. 15, quoting 66 Pa. C.S. § 2802(14).
[64] I&E St. No. 3, p. 15.
[65] I&E Ex. No. 3, Sch. 5.
[66] I&E St. No. 3, p. 15
[67] Id. at p. 16.
[68] I&E St. No. 3-SR, p. 20.
[69] I&E St. No. 3-SR, p 21.

For the reasons described above, Duquesne's agreement to withdraw the Microgrid Proposal was a crucial part of I&E's agreement to this Settlement. I&E opines that this Settlement term benefits Duquesne and its ratepayers and is therefore in the public interest. Duquesne benefits because although it has agreed to withdraw the Microgrid proposal, it is doing so without prejudice, meaning that it reserves the right to propose the Microgrid in the future. The ability to propose the Microgrid in the future is important, because as I&E explained in its direct testimony, legislation is pending in the General Assembly that may rectify the concerns that I&E raised regarding the Microgrid's conflict with the Choice Act.[70] Furthermore, proposing the Microgrid at a later time may enable Duquesne to conduct studies to support the enhanced reliability, resiliency, and security benefits that it claims would result from the Microgrid. I&E submits that Duquesne's ratepayers also benefit from this Settlement term because they will not be compelled to pay Duquesne's generation-based costs, nor are they being required to pay for a Microgrid with certain costs but uncertain benefits.

P. Revenue Allocation and Rate Design (Joint Petition ¶¶ 49-50)

Duquesne's current customer charge for residential classes is $10.00 per month.[71] With its filing, Duquesne proposed an increase to $16.25 for residential classes.[72] I&E averred Duquesne's proposed customer charge was properly supported by a customer cost analysis, but I&E objected to an increase of 62.5% as unreasonable and in violation of the

[70] I&E St. No. 3-SR, pp. 23-24.
[71] DLC 18 Supplement No. 155 to PA. P.U.C. No. 24, pp. 32, 34, and 37.
[72] DLC Attachment DFR IV-C-Proof, part 1, 2, and 3 of 18, p. 2 of 2.

concept of gradualism.[73] Accordingly, I&E recommended a $13.50 per month charge for the residential classes, which would not violate the concept of gradualism, but still move rates towards the unit cost per customer per month.[74]

The Settlement provides that the fixed monthly customer charge for residential classes will be increased to $12.50 per month. I&E asserts this term satisfies the public interest because it does not violate the concept of gradualism and represents a reasonable compromise of the parties' positions.

Q. Time-of-use Rates (Joint Petition ¶ 52)

I&E took no position regarding the Settlement term for time-of-use rates. Although I&E did not advocate or oppose any particular position, I&E supports the ultimate outcome because these matters were essential elements to globally resolve this proceeding.

R. Energy Usage Data (Joint Petition ¶ 53)

I&E took no position regarding the Settlement terms for energy usage data. Although I&E did not advocate or oppose any particular position, I&E supports the ultimate outcome because these matters were essential elements to globally resolve this proceeding.

---

[73] I&E St. No. 3, p. 59.
[74] I&E St. No. 3, p. 60.

S. Universal Service Provisions (Joint Petition ¶¶ 54-58)

I&E did not take a position on universal service programs in this proceeding, including the Low-Income Usage Reduction Program ("LIURP"), Customer Assistance Program ("CAP"), medical certificate policies, Protection From Abuse Order ("PFA") policies, budget billing issues, and universal service program providers. I&E nonetheless supports these terms and opines that they are in the public interest for several reasons. First, ensuring that low-income customers have access to financial assistance is in the public interest because it will facilitate these customers' access to electric service. Increasing low-income customers' access to electric service is consistent with the Code's policy of ensuring that service remains available to all customers on reasonable terms and conditions.[75] Finally, ensuring that Duquesne's practices comport with the Commission's regulations regarding medical certificate policies and PFA policies protects its ratepayers that rely on these policies being correctly and fairly administered. Accordingly, I&E supports the Settlement terms regarding Duquesne's universal service programs because they are in the public interest.

T. Master Metering (Joint Petition ¶ 59)

Although I&E took no formal position regarding master metering, it nonetheless supports the Settlement term which provides that Duquesne will convene a collaborative

[75] 66 Pa. Code § 1402(3).

for all parties to this proceeding and interested stakeholders who are developers of multifamily housing within its service territory to discuss the feasibility of revising its retail tariff to permit master-metering of multifamily housing. The issue regarding master-metering was developed in the testimony filed by the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA") and which detailed CAUSE-PA's proposal to revise its current tariff and allow residential master-metering under certain circumstances.[76] I&E opines that Duquesne's agreement to hold a collaborative to further explore master-metering of multi-family housing is in the public interest because it will provide a forum for interested parties to discuss this issue in depth and explore proposals that may benefits Duquesne's ratepayers. Most of all, I&E supports this term because it believes that enabling parties to make more informed decisions about master-metering and whether and under what circumstances it would benefit Duquesne's ratepayers is in the public interest.

III. THE SETTLEMENT SATISFIES THE PUBLIC INTEREST

12. I&E represents that all issues raised in testimony have been satisfactorily resolved through discovery and discussions with Duquesne or are incorporated or considered in the resolution proposed in the Settlement. The very nature of a settlement requires compromise on the part of all parties. This Settlement exemplifies the benefits to be derived from a negotiated approach to resolving what can appear at first blush to be

[76] CAUSE-PA St. No. 2, pp. 9-10

irreconcilable regulatory differences. The Joint Petitioners have carefully discussed and negotiated all issues raised in this proceeding, and specifically those addressed and resolved in this Settlement. Further line-by-line identification of the ultimate resolution of the disputed issues beyond those presented in the Settlement is not necessary as I&E represents that the Settlement maintains the proper balance of the interests of all parties. I&E is satisfied that no further action is necessary and considers its investigation of this rate filing complete.

13. Based upon I&E's analysis of the filing, acceptance of this proposed Settlement is in the public interest. Resolution of this case by settlement rather than litigation will avoid the substantial time and effort involved in continuing to formally pursue all issues in this proceeding at the risk of accumulating excessive expense.

14. I&E further submits that the acceptance of this Settlement will negate the need for evidentiary hearings, which would compel the extensive devotion of time and expense for the preparation, presentation, and cross-examination of multiple witnesses, the preparation of briefs, the preparation of exceptions, and the potential of filed appeals, all yielding substantial savings for all parties, and ultimately all customers, as well as certainty on the regulatory disposition of issues.

15. The Settlement is conditioned upon the Commission's approval of all terms without modification. Should the Commission fail to grant such approval or otherwise modify the terms and conditions of the Settlement in any way, it may be withdrawn by any Joint Petitioner.

16. I&E's agreement to settle this case is made without any admission or prejudice to any position that I&E might adopt during subsequent litigation in the event that the Settlement is rejected by the Commission or otherwise properly withdrawn by any other parties to the Settlement.

17. If the ALJ recommends that the Commission adopt the Settlement as proposed, I&E agrees to waive the filing of Exceptions. However, I&E does not waive its right to file Exceptions with respect to any modifications to the terms and conditions of the Settlement or any additional matters that may be proposed by the ALJ in her Recommended Decision. I&E also does not waive the right to file Replies in the event any party files Exceptions.

WHEREFORE, the Commission's Bureau of Investigation and Enforcement represents that it supports the Joint Petition for Settlement as being in the public interest and respectfully requests that Administrative Law Judge Katrina L. Dunderdale recommend, and the Commission approve, the terms and conditions contained in the Settlement.

Respectfully submitted,

Gina L. Miller
Attorney I.D. #313863
Prosecutor
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission

John M. Coogan
Attorney I.D. #313920
Prosecutor
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Post Office Box 3265
Harrisburg, Pennsylvania 17105-3265
(717) 787-1976

Dated: September 13, 2018

Appendix I

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission v. Duquesne Light Company	: : : : :	Docket No. R-2018-3000124
Tax Cuts and Jobs Act of 2017 – Duquesne Light Company	: : : :	Docket No. R-2018-3000829

STATEMENT IN SUPPORT
OF SETTLEMENT ON BEHALF OF THE
OFFICE OF CONSUMER ADVOCATE

The Office of Consumer Advocate (OCA), one of the signatory parties to the Joint Petition for Approval of Settlement Stipulation (Settlement), finds the terms and conditions of the Settlement to be in the public interest for the following reasons:

I. INTRODUCTION

On March 28, 2018, Duquesne Light Company (Duquesne, DLC or the Company) filed Supplement No. 174 to Tariff Electric - Pa. P.U.C. No. 24 (Supplement No. 174) at Docket No. R-2018-3000124. Duquesne is engaged in the business of furnishing electric utility service to approximately 596,000 customers in the greater Pittsburgh region, specifically in Allegheny and Beaver Counties.

The Company proposed to increase electric distribution rates by an additional $133.8 million, which includes $52.2 million of existing surcharges currently collected from customers.

This would result in a net increase of $81.6 million, or 16.4 percent, in annual distribution revenues. Pursuant to Act 11 of 2012 (Act 11), the Company utilized a fully projected future test year in its filing. The Company's fully projected future test year ends on December 31, 2019, while rates under the Company's filing were to become effective on May 29, 2018. By Order entered April 19, 2018, the Commission suspended the implementation of Supplement No. 174 until December 29, 2018, and instituted an investigation into the lawfulness, justness, and reasonableness of the rates, rules, and regulations proposed in Supplement No. 174.

On March 30, 2018, the Bureau of Investigation & Enforcement (I&E) filed a Notice of Appearance. On April 6, 2018, the OCA filed a Formal Complaint, Public Statement, and Notice of Appearance. On May 1, 2018, the Office of Small Business Advocate (OSBA) filed a Formal Complaint, Public Statement, and Notice of Appearance. Formal Complaints were also filed by Peoples Natural Gas Company LLC (Peoples), Jason Dolby, James Fedell[1], and Leonard Coyer. The following parties filed a Petition to Intervene: the International Brotherhood of Electrical Workers Local 29 (IBEW), Community Action Association of Pennsylvania (CAAP), Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), Clean Air Council (CAC), National Resources Defense Council (NRDC), the Duquesne Industrial Interveners (DII), NRG Energy Center Pittsburgh LLC (NRGP), Wal-Mart Stores East LP and Sam's East, Inc. (collectively Wal-Mart), and ChargePoint, Inc. (ChargePoint)

The proceeding was assigned to Administrative Law Judge (ALJ) Katrina L. Dunderdale. A prehearing conference was held on May 3, 2018, and a litigation schedule was adopted. On June 25, 2018, the OCA submitted the direct testimonies of Lafayette K. Morgan[2], OCA

1 Mr. Fedell's Formal Complaint was satisfied on June 1, 2018, pursuant to the Fifth Interim Order.

2 Mr. Morgan is an independent regulatory consultant focusing in the analysis of public utility operations, with particular emphasis on rate regulation. He has reviewed and analyzed utility rate filings, focusing primarily on

Statement No. 1; Ashley E. Everette[3], OCA Statement No. 2; Dr. David S. Habr[4], OCA Statement No. 3; Glenn A. Watkins[5], OCA Statement No. 4; and Roger D. Colton[6], OCA Statement No. 5. On July 23, 2018, the OCA submitted the rebuttal testimonies of Ashley E. Everette, OCA Statement No. 2-R and Glenn A. Watkins, OCA Statement No. 4-R. On August 6, 2018, the OCA submitted the surrebuttal testimonies of Lafayette K. Morgan, OCA Statement No. 1-SR; Ashley E. Everette, OCA Statement No. 2-SR; Dr. David S. Habr, OCA Statement No. 3-SR; Glenn A. Watkins, OCA Statement No. 4-SR; and Roger D. Colton, OCA Statement No. 5-SR. The OCA entered the testimonies and accompanying exhibits, schedules, and appendices into the record at the evidentiary hearing on August 15, 2018. Tr. at 273-274.

---

revenue requirements, accounting, regulatory policy and cost recovery mechanisms throughout the country. Mr. Morgan was a Senior Regulatory Analyst with Exeter Associates from 1993 through 2010. Prior to his work with Exeter Associates, Mr. Morgan was a Senior Financial Analyst with Potomac Electric Power Company. Prior to that, Mr. Morgan was a Staff Accountant with the North Carolina Utilities Commission. OCA St. 1, App. A.

3 Ashley Everette is a regulatory analyst employed by the Pennsylvania Office of Consumer Advocate. Ms. Everette received her Bachelor's degree in Economics and her Master's degree in Business Administration from the University of Illinois. Ms. Everette's educational background and qualifications are described in OCA St. 2, App. A.

4 Dr. David Habr is the owner of Habr Economics, a consulting firm founded in January 2009 that focuses on cost of capital and mergers and acquisitions. Dr. Habr received a Bachelor of Arts and a Master of Arts degree in economics from the University of Nebraska- Lincoln and a Ph.D. degree in Economics from Washington State University. Dr. Habr's professional background and qualifications are described in OCA St. 3, Exh. DSH-1.

5 Mr. Watkins is a Principal and Senior Economist with Technical Associates, Inc., an economics and financial consulting firm. Mr. Watkins has conducted marginal and embedded cost of service, rate design, cost of capital, revenue requirement, and load forecasting studies involving numerous electric, gas, water/wastewater, and telephone utilities, and has provided expert testimony in Alabama, Arizona, Georgia, Illinois, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Vermont, Virginia, South Carolina, Washington, and West Virginia. A more complete description of Mr. Watkins' education and experience is provided in OCA St. 4, Sch. GAW-1.

6 Mr. Colton is a Principal of Fisher Sheehan & Colton, Public Finance and General Economics in Belmont, Massachusetts. He provides technical assistance to public utilities and primarily works on low income utility issues. Mr. Colton has devoted his professional career to helping public utilities, community-based organizations and state and local governments design, implement and evaluate energy assistance programs to help low income households better afford their home energy bills. He has been involved with the development of the vast majority of ratepayer-funded affordability programs in the nation. A more complete description of Mr. Colton's education and experience is provided in OCA St. 5, App. A.

Prior to the hearing, Duquesne, I&E, OCA, OSBA, CAUSE-PA, DII, CAAP, Wal-Mart, Chargepoint, KEEA, NRGP, CAC, and NRDC (collectively the "Joint Petitioners") entered into a settlement in principle resolving all issues except the Company's Rider 16 proposal. Tr. at 188. While other parties, including IBEW, indicated that they would not oppose the Settlement, Peoples indicated that it would. Tr. at 189-190. At hearings on August 15 and 16, 2018, the parties entered pre-served testimony into the record and Peoples, DII, and the Company litigated the Rider 16 proposal. On August 17, 2018, the last day of hearings, the Company advised ALJ Dunderdale that it was withdrawing the Rider 16 proposal. Tr. at 645-48. As a result, Peoples indicated that it was no longer opposing the Settlement or challenging Rider 16. Tr. at 649. DII, however, continues to challenge the justness and reasonableness of the Company's existing Rider 16 charge, but does not oppose the Settlement. Tr. at 650-651.

Pursuant to the ALJ's direction at the hearings, the OCA submits that the Settlement is in the public interest and should be approved without modification.

II. SETTLEMENT TERMS AND CONDITIONS

Pursuant to the Commission's policy of encouraging settlements that are in the public interest, the Joint Petitioners held numerous settlement discussions, which resulted in the Joint Settlement. While the Settlement does not reach all the recommendations proposed by the OCA, the OCA recognizes that settlement is a product of compromise. Furthermore, the terms and conditions set forth satisfactorily address issues raised in the OCA's analyses of Duquesne's filing.

The Commission encourages settlement, and to do so it must recognize the balance of compromises struck by settling parties. While the OCA does not address all issues addressed by the Settlement in this Statement in Support, the OCA does not oppose terms and conditions not expressly addressed herein. The OCA submits that the Settlement, taken as a whole, is a reasonable compromise in consideration of likely litigation outcomes before the Commission. Therefore, the OCA submits that the Settlement is in the public interest. The OCA supports Commission approval of the Settlement without modification.

A. Revenue Requirement

In the Company's initial filing, the Company proposed to increase its electric distribution rates by approximately $133.8 million. DLC St. 1 at 4. This amount included $52.2 million currently recovered through surcharges. OCA St. 1 at 4. Overall, the Company requested a net increase in distribution charges of $81.6 million. OCA St. 1 at 4. After reviewing the Company's filings and other parties' direct and rebuttal testimonies, the OCA recommended a net distribution revenue increase of approximately $12.8 million (or $65 million including present surcharges). OCA St. 1-SR at 2. I&E recommended that the Company receive a net distribution increase of approximately $19.5 million (or $71.2 million including present surcharges). I&E St. No. 1-SR at 3.

Under the Settlement, the Company will be permitted to increase annual operating revenues by a net amount of $40.5 million (or $92.7 million including present surcharges). Settlement at ¶ 30. The agreed upon increase is less than half of the Company's requested net increase of $81.6 million and is well within the range of possible outcomes in this proceeding. Moreover, several notable provisions in this Settlement will protect ratepayers and prevent inclusion of costs contested by the OCA. The OCA submits that the Settlement, taken as a whole, is reasonable and in the public interest.

1. Annual Operating Revenue Increase (Settlement at ¶¶ 30, 32)

The Settlement provides for a net distribution revenue increase of $40.5 million, which is approximately $41.1 million less than the net rate increase amount originally requested by Duquesne. The distribution rate increase in the Settlement reflects an increase in total annual distribution revenues of approximately 8.1 percent as compared to the Company's original request of a 16.4 percent increase in distribution revenues. The terms of the Settlement provide that the increase will go into effect on December 29, 2018, the end of the suspension period per the Commission's Order entered April 19, 2018.

This represents a "black box" settlement of all revenue requirement and return on equity issues, with the limited exceptions contained in the Settlement. Black box settlements provide timely resolution of disputes without the significant expense of prolonged litigation. The OCA submits that it is unlikely that the parties would have been able to reach consensus on each disputed accounting and ratemaking issue in this matter as policy and legal positions can differ widely.

Based on OCA's analysis of the Company's filing, discovery responses received, and testimony by all parties, the revenue increase under the Settlement represents a result that would be within the range of likely outcomes in the event of full litigation of the case. The increase is reasonable and, when accompanied by other important conditions contained in the Settlement, yields a result that is in the public interest.

2. Tax Cuts and Jobs Act (Settlement at ¶ 31)

On December 22, 2017, President Donald Trump signed into law the Tax Cuts and Jobs Act, which reduced the federal tax rate for corporate income from 35 percent to 21 percent. Tax Cuts and Jobs Act, Pub. L. No. 115-97, 131 Stat. 2054 (2017) (TCJA or the Act). On February

12, 2018, the Commission initiated an investigation into the impact of the TCJA on Commission-regulated utilities to determine whether current customer rates should be adjusted to reflect the reduced annual state and federal income tax expense of public utilities, the appropriate methodology, and whether such adjustment should be retroactive to January 1, 2018.[7]

After establishing the current rates and riders of several utilities, including the Company, as temporary rates pursuant to Section 1310(d) of the Public Utility Code, the Commission entered a second Temporary Rates Order concluding that it "is persuaded that the tax savings and associated reductions in utility revenue requirements should be flowed back to consumers on a current basis." Tax Cuts and Jobs Act of 2017, Docket No. M-2018-2641242, Order at 15 (May 17, 2018).

Consistent with this determination, the Commission instructed utilities currently in a pending base rate case, as follows:

> [I]n lieu of any immediate action, we shall consolidate their temporary rates tariff filing with the pending Section 1308(d) proceeding for hearing and disposition. In this fashion, the parties will be able to address the issues identified by the Commission regarding the TCJA in the context of an overall review of the utilities' rates and rate structure.

Id. at 20. In addition, the Commission instructed Duquesne as follows:

> [T]he Commission expects the public utility and the parties in each such proceeding to address the effect of the federal tax rate reduction on the justness and reasonableness of the consumer rates charged during the term of the suspension period, and, in particular, whether a retroactive surcharge or other measure is necessary to account for the tax rate changes that became effective on January 1, 2018.

Id. at 20-21. Accordingly, Duquesne is required to account for the impact of the Federal corporate income tax rate change on customer rates.

[7] By way of Secretarial Letter dated February 12, 2018, the Commission initiated the proceeding at Docket No. M-2018-2641242. Tax Cuts and Jobs Act of 2017, Docket No. M-2018-2641242, Secretarial Letter (Feb. 12, 2018).

In its filing, the Company calculated rates to account for the reduced corporate income tax rate so that its rates would be consistent with the TCJA on a going-forward basis. OCA St. 2 at 17. The OCA, however, noted that the Company is currently collecting tax expense in its existing rates at the previous tax rate of 35 percent. OCA St. 2 at 21. Accordingly, the OCA recommended to the Commission that the Company return $33,042,492. OCA St. 2R at 4-5. This amount consists of $19,220,758 in 2018 tax expense savings calculated by the Company in response to I&E-RE-57 and $13,821,734 in Excess Deferred Income Taxes (EDIT). OCA St. 2R at 4-5.

In the Settlement, the Company agreed to refund customers $24,000,000 with interest through a one-time bill credit on a distribution revenue basis. Settlement at ¶ 31. Additionally, this amount will be subject to an audit to ensure that the full amount has been returned to customers appropriately. Id.

The OCA submits this reasonably addresses the issues raised regarding the 2018 tax savings and expeditiously returns these savings to customers. Moreover, the Company will refund the amount over a one-month billing credit providing ratepayers with a benefit to mitigate the rate increase. By way of example, an RS customer will receive a one-time bill credit of $25.61. Settlement, App. D. The OCA submits that the agreed upon solution accomplishes the objective of returning savings in an expedient manner and is within the discretion provided by the Commission. TCJA Order at 20-21.

3. DSIC (Settlement at ¶¶ 33-34)

The Settlement provides that the Company will not be entitled to include plant additions in its DSIC until eligible account balances exceed the levels projected by DLC as of December 31, 2019. Settlement at ¶ 33. Stated otherwise, the Settlement clearly establishes the base level of plant investment that must be realized before any incremental expenditures can be recovered through a DSIC. The OCA submits that this provision provides more certainty with regard to the timing and implementation of a DSIC.

Moreover, the Settlement provides, for purposes 66 Pa. C.S. § 1358(b)(1) relating to the DSIC earnings cap, that it shall use the equity return rate contained in the Commission's most recent Quarterly Report on the Earnings of Jurisdictional Utilities. Settlement at ¶ 34. The OCA submits that such a provision is common among utilities that have reached a black box settlement and have not designated a specific rate of return in the Settlement. See Also Implementation of Act 11 of 2012, Docket No. M-2012-2293611, Tentative Implementation Order at 14-15 (May 11, 2012).

4. Electrical Model (Settlement at ¶ 36)

The Settlement provides that the Company will be permitted to amortize costs related to its Electrical Model. Specifically, the Company will be permitted to amortize estimated non-labor expenses for the field inventory and graphic job design tool of $20.6 million over a five-year period for annual amortization of $4.12 million per year. Settlement at ¶ 36.

This provision will allow the Company to appropriately recover costs necessary to effectively and efficiently track and manage its electrical system and analyze the distribution grid for present and future conditions. OCA St. 1 at 13. Moreover, Duquesne is currently the only major electric utility without the ability to do so. OCA St. 1 at 13. Additionally, the agreed upon amortization will allow for recovery of the costs over a period of five years, rather than rely on the higher expense levels the Company projected to occur in the FPFTY. OCA St. 1 at 15. Accordingly, the OCA submits that this provision should be accepted without modification.

5. Pension and OPEB (Settlement at ¶¶ 37-38)

In the Settlement, the Company agreed to deposit $10.0 million per year into its pension trusts. Settlement at ¶ 37. Half of this amount will be collected from customers as an expense, and the other half, net of accumulated deferred income taxes, will be capitalized. Id. The Settlement provides for a regulatory liability in the event that the Company collects more in rates than it contributes to its pension trust. Id. Ratepayers will receive the benefit of any remaining regulatory liability in DLC's next base rate case. Id. In addition, specific accounting procedures and reporting requirements are outlined in the Settlement. Settlement at ¶ 37. By January 31, 2020, Duquesne must provide a report and affidavit to the Commission and parties attesting to the actual contributions to pension trusts during the contribution year.

Under the Settlement, the Company also agrees to continue funding its OPEBs (Other Pension Employees Benefits) by depositing the full amount of annual costs calculated by the Company's actuary pursuant to ASC 715. Settlement at ¶ 38. Moreover, 50 percent of the Company's distribution rate allowance for OPEB will be included in rates as the distribution expense component, and the remaining 50 percent will be capitalized on the Company's books. Id.

The OCA notes that both of the above provisions have been carried forward from the Settlement of the Company's 2013 base rate case at Docket No. R-2013-2372129. Furthermore, the OCA submits that the pension contribution and OPEB provisions established through the Settlement provide assurances that the Company will meet its pension and OPEB contribution requirements.

6. Reporting (Settlement at ¶ 40)

Under the Settlement, the Company has agreed to file a Total Company and Pennsylvania jurisdictional report showing its capital expenditures, plant additions and retirements for the FPFTY. Settlement at ¶ 40. Further, the Company will also provide in its next base rate proceeding a comparison of actual expenses and rate base additions for the twelve months ending December 31, 2020, to its projections in this case. Id. The OCA submits that this provision is in the public interest because it is consistent with Section 315, 66 Pa. C.S. § 315(e), which states that whenever a utility utilizes a fully projected future test year as the basis for its rate increase, the utility shall provide appropriate data evidencing the accuracy of the estimates of its FPFTY. This reporting requirement will permit parties to compare the accuracy of DLC's projections in this matter to its actual expenditures.

7. Cloud-Based Information Systems (Settlement at ¶¶ 41-42)

In the Company's filing, Duquesne requested to include in rate base certain costs related to the implementation of cloud-based software. DLC St. 2 at 5-6. Upon review, the OCA's witness Everette found that these were one-time costs to implement software in service for a number of years and the Company can appropriately capitalize the costs. OCA St. 2 at 5. The Company, however, proposed additional language for the Commission to adopt. It states as follows:

> Commencing with implementations subsequent to May 1, 2015, the Company shall be permitted to capitalize the development costs for cloud-based information systems. The Company will record the costs related to the development of cloud-based information systems as a regulatory asset at the time such costs are incurred. The Company shall begin amortization of the costs after the systems are placed in service. Amortization of the regulatory asset will be included in the Company's depreciation claim and the unamortized balance in the regulatory asset account will be

> included in rate base in the Company's current and future base rate proceedings.

DLC St. 2 at 6. The OCA disagreed with this provision as not all cloud-based software costs are appropriately capitalized and included in rate base. OCA St. 2 at 5. In the alternative, the OCA's witness stated that if the Commission approved of this language, the Commission should also include the following:

> In each rate case in which the Company proposes to recover costs of cloud-based information systems that were recorded in the regulatory asset, pursuant to paragraph 13 as a capital cost for ratemaking purposes, the Company will provide a listing of the cloud-based computing costs by year, as well as the expected useful life of each cost. This requirement applies to the costs of cloud-based information systems recorded in the regulatory asset that were not capitalized for GAAP purposes.

OCA St. 2SR at 3. The purpose of this language is to ensure that in the Company's next base rate proceeding where it attempts to recover cloud-based costs, the OCA is provided with a detailed description of the costs and useful life of each claimed item. This will ensure that the OCA has adequate information to review the prudence and reasonableness of any claimed cost and whether such cost is properly capitalized.

The terms of the Settlement includes the language proposed by the Company in its filing and the language proposed by the OCA in its Surrebuttal Testimony. Settlement at ¶ 42. While the Company can attempt to recover any depreciation and remaining capital costs associated with cloud-based software in its future rate base proceedings, the OCA has explicitly retained its right to challenge the prudence and reasonableness of any of these costs included in the Company's next general rate proceeding, and whether such costs are properly capitalized. Accordingly, the OCA submits that this is a reasonable compromise among the parties.

8. Electric Vehicle ChargeUp Pilot (Settlement at ¶ 45)

In its filing, the Company desired to implement a pilot program designed to participate in the electric vehicle (EV) market by installing, and owning a portion of, and a variety of, electric vehicle charging stations. DLC St. 6 at 17-28. The Company referred to the pilot program as the EV ChargeUp Pilot. DLC St. 6 at 3. The program itself had multiple components each requiring its own level of capital investments and expenses. They were as follows:

> (1) Multi-port Commercial Level 2 (240 volt) chargers installed at businesses, apartment/condominium complexes, etc. in which Duquesne will provide a 50% rebate on the cost of the customer-owned chargers and provide the "make ready" investments required to provide service to approximately 65 charging stations;
>
> (2) Direct current (Level 3 or "fast chargers") installed and owned by Duquesne for use by commercial customers in which the Company estimates approximately 15 DC charging stations;
>
> (3) Duquesne employee Level 2 charging stations in which the Company will install, own, and operate approximately 10 dual-port chargers at Company-owned facilities for employee use;
>
> (4) Education and Outreach in which the Company will provide various educational programs including an electric vehicle webpage, sponsorship of community-based events, and general educational activities; and,
>
> (5) Customer electric vehicle (EV) registration incentives in which the Company will offer a one-time $60 credit to those customers that register their EV purchased with DLC.

OCA St. 4 at 44-45. In total, the Company requested an addition of $2.5 million to rate base and $0.642 million of annual O&M expense. OCA St. 4 at 45. The total annual jurisdictional revenue requirement associated with these costs was $0.913 million. OCA St. 4 at 45.

OCA Witness Watkins aptly summarized the OCA's concerns:

> In my opinion, the real question confronting the Commission is whether Duquesne's captive electric distribution ratepayers should be asked to subsidize programs that will only directly benefit a few

> commercial entities that engage in EV charging. There is no debate that State, Federal, and Local governments currently provide significant subsidies and incentives relating to the purchase and use of electric vehicles. Duquesne is asking ratepayers to further subsidize charging equipment for the benefit of a few commercial customers and EV owners. This raises significant questions about the responsibility of electric distribution rates to be commingled with a totally separate business operation that is unregulated. Furthermore, the EV charger subsidy programs proposed by the Company will clearly only benefit commercial customers.

OCA St. 4-SR at 15.

Under the terms of the Settlement, the pilot will be approved with a more narrow and focused scope. The terms are as follows:

> The Company's proposed DC Fast Charging Evaluation will be limited to *make ready infrastructure*, as defined in DLC Statement No. 6, and fast charging stations owned by the Company to be used solely for the Company and the Port Authority of Allegheny County electric bus evaluation. The cost associated with this investment included in rate base in this case is $500,000.
>
> The Company's Level 2 charging proposal will be limited to the Company's investment in *make ready infrastructure* to provide electric service to charging stations owned by other parties with at least 4 charging stations available to the public. The Company's total investment in these facilities under the pilot will be limited to $1.3 million: approximately $650,000 of this investment will be capital investment in front of and including the meter, and approximately $650,000 will be expense investment in the form of rebates behind the meter. The Company will be permitted to capitalize all costs for infrastructure in front of and including the meter. The Company will be permitted to provide a rebate for costs for infrastructure behind the meter and will be permitted to record these rebate costs as a regulatory asset. The Company will provide a report in its next base rate proceeding. The report will evaluate customer participation and feedback, public access to charging stations and charger station usage and identify the charging station revenues received by the Company from charging station owners. Report results will be broken down by year. Determination of the appropriate method of cost recovery for the behind the meter Level 2 rebate costs will be deferred to the Company's next base rate case.

> Customer education costs with regard to the EV Pilot in this proceeding are reduced to $200,000 to reflect the reduction in scope of the pilot in this settlement.
>
> The Company will assess the EV Pilot data and develop a plan for an EV load management program to be proposed in its next base rate case proceeding.
>
> Customer Electric Vehicle Registration Incentives in this proceeding are reduced to $70,000 per year. Any unused portion of the $70,000 per year will be addressed in the next base rate proceeding.
>
> The Company will develop annual public reports, submitted to the Commission, to track the progress of the EV Pilot implementation. Metrics include:
>
> - Charging infrastructure deployed over time, including by location and date of activation;
> - Charging infrastructure installation costs by site type (broken out by capital and rebate costs);
> - For all charging stations deployed through the EV Pilot: the usage rate by site type and charger type;
> - Estimated avoided air emissions resulting from the programs.

Settlement at ¶ 45. The OCA will address each provision in turn.

a. Level 2 Charger Evaluation (Settlement at ¶ 45(b))

The OCA took issue with the Company's initial proposal for several reasons. First, as explained by OCA witness Watkins, only the commercial classes will benefit from the make-ready infrastructure as any additional rate revenue will be assigned to those classes. OCA St. 4 at 51-52. Accordingly, it would be improper to require residential ratepayers to subsidize those costs. Id. Additionally, the OCA was concerned with any costs related to infrastructure 'behind the meter' that would be charged to ratepayers.

The Settlement, however, addresses the OCA's concerns. Any 'behind the meter' costs will be in the form of a rebate to the customer-site host and booked to a regulatory asset.

Settlement at ¶ 45(b). The appropriate method of any recovery of such rebates will be determined in the Company's next base rate proceeding. Lastly, the Company provides for specific reporting requirements to evaluate customer participation and feedback. These reporting requirements provide the OCA and other interested Parties with the opportunity to assess how the funds were used, from whom the charging station revenues were received, and to ensure that the Company is in compliance with the terms of the Settlement. Accordingly, the OCA submits this is a reasonable compromise among the parties.

b. <u>DC Fast Charging Evaluation (Settlement at ¶ 45(a))</u>

The OCA took issue with the Company's initial proposal because, in addition to the reasons stated above, the Company proposed to own the DC Fast Charging stations. OCA St. 4 at 52. The OCA submits that where the Company intends to own EV chargers, as any other third party, this has the effect of allowing a regulated utility to enter an unregulated competitive market with all the risk being borne by captive ratepayers. OCA St. 4 at 52.

The provision within the Settlement related to this component properly addresses the OCA's concern. The scope of this component has been significantly narrowed as the amount of capital costs decreased by 50 percent to $500,000. Settlement at ¶ 45(a). Moreover, the Company proposes that all charging stations it owns will be dedicated exclusively to Company use and use by the Port Authority of Allegheny County. <u>Id.</u> Doing so prevents the Company from becoming a competitor in an unregulated market.

c. <u>Education and Outreach (Settlement at ¶ 45(c))</u>

The OCA initially recommended that the Commission not allow recovery of additional education costs associated with this component of the pilot program. OCA St. 4 at 56. The OCA argued that the Company should be able to utilize its existing customer education and outreach practices, employees, and current budgeted levels of expense to perform these tasks. Id.

The Settlement proposal allows the Company to incur annual expenses of $200,000 related to education and outreach concerning the EV pilot program. Settlement at ¶ 45(c). This is a reduction of $157,000 in annual expense when compared to the Company's original proposal of $357,000. The OCA is understanding of the task involved to promote the EV Pilot program. Accordingly, $200,000 is appropriate given the reduced scope of the pilot program and the outreach required to ensure that the pilot program provides useful information to the Company on EV electrification and load management.

d. EV Registration Incentives (Settlement at ¶ 45(e))

While the OCA did not recommend disallowance of the entire expense associated with this component, it questioned the original proposal of recovering $110,000 annually for providing $60 billing credits to customers that register an electric vehicle. OCA St. 4 at 58. Specifically, the OCA argued that based on the number of EV's currently registered in the Company's Service Territory there was an extremely low probability that it would actually meet its projected $110,000 expense. OCA St. 4 at 58. As explained by OCA witness Watkins:

> Q. ARE DUQUESNE'S ESTIMATES OF FUTURE EV REGISTRATIONS WITHIN ITS SERVICE AREA REASONABLE?
>
> A. No. As discussed earlier in my testimony, there are only about 1,450 electric vehicles currently in service within the Company's service area. Duquesne's estimates shown above for annual new registrations are at, or above, the total number of vehicles already in service. Indeed, in its response to I&E-RE-29, the Company provided annual registrations of battery electric vehicles and hybrid electric vehicles within the Company's service territory. The Company's response indicates that there were only 184 new EVs (all electric plus hybrid) registered in 2015, 405 in 2016, and 375 during 2017 (incomplete year). As such, there is an extremely low probability that customers will purchase anywhere

> near this number of electric vehicles included in Duquesne's expense estimate for this project.

OCA St. 4 at 58 (footnotes omitted). Accordingly, the OCA recommended an allowance of $30,000 for this component, which equated to 500 new participants annually at $60 per participant.

The Settlement provides that the Company will be allowed to recover $70,000 in annual O&M expense for EV registration incentives. This amount provides the Company with some latitude in case the level of EV's registered in the program is beyond the OCA's estimate. Any unused portion of the $70,000 will be addressed in the next base rate case in the event the level of registration is below the estimates.

e. Additional Reporting Requirements

In addition to the concerns above, OCA witness Watkins identified the variability of the Company's projections regarding EV charger installation costs. OCA St. 4 at 50-51, 53. The Company also did not provide any guidance or proposals regarding the type of data and information it would collect as part of the pilot program.

The Settlement, however, provides additional reporting requirements for the Company on an annual basis. This includes information regarding charging infrastructure deployed over time, including by location and date of activation, charging infrastructure installation costs by site type (broken out by capital and rebate costs), the usage rate by site type and charger type for all charging stations deployed through the EV Pilot, and estimated avoided air emissions resulting from the programs. On the basis of this information, the Company also agrees to submit an EV load management program in its next general rate proceeding.

The OCA submits that the information agreed upon in the Settlement will allow the Commission and interested Parties to assess the impact of the EV pilot and ensure that the OCA has detailed reports to evaluate the pilot.

f. Conclusion

The Settlement represents a compromise among the Parties and adequately protects the OCA's concerns. The OCA submits that this provision of the Settlement be adopted without modification.

9. Western Union Fee Free Payment Program (Settlement at ¶ 47)

The Company proposed to allow all residential customers to make a payment via Western Union (debit, credit, cash, or ACH) without being assessed a transaction fee for up to five times in a 30 day window. DLC St. 7 at 17. To implement the program the Company proposed to collect $1.1 million per year in expenses in order to pay Western Union annual fees assuming a 30 percent increase in fees paid by customers for the year. DLC St. 7 at 17. The Settlement approves the program as requested by the Company.

The OCA supports the implementation of fee free payments via Western Union. As stated by the Company all forms of payment, except Western Union, are embedded in customers' base rates. DLC St. 7 at 10. Furthermore, Western Union payments comprise 11.3 percent of residential payments, which is the only way a customer can pay via a bank card. DLC St. 7 at 10. As further stated by CAUSE-PA, low-income CAP customers are significantly more likely to make payments via Western Union when compared to higher-income customers. CAUSE-PA St. 1 at 24. Accordingly, approval of this Settlement provision will ensure equity and uniformity among the various payment plans. The OCA submits that this provision should be approved without modification.

10. Woods Run Microgrid (Settlement at ¶ 48)

In its filing, the Company proposed to develop a natural gas-fueled microgrid at its Woods Run Campus (Microgrid). DLC St. 4 at 18. As part of this proposal, the Company requested to include approximately $9.3 million worth of capital investment in rate base. DLC St. 4 at 28. Moreover, the Company asserted that it would only utilize the DER assets for emergency scenarios, i.e. power outages or load reductions, stating that it currently anticipated using these generators only for the sole consumption of the company. DLC St. 4 at 26.

The OCA identified a number of significant concerns with this proposal. OCA St. 4 at 70-71. Accordingly, the OCA recommended disallowance of the entire project and that the Commission open a separate docket to investigate the prudence and reasonableness of whether the public interest would be served by the installation of the Woods Run Mircrogrid. OCA St. 4 at 71. Additionally, I&E recommended disallowance of the project, in part, because the Microgrid conflicts with policies that underlie the Electric Generation and Customer Choice and Competition Act. I&E St. 3 at 14-16.

As part of the Settlement, the Company has agreed to withdraw its entire Microgrid proposal. Accordingly, this provision of the settlement should be adopted without modification.

B. Revenue Allocation and Rate Design

1. Revenue Allocation (Settlement at ¶ 49, Appendix E)

In its filing, Duquesne proposed to increase revenues net of existing surcharges in the amount of $81.6 million for a system average distribution increase of 16.64 percent. See OCA St. 4 at 36. Of that amount, the Company proposed to allocate approximately $57.1 million of its proposed $81.6 million revenue increase request to residential customers. DLC Exh. 1, Sch. DFR IV-A at 3. The Company's proposed allocation resulted in a 20.2 percent increase to the Rate RS class on a distribution-only basis, a 20.8 percent increase for the Rate RH class, and a 20.4 percent increase for the Rate RA class. DLC Exh. 1, Sch. DFR IV-A at 3.

OCA witness Glenn A. Watkins reviewed the Company's revenue allocation proposal and the Company's cost of service study (COSS) upon which the Company's allocation was based. The OCA contested the Company's COSS in this matter and Mr. Watkins submitted his own COSS. See OCA St. 4, Table 12. Based on his COSS, Mr. Watkins recommended that the residential class be allocated approximately $43.3 million of the Company's proposed increase with a proportional scale back should an increase of less than $81.6 million be authorized. OCA St. 4 at 39, 41. Additionally, Mr. Watkins recommended allocation of additional amounts to Rates RH and RA because they were paying below full cost of service. OCA St. 4 at 38-39.

Under Mr. Watkins' proposed allocation, the Rate RS class would receive a 17.16 percent distribution increase as compared to the Company's proposed 20.2 percent distribution rate increase. OCA St. 4 at 39. The RH class would receive a 24.96 percent increase, and the RA class would receive a 20.8 percent increase on a distribution-only basis. Id. In addition to the Company and the OCA, OSBA and DII also submitted allocation recommendations in their direct testimonies based on the results of the Company's cost of service study. The allocation proposals varied widely.

Based on the OCA's review of the cost of service studies presented in this proceeding and the varying revenue allocation proposals presented by other parties, the OCA views the Settlement to be within the range of reasonable outcomes that would result from the full litigation of this case. Under the Settlement, the Company will be permitted an approximate 8.1 percent increase in distribution revenues. Settlement, App. E. Specifically, Rate RS will receive an approximate 10.3 percent increase on a distribution basis, the RH class will receive a 12.0

percent increase, and the RA class will receive a 11.6 percent increase. Id. The Settlement should alleviate the impact of this rate increase on residential customers while ensuring that gradualism applies in an effort to move the RH and RA class to full cost of service. The OCA submits that the revenue allocation is reasonable, and in the public interest, and should be approved.

2. Residential Rate Design (Settlement at ¶ 50)

In its filing, DLC proposed increasing the monthly customer charge for Rates RS, RH and RA from $10.00 to $16.25, a $6.25 increase. See DLC St. 15 at 8. The OCA recommended that the customer charge remain at $10.00. See OCA St. No. 4 at 44. I&E recommended that the customer charge for the residential class increase to $13.50 per month. See I&E St. No. 3 at 60. Under the Settlement, Duquesne's monthly residential customer charge for rates RS, RH and RA will increase to $12.50, which is an increase of $2.50 as opposed to the $6.25 increase the Company requested. The OCA submits that this is a reasonable compromise between the Company's request and the OCA's and I&E's recommendations.

The OCA submits that the residential rate design established in the Settlement is reasonable and consistent with sound ratemaking principles. These rate design changes result in a customer charge that is substantially below the charge originally proposed, and the charge is within the range of the likely outcomes in the event of full litigation of the case. Additionally, by not unduly increasing the customer charge and reflecting costs in the commodity charge, customers have increased incentive to conserve, a benefit that is not realized through high fixed customer charges.

3. Smart Meter Charge

As part of the Company's original filing, and in the Settlement, the Company seeks to include costs currently recovered through its Smart Meter Charge (SMC) in base rates, reset the

SMC to zero, and only recover incremental costs to install smart meters that exceed those costs that will be rolled into base rates. Such a proposal is consistent with the Public Utility Code and prior Commission Orders. See Petition of West Penn Power Company for Approval of Smart Meter Deployment Plan, Docket No. R-2014-2428742, 2015 Pa. PUC LEXIS 93 (Mar. 9, 2015) aff'd Order (Apr. 9, 2018) (approving a proposal to "subsume the current Smart Meter surcharge (SMT-C) into the base rate, 'zero out' the SMT-C from the monthly billing statements until deployment costs expended exceed $44.176 million and then establish a procedure to determine baseline costs as of April 30, 2016."). Accordingly, the OCA recommends approval of the Company's proposal without modification.

4. Time of Use Rates Collaborative (Settlement at ¶ 52)

This provision of the Settlement refers to a recommendation raised by KEEA regarding time of use rates. Specifically, KEEA recommended that DLC develop and implement time varying rates for residential and small general service customers with an optimal peak time rebate. KEEA St. 1 at 30. KEEA asserts that TOU rates reduce the customer charge, reduce peak demand, and reflect proper price signals to ensure conservation and energy efficiency. Id.

The Settlement provides that within 120 days of the Commission Order approving this Settlement, there will be a collaborative between interested stakeholders to consider time of use rate issues and suggestions. Settlement at ¶ 52. Duquesne further agrees to make a proposal regarding time of use rates in its next default service rate filing. Settlement at ¶ 52.

The OCA understands the importance and complexity of the issues surrounding residential time of use rates. The OCA intends to participate in this collaborative to work with the other Parties to resolve and suggest solutions to these issues.

C. Universal Service and Customer Service (Settlement at ¶¶ 51-59)

1. LIURP (Settlement at ¶ 54)

Under the Settlement, the Company agrees, among other things, to increase its LIURP budget by $140,740 annually to accommodate the increased cost to remediate electric heating customer usage. Moreover, the Company agrees to review the list of customers with high Customer Assistance Program (CAP) credits over $1,000 from the prior year and prioritize those customers for LIURP treatment when possible.

This provision addresses concerns raised by OCA witness Colton regarding the effects the general rate increase will have on customer rates. For example, rate increases will require additional CAP credits, which are collected from customers through its universal service rider. OCA St. 5 at 16. Targeting customers with high CAP credits for LIURP, however, will generate lower electricity prices for high CAP customers and in turn reduce overall CAP spending charged to nonparticipating ratepayers. OCA St. 5 at 18-19. This is critical as OCA witness Colton has identified that CAP customers currently enrolled, and on public assistance, are heavily underrepresented as a portion of LIURP recipients. The OCA submits that this is an appropriate step to further assist customers with their bills.

2. Budget Billing (Settlement at ¶ 57)

The Settlement addresses the concerns raised by OCA witness Roger D. Colton regarding budget billing, the benefits it provides to customers, and Duquesne's reduced penetration of budget billing as a billing alternative. Specifically, Mr. Colton demonstrated that budget billing participation from 2016 to present day has dropped significantly and leveled off at approximately 30 percent. OCA St. 5 at 31-32. OCA witness Colton testified that it is in the Company's interest and to the benefit of ratepayers, where budget billing has higher participation rates because it reduces arrearages resuling from seasonal usage. OCA St. 5 at 32-33. Accordingly, the OCA recommended that Duquesne engage in targeted outreach to increase budget billing enrollment, offer budget billing plans that are fewer than 12-months, and use budget billing as the default payment plan after a customer completes an arrearage payment plan. OCA St. 5 at 35-36.

Under the Settlement, the Company agrees to engage in discussions about budget billing with its Income Eligible Program Advisory Group and the Company will consider these proposals in its next base rate proceeding. Settlement at ¶ 57. Furthermore, if consensus is reached among the advisory group and the Company determines that the proposal will have minimal revenue impact, it will implement the proposals as soon as practicable. Settlement at ¶ 57. The OCA submits that this is a reasonable resolution to this issue.

3. Multi-Family Master Metering Collaborative (Settlement at ¶ 59)

This provision of the Settlement resolves an issue raised by CAUSE-PA regarding Duquesne's prohibition of master metering at multi-family residences. CAUSE-PA states Duquesne's prohibition on master metering at multi-family residences is unique among Electric Distribution Companies. CAUSE-PA St. 2 at 9. Furthermore, this prohibition prevents real estate owners, such as ACTION-Housing, an affordable multifamily housing developer, owner, and manager, from paying one customer charge on all the meters located on the premises. CAUSE-PA St. 2 at 9. Rather, these organizations must pay a customer charge for each individual meter, significantly raising costs.

The Settlement states that within 180 days from the date these rates take effect, Duquesne will convene a collaborative with interested stakeholders to discuss the possibility of permitting master metering of multi-family housing, among other specific considerations. Settlement at ¶

59. Duquesne further agrees to present a proposal regarding this issue as part of its next general rate proceeding. Id.

The OCA intends to participate in this collaborative to provide input regarding master metering at multi-family housing. The OCA recognizes the difficult and complex issues surrounding this proposal. The OCA looks forward to participating.

III. CONCLUSION

The OCA submits that the terms and conditions of the proposed Settlement of this rate investigation, taken as a whole, represent a fair and reasonable resolution of the issues and claims arising in this proceeding and addressed in the Settlement. Therefore, the OCA submits that the Commission should approve the Settlement without modification as it is in the public interest.

Respectfully submitted,

Phillip D. Demanchick
Assistant Consumer Advocate
PA Attorney I.D. # 324761
E-Mail: PDemanchick@paoca.org

David T. Evrard
Assistant Consumer Advocate
Attorney I.D. #33870
DEvrard@paoca.org

Counsel for:
Tanya J. McCloskey
Acting Consumer Advocate

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

September 14, 2018
258655

Appendix J

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	**Docket No. R-2018-3000124**
v.	:	**Docket No. R-2018-3000829**
	:	
Duquesne Light Company 1308(d) Proceeding	:	

OFFICE OF SMALL BUSINESS ADVOCATE
STATEMENT IN SUPPORT OF THE
JOINT PETITION FOR SETTLEMENT

I. Introduction

The Office of Small Business Advocate ("OSBA") is an agency of the Commonwealth of Pennsylvania authorized by the Small Business Advocate Act (Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50) to represent the interests of small business consumers as a party in proceedings before the Pennsylvania Public Utility Commission ("Commission").

II. Filing Background

On or about March 28, 2018, Duquesne Light Company ("Duquesne" or the "Company") filed proposed Supplement No. 174 to Tariff Electric-Pa. P.U.C. No. 24 with the Commission. The Company's March 28th filing requested an additional $81.6 million in annual distribution rate revenue with a return on equity of 8.06%.

On May 1, 2018, the OSBA filed a Complaint and a Public Statement against the proposed increase. By Order entered April 19, 2019, the Commission entered an Order at this docket which suspended the proposed increase for investigation. As a result, the filing was suspended by operation of law through December 29, 2018.

A pre-hearing conference, at which a procedural schedule was established, was held on May 3, 2018. The OSBA, and other parties, filed Direct Testimony on June 25, 2018. Specifically, the OSBA filed the Direct Testimony of its witness, Brian Kalcic. Rebuttal Testimony was filed by the OSBA and other parties on July 23, 2018. Surrebuttal Testimony was filed by the OSBA and other parties on August 6, 2018.

The OSBA participated in the negotiations that led to the Joint Petition for Approval of Settlement Stipulation ("Settlement") and is a signatory to the Settlement. The OSBA submits this statement in support of the Settlement.

III. OSBA's Principal Concerns

In its Complaint, Prehearing Memorandum, and testimony, the OSBA identified several issues of concern, including the following:

1. Whether DLC's jurisdictional cost-of-service methodology is appropriate;
2. Whether the Company's class cost-of-service methodology is appropriate, including whether the study properly allocates all CAP-related costs to the residential class;
3. Whether the Company's proposed class revenue allocation is cost based;
4. Whether DLC's proposed general service small (GS) and general service medium (GM) rate designs are cost based;
5. Whether DLC's proposal to include its Woods Run Microgrid Project costs in rate base is reasonable and appropriate; and
6. Whether the Company's proposal to recover its *EV ChargeUp Pilot* program costs in base rates is appropriate.

IV. Settlement

The Settlement sets forth a comprehensive list of issues which were resolved through the negotiation process. This statement outlines the OSBA's specific reasons for concluding that the Settlement is in the best interests of small business customers.

A. Distribution Revenue Requirement

1. Summary

In its initial filing, Duquesne proposed a distribution revenue increase of $81.6. million per year.[1] In the Settlement, Duquesne has agreed to a revenue increase of $40.5 million per year.[2] At a time when all types of utility service are becoming more expensive, the significant reduction in the distribution revenue increase provided by the Settlement will benefit Duquesne's small business customers.

B. Duquesne Light Programs

1. Electric Vehicle ChargeUp Pilot ("EV Pilot")

In its initial filing, Duquesne's proposed EV Pilot included 1) an evaluation of EV charging infrastructure impacts; 2) an EV Education & Outreach Initiative; and 3) incentives for customers to register their EVs with Duquesne.

Additionally, the proposed EV Pilot included the installation of 1) sixty-five "Level 2" charging stations each year, at long dwell-time locations such as workplaces, multi-unit dwellings, fleet parking centers and shopping centers; 2) fifteen DC fast

---

[1] Duquesne Statement No. 9 at 9.

[2] Settlement, Para. 30.

charging stations over the course of five years; and 3) a total of ten workplace Level 2 charging stations at Company-owned facilities for employee use. [3]

In the Company's initial proposal, Duquesne would own all DC fast charging stations and the Level 2 charging stations at Company-owned facilities. Customers would own the Level 2 charging stations installed at long dwell-time locations. However, said customer-owners would be eligible for EV Pilot rebates covering approximately 50% of the cost of the charging stations.

The Year 1 budget for Duquesne's initial EV Pilot proposal was $3.142 million, and the associated costs were to be recovered entirely from ratepayers through base rates.[4] The OSBA initially objected to the recovery of costs for the entire program through base rates.

In the Settlement, the overall scope of the EV Pilot and the recovery of costs through base rates have been greatly reduced. Duquesne's proposed DC Fast Charging Evaluation will be limited to make ready infrastructure and fast charging stations owned by the Company to be used for the Company vehicles and also the Port Authority of Allegheny County electric buses. The cost associated with this portion of the EV Pilot to be recovered in rate base is limited to $500,000.[5]

The Settlement also limits the base rate recovery of the Level 2 proposal to $650,000 for in front of the meter capital investment, and $650,000 of expense investment in the form of rebates to customers. Unlike the Company's capital investment costs, the cost of Level 2 rebates will not be recovered in base rates, but instead recorded

---

[3] OSBA Statement No. 1 at 8.

[4]OSBA Statement No. 1 at 8.

[5] Settlement, Para. 45a.

as a regulatory asset. Determination of the appropriate method of cost recovery for Level 2 rebates shall be deferred to the Company's next base rate case. [6]

The OSBA finds that the Settlement's reduction in the scope of the EV Pilot, coupled with the reduced recovery of pilot costs in base rates reasonably resolve the OSBA EV Pilot concerns, and will benefit Duquesne's small business customers.

C. Class Revenue Allocation

In its filing, Duquesne proposed a revenue allocation that purportedly moved all classes closer to cost of service, as measured by relative class rates of return indicators.[7] However, as Mr. Kalcic noted, movement in a class's rate of return toward (or closer to) the system average doesn't always provide an accurate indication of the degree of movement toward cost of service.[8] Indeed, Mr. Kalcic concluded that Duquesne's proposed revenue allocation was problematic because it caused Rates GS, GM<25kW, GMH and GLH to move away from cost service. [9]

In an effort to move all classes closer to cost, Mr. Kalcic proposed an alternative allocation of Duquesne's requested distribution rate increase at the Company's full revenue requirement. Mr. Kalcic began by adjusting the Company's proposed increases to Rates GS, GM<25kW, GMH and GLH to move these classes to or toward cost of service, while limiting any resulting increase to no more than 1.25 times the system average. Mr. Kalcic then reduced the Company's proposed increases to Rates

[6] Settlement, Para. 45b.

[7] Duquesne Statement No. 15 at 7.

[8] OSBA Statement No. 1 at 4

[9] OSBA Statement No. 1 at 5.

GM>25kW and GL to ensure that the OSBA's revenue allocation proposal was revenue neutral.[10]

Table 1 (below) compares the parties' adjusted proposed increases for Duquesne's small business classes to the small business increases provided by the Settlement.

Table 1
Comparison of Parties' Proposed GS/GM Increases at
Settlement Revenue Level to Settlement Increases 1/
($000)

Class	*Per Settlement*	*DLC*	*OSBA*	*OCA*	*DII*
GS	$602	$705	$620	$625	$595
GM<25 kW	$2,218	$2,050	$2,384	$2,152	$2,564
GM≥25 kW	$4,274	$4,115	$3,579	$5,913	$3,266
GMH	$1,081	$951	$942	$859	$1,131
TOTAL	$8,175	$7,821	$7,525	$9,549	$7,556

Source: Settlement at Appendix B, page 1 and Schedule BK-1R.

1/ Parties' positions shown in Sch. BK-1R scaled to reflect overall settlement increase of $40.5 million.

As shown in Table 1, the Settlement increases for the small business classes reflect a compromise among the parties, particularly with respect to the litigation positions of the OSBA and OCA. Had the Commission given equal weight to those positions, the overall increase to the small business classes (assuming an overall increase of $40.5 million) would have been (the sum of $7.525 million plus $9.549 million, divided by 2 or) $8.537 million, which is $0.362 million or 4.4% greater than provided by the Settlement. As a result, the OSBA concludes that the Settlement revenue allocation provides meaningful benefits to small business customers.

[10] OSBA Statement No. 1 at 6.

V. **Conclusion**

For the reasons set forth in the Joint Petition itself, as well as the additional factors that are enumerated in this statement, the OSBA supports the proposed Settlement and respectfully requests that the ALJ and the Commission approve the Settlement in its entirety and without modification.

Respectfully submitted,

Sharon E. Webb
Assistant Small Business Advocate
Attorney ID No. 73995

For:
John R. Evans
Small Business Advocate

Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101
(717) 783-2525

Dated: September 14, 2018

Appendix K

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2018-3000124
	:	Docket No. R-2018-3000829
	:	
v.	:	
	:	
Duquesne Light Company	:	

STATEMENT OF THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA (CAUSE-PA) IN SUPPORT OF JOINT PETITION FOR PARTIAL SETTLEMENT

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), one of the signatory parties to the Joint Petition for Settlement (Joint Petition or Settlement), respectfully requests that the terms and conditions of the Settlement be approved by the Honorable Katrina Dunderdale, Administrative Law Judge (ALJ), and the Pennsylvania Public Utility Commission (Commission). For the reasons stated more fully below, CAUSE-PA believes that the terms and conditions of the Settlement are in the public interest and should be approved.

I. INTRODUCTION

CAUSE-PA intervened in this proceeding to address, among other issues, whether the proposed rate increase would detrimentally impact the ability of Duquesne Light Company's ("Duquesne" or "the Company") low income customers to access service under reasonable terms and conditions. CAUSE-PA specifically addressed the financial harm of the rate increase on low income households; the disproportionate impact of the proposed increase in the residential (fixed) customer charge on low users and low income households, and its impact energy efficiency programming; and the need offset the negative impacts of the proposed rate increase through the adoption of targeted changes to Duquesne's universal service programs.

In relevant part, the Settlement proposes to increase base operating revenues of $92.7 million, which is inclusive of $52.2 million of revenues that are recovered under current surcharges with a net increase in revenue of $40.5 million. (Joint Pet. ¶ 30). The Company's current residential customer charge is $10 per month plus an additional $4.17 per month in smart meter charges for a total fixed customer charge of $14.17 per month. The Company originally proposed to increase its customer charge to $16.25 per month, but the settlement holds the increase to $12.50 with all smart meter charges being rolled into the volumetric rates. (Joint Pet. ¶ 50). As outlined more fully below, this is a significant victory for low income and low use consumers.

The Settlement also provides for several critical changes to Duquesne's universal service programs, including an increased prioritization of LIURP heating jobs, which necessitates a modest increase of $140,740 to the LIURP budget. (Joint Pet. ¶ 54). Additionally, Duquesne Light agreed to several modifications to its Protection from Abuse (PFA) and Medical Certificate policies that will better protect vulnerable populations. (Joint Pet. ¶¶ 55-56). In the Settlement, Duquesne also agreed to provide anonymized aggregate energy usage data for residential multifamily buildings that are 50,000 square feet or larger and agreed to a non-confidential collaborative to discuss the implementation of master meter billing within its service territory. (Joint Pet. ¶¶ 53, 59).

Each of these settlement terms will strengthen the protections available to low income households, or will increase the range of options available for vulnerable households, and were advocated for by CAUSE-PA. Although not all of CAUSE-PA's positions in litigation were fully adopted, the Settlement was arrived at through good faith negotiation by all parties. The Settlement is in the public interest in that it (1) addresses the ability of low income electric customers in Duquesne's service territory to access safe and affordable electric service, (2) balances the interests of the parties, and (3) fairly resolves a number of important issues raised by CAUSE-PA and other parties. If the Settlement is approved, the parties will also avoid the considerable cost of further litigation and/or appeals.

II. BACKGROUND

CAUSE-PA incorporates by reference the background contained in the Joint Petition. (Joint Pet. ¶¶ 1-29), but provides this brief background for context. On March 28, 2018, Duquesne filed this rate case, Tariff Electric – Pa. PUC No. 24 ("Tariff No. 24"), which sought to increase its distribution revenue by approximately $133.8 million, or 2.2% above existing distribution revenues. A residential customer using 600-kilowatt hours would have seen their total bill increase from $98.15 to $106.80 or by 8.82%. (DLC St.1 at 6). The Companies also proposed increasing the fixed customer charge for residential customers to $16.25 per month. (DLC St. 15 at 8).

On April 10, 2018, CAUSE-PA filed a Petition to Intervene, which was granted by ALJ Dunderdale on May 3, 2018 during a telephonic Prehearing Conference. After discovery and the exchange of pre-served testimony by the parties, evidentiary hearings were held on August 15 - 17, 2018. All parties waived cross examination of CAUSE-PA's witnesses, and CAUSE-PA entered four pieces of testimony into the record by stipulation and verification: CAUSE-PA Statement No. 1, the prepared Direct Testimony of Harry Geller; CAUSE-PA Statement No. 1-SR, the prepared Surrebuttal Testimony of Harry Geller; CAUSE-PA Statement No.2, the prepared Direct Testimony of Sarah Ralich and CAUSE-PA Statement No. 2-SR, the prepared Surrebuttal Testimony of Sarah Ralich.

III. SETTLEMENT

When determining whether or not a proposed rate increase is just and reasonable, special consideration must be given to the impact of the proposed rate increase and the resultant rate structure on the ability of economically vulnerable households to pay for the costs of service.

The proposed Settlement takes rate affordability into account by using structural rate design to limit the disproportionate burdens on low income households and through enhancements to Duquesne's universal service programs. These enhancements will better match needy households with available assistance and ensure better access to stable and affordable utility services over the long term. These terms, and the reasons each are in the public interest, are discussed in further depth below.

A. REVENUE REQUIREMENT AND ACCOUNTING

CAUSE-PA did not take a position in this proceeding on the revenue requirement, or the components thereof, except to explain the detrimental impact of any increase in the Company's revenue requirement on low income residential consumers generally. CAUSE-PA focused on the need to appropriately remediate any resultant increase in the Company's residential distribution rates through equitable rate design and the adoption of enhancements to available universal service programming. Rate design and universal service enhancements are discussed in Section C, below.

B. DUQUESNE LIGHT PROGRAM PROPOSALS

1. EV PILOT

In paragraph 45 of the Settlement, Duquesne's Electric Vehicle ChargeUp Pilot ("EV Pilot") is scaled back from the Company's original proposal. Specifically, the Settlement proposes to roll into its rates $500,000 in associated investment in make ready electric vehicle charging infrastructure and fast charging stations owned by the Company to be used solely for the Company and the Port Authority of Allegheny County. (Joint Pet. ¶ 45a).

CAUSE-PA supports Duquesne's proposed electric vehicle pilot as modified by paragraph 45 of the Settlement. As originally proposed, Duquesne's EV pilot required a ratepayer funded investment of $3.1 million. (DLC. St. 6 at 28). As modified by the Settlement, the cost of the pilot has been reduced to $2.07 million. (Joint Pet. at 13-14). Additionally, the Settlement provides an opportunity evaluate whether $$650,000 of the $2.07 million can recovered from ratepayers in the Company's next base rate proceeding. (Joint Pet. ¶45b).

CAUSE PA supports Duquesne's prioritization of the electrification of mass transportation. In testimony, CAUSE-PA took the position that if the EV Pilot is approved, Duquesne should "seed investment in the sector which shows the most promise for delivering results to economically disadvantaged communities." (CAUSE-PA St. No. 1 at 34). Although Duquesne has not committed to engaging with stakeholders to determine what routes should be prioritized for public transit electrification. CAUSE-PA believes that this limited pilot, which provides significant investment into the electrification of public transportation, has a tangible public benefit to low income customers who are more likely to use public transportation as compared to their higher income counterparts and, for these reasons, is in the public interest.

2. FEE FREE BANK CARD PAYMENT PROGRAM

Paragraph 47 of the Settlement incorporates Duquesne's proposal for fee free bankcard payment program. As Duquesne witness Scholl testified, the cost of processing all forms of payments expect Western Union payments are embedded in the base rate. (DLC St. 7 at 10) Currently, paying the $2.50 fee to Western Union is the only way that a bankcard payment can be made. (CAUSE-PA St. 1 at 25). CAUSE-PA fully supports the proposal to socialize all payment processing costs. As Witness Geller testified, Duquesne Light's data demonstrates that 33.4% of their CAP customers made payments using Western Union as compared to 9.3% of the all other residential customers. (CAUSE-PA St. 1 at 24).

Duquesne concluded that its low income customers are three times more likely to pay through Western Union than their higher income counterparts. (DLC St. 7 at 12:11-13, Chart 3). If all of these payments were paid at the minimum charge, the cost would be $174,016.50. If all paid were charged at the maximum $2.50, the cost would have been $290,027.50. (CAUSE PA St. 1 at 25). Given the data presented in the proceeding highlighting the month-in-and-month-out struggle of low income customers to afford basic services, (see CAUSE-PA St. No. 1 7-13), the elimination of customer fees for the processing of payments is in the public interest. It creates parity for all payment types in that the reasonable cost of all payment processing is built into base rates. This change ensures that Duquesne's payment systems to do unfairly discriminate against its low income customers who are three times as likely to pay through third party vendors.

C. RESIDENTIAL CUSTOMER CHARGE

Currently, Duquesne's fixed monthly customer charge is $10 plus a fixed smart meter charge of $4.17 for a total customer charge of $14.17 per month. (DLC St. 15R. at 8). In paragraph 50 of the Joint Petition, the residential (fixed) customer charge will be increased from $10.00 to $12.50 per month. (Joint Pet. ¶ 50). What is left unsaid in the settlement, is that the fixed smart meter charge will be rolled into volumetric rates. (DLC St. 15R. at 8). This means what while the fixed customer charge is increasing from $10 to $12.50 per month, the actual impact to customer will be a *reduction* in the customer charge from $14.17 per month to $12.50 or a decrease of $1.67 per month. This is significant and is in the public interest. As CAUSE-PA's witness Geller explained, increases to the fixed charge are particularly harmful low income customers because non-usage based rate increases undermine the ability of low income customers to lower their consumption and engage in practices that promote energy conservation which will, in turn, lower their energy bills. (CAUSE-PA St. 1 at 19). Reduced consumption that does not impact a customer's bill provides a disincentive for customers to engage in energy conservation. With this change, customers will see a reduction in that portion of their monthly bill that is fixed. This will mean more of their monthly bill will be able to be reduced through energy savings and conservation.

D. UNIVERSAL SERVICE, CUSTOMER SERVICE AND MASTER METERING

1. Low Income Usage Reduction Program (LIURP)

The Low Income Usage Reduction Program (LIURP) is specifically designed to reduce energy usage for low income households. Duquesne's LIURP produces average savings of approximately 8.1% for baseload jobs and 3.3% for electric heating jobs. (CAUSE-PA St.1 at 21). CAUSE- PA witness Geller noted that Duquesne's current LIURP budget was inadequately structured and designed to meet established need, particularly for electric heating customers. (CAUSE-PA St.1 at 21-22).

Pursuant to paragraph 54 of the Joint Petition, starting with its 2019 program year, Duquesne Light will use its best efforts to ensure that 10% of its completed Low Income Usage Reduction Program ("LIURP") jobs are for electric heating customers, and will provide reports on its progress toward reaching that goal to members of its Income Eligible Advisory Group. Duquesne Light will increase its LIURP budget by $140,740 annually to accommodate for the increased cost to remediate electric heating customer usage. The modest increase in annual LIURP funding is squarely within the public interest. Low income electric heating households, who are currently being underserved by Duquesne's LIURP, will be better able to access usage reduction services to reduce their energy burden, thereby offsetting the negative impact of a rate increase on this particularly vulnerable population. (CAUSE-PA St. 1 at 22).

In addition to this targeting of electric heating customers, Duquesne Light agreed to prioritize its customers with high Customer Assistance Program ("CAP") credits (over $1,000) from the prior year a for LIURP treatment when possible. If the list has been exhausted, Duquesne Light will use the high usage CAP customer list as well as eligible customers requesting weatherization. (Joint Pet. ¶54). Like the prioritization of heating customers, this targeting of high-use CAP credit customers is in the public interest because it will ensure that CAP costs are reduced through energy efficiency and conservation and will assist those CAP customers with high CAP credits in remaining under the Company's established CAP credit maximums thereby ensuring that these households remain enrolled in CAP with appropriate bill discounts.

2. Medical Certificate Policy

In paragraph 55 of the Settlement, Duquesne committed to revising its medical certificate policy. Duquesne's current medical certificate policy fails to inform customers of their rights and payment obligations with regard to medical certificate renewal requests, as outlined by the Commission in its Final Chapter 14 Implementation Order. (CAUSE-PA St. 1 at 26). Specifically, Duquesne's policy did not allow medically vulnerable consumers to obtain a fourth medical certificate if the consumer kept up with current or budget bill charges while under the protection of a medical certificate. (CAUSE-PA St. 1 at 26).

The Joint Petitioners agreed to the modifications to Duquesne current medical certificate policies as outlined in paragraph 55 of the Joint Petition which will bring more clarity to Duquesne's policy and ensure better outcomes for the Company's medically vulnerable households. Specifically, the settlement calls for Duquesne to revise its medical certificate policy and accompanying procedures to accept medical certificate renewals if the customer's current bill or budget bill amount is paid in full by the due date while under the protection of a medical certificate. (Joint Pet. ¶ 55). Customers will not be limited to two medical certificate renewals if the provisions of this paragraph are met. Furthermore, upon submission of an initial medical certificate, Duquesne Light will inform customers that they can continue to renew their medical certificate and continue to receive medical certificate protection if they continue to pay their current bill or budget bill amount in full, by the due date, for the duration of their medical condition or emergency, and that they remain responsible for any outstanding balance.

CAUSE-PA supports the proposed changes to Duquesne's medical certificate policies. These changes are critical to ensuring that Duquesne's policies are in line with the Commission's guidance in relation to 52 Pa. Code § 56.116, which outlines the obligations of customers while protected by a medical certificate.

Additionally, Duquesne will be permitted to write off any outstanding balances overdue for more than one year for customers that have medical certificates for a period of one year or longer. (Joint Pet. ¶ 55). During the evidentiary hearing on August 17, 2018, ALJ Dunderdale asked if the proposal to allow Duquesne to write off any outstanding balances overdue for more than one year would apply for customers with balances of $10,000 or more. CAUSE-PA believes that the provision, as proposed, would apply to all accounts where the household has been protected by a medical certificate for a year or longer regardless of the amount owed. This is unlikely to be very many accounts. It is not easy to obtain a medical certificate and it is expected that utilities will seek to work with the household for a more permanent resolution of the debt such as enrollment into CAP or a payment agreement.

3. Protection From Abuse Orders (PFAs)

Pursuant to paragraph 56 of the Settlement, within 60 days of the effective date of rates, Duquesne Light will revise its Protection From Abuse Order ("PFA") policy and accompanying procedures to accept PFAs or civil or criminal court orders with evidence of domestic violence toward an applicant for service, a current customer, or a member of the applicant or customer's household, consistent with 66 Pa. C.S. § 1417 and 52 Pa. Code Ch. 56, subsections L-V. Duquesne Light will share its revised policy with the Income Eligible Program Advisory Group, and will provide an opportunity for feedback and suggestions.

CAUSE- PA supports the proposed revisions to Duquesne's PFA policies. These clarifications are in the public interest because they seek to ensure that Duquesne complies with Chapter 14 by expanding its PFA protections to any household member. As CAUSE-PA witness Geller testified, there are several instances of abuse where the customer or their child may not be named plaintiff on a protective order. (CAUSE-PA St. 1 at 29). A critical protection available to individuals with a PFA or other court order with clear evidence of domestic violence is that they cannot be held responsible for debt accrued in someone else's name. (CAUSE-PA St. 1 at 29). A victim of domestic violence may well be contacting Duquesne to stop termination on an account in a third party's name and/or request to establish service in their name without assuming the third party's debt. This is a common scenario when a victim of domestic violence obtains a PFA, which prevents an abuser from returning to a shared residence, leaving the victim to assume the household bills. (CAUSE-PA St. 1 at 29-30). With the changes agreed to in the Settlement, Duquesne's policies will be up to date with current precedent.

4. Multifamily Housing: Meter Data Access and Master metering

Paragraph 53 of the Settlement, Duquesne Light indicates that it intends to provide anonymized aggregate energy usage data for residential multifamily buildings that are 50,000 square feet or larger and will provide periodic updates to the Income Eligible Program Advisory Group regarding the status of implementation. Duquesne Light further agrees to participate in any working group established by the City of Pittsburgh to address the issue of energy efficiency benchmarking for multifamily buildings.

CAUSE-PA supports Duquesne agreement to provide aggregate usage data for residential multifamily buildings that are 50,000 square feet or larger and believes that this provision is in the public interest. Since, Duquesne current tariff contains a prohibition on mastering metering, large developers and property owners are at an inherent disadvantage in energy efficiency and conservation. As CAUSE-PA witness Ralich testified, the ability to understand how much energy a building is consuming every year is vital when planning for energy efficiently upgrades or monitoring current building systems for performance. (CAUSE-PA St. 2 at 11-12). The provision of this information will allow multifamily housing providers to participate in benchmarking of their buildings, which is considered a best practice in energy efficiency, and providing the data anonymously ensures that customer information is protected in the process.

In this proceeding, several parties argued that Duquesne Light should allow residential master-metering for multifamily buildings. (CAUSE-PA St. No. 2 at 9; KEEA St. No. 1 at 39). These parties believe that master-metering would allow individual families in multifamily buildings to avoid customer charges and receive lower electric bills. (KEEA St. No. 1 at 39).

There are many issues to evaluate before providing master-metering to multifamily buildings. First, it is important to evaluate the impacts of master-metering on the Company's revenues and revenue allocation. It is important to evaluate whether tenants of multifamily buildings should be able to avoid paying customer charges and if so, how these costs should be recovered from other customers. Second, if tenants of multifamily buildings are not customers of Duquesne Light, they will not be eligible for low-income programs, budget billing, or competitive shopping opportunities and will not have smart meters. (DLC St. No. 6-R at 16-17).

Paragraph 59 of the settlement commits the Company to, within 180 days of the effective date of rates, convene a non-confidential collaborative with all parties to this proceeding, and all interested stakeholders who are developers of multifamily housing within its service territory, to discuss the feasibility of revising its tariff to permit master-metering of multifamily housing. (Joint Pet. ¶ 59.) The collaborative will allow interested stakeholders the opportunity to discuss and evaluate issues before any master-metering proposal is adopted. The Settlement provisions regarding master-metering are an appropriate and reasonable compromise of parties' positions in this proceeding. Additionally, Duquesne Light agrees to present a proposal regarding master-metering of multifamily housing buildings as a part of its next general base rate case based on feedback from the collaborative meetings. (Joint Pet. ¶59).

CAUSE-PA supports the collaborative as outlined in paragraph 59 of the Settlement. Duquesne currently has a blanket prohibition on master metering. (CAUSE-PA St. 2 at 9). There are instances where it would serve the interests of low income households to reside in affordable housing that is master-metered with utilities included as a portion of the rent. Thus, CAUSE-PA believes that it is in the public interest to explore whether it is possible to revise the Company's tariff to permit this housing arrangement while considering the factors outlined in paragraph 59 so as to ensure that low income households are protected from any unintended consequences of master-metering.

5. Proposed Tariff Changes

In paragraph 51 of the Settlement, Duquesne agreed to withdraw its proposal to modify its tariff language that would have removed the phrase: "for which service is requested" from its proposed retail tariff Rule 5a. (Joint Pet. ¶ 51). CAUSE- PA fully supports Duquesne's withdrawal of the proposed tariff change and believes it is in the public interest. As CAUSE-PA witness, Geller testified, the proposed change created the potential for ambiguity about the balances that Duquesne could assess on customers or applicants who reside in one property yet move to another property. (CAUSE-PA St. 1 at 31). Retaining the current language eliminates this ambiguity and ensures that the Company's tariff remains compliant with the Public Utility Code.

IV. STANDARD FOR APPROVAL OF SETTLEMENT

The Commission's regulations lend unambiguous support for settlements, and declare: "It is the policy of the Commission to encourage settlements."[1] The Commission has also set explicit policy guiding settlement of a major rate case, explaining in its codified statement of policy that "the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding."[2] Settlements are preferred because they "lessen the time and expense that Parties must expend litigating a case and, at the same time, conserve resources."[3] In reviewing whether to approve a proposed settlement, the Commission must determine whether the terms and conditions are in the interest of the public based on a preponderance of the evidence "showing a likelihood or probability of public benefits that need

---

[1] 52 Pa. Code § 5.231.
[2] 52 Pa. Code § 69.401.
[3] See Commonwealth of Pa. et al. v. IDT Energy, Inc., Docket No. C-2014-2427657, at 35-37 (Tentative Order entered June 30, 2016).

not be quantified or guaranteed."[4] Historically, the Commission has defined the public interest as inclusive of ratepayers, shareholders, and the regulated community at large.[5] Of course, proposed settlement terms must also be consistent with applicable law.[6]

V. CONCLUSION

CAUSE-PA submits that the Settlement, which was achieved by the Joint Petitioners after an extensive investigation of Duquesne's filing, is in the public interest. Acceptance of the Settlement avoids the necessity of further administrative and possible appellate proceedings regarding the settled issues at a substantial cost to the Joint Petitioners and Duquesne's customers. Accordingly, CAUSE-PA respectfully requests that ALJ Dunderdale and the Commission approve the Settlement without modification.

Pennsylvania Utility Law Project
On Behalf of CAUSE-PA

Date: September 14, 2018

Kadeem G. Morris, Esq., PA ID: 324702
Patrick M. Cicero, Esq., PA ID: 89039
Elizabeth R. Marx, Esq., PA ID: 309014
John W. Sweet, Esq., PA ID: 320182
118 Locust Street
Harrisburg, PA 17101
(717) 236-9486
pulp@palegalaid.net

[4] See id. (quoting Popowsky v. Pa. PUC, 594 Pa. 583, 937 A.2d at 1040 (2007)).
[5] See id. (citing Pa. PUC v. Bell Atlantic Pennsylvania, Inc., Docket No. R-00953409 (Order entered Sept. 29, 1995)).
[6] See id. (citing Dauphin County Indus. Dev. Auth. v. Pa. PUC, 2015 Pa. Commw. LEXIS 381 (Sept. 9, 2015)).

Appendix L

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	Docket No. R-2018-3000124
	:	
Office of Consumer Advocate	:	C-2018-3001029
Jason Dolby	:	C-2018-3001074
Peoples Natural Gas Company LLC	:	C-2018-3001152
Office of Small Business Advocate	:	C-2018-3001566
Duquesne Industrial Intervenors	:	C-2018-3001713
Leonard Coyer	:	C-2018-3002424
NRG Energy Center Pittsburgh LLC	:	C-2018-3002755
	:	
v.	:	
	:	
Duquesne Light Company	:	
1308(d) Proceeding	:	
	:	
Tax Cuts and Jobs Act – Duquesne Light Company	:	Docket No. R-2018-3000829

STATEMENT OF THE DUQUESNE INDUSTRIAL INTERVENORS IN SUPPORT OF SETTLEMENT

The Duquesne Industrial Intervenors ("DII"), by and through its counsel, submits that the Joint Petition for Approval of Settlement Stipulation ("Joint Petition" or "Settlement"), filed in the above-captioned proceeding with the Pennsylvania Public Utility Commission ("PUC" or "Commission"), resolves all issues among the Joint Petitioners except issues connected to Rider No. 16 ("Rider 16") in Duquesne Light Company's ("DLC" or "Company") Tariff. As a result of settlement discussions, DLC, DII, the Bureau of Investigation and Enforcement ("I&E"), the Office of Consumer Advocate ("OCA"), the Office of Small Business Advocate ("OSBA"), the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania ("CAUSE-PA"), Community Action Association of Pennsylvania ("CAAP"), Wal-Mart Stores East, LP and Sam's

East, Inc. ("Wal-Mart"), ChargePoint, Inc. ("ChargePoint"), the Keystone Energy Efficiency Alliance ("KEEA"), NRG Energy Center Pittsburgh LLC ("NRGP"), Clean Air Council ("CAC"), and the Natural Resources Defense Council, Inc. ("NRDC") (collectively, "Parties" or "Joint Petitioners") have agreed upon the terms embodied in the Joint Petition. DII offers this Statement in Support to further demonstrate that the Settlement is in the public interest and should be approved without modification.

I. BACKGROUND

1. On March 28, 2018, DLC filed Supplement No. 174 to Tariff Electric Pa. P.U.C. No. 24, to be effective May 29, 2018. In Supplement No. 174, DLC proposed a general increase in distribution base rates designed to produce approximately $133.8 million in additional annual base rate operating revenues based upon data for a Fully Projected Future Test year (FPFTY) ending December 31, 2019, including $52.2 million currently being recovered in surcharges, for a net increase in revenues of $81.6 million.

2. At various dates in March, April, and May, 2018, numerous parties filed Complaints, Motions to Intervene, and/or Notices of Appearance.[1]

3. On May 3, 2018, the Honorable Administrative Law Judge Katrina L. Dunderdale held a Prehearing Conference, discussing procedural matters and establishing a litigation schedule.

4. On May 7, 2018, DII filed a formal Complaint against DLC.[2]

5. On May 8, 2018, Judge Dunderdale issued a Prehearing Order, consolidating DII's and other parties' Complaints into the Rate Case.[3]

---

[1] Parties participating in this rate proceeding include the Joint Petitioners, the International Brotherhood of Electrical Workers Local 29 ("IBEW"), Peoples Natural Gas Co. ("Peoples"), and individuals Leonard Coyer, Jason Dolby, and James Fedell.

[2] DII's members for the purposes of this proceeding are: University of Pittsburgh ("Pitt"), United States Steel Corporation ("U.S. Steel"), Duquesne University, Linde Energy Services, Inc. ("Linde"), and the Allegheny County Airport Authority ("ACAA").

6. Non-Company Parties' Direct Testimony was submitted on June 25, 2018; Rebuttal Testimony was submitted on July 23, 2018; and Surrebuttal Testimony was submitted on August 6, 2018. The parties exchanged written Rejoinder Testimony or outlines on August 10, 2018.

7. On August 14, 2018, DLC informed Judge Dunderdale that a partial settlement (including all parties except Peoples) had been reached. The partial settlement addressed all issues except Rider 16. Peoples, DII, and DLC would continue litigation regarding Rider 16.

8. On September 6, 2018, DLC and DII filed Initial Briefs, addressing only issues connected to Rider 16. Reply Briefs are due September 14, 2018.

II. STATEMENT IN SUPPORT

9. The Commission has a strong policy favoring settlements. As set forth in the PUC's regulations, "[t]he Commission encourages parties to seek negotiated settlements of contested proceedings in lieu of incurring the time, expense and uncertainty of litigation."[4] Consistent with the Commission's Policy, the Joint Petitioners engaged in multiple negotiation sessions to resolve the issues raised by various parties. These ongoing discussions produced the Settlement.

10. The Joint Petitioners agree that approval of the proposed Settlement is overwhelmingly in the best interest of the parties involved.

11. The Joint Petition is in the public interest for the following reasons:

(a) As a result of the Joint Petition, expenses incurred by the Joint Petitioners and the Commission for completing this proceeding will be less than they would have been if the proceeding had been fully litigated.

---

[3] On May 21, 2018, and June 7, 2018, DII filed an updated Appendix A, supplementing its Complaint to include additional members.

[4] 52 Pa. Code § 69.391; *see also* 52 Pa. Code § 5.231.

(b) Uncertainties regarding further expenses associated with possible appeals from the Final Order of the Commission are avoided as a result of the Joint Petition.

(c) The Joint Petition results in an increase in DLC's rates by $40.5 million, which is just under 50% of the Company's original request of $81.6 million.[5]

(d) The Joint Petition provides a more just and reasonable means by which to allocate the resulting increase than initially proposed by the Company.

(e) The Joint Petition reflects compromises on all sides presented without prejudice to any position any Joint Petitioner may have advanced so far in this proceeding. Similarly, the Joint Petition is presented without prejudice to any position any party may advance in future proceedings involving the Company.

12. During litigation, DII presented testimony primarily on (a) Rider 16 issues (not part of the Joint Petition) and (b) revenue allocation.

13. The Joint Petition provides for a reasonable compromise among the Parties concerning the rate increase and distribution of such increase among customer classes. Consistent with the Commonwealth Court's decision Lloyd v. Pa. Pub. Util. Comm'n, 904 A.2d 1010 (Pa. Commw. Ct. 2006), the Settlement moves DLC's distribution rates closer to cost of service.

14. Substantial movement toward cost of service has been made for the HVPS Rate Class.

(a) Rate Class HVPS customers have a unique service configuration which includes only a meter and a service drop, with no use of the primary or secondary distribution facilities. The total class revenue requirement for HVPS is only $9,000 under DLC's cost of service study.[6]

(b) However, under present rates, HVPS is providing a 5610% rate of return (ROR), as opposed to a system-wide ROR of 5.27%.[7]

---

[5] Joint Petition, Appendix E.
[6] DII Statement No. 1, p. 7; DII Exhibit No. JC-3.
[7] DLC Exhibit No. 6-10.

(c) Under DLC's initial proposal, the ROR for HVPS was reduced to 3003%, with a target revenue of $827,469.[8]

(d) To adhere to Lloyd's requirement to move toward cost of service for each rate class, more substantial movement was required.

(e) In Rebuttal, DLC proposed an HVPS ROR of 1543%, which involved a target revenue of $415,195.[9]

(f) As a ROR exceeding 1500% was still far above cost of service, the parties agreed at Settlement to further reduce base rates for HVPS customers. The Joint Petition results in a target revenue of $226,730.[10] A substantial decrease in base rates for HVPS customers was necessary to make significant movement toward cost of service for that class.

(g) In DLC's next rate case, HVPS rates should be moved fully to cost of service. This will likely require another substantial decrease to base rates.

15. There has also been notable movement toward cost of service for Rate Class L.

(a) Rate Class L customers have also been subsidizing other rate classes. Under present rates, Rate Class L's rate of return is 6.49%, compared with a system-wide ROR of 5.27%. This is a 1.23 relative ROR.[11]

(b) DLC initially proposed a target revenue of $22.1 million; this was an 8.57% ROR at proposed revenue, compared with a system-wide ROR of 8.06%.[12]

(c) In Rebuttal, DLC proposed a $22.0 million target revenue, which increased Rate Class L's proposed ROR based on the reduced total system-wide revenue requirement.[13]

(d) To substantially move Rate Class L toward cost of service and comply with Lloyd, more movement was needed.

(e) In Settlement, the parties agreed to freeze rates for Rate Class L, which will result in a target revenue of $20.1 million.[14] This provides additional movement toward cost of service for Rate Class L.

(f) In DLC's next rate case, Rate Class L should be moved fully to cost of service.

[8] DLC Exhibit No. 6-10.
[9] DLC Exhibit No. 6-10-R; Joint Petition, Appendix E.
[10] Joint Petition, Appendix E.
[11] DLC Exhibit No. 6-10.
[12] DLC Exhibit No. 6-10.
[13] Joint Petition, Appendix E; DLC Exhibit No. 6-10-R.
[14] Joint Petition, Appendix E.

16. Some progress has been made toward cost of service for Rate Class GL.

(a) Under present rates, Rate Class GL is providing a 7.54% ROR, compared with a 5.27% system-wide ROR. This is a 1.43 relative ROR according to Company calculations.[15] Therefore, Rate Class GL is substantially subsidizing other classes.

(b) DLC initially proposed a target revenue of $68.2 million for Rate Class GL, which would have reduced the relative ROR to 1.08.[16]

(c) However, on Rebuttal, DLC proposed a target revenue of $68.0 million for Rate Class GL, which was an increase in ROR to 9.05% due to the disproportionate reductions provided the other classes.[17]

(d) To move GL meaningfully toward cost of service, more movement was needed.

(e) In Settlement, the parties agreed to a target revenue of $64.1 million.[18]

(f) This Settlement provides modest progress for Rate Class GL toward cost of service. In DLC's next rate case Rate Class GL should be moved fully to cost of service.

17. Consistent with the facts stated herein, DII supports the Settlement as advancing the ultimate goal of eliminating interclass subsidies to arrive at distribution rates that are fully reflective of cost of service. Distribution rates that are free of interclass subsidies are just and reasonable and in the public interest.

18. In addition, the Settlement results in approval of DLC's proposal to transfer various accounts served at 69kV and 138kV voltage to Rate HVPS. This is appropriate because the service configuration and characteristics for these accounts are similar to the existing HVPS customers. As a result, the Settlement approves the Tariff language changes for HVPS to confirm this transfer.[19]

---

[15] DLC Exhibit No. 6-10.
[16] DLC Exhibit No. 6-10; Joint Petition, Appendix E.
[17] DLC Exhibit No. 6-10-R; Joint Petition, Appendix E.
[18] Joint Petition, Appendix E.
[19] *See* Joint Petition, Appendix A. Although not expressly addressed in the Joint Petition, the proposed Tariff language in Appendix A includes changes to the HVPS Rate Schedule that broaden eligibility for HVPS.

19. DII supports the Settlement because it is in the public interest; however, in the event that the Joint Petition is rejected by the Administrative Law Judge or the Commission, DII will resume its litigation position, which may differ from the terms of the Joint Petition.

20. As set forth above, DII submits that the Settlement is in the public interest and adheres to the Commission policies promoting negotiated settlements. The Settlement was achieved after numerous settlement discussions. While Joint Petitioners have invested time and resources in the negotiation of the Joint Petition, this process has allowed the parties, and the Commission, to avoid expending the substantial resources that would have been required to fully litigate this proceeding while still reaching a just, reasonable, and non-discriminatory result.

21. The Joint Petitioners have thus reached an amicable resolution to this dispute as embodied in the Settlement. Approval of the Settlement will permit the Commission and Joint Petitioners to avoid incurring the additional time, expense, and uncertainty of further litigation of issues in this proceeding.[20]

[20] *See* 52 Pa. Code § 69.391.

III. CONCLUSION

WHEREFORE, the Duquesne Industrial Intervenors respectfully request that the Pennsylvania Public Utility Commission approve the Joint Petition for Approval of Non-Unanimous Settlement submitted in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By [signature]

Pamela C. Polacek (I.D. No. 78276)
Matthew L. Garber (I.D. No. 322855)
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300
ppolacek@mcneeslaw.com
mgarber@mcneeslaw.com

Counsel to the Duquesne Industrial Intervenors

Dated: September 14, 2018

Appendix M

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	R-2018-3000124
	:	
v.	:	
	:	
Duquesne Light Company	:	

CHARGEPOINT INC. STATEMENT IN SUPPORT OF JOINT PETITION FOR APPROVAL OF SETTLEMENT STIPULATION

I. INTRODUCTION

A. Statement in Support

ChargePoint, Inc. is pleased to submit this Statement in Support of the Joint Petition for Approval of Settlement Stipulation ("Petition") in the above-captioned proceeding, and hereby requests that the Commission approve the proposed EV ChargeUp Pilot ("Pilot") as outlined in the Petition without modification because it is in the public interest, creates widespread grid benefits for all ratepayers and is supported by the testimony and exhibits submitted in this proceeding.

B. Background on ChargePoint

ChargePoint is the nation's largest and most open electric vehicle ("EV") charging network, with charging solutions for every charging need and all the places EV drivers go: at home, work, around town and on the road, including stations deployed throughout Pennsylvania and in the service territory of Duquesne.

C. ChargePoint's Participation in this Proceeding

ChargePoint petitioned to intervene in response to Supplement No. 174 to Tariff Electric Pa. P.U.C. No. 24 that was filed by Duquesne Light Company ("Duquesne", or "the Company") on March 28, 2018. ChargePoint was granted party status on May 29, 2018.

The primary focus of ChargePoint's Direct and Rebuttal testimony in this proceeding has been Duquesne's proposed EV ChargeUP Pilot ("Pilot"). The testimony and exhibits introduced by ChargePoint and admitted into the record of this proceeding are marked as: ChargePoint, Inc. Statement No 1, the Direct Testimony of Michael K. Waters; ChargePoint, Inc. Statement No 1-R, the Rebuttal Testimony of Michael K. Waters; and Exhibits CP-MKW-1, CP-MKW-2, CP-MKW-3 and CP-MKW-4. ChargePoint's testimony and exhibits demonstrate the importance of the sustainable and scalable growth of Pennsylvania's EV and EV charging ("EV supply equipment", or "EVSE") markets and how an electric transportation initiative by the Company that complements private market efforts can support sustainable and scalable growth in the Commonwealth's EV and EV charging markets while ensuring grid benefits.

The EV ChargeUp Pilot as presented in the Petition is not the same as the proposal offered by the Company in its original filing. It is a compromise supported by the parties to this proceeding. It is also a well-researched, thoughtfully developed and reviewed proposal that balances customer needs and desires, Company objectives, ratepayer benefits and costs, while ensuring that the competitive EV charging market in Pennsylvania can continue to develop in a sustainable manner.

D. Background on the EV ChargeUp Pilot

The EV ChargeUp Pilot was developed in response to 1) market trends indicating a significant transition towards electricity as a transportation fuel; 2) the need for the Company to evaluate, understand, and mitigate unexpected grid impacts due to transportation electrification; 3) customer support needs related to associated information; and 4) prior PUC guidance to explore policy and regulatory frameworks that support EVs and their required infrastructure.

The settlement terms and conditions concerning the proposed EV ChargeUp Pilot are included in Section II B of the Petition, at paragraph 45, and consists of:

- a) DC Fast Charging Evaluation: A total of $500,000 for the fast charging stations and "make ready" infrastructure costs (e.g., trenching, conduit, wiring, labor, mounting, and signage) necessary to support the installation of these stations. These DC fast chargers would support an electric bus evaluation with the Port Authority of Allegheny County and are proposed to be owned by the Company.
- b) Level 2 Charging Evaluation: A total of $1,300,000 will be allocated to support make ready infrastructure costs necessary to provide electric service to charging stations owned by other parties at sites with at least 4 charging stations available to the public. Approximately half of the evaluation will be capital investment in front of and including the meter and the other half will be expense investment in the form of rebates for infrastructure behind the meter. The company will be permitted to record such rebates as a regulatory asset and will be required to provide a report which evaluates customer participation and feedback, public access to charging stations, charger station usage and identifies revenues received by the company from charging station owners. Report results will be broken down by year and the determination of the appropriate method of cost recovery for the behind the meter Level 2 rebate costs has been deferred to the Company's next base rate case.
- c) EV Pilot Education: A total of $200,000 to support customer education and outreach ("E&O") associated with the Pilot. Components of the E&O offering will ensure that all customers are aware of the Pilot and have a full understanding of the

costs and benefits of participation, which will also support timely enrollment. In addition, E&O on basic EV information such as charging levels, interconnection, and grid impacts is also an important function for a utility as it seeks to support customer inquiries into using its product for fueling vehicles and to help maximize grid benefits over time.

- d) Load Management: The Company will develop a load management plan to be proposed in its next base rate case proceeding.
- e) Customer Electric Vehicle Registration Incentives in this proceeding are reduced to $70,000 per year and any unused portion of the $70,000 per year will be addressed in the next base rate proceeding.
- f) Annual Public Reports: The Company will also develop annual reports, submitted to the Commission, on a range of key Pilot indicators to evaluate performance and ensure successful implementation of the EV Pilot.

II. COMMENTS

A. Utilities play an important role in transportation electrification.

Utilities have very important roles to play in transportation electrification. First and foremost, utilities are ideally situated to ensure that the associated new load is incorporated in a safe, reliable, and efficient manner. Duquesne's proposed EV ChargeUP Pilot provides a significant foundation for doing so and will generate substantial information regarding customer experience and EV charging data. This information will be provided to the Commission annually for review and will be useful for future distribution planning and load management program development.

ChargePoint has partnered with many other utilities around the country in deploying utility-supported charging infrastructure and pilot programs. Given the rapidly evolving technology, growing EV charging marketplace, and customer facing nature of the technology, the details of any utility charging program are critical to ensure that innovation continues to thrive and that the resulting deployment of stations complement, rather than duplicate or compete with, the existing EV charging market. ChargePoint commends the Company for creating a set of Guiding Principles within the filing that incorporate such considerations in a thoughtful and effective manner.

B. The EV ChargeUp Pilot is in the public interest.

ChargePoint strongly supports the proposed EV ChargeUp Pilot as a unique example of a utility program that incorporates a set of Guiding Principles that governs the design and intent of the individual pilot program elements.

The Guiding Principles will ensure that the Pilot accomplishes these key objectives:

- Support state and local EV policies and goals;
- Support a competitive charging market while maintaining market neutrality;
- Maintain site host choice and control of equipment and network services;
- Ensure equipment is installed safely and maintained efficiently;
- Require detailed data from program participants; and
- Manage operations and costs.

These same Guiding Principles consider all major stakeholders impacted by the Pilot including customers, state and local entities, as well as solution providers. This approach to designing the Pilot is clearly in the public interest and will ensure that investments appropriately reduce market barriers, minimize costs and maximize benefits to ratepayers, and catalyze sustainable and scalable growth in the EV and EV charging markets.

III. CONCLUSION

WHEREFORE, for all of the reasons outlined above, ChargePoint Inc. hereby respectfully requests that the Commission approve the proposed EV ChargeUp Pilot presented in the Petition without modification because it is in the public interest , creates widespread grid benefits for all ratepayers and is supported by the testimony and exhibits submitted in this proceeding.

Respectfully submitted,

Renardo L. Hicks

FOR: ChargePoint, Inc.
Renardo L. Hicks (PA Atty. Id. 40404)
Dilworth Paxson LLP
Penn National Insurance Building
2 North 2nd Street, Suite 1101
Harrisburg, PA 17101
Voice: 717-236-4812
Email: rhicks@dilworthlaw.com

Dated: September 14, 2018

Appendix N

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2018-3000124
	:	
Duquesne Light Company	:	

WAL-MART STORES EAST, LP AND SAM'S EAST, INC.'S STATEMENT IN SUPPORT OF THE JOINT PETITION FOR PARTIAL SETTLEMENT

Wal-Mart Stores East, LP and Sam's East, Inc. (collectively, "Walmart"), by counsel, hereby submits this Statement in Support of the Joint Petition for Partial Settlement ("Settlement") filed with the Pennsylvania Public Utility Commission ("PUC" or "Commission") by the parties in the above-referenced proceeding, and asserts that the terms of the Settlement are just and reasonable and that approval of the Settlement is in the public interest.

I. RELEVANT BACKGROUND

1. On March 28, 2018, Duquesne Light Company ("Duquesne" or "Company") filed with the Commission Supplement No. 174 to the Company's Tariff Electric – Pa. P.U.C. No. 24 ("Filing"), representing a request for a general increase in the Company's electric distribution rates of approximately $81.6 million.[1]

2. On May 15, 2018, Walmart filed a Petition to Intervene to participate in this proceeding. As indicated in its Petition to Intervene, Walmart is a national retailer with 168 facilities in the Commonwealth of Pennsylvania, including 11 facilities in the Duquesne service

---

[1] The Company's full request in this case was for an additional $133.8 million in distribution revenues, including approximately $52.2 million in revenues recovered through various surcharges.

territory, taking service from Duquesne primarily pursuant to Rate Schedules GL, GLH, and GM. As such, the cost of electricity comprises a significant portion of the operating costs of Walmart's various retail and distribution locations, and Walmart intervened in this proceeding in order to address its concerns with the potential impact of Duquesne's proposed base rate increase.

3. To that end, on June 25, 2018, Walmart submitted the Direct Testimony of Gregory W. Tillman, Senior Manager, Energy Regulatory Analysis, addressing certain aspects of the Company's that presented significant concern to Walmart. These issues included the potential impact on customers of Duquesne's proposed revenue requirement increase, the proper treatment of benefits accrued under the Tax Cuts and Jobs Act ("TCJA"), the reasonableness of the Company's requested Return on Equity ("ROE") of 10.95%, and the reasonableness of the Company's proposed cost allocation and rate design for Rates GL, GLH, and GM. See generally Walmart Statement No. 1.

II. STATEMENT IN SUPPORT OF THE SETTLEMENT

4. As stated in 52 Pa. Code § 5.231, "It is the policy of the Commission to encourage settlements." In keeping with this policy, the parties in this case, including Walmart, engaged in numerous discussions on the many issues presented in the course of litigation. These negotiations ultimately produced the Settlement presented in this proceeding. The settling parties agree that this Settlement is in their best interests and in the best interests of the Pennsylvania public.

5. In addition to the important benefit of reducing the litigation costs for the settling parties in this proceeding, Walmart specifically supports the Settlement on the following grounds, which were issues specifically raised in Walmart's case-in-chief and reflect compromise on the part of the various settling parties:

a. The $40.5 million net increase in distribution revenues approved by the Settlement provides Duquesne with reasonable revenues and earnings opportunity going forward but also represents a significant decrease in ratepayer burden from the original requested increase of approximately $81.6 million.

b. The Settlement fully resolves the issues related to the TCJA by providing ratepayers with the benefit of a refund of approximately $24 million associated with 2018 federal income tax expense and 2018 Excess Deferred Income Taxes ("EDIT").

b. Although the Settlement does not specify an ROE for the Company, Walmart believes that the overall reduced revenue requirement increase will result in a functional ROE that is generally in line with the recommendations of reasonable ROEs set forth by Walmart's witness, Mr. Tillman.

c. The Settlement incorporates a reasonable allocation of the overall revenue increase among the Company's various customer classes that is reasonable, properly moves classes toward their actual cost to serve, and does not result in an unjustified impact on any single class.

6. As stated above, the Settlement achieved by the parties in this case is the result of amicable negotiations and compromise by numerous parties with diverse interests in the Company's base rate filing. Accordingly, Walmart believes that the Settlement produces a non-discriminatory result that is in the public interest and advances the Commission's policy favoring settlements.

WHEREFORE, Walmart Stores East, LP and Sam's East, Inc., respectfully requests that Administrative Law Judge Katrina L. Dunderdale and the Pennsylvania Public Utility Commission approve the Joint Petition for Partial Settlement filed by the parties in this proceeding, without modification.

Respectfully submitted,

By ____________________________

Derrick Price Williamson (Pa. I.D. No. 69274)
Barry A. Naum (Pa. I.D. No. 204869)
SPILMAN THOMAS & BATTLE, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050
Phone: (717) 795-2742
Fax: (717) 795-2743
dwilliamson@spilmanlaw.com
bnaum@spilmanlaw.com

Counsel to Wal-Mart Stores East, LP and Sam's East, Inc.

Dated: September 14, 2018

Appendix O

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	Docket No. R-2018-3000124
	:	Docket No. R-2018-3000829
	:	
Office of Consumer Advocate	:	Docket No. C-2018-3001029
Peoples Natural Gas Company LLC	:	Docket No. C-2018-3001152
Jason Dolby	:	Docket No. C-2018-3001074
Office of Small Business Advocate	:	Docket No. C-2018-3001566
Duquesne Industrial Intervenors	:	Docket No. C-2018-3001713
NRG Energy	:	Docket No. C-2018-3002755
Leonard Coyer	:	Docket No. C-2018-3002424
	:	
	:	
v.	:	
	:	
Duquesne Light Company	:	
	:	

STATEMENT IN SUPPORT OF JOINT PETITION FOR APPROVAL OF SETTLEMENT STIPULATION ON BEHALF OF NATURAL RESOURCES DEFENSE COUNCIL

I. INTRODUCTION

The Natural Resources Defense Council, ("NRDC") offers this Statement In Support of the Joint Petition for Approval of Settlement Stipulation ("Settlement") submitted by Duquesne Light Company ("Duquesne Light" or the "Company") in the above-captioned proceeding. The Settlement addresses all issues in this proceeding exclusive of the issues related to Tariff Rider No. 16 – Service to Non-Utility Generating Facilities ("Rider No. 16"). NRDC supports the approval of the Settlement without modification as a carefully balanced compromise of the interests of all active parties in this proceeding. While the Settlement reflects a compromise of competing positions and does not reflect the full position of NRDC, as a Joint Petitioner NRDC agrees that the terms and conditions of the Settlement are reasonable. The Settlement does not preclude NRDC from taking other positions in proceedings of other public utilities under Section 1308 of the Public Utility Code (Code), 66 Pa. C.S. §1308, or any other proceeding.

NRDC is an environmental organization and not-for-profit corporation with more than 1.4 million members, including more than 16,000 in Pennsylvania and more than 1,600 in Duquesne's service area. Since 1970, NRDC's attorneys, scientists, and other environmental specialists have worked to protect the world's natural resources, public health, and the environment. NRDC's top institutional priority is building an equitable clean energy future, among other things through the increased use of energy efficiency, renewable energy, and renewables-based transportation electrification, with the ultimate goal of reducing air pollution from the combustion of fossil fuels. NRDC has expended organizational resources in Pennsylvania to expand the use of energy efficiency, renewable energy, and transportation electrification in Pennsylvania. Among other things, NRDC is a partner in Energy Efficiency for All, a partnership that seeks to provide energy benefits to low-income persons who live in multifamily homes in Pennsylvania, as well as a partner in the City Energy Project (CEP), a joint project of NRDC and the Institute for Market Transformation that seeks to create healthier and more prosperous American cities by improving the energy efficiency of buildings. The City of Pittsburgh, within Duquesne's service area, is a participant in Phase II of CEP.

In support of the Settlement, NRDC offers the following statement.

II. STATEMENT IN SUPPORT OF THE SETTLEMENT

Duquesne Light initially proposed to increase its distribution rates by $133.8 million, with a 62.5% increase to customer fixed charge rates.[1] NRDC opposed the proposal because of the reduction of customer incentives to engage in energy efficiency measures and the disproportionate harm to low-income customers,.[2] We find that the significant reduction in Duquesne Light's proposal to $12.50 per month for Rates RS, RH and GS is a reasonable compromise.

NRDC expressly adopts the position of the Keystone Energy Efficiency Alliance (KEEA) with respect to the provisions of the Settlement that concern time-of-use rates[3] and master metering of multifamily housing.[4]

NRDC agrees that the collaborative process outlined in ¶ 52 of the Settlement is an important first step towards establishing a time-of-use program structure that encourages investments in energy efficiency and renewable energy, produces substantial peak demand reductions, and sends price signals to customers to conserve electricity and engage in energy efficiency measures, [5] which will enhance the potential benefits of vehicle electrification discussed below.

The collaborative to address the feasibility of a tariff revision to permit master-metering of multifamily housing, as well as the commitment to present a proposal regarding master-metering of multifamily housing buildings as part of the next general base rate case, are meaningful steps to address the current impediments to energy efficiency projects that both improve housing

---

1 Supplement No. 174 to Tariff Electric – Pa. PUC No. 24 ("Supplement No. 174").

2 KEEA St. No. 1 at 17-25.

3 Settlement at ¶ 52.

4 Settlement at ¶ 59.

5 KEEA St. No. 1 at 25-29.

affordability and reduce greenhouse gas emissions. NRDC supports Duquesne Light's provision of whole-building data[6] which will help guide building owners and operators in energy efficiency and energy management investments.[7]

In this proceeding, NRDC presented expert testimony with respect to vehicle electrification and its benefits to ratepayers in support of a modest Electric Vehicle ChargeUp Pilot ("EV Pilot)[8] that the Company proposed. While the EV Pilot has been significantly reduced in the Settlement based on parties' expressed positions in the multi-stakeholder settlement process, it will still benefit ratepayers and is a reasonable compromise. The benefits of the Pilot extend well beyond benefits to current drivers of electric vehicles.[9] The information gathered from this Pilot will also support improved capacity utilization and other power sector objectives of the Commonwealth.[10] Approval of the Pilot as proposed is consistent with the Commission's Mission to "foster new technologies and competitive markets in an environmentally sound manner."[11] The findings of multiple studies cited in the record show that incremental load from electric transportation leads to greater electricity system asset utilization and lowers the average cost of electricity service.[12] All ratepayers stand to benefit from the estimated reductions in utility customer bills from increased EV charging in Pennsylvania through 2050.[13] Bus electrification will also provide greater access to electric mobility for utility customers that do not drive personal vehicles and

---

6 Settlement at ¶ 53.

7 KEEA St. No. 1 at 40-41.

8 Settlement at ¶ 45.

9 NRDC St. No. 2 at 3-4.

10 NRDC St. No. 3 at 7.

11 NRDC St. No. 3 at 7.

12 NRDC St. No. 3 at 4.

13 NRDC St. No. 1 at 8-9. Citing to a study finding up to $9.6 billion in reduced utility customer bills in Pennsylvania from increased EV charging through 2050.

enable deeper reductions in harmful criteria pollutant emissions.[14] However, barriers to transportation electrification exist, including: limited access to electricity as a transportation fuel, limited awareness of the benefits of vehicle electrification to the electricity system, and limited efforts to manage EV load.[15] The electric utility is well-positioned to overcome these barriers while facilitating the development of the EV charging services market and driving electricity system benefits; indeed, this is the premise for utility investments to support transportation electrification.[16] Without supportive policies and programs to encourage both transportation electrification and off-peak charging, Pennsylvania will be slow to achieve the potential benefits of reduced utility customer bills and or forgo them altogether.[17] The EV Pilot as proposed is an important step toward realizing these benefits and encouraging development at a critical period for a vital new technology.

III. CONCLUSION

NRDC respectfully requests that the Settlement, taken as a whole, be approved without modification. The Settlement is the product of a collaborative effort to resolve the many interests of parties which were thoroughly considered in its development. For the reasons set forth, the Settlement as written is in the public interest and recommends its approval.

---

[14] NRDC St. No. 1 at 16.

[15] NRDC St. No. 1 at 9-10.

[16] NRRDC St. No. 1 at 13.

[17] NRDC St. No. 3 at 6.

Respectfully submitted,

Of Counsel:

Mark Szybist, Esq.
Natural Resources Defense Council
Suite 300
1152 15th St., NW
Washington, DC 20005
mszybist@nrdc.org

Emma Hempstead, Esq. Pa. Bar ID 324816
Emily Collins, Esq. Pa. Bar ID 208990
Fair Shake Environmental Legal Services
3495 Butler Street, Suite 102,
Pittsburgh, PA 15201
Phone: (412) 742 4615
Fax: (412) 291 1197
ehempstead@fairshake-els.org
ecollins@fairshake-els.org

Dated: September _14, 2018

Counsel for Natural Resources Defense Council

Appendix P

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	Docket No. R-2018-3000124
	:	Docket No. R-2018-3000829
	:	
Office of Consumer Advocate	:	Docket No. C-2018-3001029
Peoples Natural Gas Company LLC	:	Docket No. C-2018-3001152
Jason Dolby	:	Docket No. C-2018-3001074
Office of Small Business Advocate	:	Docket No. C-2018-3001566
Duquesne Industrial Intervenors	:	Docket No. C-2018-3001713
NRG Energy	:	Docket No. C-2018-3002755
Leonard Coyer	:	Docket No. C-2018-3002424
	:	
	:	
v.	:	
	:	
Duquesne Light Company	:	
	:	

STATEMENT IN SUPPORT OF JOINT PETITION FOR APPROVAL OF SETTLEMENT STIPULATION ON BEHALF OF KEYSTONE ENERGY EFFICIENCY ALLIANCE

I. INTRODUCTION

The Keystone Energy Efficiency Alliance, ("KEEA")[1] offers this Statement In Support of the Joint Petition for Approval of Settlement Stipulation ("Settlement") submitted by Duquesne Light Company ("Duquesne Light" or the "Company") in the above captioned proceeding. The

[1] KEEA is a non-profit, tax-exempt 501(c)(6) corporation and is comprised of the following members: Advanced Energy Economy, Applied Energy Group, A1 Energy, C-Power, Clean Markets, LLC, CLEAResult, CMC Energy Services, Conservation Consultants, Inc., DMI Companies, DNV GL, Ecova, Electric Advisors Consulting, EMC Electric Market Connection, Encentiv Energy, Energy Coordinating Agency, Energy Federation, Inc., Energy Opportunities, Inc., FirstFuel, Four Seasons Produce Inc., Green Building Alliance, Green Building United, Home Performance Coalition, Honeywell Utility Solutions, ICF International, Lime Energy, MaGrann Associates, National Energy Foundation, National Energy Improvement Fund, Natural Resources Defense Council, Nest, Northeast Energy Efficiency Partnerships, Nexant, NRG Energy, Inc., Oracle, Performance Systems Development, Philips, Practical Energy Solutions, Schaedler Yesco Distribution, Inc., SmartWatt Energy, Inc., Sota Construction, The Franklin Energy Group, U.S. Green Building Council Central Pennsylvania, Veolia, and Warren Energy Engineering, LLC.

Settlement addresses all issues in this proceeding except those related to Tariff Rider No. 16 – Service to Non-Utility Generating Facilities ("Rider No. 16") which are reserved for litigation. While the Settlement does not resolve all the issues raised by KEEA in the manner preferred by KEEA, the Settlement does reasonably address many of the issues and – on balance – is a reasonable resolution of this proceeding. Thus, KEEA supports approval of the Settlement without modification.

KEEA is a non-profit organization that represents the interests of members who share the common goal of promoting energy efficiency improvements. KEEA has over 40 members that implement energy efficiency improvements in buildings across the Commonwealth, including in the service territory of Duquesne Light. KEEA's members also participate in the Act 129 programs of Duquesne Light by implementing portions of Duquesne Light's energy efficiency and conservation plan.

In this proceeding, KEEA raised concerns about Duquesne Light's proposal to increase the customer fixed charge for all rates classes for which Duquesne Light proposed increases and recommended that it be rejected.[2] KEEA also addressed concerns that the continued use of customer fixed charges does not align with state policies to promote energy efficiency and conservation in the Commonwealth.[3] In addition, KEEA recommended that: (1) the Commission require Duquesne Light to develop and implement time-of-use rates for residential and small/medium general service customers; and (2) that Duquesne Light modify its tariff and practices to promote submetering and whole-building data access.[4] The Settlement represents a

---

2 KEEA St. No. 1 at 4.

3 KEEA St. No. 1 at 4-5.

4 KEEA St. No. 1 at 36.

compromise of many competing positions and reasonably addresses KEEA's concerns by proposing to: (1) reduce the amount of the fixed charges that will be implemented; (2) establish collaborative processes to discuss time-of-use rates and submetering; and (3) provide anonymized aggregate energy usage data.

In support of the Settlement, KEEA offers the following.

II. STATEMENT IN SUPPORT OF THE SETTLEMENT

Even though all of KEEA's concerns and issues are not fully addressed in the manner preferred by KEEA, the Settlement does represent a reasonable compromise which balances the issues at hand and should be approved. KEEA's members implement energy efficiency improvements in buildings across the Commonwealth, including in Duquesne Light's service territory. As such, KEEA opposed Duquesne Light's proposals that would negatively impact the ability of customers to avail themselves of the energy efficiency improvements that are offered by KEEA members. Duquesne Light proposed to increase its distribution rates by $133.8 million. To recover the claimed increase, in part, Duquesne Light proposed to raise customer fixed charges for most customer classes. For the residential (RS), residential heating (RH), and general service small customer classes (GS), Duquesne Light proposed to increase the customer fixed charge from $10.00 per month to $16.25 per month, an increase of $6.25 or 62.5%.[5]

KEEA did not support an increased in the customer fixed charges for a number of reasons. First, KEEA found that Duquesne Light's proposed customer charge increases were not cost justified.[6] Second, KEEA raised concerns about how increasing customer fixed charges will disproportionately harm low-income customers and reduce the customer's incentive to engage in

5 Supplement No. 174 to Tariff Electric – Pa. PUC No. 24 ("Supplement No. 174").

6 KEEA St. No. 1 at 7-15.

energy efficiency.[7] Finally, KEEA raised concerns about how continuously increasing customer fixed charges, as a rate design policy, fails to align with other state policies enacted to promote energy efficiency and conservation in the Commonwealth.[8]

In the Settlement, Duquesne Light agrees to fixed monthly customer charges for Rates RS, RH and GS at $12.50 per month, which is significantly lower than its initially proposed increase to $16.25.[9] Compared to Duquesne Light's proposal to raise the residential fixed customer charge, this amount will allow a residential customer more control over his or her own energy bill. Because the Settlement reduces Duquesne Light's initially proposed customer charges for the above-mentioned rate classes, it does provide a reasonable outcome even though the end result does increase the customer charges from the present rates. The increase to the residential customer charges agreed upon in the Settlement reflects a compromise on a contentious issue.

The agreement of Duquesne Light to establish a collaborative process on time-of-use rates is significant.[10] Duquesne Light does not currently offer a time-of-use program. The collaborative process is an important step to establishing a time-of-use program structure that encourages investments in energy efficiency and renewable energy, produces substantial peak demand reductions, and sends the proper price signal to customers to conserve electricity and engage in energy efficiency. As explained in KEEA's testimony, properly designed time-of-use rates offer various potential benefits including lower customer bills, reduced wholesale market prices, avoided or deferred capacity investments, better integration of intermittent renewable energy

---

[7] KEEA St. No. 1 at 17-25.

[8] KEEA St. No. 1 at 25-29.

[9] Settlement at ¶ 50.

[10] Settlement at ¶ 52.

resources, and improved environmental outcomes.[11] Duquesne Light agrees to consider in good faith the issues and suggestions raised in the collaborative process and to make a proposal regarding time-of-use rates in its next default service rate filing.[12]

During the hearing in this proceeding, the Presiding Officer inquired as to whether Duquesne Light should be required to make a time-of-use filing prior to its next default service rate filing.[13] The Public Utility Code requires electric distribution companies ("EDCs") to offer optional time-of-use rates for all customers that have smart meter technology.[14] While some EDCs have made time-of-use rate filings in their individual default service proceedings, it is not required that a time-of-use design be addressed in the context of a default service proceeding.[15] As Duquesne Light does not currently offer a time-of-use program, KEEA believes it is in the best interest of the public for stakeholders to have an opportunity to provide input on how the program should be designed. The collaborative process detailed in the Settlement will engage stakeholders in exploring time-of-use rate design options and will require Duquesne Light to make a time-of-use rate proposal in its next default service rate filing, unless directed to do so prior to then by the Commission.[16] KEEA submits that the Settlement is a reasonable step forward and supports the Settlement as a reasonable compromise of the issue raised by KEEA. To the extent the Commission elects to direct Duquesne Light to address this issue sooner, KEEA would support

---

11 KEEA St. No. 1 at 34-35.

12 Settlement at ¶ 52.

13 August 17, 2018 Hearing Transcript at 679.

14 66 Pa.C.S. § 2807(f)(5).

15 *Petition of PPL Electric Utilities Corporation for Approval of a New Pilot Time-of-Use Program*, Secretarial Letter at Docket Nos. P-2013-2389572 and M-2016-2578051 (Apr. 6, 2017).

16 Settlement at ¶ 52.

that result so long as such direction does not result in any party electing to withdraw from the settlement.

In the Settlement, Duquesne Light also agrees to convene a collaborative to discuss the feasibility of revising its tariff to permit master-metering of multifamily housing and to make a proposal regarding master-metering of multifamily housing buildings as part of its next general base rate case.[17] As explained in direct testimony, Duquesne Light's current prohibition on submetering impedes the development of energy efficiency projects for housing developers and increases costs imposed on low-income customers.[18] The collaborative process set forth in the Settlement will allow the parties and interested stakeholders who are developers of multifamily housing to help shape an appropriate tariff provision that is appropriately tailored to protect low-income tenants and affordable multifamily developers and owners. The Settlement also reflects Duquesne Light's intent to provide anonymized aggregate energy usage data for residential multifamily buildings that are 50,000 square feet or larger.[19] Providing whole-building data access will enable building owners and/or operators to obtain information to guide decisions about whether to invest in energy efficiency and other energy management tools.[20] The approach in the Settlement to establish a stakeholder process, combined with Duquesne Light's willingness to provide whole-building data access, is a reasonable compromise to resolve concerns raised regarding these issues in this rate case.

---

17 Settlement at ¶ 59.

18 KEEA St. No. 1 at 38-39.

19 Settlement at ¶ 53.

20 KEEA St. No. 1 at 40-41.

III. CONCLUSION

The Settlement represents a fair balancing and compromise of the issues raised in this proceeding. While the Settlement does not resolve all of the issues and concerns raised by KEEA, it was developed as the result of the parties working cooperatively to reach a reasonable compromise of all but one issue that is reserved for litigation. The Settlement reduces the administrative burden and costs to resolve the numerous issues raised in this proceeding. For all these reasons, the Settlement is in the public interest and should be adopted.

KEEA respectfully requests that the Settlement, taken as a whole, be approved without modification.

Respectfully submitted,

Daniel Clearfield, Esq., Attorney ID 26183
Sarah C. Stoner, Esq., Attorney ID 313793
ECKERT SEAMANS CHERIN & MELLOTT, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
717.237.6000; 717.237.6019 (fax)
dclearfield@eckertseamans.com
sstoner@eckertseamans.com

Of Counsel:

Eric Miller, Esq.
Keystone Energy Efficiency Alliance
Policy Counsel
1501 Cherry Street
Philadelphia, PA 19102

Dated: September 14, 2018

Counsel for Keystone Energy Efficiency Alliance

Appendix Q

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

NRG Energy Center Pittsburgh LLC	:	
	:	
v.	:	Docket No. C-2018-3002755
	:	
Duquesne Light Company	:	

NRG ENERGY CENTER PITTSBURGH LLC'S STATEMENT IN PARTIAL SUPPORT OF JOINT PETITION FOR SETTLEMENT OF RATE INVESTIGATION/STATEMENT OF NON-OPPOSITION

NOW, comes NRG Energy Center Pittsburgh LLC ("NRGP") and files this Statement in Partial Support of the Joint Petition for Settlement of Rate Investigation/Statement of Non-Opposition in the above-captioned matter and agrees to the settlement term identified herein based upon the following:

1. NRGP is a certificated Pennsylvania public utility company providing steam, hot water and chilled water service to the public in the 21st and 22nd wards in the City of Pittsburgh pursuant to certificates of public convenience at Docket Nos. A-130001, et seq.

2. NRGP filed its Formal Complaint against Duquesne Light Company ("Duquesne Light") on or about June 15, 2018, to Supplement No. 174 to Tariff Electric – Pa. P.U.C. No. 24, as filed by Duquesne Light in the general rate proceeding at Docket No. R-2018-3000124.

3. NRGP supports only the provision of the Settlement Petition that relates to the Stipulation between NRGP and Duquesne Light as set forth in Section E, Paragraph 60, of the Settlement Petition. NRGP does not oppose the remainder of the Settlement Petition and will not be participating in the further litigation of Rider 16.

4. NRGP is looking to promote distributed generation and Combined Heat and Power ("CHP") projects, which is consistent with the recent policy statement of the Commission that encourages CHP development. In 2016, NRGP filed an application with the Commission to expand its service territory for steam, hot water and chilled water service, which Duquesne Light protested. As part of a settlement of its service territory expansion proceeding at Docket No. A-2016-2570927, NRGP agreed to provide forty-five (45) days' notice to Duquesne Light before engaging in any construction activities related to an electric service project. A copy of the Stipulation was introduced into the evidentiary records as NRGP Exhibit No. CEB-1. The "intent" of the Stipulation was to resolve Duquesne Light's protest to NRGP's October 2016 application, which application sought to expand NRGP's service territory for steam, hot water and chilled service into the Uptown Corridor in Pittsburgh.[1] The application included a provision relating to providing "emergency backup power" only to a single customer (an unregulated service), which prompted the protest by Duquesne Light.[2] NRGP's agreement to the aforementioned stipulation was necessary in order to avoid a protracted litigated proceeding on what should have been a simple service territory expansion by NRGP.[3]

5. The stipulation that is found in Section E, Paragraph 60, of the Settlement Petition is designed to provide NRGP with reciprocal notice from DLC with regard to DLC projects for the generation or distribution of steam, hot water, or chilled water (except for self-service) within the then-certificated service territory of NRGP.

[1] See Surrebuttal testimony of Clifford E. Blashford at p. 2, ll. 2-10
[2] *Id.*
[3] *Id.*

6. Although Duquesne Light is an EDC, Duquesne Light is engaged in efforts to promote and develop CHP projects in NRGP's existing service territory, as well as areas in which NRGP could naturally grow its regulated steam, hot water, and chilled water services, and these projects could take load off of NRGP's system. Such projects, if they remove load from NRGP's system, potentially jeopardize NRGP's ability to provide adequate, reasonable, and reliable service to its remaining customers on a going-forward basis. Indeed, because of the relatively small size of NRGP customers compared to the large number of Duquesne Light customers, it is arguably more important that NRGP be apprised of threats to its load than it is for Duquesne Light to be apprised of threats to its load. NRGP notes that Duquesne Light's Commission-approved Energy Efficiency & Conservation Plan ("EE&C Plan") allows Duquesne Light to use ratepayer funds to help fund its CHP projects. Like Duquesne Light, NRGP is also a regulated public utility, and therefore NRGP deserves similar notice to know when Duquesne Light may be encroaching on NRGP's service territory through development of a CHP or distributed generation project.[4]

7. In short, it is in the public interest for NRGP to receive notice from DLC (as provided in Section E, Paragraph 60, of the Settlement Petition) of projects that may impact NRGP's continuing ability to provide safe, adequate, and reliable public utility service. The required notice fair and appropriate because it is reciprocal in nature to the notice that NRGP previously committed to provide to DLC regarding electric projects.

---

[4] See Surrebuttal testimony of Clifford E. Blashford at p. 2, ll. 12-23

8. In light of DLC's commitment in Section E, Paragraph 60, NRGP has agreed not oppose the remainder of the Settlement Petition or further participate in the litigation of Rider 16.

Respectfully submitted,

Matthew Smith

Matthew F. Smith, Esquire
mfsmith@cozen.com

COZEN O'CONNOR
One Oxford Centre, 41st Floor
301 Grant Street
Pittsburgh, PA 15219
(412) 620-6500
Counsel for *NRG Energy Center Pittsburgh LLC*

Date: September 14, 2018

Appendix R

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2018-3000124
	:	
Duquesne Light Company	:	

COMMUNITY ACTION ASSOCIATION OF PENNSYLVANIA'S STATEMENT IN SUPPORT OF SETTLEMENT

NOW COMES the Intervenor, the Community Action Association of Pennsylvania (CAAP) and files this Statement in Support of the settlement reached in the above-captioned matter stating as follows:

1. CAAP is a not-for-profit Pennsylvania corporation and a statewide association representing Pennsylvania's community action agencies that provide anti-poverty planning and community development activities for low-income communities and services to individuals and families.

2. CAAP has been directly involved in assuring that low-income persons' utility costs are contained through counseling, advice, payment assistance and energy conservation measures.

3. CAAP intervened in this proceeding to address, on behalf of its clients, the adequacy and availability of the company's universal service programs.

4. CAAP submitted the rebuttal testimony of Susan Moore (CAAP Statement No. 1-R).

5. Ms. Moore's testimony addressed the level of funding for the Company's low-income usage reduction program (LIURP) and the Company's proposal to increase its fixed monthly residential customer charge from $10 to $16.25.

6. CAAP contended in its testimony that the proposed funding level for the Company's LIURP was insufficient to meet the need for LIURP services of the Company's low-income customers and that such an increase to the fixed monthly charge would discourage conservation efforts and the ability of low-income customers to reduce their bill through conservation.

7. In the settlement, the Company has agreed to increase its annual funding for LIURP by $140,740 and increased its fixed monthly charge to $12.50, not to the originally proposed $16.25.

8. CAAP believes that the settlement as it relates to those issues – the level of LIURP funding and the reduced increase to the fixed monthly charge–addresses its concerns and will provide a substantial benefit to low income customers by providing additional conservation measures to those customers that will result in lower energy use and utility costs for those vulnerable customers. Further, those additional measures that promote conservation will benefit the public generally.

9. CAAP did not submit testimony relative to other issues presented in this case so this statement in support will not address those issues.

WHEREFORE, CAAP respectfully requests that the settlement be approved.

Respectfully submitted,

JOSEPH L. VULLO, ESQUIRE
I.D. No. 41279
1460 Wyoming Avenue
Forty Fort, PA 18704
(570) 288-6441
e-mail: jlvullo@bvrrlaw.com
Attorney for Community Action Association of Pennsylvania

Appendix S

COZEN O'CONNOR

September 13, 2018

David P. Zambito
Direct Phone 717-703-5892
Direct Fax 215-989-4216
dzambito@cozen.com

Honorable Katrina L. Dunderdale
Pennsylvania Public Utility Commission
Office of Administrative Law Judge
Suite 220, Piatt Place
301 Fifth Avenue
Pittsburgh, PA 15222

Re: Pennsylvania Public Utility Commission v. Duquesne Light Company; Docket No. R-2018-3000124

Peoples Natural Gas Company LLC Letter of Non-Opposition to Settlement

Dear Administrative Law Judge Dunderdale:

In view of Duquesne Light Company's withdrawal of its proposed changes to Rider 16, (Statement of David Fisfis, Tr. 646), Peoples Natural Gas Company LLC does not oppose the settlement reached by the other parties to this proceeding.

Sincerely,

COZEN O'CONNOR

By: David P. Zambito

DPZ/kmg

cc: Rosemary Chiavetta, Secretary
Per Certificate of Service
Lynda Petrichevich
William H. Roberts II, Esquire

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2018-3000124
	:	
Duquesne Light Company	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing **Correspondence of Peoples Natural Gas Company LLC Regarding Non-Opposition to Settlement,** upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA E-MAIL AND FIRST CLASS MAIL

Michael W. Gang, Esquire
Anthony D. Kanagy, Esquire
Post & Schell PC
17 North Second Street 12th Floor
Harrisburg, PA 17101-1601
E-mail: mgang@postschell.com
E-mail: akanagy@postschell.com
Counsel for *Duquesne Light Company*

David T. Fisfis, Esquire
Tishekia E. Williams, Esquire
Michael Zimmerman, Esquire
Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219
E-mail: DFisfis@duqlight.com
E-mail: twilliams@duqlight.com
E-mail: mzimmerman@duqlight.com
Counsel for *Duquesne Light Company*

Anthony C. DeCusatis, Esquire
Kenneth M. Kulak, Esquire
Catherine G. Vasudevan, Esquire
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
E-mail: anthony.decusatis@morganlewis.com
E-mail: ken.kulak@morganlewis.com
E-mail: catherine.vasudevan@morganlewis.com
Counsel for *Duquesne Light Company*

Emily M. Farah, Esquire
Duquesne Light Company
411 Seventh Avenue, 15-7
Pittsburgh, PA 15219
E-mail: efarah@duqlight.com
Counsel for *Duquesne Light Company*

Phillip D. Demanchick, Esquire
David T. Evrard, Esquire
Office of Consumer Advocate
555 Walnut Street, 5th Floor
Forum Place
Harrisburg, PA 17101
E-mail: pdemanchick@paoca.org
E-mail: devrard@paoca.org
E-mail abeatty@paoca.org
Counsel for *Office of Consumer Advocate*

Sharon E. Webb, Esquire
John R. Evans
Office of Small Business Advocate
300 North Second Street
Suite 202
Harrisburg, PA 17101
E-mail: swebb@pa.gov
E-mail: jorevan@pa.gov
Counsel for *Office of Small Business Advocate*

Gina L. Miller, Esquire
John M. Coogan, Esquire
Pennsylvania Public Utility Commission
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street, 2 West
Harrisburg, PA 17120
E-mail: ginmiller@pa.gov
E-mail: jcoogan@pa.gov
Counsel for *Bureau of Investigation & Enforcement*

Joseph L. Vullo, Esquire
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704
E-mail: jlvullo@aol.com
Counsel for *Community Action Association of Pennsylvania*

Scott J. Rubin, Esquire
330 Oak Lane
Bloomsburg, PA 17815-2036
E-mail: scott.j.rubin@gmail.com
Counsel for *International Brotherhood of Electrical Workers Local 29*

Patrick M. Cicero, Esquire
Kadeem G. Morris, Esquire
Elizabeth R. Marx, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
E-mail: pulp@palegalaid.net
Counsel for *CAUSE-PA*

Jason Dolby
409 Anawanda Avenue
Pittsburgh, PA 15228

Brian Kalcic
Excel Consulting
Suite 720-T
225 S. Meramac Avenue
St. Louis, MO 63105
E-mail: excel.consulting@sbcglobal.net
Consultant for *Office of Small Business Advocate*

Pamela C. Polacek, Esquire
McNees Wallace & Nurick LLC
100 Pine Street
PO Box 1166
Harrisburg, PA 17108-1166
E-mail: ppolacek@mcneeslaw.com
Counsel for *Duquesne Industrial Intervenors*

Mark C. Szybist, Esquire
Natural Resources Defense Council
1152 15th Street, NW, Suite 300
Washington, DC 20005
E-mail: mszybist@nrdc.org
Counsel for *Natural Resources Defense Council*

Barry A. Naum, Esquire
Derrick Price Williamson, Esquire
Spilman Thomas & Battle PLLC
1100 Bent Creek Blvd
Suite 101
Mechanicsburg, PA 17050
E-mail: bnaum@spilmanlaw.com
E-mail: dwilliamson@spilmanlaw.com
Counsel for *Wal-Mart Stores East, LP and Sam's East, Inc.*

Renardo L. Hicks, Esquire
Dilworth Paxson ILP
2 North 2nd Street
Suite 1101
Harrisburg, PA 17101-2105
E-mail: rhicks@dilworthlaw.com
Counsel for *ChargePoint, Inc.*

Eric Miller, Esquire
Policy Counsel
Keystone Energy Efficiency Alliance
1501 Cherry Street
Philadelphia, PA 19102
E-mail: emiller@keealliance.org
Counsel for *Keystone Energy Efficiency Alliance*

Sarah Stoner, Esquire
Daniel Clearfield, Esquire
Eckert Seamans
213 Market Street, 8th Floor
Harrisburg, PA 17101
E-mail: sstoner@eckertseamans.com
E-mail: dclearfield@eckertseamans.com
Counsel for *Keystone Energy Efficiency Alliance*

Matthew F. Smith, Esquire
Cozen O'Connor
301 Grant Street
41st Floor
Pittsburgh, PA 15219
E-mail: MFSmith@cozen.com
Counsel for NRG Energy Center Pittsburgh LLC

VIA E-MAIL ONLY

Joseph O. Minott, Esquire
Logan Welde, Esquire
Clean Air Council
135 S. 19th Street
Suite 300
Philadelphia, PA 19103
Joe_minott@cleanair.org
lwelde@cleanair.org
Counsel for *Clean Air Council*

Patrick C. Auth, Esquire
Emily Collins, Esquire
Emma Hempstead, Esquire
Fair Shake Environmental Legal Services
3495 Butler Street, Suite 102
Pittsburgh, PA 15201
E-mail: pauth@fairshake-els.org
E-mail: ecollins@fairshake-els.org
E-mail: ehempstead@fairshake-els.org
Counsel for *Natural Resources Defense Council*

VIA MAIL ONLY

C. James Davis, Director
Duquesne Light Company
411 7th Avenue
Mail Drop 15-5
Pittsburgh, PA 15219
(Not Accepting E-mail Service)

Leonard Coyer
10490 Allante Court
Gibsonia, PA 15044

David P. Zambito, Esquire
Counsel for *Peoples Natural Gas Company LLC*

Date: September 13, 2018

Appendix T

SCOTT J. RUBIN
ATTORNEY • CONSULTANT

333 OAK LANE
BLOOMSBURG, PA 17815
SCOTT.J.RUBIN@GMAIL.COM

TEL: (570) 387-1893
FAX: (570) 387-1894
CELL: (570) 850-9317

September 14, 2018

Rosemary Chiavetta, Secretary
Pa. Public Utility Commission
P.O. Box 3265
Harrisburg PA 17105-3265

Re: Pa. PUC v. Duquesne Light Co.
Docket No. R-2018-3000124

Dear Secretary Chiavetta:

This letter is to advise you, the Administrative Law Judge, and the parties that International Brotherhood of Electrical Workers, Local 29 ("IBEW"), neither supports nor opposes the Joint Petition for Partial Settlement ("Settlement") filed this day in the above-referenced proceeding.

IBEW hereby waives its right to file any brief or other pleading in this proceeding. Further, if the ALJ, in her Recommended Decision, recommends that the Commission adopt the Settlement as proposed without modification, IBEW hereby waives its right to file Exceptions.

The document was filed electronically with the Commission on this date.

Sincerely,

Scott J Rubin

Enclosure

cc: Hon. Katrina L. Dunderdale, ALJ
All parties of record