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**Adrienne D. Kurtanich**  
Counsel

August 4, 2016

**VIA OVERNIGHT MAIL**

Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building, 2nd Floor  
400 North Street  
Harrisburg, PA 17120

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AUG 4 - 2016

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**Re: Duquesne Light Company Annual Smart Meter Deployment Update  
Docket No. – M-2009-2123948**

Dear Secretary Chiavetta:

Enclosed for filing on behalf of Duquesne Light Company ("Duquesne Light" or "Company") is an original copy of Duquesne Light Company's Annual Update regarding its advanced metering infrastructure implementation.

If you have any questions, please feel free to contact me.

Respectfully Submitted,

Adrienne D. Kurtanich  
Counsel, Regulatory

Enclosures

cc: Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**DUQUESNE LIGHT COMPANY  
SMART METER PROCUREMENT AND INSTALLATION  
ANNUAL UPDATE  
DOCKET NO. M-2009-2123948**

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**I. INTRODUCTION**

Act 129 of 2008 ("Act 129") requires large electric distribution companies ("EDCs"), including Duquesne Light Company ("Duquesne Light" or "Company"), to deploy smart meter technology.<sup>1</sup> On June 24, 2009, the Pennsylvania Public Utility Commission ("Commission") entered its Smart Meter Procurement and Installation Implementation Order<sup>2</sup> ("SM Implementation Order"). The SM Implementation Order provided additional guidance related to the procurement and installation of smart meters to the EDCs. The SM Implementation Order also requires EDCs to file an annual progress report including the number of customers that received meters in the previous year, the estimated number of customers scheduled to receive meters in the coming year, and all costs associated with the SM Implementation Order. This update is submitted in compliance with the SM Implementation Order.

**II. BACKGROUND**

On June 29, 2012, Duquesne Light filed a Petition for Approval of its Final Smart Meter Procurement and Installation Plan ("2012 SMIP"). On December 7, 2012, Duquesne Light and the Office of Consumer Advocate filed an uncontested Joint Petition for Approval of Full Settlement ("Joint Petition") in the 2012 SMIP. The Joint Petition proposed to resolve all issues

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<sup>1</sup> 66 Pa. C.S. § 2807(f).

<sup>2</sup> Smart Meter Procurement and Installation Implementation Order, Docket No. M-2009-2092655.

related to the Company's smart meter implementation including the deployment schedule and technology solutions.

On January 24, 2013, Administrative Law Judge Katrina Dunderdale issued an Initial Decision approving the Joint Petition. Subsequently on May 6, 2013, the Pennsylvania Public Utility Commission ("Commission") entered its Opinion and Order ("May 6 Order") approving the Joint Petition. In its May 6 Order, the Commission required the Company to propose changes to PJM settlements and profile processes to fully enable Time-of-Use ("TOU") rates, and provide data supporting whether or not inclusion of the voltage monitoring and communication of outage and restoration capabilities was cost effective. The Company then submitted a compliance filing on August 2, 2013 which addressed the questions raised in the May 6 Order. On January 9, 2014, the Commission entered an Opinion and Order approving the Company's compliance filing.

On August 4, 2015, Duquesne Light filed a Petition for Approval to Modify its Smart Meter Procurement and Installation Plan ("2015 Amended Plan").<sup>3</sup> On February 18, 2016, Administrative Law Judge Katrina Dunderdale held an Initial Hearing. Administrative Law Judge Katrina Dunderdale also presided over a Further Evidentiary Hearing on June 30, 2016. An Initial Decision has not yet been rendered for the 2015 Plan.

### **III. ADVANCED METERING INFRASTRUCTURE DEPLOYMENT**

Duquesne Light has made significant progress in its deployment of Advances Metering Infrastructure ("AMI") and has deployed 258,500 meters thus far. As detailed in the Company's 2015 Amended Plan, Duquesne Light's AMI consists of four components: Local Area Network

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<sup>3</sup> Petition of Duquesne Light Company for Approval to Modify its Smart Meter Procurement and Installation Plan, Docket No. P-2015-2497267.

("LAN"), Wide Area Network ("WAN"), Head End Data Collection System, and Itron Smart Meters. In order to deliver the functionality required under Act 129 and the SM Implementation Order, Duquesne Light must build the necessary infrastructure to enable bidirectional communication and interval usage data. Please see below for information regarding the status of various components of AMI and related projects. Deployment follows the schedule proposed in the 2015 Amended Plan.

**a. WIDE AREA NETWORK ("WAN")**

The Company has installed eighteen of the communication towers on the system-wide WAN design. The WAN is comprised of one antenna at the field site which receives data from the subscriber units, radios, in the field. The subscriber units then transmit the data to radio and telecommunications equipment installed at the base of the tower that relays data back to the Company's data center. The network is monitored twenty-four hours a day by the Company's AMI Run Operations group. The Company is reviewing the possible need for another tower, resulting in a total of nineteen towers, which if necessary will be installed by the end of 2016.

**b. LOCAL AREA NETWORK ("LAN")**

In order for the meters to deliver data to the WAN, deployment of a LAN was also necessary. The LAN consists of cell relays and subscriber units referred to as Data Aggregations Points ("DAPs"). These DAPs transmit meter data via the subscriber units to the WAN as described above. Duquesne Light has installed 480 of the 738 DAPs scheduled to be deployed by the end of the second quarter of 2017.

### **c. METER DEPLOYMENT AND OPEN WAY COLLECTION ENGINE**

Duquesne Light continues to install Itron Smart Meters with the Open Way Collection solution. As stated earlier, the Company has installed 258,500 meters. The Company anticipates the installation of approximately 311,000 meters by the end of 2016. Achievement of that target will represent deployment of approximately fifty percent of the overall population of meters.

### **IV. AMI COST**

On July 29, 2016, the Company filed its Smart Meter Charge Annual Reconciliation Statement for the period of July 1, 2015 through June 30, 2016 ("Reconciliation Period"). The reconciliation statement details costs incurred by the Company during the Reconciliation Period. A copy of that filing is attached.

### **V. LOW-INCOME CUSTOMER COLLABORATIVE**

As approximately fifty percent of the residential customer meters have been installed, Duquesne Light expects to reconvene the low-income customer collaborative working group to evaluate the use of smart meter technology by low-income customers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "A. Kurtanich", with a horizontal line drawn above the signature.

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Exhibit 1

Duquesne Light Company  
Rider 20 -Smart Meter Charge  
Annual Reconciliation - July 1, 2015 through June 30, 2016

Summary of Reconciliation Period

1	Surcharge Revenue, Inc. GRT	\$22,612,411	Exh. 1, Page 2
2	Surcharge Revenue, Excl. GRT	\$21,278,278	Line 1 * 0.941
3	E-Factor Revenue, Inc. GRT	(\$1,019,949)	Exh. 1, Page 2
4	E-Factor Revenue, Excl. GRT	(\$959,772)	Line 3 * 0.941
5	Net Smart Meter Related Revenue, Excl. GRT	\$22,238,051	Line 2 - Line 4
6	Smart Meter Related Expense	\$25,183,692	Exh. 1, Page 2
7	Reconciliation Period (Over)/Under Collection	\$2,945,641	Line 6 - Line 5
8	Interest on (Over)/Under Collection	\$331,804	Exh. 1, Page 2
9	Total Reconciliation Period (Over)/Under Collection	\$3,277,446	Line 7 + Line 8

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Exhibit 1

Duquesne Light Company  
Rider 20 - Smart Meter Charge  
Annual Reconciliation - July 1, 2015 through June 30, 2016

TOTAL - SINGLE PHASE AND POLY PHASE METERS COMBINED

Statement of (Over)/Under Collections for the Reconciliation Period - July 2015 through June 2016

	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>	<u>Total</u>
1 Net Surcharge Revenue, Incl. GRT	\$1,808,026	\$1,374,368	\$1,797,019	\$1,777,151	\$1,597,438	\$1,821,493	\$1,614,859	\$1,951,817	\$1,910,128	\$2,099,892	\$2,657,806	\$2,207,415	\$22,612,411
2 Less E-Factor Revenue, Incl. GRT	\$93,452	\$93,524	\$93,498	\$93,494	\$93,617	\$93,780	(\$263,510)	(\$263,749)	(\$264,026)	(\$263,802)	(\$263,497)	(\$262,730)	(\$1,019,949)
3 Smart Meter Charge Related Revenue	\$1,714,574	\$1,280,843	\$1,703,521	\$1,683,656	\$1,498,821	\$1,727,714	\$1,878,368	\$2,215,567	\$2,174,154	\$2,363,693	\$2,921,303	\$2,470,144	\$23,632,360
4 Smart Meter Charge Related Revenue	\$1,714,574	\$1,280,843	\$1,703,521	\$1,683,656	\$1,498,821	\$1,727,714	\$1,878,368	\$2,215,567	\$2,174,154	\$2,363,693	\$2,921,303	\$2,470,144	\$23,632,360
5 Less PA Gross Receipts Tax	\$101,160	\$75,570	\$100,508	\$99,336	\$88,430	\$101,935	\$110,824	\$130,718	\$128,275	\$139,458	\$172,357	\$145,739	\$1,394,309
6 Net Smart Meter Charge Related Revenue	\$1,613,414	\$1,205,274	\$1,603,013	\$1,584,321	\$1,410,391	\$1,625,779	\$1,767,544	\$2,084,848	\$2,045,879	\$2,224,235	\$2,748,946	\$2,324,406	\$22,238,051
7 Expense	\$2,479,604	\$1,426,247	\$2,573,913	\$1,666,805	\$2,425,592	\$2,010,019	\$1,590,667	\$1,851,653	\$1,557,125	\$2,376,799	\$3,247,159	\$1,978,109	\$25,183,692
8 (Over)/Under Collection	\$866,190	\$220,973	\$970,900	\$82,484	\$1,015,201	\$384,240	(\$176,877)	(\$233,196)	(\$488,755)	\$152,564	\$498,213	(\$346,297)	\$2,945,641
9 Interest	\$103,943	\$25,412	\$106,799	\$8,661	\$101,520	\$36,503	(\$15,919)	(\$19,822)	(\$39,100)	\$11,442	\$34,825	(\$22,509)	\$331,804
10 Total (Over)/Under Collection	\$970,132	\$246,385	\$1,077,699	\$91,145	\$1,116,721	\$420,743	(\$192,796)	(\$253,017)	(\$527,855)	\$164,006	\$533,088	(\$368,806)	\$3,277,446

Exhibit 1

Duquesne Light Company  
Rider 20 - Smart Meter Charge  
Annual Reconciliation - July 1, 2015 through June 30, 2016

SINGLE PHASE METERS

Statement of (Over)/Under Collections for the Reconciliation Period - July 2015 through June 2016

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Total
1 Net Surcharge Revenue, Incl. GRT	\$1,751,373	\$1,317,906	\$1,740,439	\$1,727,697	\$1,542,943	\$1,773,943	\$1,562,772	\$1,899,677	\$1,857,883	\$2,032,771	\$2,590,660	\$2,140,354	\$21,936,418
2 Less E-Factor Revenue, Incl. GRT	\$90,057	\$90,141	\$90,108	\$90,096	\$90,216	\$90,375	(\$253,301)	(\$253,530)	(\$253,787)	(\$253,580)	(\$253,271)	(\$252,516)	(\$978,993)
3 Smart Meter Charge Related Revenue	\$1,661,317	\$1,227,766	\$1,650,331	\$1,637,601	\$1,452,727	\$1,681,568	\$1,816,073	\$2,153,207	\$2,111,670	\$2,286,350	\$2,843,931	\$2,392,870	\$22,915,411
4 Smart Meter Charge Related Revenue	\$1,661,317	\$1,227,766	\$1,650,331	\$1,637,601	\$1,452,727	\$1,681,568	\$1,816,073	\$2,153,207	\$2,111,670	\$2,286,350	\$2,843,931	\$2,392,870	\$22,915,411
5 Less PA Gross Receipts Tax	\$98,018	\$72,438	\$97,370	\$96,818	\$85,711	\$99,212	\$107,148	\$127,039	\$124,589	\$134,895	\$167,792	\$141,179	\$1,352,009
6 Net Smart Meter Charge Related Revenue	\$1,563,299	\$1,155,328	\$1,552,961	\$1,540,783	\$1,367,016	\$1,582,355	\$1,708,925	\$2,026,168	\$1,987,081	\$2,151,456	\$2,676,139	\$2,251,691	\$21,563,401
7 Expense	\$2,397,995	\$1,381,971	\$2,487,983	\$1,615,890	\$2,347,696	\$1,947,271	\$1,550,739	\$1,796,916	\$1,513,044	\$2,307,500	\$3,146,163	\$1,923,188	\$24,416,355
8 (Over)/Under Collection	\$834,696	\$226,643	\$935,021	\$74,907	\$980,679	\$364,916	(\$158,185)	(\$229,253)	(\$474,037)	\$156,045	\$470,024	(\$328,503)	\$2,852,953
9 Interest	\$100,164	\$26,064	\$102,852	\$7,865	\$98,068	\$34,667	(\$14,237)	(\$19,486)	(\$37,923)	\$11,703	\$32,902	(\$21,353)	\$321,286
10 Total (Over)/Under Collection	\$934,860	\$252,707	\$1,037,874	\$82,772	\$1,078,747	\$399,583	(\$172,422)	(\$248,739)	(\$511,960)	\$167,748	\$502,925	(\$349,856)	\$3,174,240

Exhibit 1

Duquesne Light Company  
Rider 20 - Smart Meter Charge  
Annual Reconciliation - July 1, 2015 through June 30, 2016

PDLY PHASE METERS

Statement of (Over)/Under Collections for the Reconciliation Period - July 2015 through June 2016

	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>	<u>Total</u>
1 Net Surcharge Revenue, Incl. GRT	\$56,653	\$56,461	\$56,581	\$49,453	\$49,495	\$49,551	\$52,087	\$52,140	\$52,245	\$67,121	\$67,146	\$67,061	\$675,993
2 Less E-Factor Revenue, Incl. GRT	\$3,395	\$3,384	\$3,391	\$3,398	\$3,401	\$3,405	(\$10,208)	(\$10,219)	(\$10,240)	(\$10,222)	(\$10,226)	(\$10,213)	(\$40,956)
3 Smart Meter Charge Related Revenue	\$53,258	\$53,078	\$53,190	\$46,055	\$46,094	\$46,146	\$62,295	\$62,359	\$62,485	\$77,343	\$77,372	\$77,274	\$716,949
4 Smart Meter Charge Related Revenue	\$53,258	\$53,078	\$53,190	\$46,055	\$46,094	\$46,146	\$62,295	\$62,359	\$62,485	\$77,343	\$77,372	\$77,274	\$716,949
5 Less PA Gross Receipts Tax	\$3,142	\$3,132	\$3,138	\$2,717	\$2,720	\$2,723	\$3,675	\$3,679	\$3,687	\$4,563	\$4,565	\$4,559	\$42,300
6 Net Smart Meter Charge Related Revenue	\$50,115	\$49,946	\$50,052	\$43,338	\$43,375	\$43,423	\$58,620	\$58,680	\$58,798	\$72,780	\$72,807	\$72,715	\$674,649
7 Expense	\$81,609	\$44,276	\$85,930	\$50,915	\$77,896	\$62,748	\$39,928	\$54,737	\$44,080	\$69,299	\$100,997	\$54,922	\$767,337
8 (Over)/Under Collection	\$31,493	(\$5,670)	\$35,878	\$7,577	\$34,522	\$19,324	(\$18,692)	(\$3,943)	(\$14,718)	(\$3,481)	\$28,190	(\$17,793)	\$92,688
9 Interest	\$3,779	(\$652)	\$3,947	\$796	\$3,452	\$1,836	(\$1,682)	(\$335)	(\$1,177)	(\$261)	\$1,973	(\$1,157)	\$10,518
10 Total (Over)/Under Collection	\$35,273	(\$6,322)	\$39,825	\$8,373	\$37,974	\$21,160	(\$20,374)	(\$4,278)	(\$15,895)	(\$3,742)	\$30,163	(\$18,950)	\$103,206

**Exhibit 1**  
**Duquesne Light Company**  
**Rider 20 - Smart Meter Charge**  
**Annual Reconciliation - July 1, 2015 through June 30, 2016**

**Summary of Surcharge Revenue**

	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>	<u>Total</u>
<b>A. Net Surcharge Revenue by Meter Type, Incl. GRT</b>													
1 Single Phase	\$1,751,373	\$1,317,906	\$1,740,439	\$1,727,697	\$1,542,943	\$1,771,943	\$1,562,772	\$1,899,677	\$1,857,883	\$2,032,771	\$2,590,660	\$2,140,354	\$21,936,418
2 Poly-Phase	\$56,653	\$56,461	\$56,581	\$49,453	\$49,495	\$49,551	\$52,087	\$52,140	\$52,245	\$67,121	\$67,146	\$67,061	\$675,993
3 Total	\$1,808,026	\$1,374,368	\$1,797,019	\$1,777,151	\$1,592,438	\$1,821,493	\$1,614,859	\$1,951,817	\$1,910,128	\$2,099,892	\$2,657,806	\$2,207,415	\$22,612,411
<b>B. Net Surcharge Revenue by Meter Type, Excl. GRT</b>													
4 Single Phase	\$1,648,042	\$1,240,150	\$1,637,753	\$1,625,763	\$1,451,909	\$1,667,398	\$1,470,568	\$1,787,596	\$1,748,268	\$1,912,837	\$2,437,811	\$2,014,073	\$20,642,169
5 Poly-Phase	\$53,310	\$53,130	\$53,243	\$46,535	\$46,575	\$46,627	\$49,014	\$49,064	\$49,163	\$63,161	\$63,184	\$63,104	\$636,109
6 Total	\$1,701,352	\$1,293,280	\$1,690,995	\$1,672,299	\$1,498,484	\$1,714,025	\$1,519,582	\$1,836,660	\$1,797,431	\$1,975,998	\$2,500,995	\$2,077,177	\$21,278,278

**Exhibit 1**  
**Duquesne Light Company**  
**Rider 20 - Smart Meter Charge**  
**Annual Reconciliation - July 1, 2015 through June 30, 2016**

**Summary of Surcharge Related Expense**

	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>	<u>Total</u>
<b>A. Expense - Single Phase Meters</b>													
1 O&M Expense	\$1,693,145	\$677,040	\$1,783,098	\$744,217	\$1,476,012	\$1,075,574	\$613,261	\$859,440	\$575,590	\$1,002,418	\$1,841,129	\$618,207	\$12,959,131
2 Capitalized Component	\$704,851	\$704,930	\$704,885	\$871,672	\$871,683	\$871,697	\$937,478	\$937,476	\$937,454	\$1,305,082	\$1,305,034	\$1,304,981	\$11,457,224
3 Total	\$2,397,995	\$1,381,971	\$2,487,983	\$1,615,890	\$2,347,696	\$1,947,271	\$1,550,739	\$1,796,916	\$1,513,044	\$2,307,500	\$3,146,163	\$1,923,188	\$24,416,355
<b>B. Expense - Poly Phase Meters</b>													
4 O&M Expense	\$62,460	\$25,207	\$66,815	\$27,724	\$54,716	\$39,581	\$17,425	\$32,232	\$21,554	\$37,631	\$69,280	\$23,152	\$477,776
5 Capitalized Component	\$19,149	\$19,070	\$19,115	\$23,192	\$23,181	\$23,167	\$22,502	\$22,505	\$22,527	\$31,668	\$31,717	\$31,769	\$289,561
6 Total	\$81,609	\$44,276	\$85,930	\$50,915	\$77,896	\$62,748	\$39,928	\$54,737	\$44,080	\$69,299	\$100,997	\$54,922	\$767,337
<b>C. Expense - Total</b>													
7 O&M Expense	\$1,755,604	\$702,247	\$1,849,913	\$771,941	\$1,530,728	\$1,115,155	\$630,686	\$891,672	\$597,144	\$1,040,049	\$1,910,409	\$641,359	\$13,436,907
8 Capitalized Component	\$724,000	\$724,000	\$724,000	\$894,864	\$894,864	\$894,864	\$959,981	\$959,981	\$959,981	\$1,336,750	\$1,336,750	\$1,336,750	\$11,746,785
9 Total	\$2,479,604	\$1,426,247	\$2,573,913	\$1,666,805	\$2,425,592	\$2,010,019	\$1,590,667	\$1,851,653	\$1,557,125	\$2,376,799	\$3,247,159	\$1,978,109	\$25,183,692

Exhibit 1

Duquesne Light Company  
Rider 20 - Smart Meter Charge  
Annual Reconciliation - July 1, 2015 through June 30, 2016

Calculation of E-Factor Revenue

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Total
<b>A. E-Factor Billing Units, Meter Count</b>													
1 Single Phase Meters	564,955	565,482	565,275	565,205	565,954	566,954	567,515	568,029	568,603	568,139	567,448	565,757	
2 Poly Phase Meters	21,298	21,226	21,271	21,316	21,334	21,358	21,347	21,369	21,412	21,376	21,384	21,357	
3 Total Meters	586,253	586,708	586,546	586,521	587,288	588,312	588,862	589,398	590,015	589,515	588,832	587,114	
<b>B. E-Factor Rate - Single</b>													
E-Factor Rate - Poly	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	(\$0.42)	(\$0.42)	(\$0.42)	(\$0.42)	(\$0.42)	(\$0.42)	(\$0.42)
Excl. GRT (1)	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	(\$0.45)	(\$0.45)	(\$0.45)	(\$0.45)	(\$0.45)	(\$0.45)	(\$0.45)
<b>C. E-Factor Revenue, Excl. GRT</b>													
5 Single Phase Meters	\$84,743	\$84,822	\$84,791	\$84,781	\$84,893	\$85,043	(\$238,356)	(\$238,572)	(\$238,813)	(\$238,618)	(\$238,328)	(\$237,618)	(\$921,232)
6 Poly Phase Meters	\$3,195	\$3,184	\$3,191	\$3,197	\$3,200	\$3,204	(\$9,606)	(\$9,616)	(\$9,635)	(\$9,619)	(\$9,623)	(\$9,611)	(\$38,540)
7 Total Meters	\$87,938	\$88,006	\$87,982	\$87,978	\$88,093	\$88,247	(\$247,962)	(\$248,188)	(\$248,449)	(\$248,238)	(\$247,951)	(\$247,229)	(\$959,772)
<b>D. E-Factor Revenue, Incl GRT</b>													
8 Single Phase Meters	\$90,057	\$90,141	\$90,108	\$90,096	\$90,216	\$90,375	(\$253,301)	(\$253,530)	(\$253,787)	(\$253,580)	(\$253,271)	(\$252,516)	(\$978,993)
9 Poly Phase Meters	\$3,395	\$3,384	\$3,391	\$3,398	\$3,401	\$3,405	(\$10,208)	(\$10,219)	(\$10,240)	(\$10,222)	(\$10,226)	(\$10,213)	(\$40,956)
10 Total Meters	\$93,452	\$93,524	\$93,498	\$93,494	\$93,617	\$93,780	(\$263,510)	(\$263,749)	(\$264,026)	(\$263,802)	(\$263,497)	(\$262,730)	(\$1,019,949)

1/ E-Factor rate changes January 1 each year.

Exhibit 1

Duquesne Light Company  
Rider 20 - Smart Meter Charge  
Annual Reconciliation - July 1, 2015 through June 30, 2016

Calculation of Interest

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Total
<u>Single Phase Meter</u>													
1 Net Smart Meter Charge Related Revenue Excl GF	\$1,563,299	\$1,155,328	\$1,552,961	\$1,540,983	\$1,367,016	\$1,582,355	\$1,708,925	\$2,026,168	\$1,987,081	\$2,151,456	\$2,676,139	\$2,251,691	\$21,563,401
2 Expense	\$2,397,995	\$1,381,971	\$2,487,983	\$1,615,890	\$2,347,696	\$1,947,271	\$1,550,739	\$1,796,916	\$1,513,044	\$2,307,500	\$3,146,163	\$1,923,188	\$24,416,355
3 (Over)/Under Collection	\$834,696	\$226,643	\$935,021	\$74,907	\$980,679	\$364,916	(\$158,185)	(\$229,253)	(\$474,037)	\$156,045	\$470,024	(\$328,503)	\$2,852,953
4 Interest Rate	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
5 Interest Weight	24/12	23/12	22/12	21/12	20/12	19/12	18 / 12	17 / 12	16 / 12	15 / 12	14 / 12	13 / 12	
6 Interest	\$100,164	\$26,064	\$102,852	\$7,865	\$98,068	\$34,667	(\$14,237)	(\$19,486)	(\$37,923)	\$11,703	\$32,902	(\$21,353)	\$321,286
7 Total (Over)/Under Collection	\$934,860	\$252,707	\$1,037,874	\$82,772	\$1,078,747	\$399,583	(\$172,422)	(\$248,739)	(\$511,960)	\$167,748	\$502,925	(\$349,856)	\$3,174,240
<u>Poly Phase Meter</u>													
8 Net Smart Meter Charge Related Revenue Excl GF	\$50,115	\$49,946	\$50,052	\$43,338	\$43,375	\$43,423	\$58,620	\$58,680	\$58,798	\$72,780	\$72,807	\$72,715	\$674,649
9 Expense	\$81,609	\$44,276	\$85,930	\$50,915	\$77,896	\$62,748	\$39,928	\$54,737	\$44,080	\$69,299	\$100,997	\$54,922	\$767,337
10 (Over)/Under Collection	\$31,493	(\$5,670)	\$35,878	\$7,577	\$34,522	\$19,324	(\$18,692)	(\$3,943)	(\$14,718)	(\$3,481)	\$28,190	(\$17,793)	\$92,688
11 Interest Rate	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
12 Interest Weight	24/12	23/12	22/12	21/12	20/12	19/12	18 / 12	17 / 12	16 / 12	15 / 12	14 / 12	13 / 12	
13 Interest	\$3,779	(\$652)	\$3,947	\$796	\$3,452	\$1,836	(\$1,682)	(\$335)	(\$1,177)	(\$261)	\$1,973	(\$1,157)	\$10,518
14 Total (Over)/Under Collection	\$35,273	(\$6,322)	\$39,825	\$8,373	\$37,974	\$21,160	(\$20,374)	(\$4,278)	(\$15,895)	(\$3,742)	\$30,163	(\$18,950)	\$103,206

(1) Interest calculated at the legal rate of interest at 6%. June 30, 2017 is the mid-point of the period January 1, 2017 to December 31, 2017 during which the under collection will be recovered

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing filing has 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 FIRST CLASS MAIL

Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

Office of Small Business Advocate  
1102 Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor West  
PO Box 3265  
Harrisburg, PA 17105-3265

Bureau of Audits  
Pennsylvania Public Utility Commission  
400 North Street, 3<sup>rd</sup> Floor East  
Harrisburg, PA 17120

Pennsylvania Public Utility Commission  
UPARC  
Bureau of Audits  
3070 William Pitt Way  
Pittsburgh, PA 15238

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SECRETARY'S BUREAU

August 4, 2016



Adrienne D. Kurtanich, Esq.  
Duquesne Light Company  
411 Seventh Avenue, 15-7  
Pittsburgh, PA 15219  
Phone: 412-393-1482  
Fax: 412-393-5711  
akurtanich@duqlight.com

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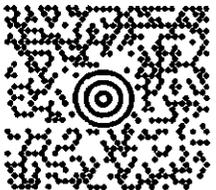
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ADRIENNE KURTANICH, ESQ. 412.393.1482 DUQUESNE LIGHT COMPANY 411 SEVENTH AVENUE PITTSBURGH PA 15219	<b>0.0 LBS LTR</b>	<b>1 OF 1</b>
<b>SHIP TO:</b> ROSEMARY CHIAVETTA, SEC. PA PUBLIC UTILITY COMMISSION COMMONWEALTH KEYSTONE BUILDING 2ND FLOOR, ROOM-N201 400 NORTH STREET <b>HARRISBURG PA 17120-0200</b>		
	<b>PA 171 9-20</b> 	
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