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December 1, 2011

VIA OVERNIGHT MAIL

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

RE: Duquesne Light Company – Annual Reconciliation of Rider No. 5 - Universal Service Charge
Docket No. _____

Dear Secretary Chiavetta:

Enclosed for filing on behalf of Duquesne Light Company (“Duquesne Light” or the “Company”) are four (4) copies of the reconciliation component of Duquesne Light’s Universal Service Charge Rider for the reconciliation period of April 21, 2011, through October 31, 2011 (“Reconciliation Filing”).

The Pennsylvania Public Utility Commission (“Commission”) approved Rider No. 5 in Duquesne Light’s general base rate increase case at Docket No. R-2010-2179522. The reconcilable charge is designed to recover the costs incurred by the Company to provide its Universal Service and Energy Conservation Plan.

For this Reconciliation Filing, Schedule 1 provides a summary of total revenues and expenses for the Reconciliation Period, April 21, 2011 to October 31, 2011. Duquesne Light experienced an over collection of \$4,619,968 for this time period. The projected November and December 2011 revenue and expense results in an additional over collection of \$2,338,960 for a total over collection of \$6,958,928. Schedule 2 summarizes the revenue and expenses by month for the Reconciliation Period. Schedule 3 summarizes actual expense by program and by month for the Reconciliation Period. Schedule 4 demonstrates the interest calculation on the (over)/under collections for the Reconciliation Period. Schedule 5 estimates the over collection for November and December 2011.

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As indicated on the certificate of service attached hereto, Duquesne Light has served a copy of this filing on all parties in its last general base rate increase proceeding. Duquesne Light respectfully requests that the Commission approve this Reconciliation Filing.

Should you have any questions, please do not hesitate to contact me.

Respectfully submitted,



Gary A. Jack
Assistant General Counsel

Enclosures

c: Certificate of Service
Pennsylvania Public Utility Commission Bureau of Audits

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SCHEDULE 1

Duquesne Light Company
 Rider No. 5 - Universal Service Charge
 Proposed Charge Effective January 1, 2012

Reconciliation of Revenue and Expense

1	Universal Service Charge Revenue	\$16,087,169	Schedule 2
2	Universal Service Charge Revenue Less GRT	\$15,138,026	Schedule 2
3	Reconciliation Period Expense	\$10,773,125	Schedule 2
4	(Over) / Under Collection - April 21, 2011 through October 31, 2011	(\$4,364,901)	Line 3 - Line 2
5	Interest	(\$255,067)	Schedule 2
6	Total (Over) / Under Collection	(\$4,619,968)	Line 4 + Line 5
7	Projected (Over) / Under Collection, November-December 2011	(\$2,338,960)	Schedule 5
8	<u>Net (Over) / Under Collection</u>	<u>(\$6,958,928)</u>	Line 6 + Line 7
9	Forecast Residential Sales (kWh)	4,305,304,823	Schedule 6
10	Less Forecast CAP Sales (kWh)	324,515,765	Schedule 6
11	Non-CAP Forecast Sales (kWh)	3,980,789,059	Line 9 - Line 10
12	Charge - \$/kWh	(0.001748)	Line 8 / Line 11
13	Charge - ¢/kWh	(0.1748)	Line 12 * 100
14	T= Pennsylvania Gross Receipts Tax (GRT):	5.9%	
15	<u>E-Factor (Over) / Under Collection Rate (¢/kWh)</u>	<u>(0.186)</u>	Line 13 * 1 / (1 - Line 14)

Duquesne Light Company
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Monthly Summary of Residential (Rate Classes RS, RH & RA) Revenue and Expense for the Reconciliation Period - April 21, 2011 through October 31, 2011

	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>Total</u>
1 Surcharge Revenue	\$145,077	\$2,268,161	\$2,975,935	\$3,726,456	\$2,950,952	\$2,168,027	\$1,852,561	\$16,087,169
2 Actual Surcharge Revenue Less GRT	\$136,517	\$2,134,339	\$2,800,355	\$3,506,595	\$2,776,845	\$2,040,114	\$1,743,260	\$15,138,026
3 <u>Expense</u>	<u>\$548,083</u>	<u>\$1,769,652</u>	<u>\$1,573,257</u>	<u>\$1,711,433</u>	<u>\$1,869,984</u>	<u>\$1,772,474</u>	<u>\$1,528,242</u>	<u>\$10,773,125</u>
4 (Over) / Under Collection	\$411,566	(\$364,687)	(\$1,227,098)	(\$1,795,162)	(\$906,861)	(\$267,640)	(\$215,018)	(\$4,364,901)
5 Interest	\$30,867	(\$25,528)	(\$79,761)	(\$107,710)	(\$49,877)	(\$13,382)	(\$9,676)	(\$255,067)
6 <u>Total (Over) / Under Collection</u>	<u>\$442,433</u>	<u>(\$390,216)</u>	<u>(\$1,306,859)</u>	<u>(\$1,902,872)</u>	<u>(\$956,739)</u>	<u>(\$281,022)</u>	<u>(\$224,694)</u>	<u>(\$4,619,968)</u>

Duquesne Light Company
Rider No. 5 - Universal Service Charge
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Universal Service Surcharge Expense for the Reconciliation Period - April 21, 2011 through October 31, 2011

	<u>April (1)</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>Total</u>
1 CAP Revenue Deficiency	\$411,260	\$1,388,464	\$1,178,420	\$1,353,901	\$1,468,981	\$1,389,327	\$1,136,219	\$8,326,571
2 CAP Frozen Arrearage	\$79,411	\$221,922	\$217,594	\$207,010	\$249,546	\$229,010	\$228,702	\$1,433,195
3 CAP Administrative Costs	\$22,448	\$67,343	\$67,343	\$67,343	\$75,354	\$72,560	\$72,484	\$444,876
4 Smart Comfort	\$31,492	\$81,505	\$99,483	\$72,763	\$65,687	\$71,161	\$80,420	\$502,510
5 CARES	\$3,472	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$65,972
6 Hardship Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 <u>Total</u>	<u>\$548,083</u>	<u>\$1,769,652</u>	<u>\$1,573,257</u>	<u>\$1,711,433</u>	<u>\$1,869,984</u>	<u>\$1,772,474</u>	<u>\$1,528,242</u>	<u>\$10,773,125</u>

(1) USC effective April 21, 2011. Expense reflects pro-rated actual expense.

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Universal Service Calculation of Interest and Total (Over) / Under Collection for the Reconciliation Period - April 21, 2011 through October 31, 2011

	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>Total</u>
1 Revenue Less GRT	\$136,517	\$2,134,339	\$2,800,355	\$3,506,595	\$2,776,845	\$2,040,114	\$1,743,260	\$15,138,026
2 Expense	\$548,083	\$1,769,652	\$1,573,257	\$1,711,433	\$1,869,984	\$1,772,474	\$1,528,242	\$10,773,125
3 (Over) / Under Collection	\$411,566	(\$364,687)	(\$1,227,098)	(\$1,795,162)	(\$906,861)	(\$267,640)	(\$215,018)	(\$4,364,901)
4 Interest Rate	6%	6%	6%	6%	6%	6%	6%	
5 Interest Weight	15/12	14/12	13/12	12/12	11/12	10/12	9/12	
6 Interest	\$30,867	(\$25,528)	(\$79,761)	(\$107,710)	(\$49,877)	(\$13,382)	(\$9,676)	(\$255,067)
7 <u>Total (Over) / Under Collection</u>	<u>\$442,433</u>	<u>(\$390,216)</u>	<u>(\$1,306,859)</u>	<u>(\$1,902,872)</u>	<u>(\$956,739)</u>	<u>(\$281,022)</u>	<u>(\$224,694)</u>	<u>(\$4,619,968)</u>

Duquesne Light Company
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Universal Service Estimated (Over) / Under Collection for the Period - November through December 2011

	<u>Billing Unit</u>	Effective April 21, 2011 <u>Rate</u>	Forecast Nov.-Dec. <u>Billing Units</u>	Forecast Nov.-Dec. <u>Revenue</u>	Forecast Nov.-Dec. <u>Expense</u>	Forecast Nov.-Dec. <u>(Over) / Under</u>	
1	Total Residential (RS, RH & RA)	Non-CAP kWh	\$0.00743	686,895,686	\$5,103,635	\$2,764,675	(\$2,338,960)

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of Duquesne Light Company's Universal Service Charge Reconciliation 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 AND/OR E-MAIL

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Dated: December 1, 2011