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File #: 126931

July 1, 2013

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: Duquesne Light Company
Supplement No. 77 to Tariff Electric - Pa. P.U.C. No. 24

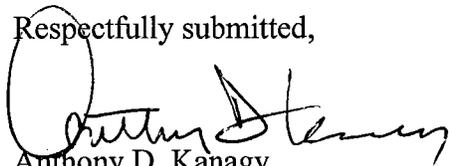
Dear Secretary Chiavetta:

Enclosed please find Duquesne Light Company's ("Duquesne Light" or the "Company") Supplement No. 77 to Tariff Electric – Pa. P.U.C. No. 24. In Supplement No. 77, Duquesne Light proposes to reinstate Rider No. 1 – Consumer Education Surcharge to recover all education costs incurred in carrying out the Pennsylvania Public Utility Commission's ("Commission") Retail Market Investigation mandates and all other consumer education related expenses incurred by the Company to conduct consumer education activities ordered by the Commission. Supplement No. 77 is being filed with an issue date of July 1, 2013 and an effective date of August 30, 2013. Also included with Supplement No. 77 is a Statement of Reasons and Responses to 52 Pa. Code § 53.52(a), (b) and (c).

Copies will be provided as indicated on the certificate of service.

Please direct any questions to William V. Pfrommer, Manager, Rates and Tariff Services for Duquesne Light at (412) 393-3623.

Respectfully submitted,



Anthony D. Kanagy

ADK/skr
Enclosure

cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

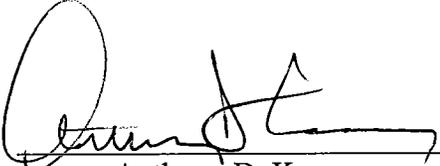
VIA FIRST CLASS MAIL

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Commonwealth Keystone Building
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PO Box 3265
Harrisburg, PA 17105-3265

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Harrisburg, PA 17101

Date: July 1, 2013



Anthony D. Kanagy



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: July 1, 2013

EFFECTIVE: August 30, 2013

Issued pursuant to Commission Order dated May 23, 2013, at
Docket No. I-2011-2237952 — Re-establishment of Commission's Annual
Consumer Education Mailing

NOTICE

THIS TARIFF SUPPLEMENT MODIFIES LANGUAGE IN AN EXISTING RIDER

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGE

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**Twenty-Second Revised Page No. 3
Cancelling Twenty-First Revised Page No. 3**

The "List of Modifications" Pages No. 2A – 2E have been removed from the Tariff as they are no longer applicable.

Rider No. 1 – Consumer Education Surcharge

**Eleventh Revised Page No. 80
Cancelling Tenth Revised Page No. 80**

**Second Revised Page No. 80A
Cancelling First Revised Page No. 80A**

Language has been modified to state that the Consumer Education Surcharge shall remain in effect to recover all expenses associated with Commission-mandated consumer education activities.

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STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 1 – CONSUMER EDUCATION SURCHARGE

(Applicable to all Rates)

The Consumer Education Surcharge (“CES”) was instituted as a cost recovery mechanism to recover the costs associated with implementing the Company’s Consumer Education Plan. The CES was added per Commission Order dated August 21, 2008, at Docket No. M-2008-2032278. The CES shall remain in effect to recover all expenses associated with Commission-mandated consumer education activities that are not otherwise being recovered in base rates. The CES 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 CES shall be applied to all customers’ bills. The CES process will reconcile actual expense with revenue billed in accordance with this Rider.

(C)
 (C)
 (C)
 (C)

MONTHLY CES RATES

Tariff Rate Class	Monthly Surcharge Per Customer (cents)
Rate RS	(15.00)
Rate RH	(15.00)
Rate RA	(15.00)
Rate GS	0.00
Rate GM < 25 kW	0.00
Rate GM > 25 kW	(5.00)
Rate GMH < 25 kW	0.00
Rate GMH > 25 kW	(5.00)
Rates GL, GLH, L and HVPS	(22.00)
Rates AL, SE, UMS, SM, SH and PAL	0.00

The CES, calculated independently for each customer class in this Tariff, shall be applied to all customers served under the Tariff. The CES 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:

$$CES = [((CE - e) / (C * 12) * 100)] * [1 / (1 - T)]$$

Where **CES** = Consumer Education Surcharge, a fixed charge in cents per month, to be billed to each customer served under the applicable Tariff rate class.

CE = Projected annual RMI education and other Commission-mandated consumer education related expenses for education activities directed by the Commission in dollars for each customer class for the filing year. (C)
 (C)

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

e = The net overcollection or undercollection of the RMI education and other consumer education related expenses directed by the Commission as computed for each customer class as of the end of the reconciliation year. (C)
 (C)

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 1 – CONSUMER EDUCATION SURCHARGE – (Continued)

(Applicable to all Rates)

MONTHLY CES RATES – (Continued)

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

ANNUAL UPDATE

The CES defined herein will be updated effective June 1 of each year upon determination that the rates then in effect would result in a significant over or under collection. On or about April 1 of the filing year, the Company will file revised CES 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 CES revenue and expense incurred for the previous calendar year, the reconciliation year.

MISCELLANEOUS

No interest will be included in the CES. (C)

Rider No. 10 – State Tax Adjustment Surcharge (STAS) shall be applicable to the surcharge defined in this Rider.

The CES 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 CES shall be subject to review and audit by the Commission.

The CES shall remain in effect until otherwise directed by the Commission and until the final reconciliation statement is approved and charges fully recovered. (C)



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: July 1, 2013

EFFECTIVE: August 30, 2013

Issued pursuant to Commission Order dated May 23, 2013, at
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STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 1 – CONSUMER EDUCATION SURCHARGE

(Applicable to all Rates)

The Consumer Education Surcharge (“CES”) ~~is~~ was instituted as a cost recovery mechanism to recover the costs associated with implementing the Company’s Consumer Education Plan. The CES ~~has been~~ was added per Commission Order dated August 21, 2008, at Docket No. M-2008-2032278. The CES shall remain in effect to recover all expenses associated with Commission-mandated consumer education activities that are not otherwise being recovered in base rates. The CES 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 CES shall be applied to all customers’ bills. The CES process will reconcile actual ~~consumer education costs~~ expense with revenue billed in accordance with this Rider.

(C)
(C)
(C)

(C)

MONTHLY CES RATES

Tariff Rate Class	Monthly Surcharge Per Customer (cents)
Rate RS	(15.00)
Rate RH	(15.00)
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Rate GM < 25 kW	0.00
Rate GM > 25 kW	(5.00)
Rate GMH < 25 kW	0.00
Rate GMH > 25 kW	(5.00)
Rates GL, GLH, L and HVPS	(22.00)
Rates AL, SE, UMS, SM, SH and PAL	0.00

(D)
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The CES, calculated independently for each customer class in this Tariff, shall be applied to all customers served under the Tariff. The CES 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:

$$CES = [(((CE - e) / (C * 12) * 100)] * [1 / (1 - T)]$$

Where **CES** = Consumer Education Surcharge, a fixed charge in cents per month, to be billed to each customer served under the applicable Tariff rate class.

CE = Projected annual RMI education and other Commission-mandated consumer education related expenses for education activities directed by the Commission ~~costs~~ in dollars for each customer class for the filing year.

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

e = The net overcollection or undercollection of the RMI education and other consumer education related expenses ~~program costs~~ directed by the Commission as computed for each customer class as of the end of the reconciliation year.

(C)
(C)

(C)
(C)

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 1 – CONSUMER EDUCATION SURCHARGE – (Continued)

(Applicable to all Rates)

MONTHLY CES RATES – (Continued)

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

ANNUAL UPDATE

The CES defined herein will be updated effective June 1 of each year upon determination that the rates then in effect would result in a significant over or under collection. On or about April 1 of the filing year, the Company will file revised CES 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 CES revenue and expense incurred for the previous calendar year, the reconciliation year.

MISCELLANEOUS

~~The Company's Consumer Education Plan costs recovered through the CES are the costs which the Company has or will incur as part of its Consumer Education Program. The CES meets the requirements of Commission Order dated May 17, 2007, at Docket No. M-00061957 – "Policies to Mitigate Potential Electricity Price Increases" and subsequent Commission direction.~~ (C)

No interest will be included in the CES.

Rider No. 10 – State Tax Adjustment Surcharge (STAS) shall be applicable to the surcharge defined in this Rider.

The CES 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 CES shall be subject to review and audit by the Commission.

The CES shall remain in effect ~~for at least five (5) years through 2012 or~~ until otherwise directed by the Commission and- (C)

~~This Rider will remain in effect~~ until the final reconciliation statement is approved and charges fully recovered.

**DUQUESNE LIGHT COMPANY
SUPPLEMENT NO. 77 TO TARIFF ELECTRIC - PA. P.U.C. NO. 24**

STATEMENT OF REASONS

A. Introduction

Duquesne Light Company (“Duquesne Light” or the “Company”) hereby submits this Statement of Reasons in support of Supplement No. 77 to Tariff Electric - PA. P.U.C. No. 24 (“Supplement No. 77”) of the Company’s Retail Electric Tariff. In Supplement No. 77, Duquesne Light proposes to reinstate Rider No. 1 - Consumer Education Surcharge (“CES”) to recover all education costs incurred in carrying out the Pennsylvania Public Utility Commission’s (“Commission”) Retail Market Investigation (“RMI”) mandates and all other consumer education related expenses incurred by the Company to conduct consumer education activities ordered by the Commission.

The CES was originally instituted as a cost recovery mechanism to recover costs associated with implementing the Company’s Consumer Education Plan for 2008 - 2012. The CES was added to the Company’s retail Tariff pursuant to the Commission’s Order dated August 21, 2008, at Docket No. M-2008-2032278 and was to remain in effect for at least five years through 2012 or until otherwise directed by the Commission. Duquesne Light is not proposing to renew its Consumer Education Plan, but instead is proposing to use the CES to recover consumer education costs associated with Commission-mandated consumer education activities. As explained in more detail below, Duquesne Light is authorized by the Commission to recover its Commission-mandated consumer education costs. In addition, Duquesne Light’s proposal to recover these Commission-mandated expenses through a surcharge to base rates is consistent with the Commission’s direction in PPL Electric’s 2012 base rate proceeding. *See Pa. P.U.C. v. PPL Electric Utilities*

Corporation, Docket No. R-2012-2290597, Order entered December 28, 2012, p. 54 (“*PPL Electric 2012 Base Rate Case Order*”). Therefore, the Company is seeking to reinstate the CES to recover these costs.

For the reasons that follow, approval of Supplement No. 77 is proper and in the public interest.

Also attached to this filing is the supporting data required by 52 Pa. Code § 53.52(a), (b) and (c) and red-line changes to the existing CES in the Company’s retail tariff.

B. Description Of The Former CES.

The CES was initially authorized to recover costs for Duquesne Light’s Consumer Education Plan for 2008-2012. *Duquesne Light Company Consumer Education Plan for 2008-2012*, Docket No. M-2008-2032278, Final Order entered August 21, 2008. In the settlement of Duquesne Light’s 2010 base rate proceeding, the Company agreed to recover all of its consumer education costs through the CES, including the consumer education costs formerly included in the Company’s base rates. See Settlement Petition, page 8, paragraph No. 35. The settlement was approved by Commission Order entered on February 24, 2011.

In recent Orders, the Commission has advised EDCs not to file new consumer education plans. See, e.g., *Re-Establishment of the Commission’s Annual Consumer Education Mailing*, Docket No. I-2011-2237952, Order entered May 23, 2013; *PPL Electric 2012 Base Rate Case Order*, p. 54. As a result, Duquesne Light’s CES expired on December 31, 2012, except to allow for the refund of prior period over collections and to allow for the recovery of the costs of the EDC letter and frequently asked questions (“FAQ”) document that was initially Ordered by the Commission to be sent in 2012 but

postponed to 2013. *Re-Establishment of Commission's Annual Consumer Education Mailing*, Docket No. I-2011-2237952, Order entered May 23, 2013; *See also, Petition of Duquesne Light Company for Modification to Consumer Education Plan 2008 – 2012*, Docket No. P-2012-2287755, Order entered March 1, 2012, which authorized recovery of the EDC letter and FAQ document through the CES. The expiration of the CES has left Duquesne Light with no current mechanism to recover its consumer education costs, including those education costs that the Company has historically recovered in base rates prior to its 2010 base rate proceeding.

C. It Is Reasonable For Duquesne Light To Reinstate The CES.

1. Summary Of The CES.

The Company proposes to reinstate the CES in order to recover Commission ordered RMI expenses and expenses associated with on-going Commission ordered consumer education activities and requirements. The CES will continue to be a fixed monthly customer charge and will be applied to residential, small commercial and industrial and medium commercial and industrial customers' bills, depending upon the consumer education activities mandated by the Commission.

Duquesne Light proposes to recover all Commission-mandated education expenses through its CES. These costs will include:

- Annual mailing of the Commission-endorsed postcard required by the May 23 Annual Consumer Education Mailing Order. *Re-Establishment of Commission's Annual Consumer Education Mailing*, Docket No. I-2011-2237952, Order entered May 23, 2013.
- Other consumer education costs mandated in future Commission orders.

2. Duquesne Light Is Authorized To Recover Commission-Mandated Education Costs.

The Commission has specifically acknowledged that EDCs are entitled to recover Commission-mandated consumer education costs. *See Re-establishment of Commission's Annual Consumer Education Mailing*, Docket No. I-2011-2237952, Final Order entered May 23, 2013, p. 5. In its March 2, 2012, RMI Order, the Commission stated as follows with respect to recovery of RMI customer education costs:

The Commission continues to support the notion that specified EDCs are entitled to cost recovery in future filings.

Investigation of Pennsylvania's Retail Electricity Market: Intermediate Work Plan, Docket No. I-2011-2237952, Order entered March 2, 2012.

Duquesne Light is not recovering the Commission-mandated education costs in its base rates or through any other surcharge. Therefore, it is necessary to make this filing to recover these costs from customers.

3. Duquesne Light's Proposal To Recover Commission-Mandated Consumer Education Costs Through A Surcharge To Base Rates Is Consistent With The Commission's Holding In The PPL Electric 2012 Base Rate Proceeding.

Duquesne Light's proposal to recover Commission-mandated education expenses through a surcharge is consistent with the Commission's Order in the PPL Electric 2012 base rate proceeding which stated as follows:

As discussed above, we agree that Commission mandates must be funded. With regard to the recovery of Act 129 costs, we believe that it is proper to recover these costs through a rider to base rates. It is unknown whether the Act 129 expenses discussed in this section will be in place for many years or for only a few years, which supports recovery through a rider to base rates. Accordingly, we shall approve the education costs incurred in carrying out

RMI mandates as expenses to be recovered through the CER Rider.

PPL Electric 2012 Base Rate Case Order, p. 54.

D. Effects of the change

The reinstatement of the CES to recover Commission-mandated consumer education costs will primarily affect residential and small commercial or industrial customers. It is possible that medium commercial and industrial customers could be affected depending on the type of consumer education activities mandated by the Commission.

E. Conclusion

For the reasons stated above, Duquesne Light Company respectfully requests that the Commission approve Supplement No. 77 to the Company's Tariff Electric - PA. P.U.C. No. 24, without modification, and that Supplement No. 77 be permitted to become effective on August 30, 2013.

DUQUESNE LIGHT COMPANY
Responses to 52 Pa. Code § 53.52(a), (b) and (c)
Supplement No. 77 to Tariff Electric No. 24

§ 53.52 **Applicability; public utilities other than canal, turnpike, tunnel, bridge and wharf companies.**

(a) **Whenever a public utility other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision or supplement effecting changes in the terms and conditions of service rendered or to be rendered, it shall submit to the Commission, with the tariff, revision, or supplement, statements showing all of the following:**

(1) **The specific reasons for each change.**

Response: See the Statement of Reasons that is included with this filing.

(2) **The total number of customers served by the utility.**

Response: 589,929 as of December 31, 2012.

(3) **A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.**

Response: The reinstatement of the Consumer Education Surcharge (“CES”) would primarily affect approximately 525,446 residential and 44,011 small commercial and industrial customers. It is possible that approximately 10,565 medium commercial and industrial customers could be affected depending upon the consumer education activities mandated by the Commission.

(4) **The effect of the change on the utility’s customers.**

Response: The proposed change will increase affected customers’ monthly bills depending upon the level of expenses associated with Commission ordered communication materials.

(5) **The effect, whether direct or indirect, of the proposed change on the utility’s revenues and expenses.**

Response: The Company’s revenue will increase due to the reinstatement of the Company’s CES to recover Retail Markets Investigation (“RMI”) and Commission ordered mailing expenses. The revenue increase will be offset by the costs incurred to comply with the Commission’s mandates.

(6) **The effect of the change on the service rendered by the utility.**

Response: The proposed change will have no impact on the service rendered by the utility.

DUQUESNE LIGHT COMPANY
Responses to 52 Pa. Code § 53.52(a), (b) and (c)
Supplement No. 77 to Tariff Electric No. 24

- (7) **A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement as to why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa. C.S. § 1308 (relating to voluntary changes in rates).**

Response: The Company's current CES was implemented in general to recover consumer education costs associated with the Company's Consumer Education Plan for 2008 – 2012. The CES was later revised in the Company's 2010 base rate proceeding to recover all of the Company's consumer education costs. The CES sunsetted on December 31, 2012, except to refund prior period overcollections and to allow for the recovery of the costs of the EDC letter and frequently asked questions document that was initially Ordered by the Commission to be sent in 2012 but postponed to 2013, because the Commission has advised EDCs not to renew their Consumer Education Plans. See, e.g., Re-Establishment of the Commission's Annual Consumer Education Mailing, Docket No. I-2011-2237952, Order entered May 23, 2013. The Company currently has no means to recover any education costs, including RMI or Commission ordered education expenses.

In addition, the Company's cost-recovery proposal is consistent with the cost-recovery mechanism recently approved by the Commission for PPL Electric in its 2012 base rate proceeding. See *Pa. P.U.C. v. PPL Electric Utilities Corporation*, Docket No. R-2012-2290597, Order entered December 28, 2012, p. 54.

Also, please see the Statement of Reasons provided with this filing.

- (8) **Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa. C.S. § 1308.**

Response: No studies were conducted by the Company to draft the proposed change.

- (9) **Customer polls taken and other documents which indicate customer acceptance and desire for the proposed change. If the poll or other documents reveal discernible public opposition, an explanation of why the change is in the public interest shall be provided.**

Response: No customer polls were taken in regard to the proposed change.

DUQUESNE LIGHT COMPANY
Responses to 52 Pa. Code § 53.52(a), (b) and (c)
Supplement No. 77 to Tariff Electric No. 24

- (10) Plans the utility has for introducing or implementing the changes with respect to its ratepayers.**

Response: The Company will communicate Consumer Education Surcharge rate changes to the affected ratepayers via a bill message.

- (11) F.C.C., F.E.R.C., or Commission orders or rulings applicable to this filing.**

Response: The CES was initially added per Commission Order dated August 21, 2008, at Docket No. M-2008-2032278. The CES was revised in the Company's 2010 base rate proceeding at Docket No. R-2010-2179522 to recover all consumer education costs. The recovery of May 2013 RMI expenses was approved at Dockets No. M-2013-2356644 and P-2012-2287755. Electric Distribution Companies (EDCs) are allowed to recover all Commission-approved costs relating to RMI per Commission Order dated May 23, 2013, at Docket No. I-2011-2237952. Also, please refer to the Statement of Reasons that is included with this filing.

- (b) Whenever a public utility other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision or supplement which will increase or decrease the bills to its customers, it shall submit in addition to the requirements of subsection (a), to the Commission, with the tariff, revision, or supplement, statements showing the following:**

- (1) The specific reasons for each increase or decrease.**

Response: To reinstate the CES in order to allow recovery of Commission-mandated RMI and other Commission mandated consumer education expenses. The Company will propose to recover any other consumer education costs in base rates.

- (2) The operating income statement of the utility for a 12-month period, the end of which may not be more than 120 days prior to the filing. Water and waste water utilities with annual revenues under \$100,000 and municipal corporations subject to Commission jurisdiction may provide operating income statements for a 12-month period, the end of which may not be more than 180 days prior to the filing.**

Response: Following is the consolidated Duquesne Light Company income statement for the 12 months ended March 31, 2013.

DUQUESNE LIGHT COMPANY
Responses to 52 Pa. Code § 53.52(a), (b) and (c)
Supplement No. 77 to Tariff Electric No. 24

Duquesne Light Company and Subsidiaries
Consolidated Statements of Operations (Millions of Dollars)

12 Months Ended
March 31, 2013

Operating Revenues:	
Retail sales of electricity	\$ 828.1
Other	22.1
Total Operating Revenues	850.2
Operating Expenses:	
Purchased power	187.1
Change in fair value of energy contracts	(35.4)
Other operating and maintenance	221.8
Depreciation and amortization	110.1
Taxes other than income taxes	55.2
Total Operating Expenses	538.8
Operating Income	311.4
Investment and Other Income	8.9
Interest and Other Charges	(39.9)
Income Before Income Taxes	280.4
Income Tax Expense	116.2
Income from Continuing Operations	164.2
Income from Discontinued Operations	-
Net Income	164.2
Dividends on Preferred Stock	6.2
Earnings Available for Common Stock	\$ 158.0

- (3) **A calculation of the number of customers, by tariff subdivision, whose bills will be increased.**

Response: The reinstatement of the CES would primarily affect approximately 525,446 residential and 44,011 small commercial and industrial customers. It is possible that approximately 10,565 medium commercial and industrial customers could be affected depending upon the consumer education activities mandated by the Commission.

DUQUESNE LIGHT COMPANY
Responses to 52 Pa. Code § 53.52(a), (b) and (c)
Supplement No. 77 to Tariff Electric No. 24

- (4) **A calculation of the number of customers, by tariff subdivision, projected to an annual basis.**

Response: 589,516 customers are projected at year end 2013 consisting of 526,143 residential customers, 44,122 small commercial and industrial customers, 10,571 medium commercial and industrial customers, 921 large commercial and industrial customers and 7,759 lighting customers.

- (5) **A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.**

Response: No customer bills are anticipated to decrease.

- (6) **A calculation of the total decreases, in dollars, by tariff subdivision, whose bills will be decreased.**

Response: No customer bills are anticipated to decrease.

- (c) **If a public utility files a tariff, revision or supplement which it is calculated will increase the bills of a customer or a group of customers by an amount, when projected to an annual basis, exceeding 3% of the operating revenues of the utility—subsection (b)(4) divided by the operating revenues of the utility for a 12-month period as defined in subsection (b)(2)—or which it is calculated will increase the bills of 5% or more of the number of customers served by the utility—subsection (b)(3) divided by subsection (a)(2)—it shall submit to the Commission with the tariff, revision or supplement, in addition to the statements required by subsections (a) and (b), all of the following information:**

- (1) **A statement showing the utility's calculation of the rate of return or operating ratio (if the utility qualifies to use an operating ratio under § 53.54 (relating to small water and wastewater utilities) earned in the 12-month period referred to in subsection (b)(2), and the anticipated rate of return or operating ratio to be earned when the tariff, revision or supplement becomes effective. The rate base used in this calculation shall be supported by summaries of original cost for the rate of return calculation. When an operating ratio is used in this calculation, it shall be supported by studies of margin above operation and maintenance expense plus depreciation as referred to in § 53.54(b)(2)(B).**

DUQUESNE LIGHT COMPANY
Responses to 52 Pa. Code § 53.52(a), (b) and (c)
Supplement No. 77 to Tariff Electric No. 24

Response: Following is a calculation of the rate of return for Duquesne Light Company for the 12 months ended March 31, 2013.

(Thousands of Dollars)	
Rate Base	1,370,201
Operating Revenues	\$438,589
Operation & Maintenance Expense	145,010
Annual Depreciation Expense	86,476
Taxes Other Than Income	32,783
<u>Income Taxes</u>	<u>65,449</u>
Total Operating Expenses	329,718
Income Available for Return	108,871
Rate of Return	7.95%

(2) A detailed balance sheet of the utility as of the close of the period referred to in subsection (b)(2).

Response: Attachment 1 is the balance sheet as of March 31, 2013.

(3) A summary, by detailed plant accounts, of the book value of the property of the utility at the date of the balance sheet required by paragraph (2).

Response: The table below is a summary of the plant values by FERC account including depreciation reserve as of March 31, 2013.

DUQUESNE LIGHT COMPANY
Responses to 52 Pa. Code § 53.52(a), (b) and (c)
Supplement No. 77 to Tariff Electric No. 24

Account	At March 31, 2013	
	Plant In Service	Accumulated Depreciation
301	100,275	0
302	6,830	0
303	22,819,145	(14,448,687)
INTANGIBLE PLANT	22,926,250	(14,448,687)
350	14,150,790	0
352	21,295,218	(5,525,211)
353	333,408,131	(70,644,620)
354	67,050,431	(27,317,095)
355	31,032,570	(5,361,298)
356	71,284,657	(22,581,760)
357	67,259,185	(22,121,410)
358	91,825,350	(14,660,729)
359	2,091,749	(135,265)
TRANSMISSION PLANT	699,398,080	(168,347,388)
360	13,038,453	0
361	61,210,449	(29,818,228)
362	412,232,029	(105,277,609)
364	372,296,266	(144,931,330)
365	385,206,127	(116,165,657)
366	112,533,149	(39,273,068)
367	286,078,584	(85,178,156)
368	312,652,261	(82,532,014)
369	87,453,880	(29,654,035)
370	97,105,911	(52,632,787)
372	39,865,522	(25,186,325)
DISTRIBUTION PLANT	2,179,672,631	(710,257,884)
389	5,858,894	0
390	101,497,141	(25,648,632)
391	8,054,036	(929,950)
392	61,031,843	(39,051,133)
393	2,550,638	(1,265,956)
394	15,310,625	(4,372,524)
395	4,253,210	(1,979,144)
396	2,854,326	(981,314)
397	58,532,663	(23,250,268)
398	389,416	(168,374)
GENERAL PLANT	260,332,793	(97,647,296)
TOTAL PLANT-IN-SERVICE	3,162,329,754	(990,701,256)

- (4) A statement showing the amount of the depreciation reserve, at the date of the balance sheet required by paragraph (2), applicable to the property, summarized as required by paragraph (3).

Response: See response to c(3).

DUQUESNE LIGHT COMPANY
Responses to 52 Pa. Code § 53.52(a), (b) and (c)
Supplement No. 77 to Tariff Electric No. 24

- (5) A statement of operating income, setting forth the operating revenues and expenses by detailed accounts for the 12-month period ending on the date of the balance sheet required by paragraph (2).**

Response: Attachment 2 is the statement of operating income for the 12 months ended March 31, 2013.

- (6) A brief description of a major change in the operating or financial condition of the utility occurring between the date of the balance sheet required by paragraph (2) and the date of transmittal of the tariff, revision or supplement. As used in this paragraph, a major change is one which materially alters the operating or financial condition of the utility from that reflected in paragraphs (1)—(5).**

Response: No major changes in operating or financial condition occurred between the date of the balance sheet in paragraph (2) and the date of transmittal of the tariff.