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Tishekia E. Williams
Senior Counsel, Regulatory

December 2, 2013

VIA OVERNIGHT MAIL

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

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

Dear Secretary Chiavetta:

Enclosed for filing on behalf of Duquesne Light Company (“Duquesne Light” or the “Company”) is a copy of the Company’s Universal Service Charge Rider reconciliation statement for the November 1, 2012 through October 31, 2013 (“Reconciliation Filing”). Duquesne Light experienced an under collection of \$ 833,862 for the reconciliation period.

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.

The enclosed reconciliation statement provides a summary of total revenues and expenses for the Reconciliation Period. Page 2 of the statement summarizes the revenue by month for the Reconciliation Period. Page 3 provides the E-Factor revenue calculation. Page 4 summarizes the Company’s Universal Services expenses for the reconciliation period, and page 5 provides the interest calculation.

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.

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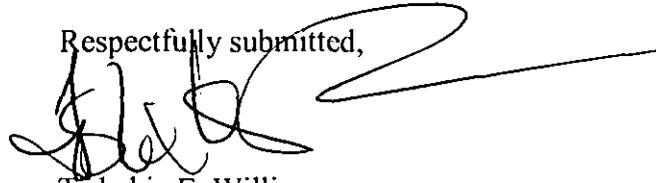
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PA PUBLIC UTILITY COMMISSION
SECRETARY'S OFFICE

Ms. Rosemary Chiavetta, Secretary
Page 2
December 2, 2013

Should you have any questions, please do not hesitate to contact me or William Pfrommer at (412)393-3623.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tishekia E. Williams', with a long horizontal flourish extending to the right.

Tishekia E. Williams
Senior Counsel, Regulatory

Enclosures

cc: Certificate of Service

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2014

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2012 through October 31, 2013

	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Total
1 Net Surcharge Revenue, Incl. GRT	\$1,062,993	\$1,212,854	\$1,312,425	\$1,218,621	\$1,209,917	\$918,698	\$1,030,121	\$1,290,611	\$1,696,866	\$1,447,975	\$1,069,562	\$996,211	\$14,466,853
2 E-Factor Revenue, Incl. GRT	\$509,267	\$581,059	\$303,176	\$275,441	\$276,562	\$210,042	\$235,423	\$294,740	\$387,950	\$330,810	\$244,742	\$227,734	\$3,876,948
3 Universal Service Charge Related Revenue	\$1,572,260	\$1,793,913	\$1,615,601	\$1,494,062	\$1,486,479	\$1,128,740	\$1,265,544	\$1,585,351	\$2,084,816	\$1,778,785	\$1,314,305	\$1,223,945	\$18,343,801
4 Universal Service Charge Related Revenue	\$1,572,260	\$1,793,913	\$1,615,601	\$1,494,062	\$1,486,479	\$1,128,740	\$1,265,544	\$1,585,351	\$2,084,816	\$1,778,785	\$1,314,305	\$1,223,945	\$18,343,801
5 Less PA Gross Receipts Tax	\$92,763	\$105,841	\$95,320	\$68,150	\$87,702	\$66,596	\$74,667	\$93,536	\$123,004	\$104,948	\$77,544	\$72,213	\$1,082,284
6 Universal Service Charge Related Revenue	\$1,479,496	\$1,688,072	\$1,520,280	\$1,405,912	\$1,398,777	\$1,062,144	\$1,190,877	\$1,491,815	\$1,961,812	\$1,673,837	\$1,236,761	\$1,151,733	\$17,261,517
7 Expense	\$1,360,870	\$1,226,762	\$1,168,456	\$1,309,442	\$1,265,531	\$1,456,442	\$1,745,533	\$1,373,079	\$2,405,362	\$1,783,503	\$1,553,427	\$1,518,512	\$18,166,920
8 CAP Discount Credit	\$19,011	\$3,163	\$3,653	\$4,943	\$6,410	\$7,043	\$8,352	\$8,682	\$8,111	\$7,069	\$4,896	\$3,253	\$84,586
9 Adjusted Expense	\$1,341,860	\$1,223,599	\$1,164,803	\$1,304,499	\$1,259,121	\$1,449,399	\$1,737,181	\$1,364,397	\$2,397,251	\$1,776,434	\$1,548,532	\$1,515,259	\$18,082,334
10 Over/(Under) Collection	\$137,637	\$464,474	\$355,477	\$101,413	\$139,656	(\$387,255)	(\$546,304)	\$127,418	(\$435,439)	(\$102,597)	(\$311,771)	(\$363,527)	(\$820,817)
11 Interest	\$13,764	\$44,125	\$31,993	\$8,620	\$11,172	(\$29,044)	(\$38,241)	\$8,282	(\$26,126)	(\$5,643)	(\$15,589)	(\$16,359)	(\$13,045)
12 Total Over/(Under) Collection	\$151,400	\$508,599	\$387,470	\$110,033	\$150,828	(\$416,299)	(\$584,545)	\$135,700	(\$461,565)	(\$108,240)	(\$327,359)	(\$379,885)	(\$833,862)

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SECRETARY'S BUREAU

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2014

Summary of Surcharge Revenue

Rate Class	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Total
A. Actual Surcharge Revenue by Month, Incl. GRT													
1 RS	\$936,751	\$1,065,393	\$1,124,600	\$1,030,255	\$1,037,523	\$826,023	\$956,583	\$1,212,646	\$1,599,169	\$1,360,832	\$996,151	\$913,271	\$13,059,198
2 RH	\$111,628	\$130,873	\$169,873	\$171,468	\$155,567	\$80,285	\$60,872	\$63,016	\$78,342	\$70,715	\$60,515	\$70,487	\$1,223,640
3 RA	\$14,614	\$16,588	\$17,952	\$16,898	\$16,827	\$12,389	\$12,665	\$14,949	\$19,355	\$16,428	\$12,896	\$12,454	\$184,015
4 Total	\$1,062,993	\$1,212,854	\$1,312,425	\$1,218,621	\$1,209,917	\$918,698	\$1,030,121	\$1,290,611	\$1,696,866	\$1,447,975	\$1,069,562	\$996,211	\$14,466,853
B. Actual Surcharge Revenue by Month, Excl. GRT													
5 RS	\$881,482	\$1,002,535	\$1,058,249	\$969,470	\$976,309	\$777,288	\$900,145	\$1,141,100	\$1,504,818	\$1,280,543	\$937,378	\$859,388	\$12,288,706
6 RH	\$105,042	\$123,151	\$159,850	\$161,351	\$146,388	\$75,549	\$57,281	\$59,298	\$73,720	\$66,542	\$56,945	\$66,328	\$1,151,445
7 RA	\$13,752	\$15,609	\$16,893	\$15,901	\$15,834	\$11,658	\$11,918	\$14,067	\$18,213	\$15,459	\$12,135	\$11,719	\$173,158
8 Total	\$1,000,276	\$1,141,295	\$1,234,992	\$1,146,722	\$1,138,532	\$864,494	\$969,344	\$1,214,465	\$1,596,751	\$1,362,545	\$1,006,458	\$937,435	\$13,613,309

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2014

Calculation of E-Factor Revenue

Rate Class	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Total
A. Actual Non-CAP kWh by Month													
1 RS	252,465,402	287,215,537	292,851,121	262,520,392	267,401,885	212,938,520	246,499,144	312,400,684	412,075,241	350,533,377	257,035,367	235,399,818	3,389,336,490
2 RH	30,120,143	35,244,296	44,307,617	43,737,374	40,090,438	20,696,630	15,685,001	16,058,270	20,373,289	18,229,346	15,593,143	18,166,767	318,302,312
3 RA	3,946,253	4,464,899	4,679,612	4,308,486	4,338,319	3,192,917	3,261,466	3,867,331	4,975,050	4,233,952	3,324,585	3,209,064	47,801,934
4 B. E-Factor Rate (1) Cents per kWh, Inc. GRT	0.178	0.178	0.089	0.089	0.089	0.089	0.089	0.089	0.089	0.089	0.089	0.089	
C. E-Factor Revenue, Incl. GRT													
5 RS	\$448,719	\$510,482	\$259,729	\$232,829	\$237,158	\$188,855	\$218,620	\$277,068	\$365,469	\$310,888	\$227,964	\$208,776	\$3,486,557
6 RH	\$53,534	\$62,641	\$39,296	\$38,791	\$35,556	\$18,356	\$13,911	\$14,242	\$18,069	\$16,168	\$13,830	\$16,112	\$340,506
7 RA	\$7,014	\$7,936	\$4,150	\$3,821	\$3,848	\$2,832	\$2,893	\$3,430	\$4,412	\$3,755	\$2,949	\$2,846	\$49,885
8 Total	\$509,267	\$581,059	\$303,176	\$275,441	\$276,562	\$210,042	\$235,423	\$294,740	\$387,950	\$330,810	\$244,742	\$227,734	\$3,876,948
D. E-Factor Revenue, Excl. GRT													
9 RS	\$422,245	\$480,364	\$244,405	\$219,092	\$223,166	\$177,712	\$205,721	\$260,721	\$343,906	\$292,545	\$214,514	\$196,458	\$3,280,850
10 RH	\$50,376	\$58,946	\$36,978	\$36,502	\$33,458	\$17,273	\$13,090	\$13,402	\$17,003	\$15,214	\$13,014	\$15,161	\$320,416
11 RA	\$6,600	\$7,467	\$3,905	\$3,596	\$3,621	\$2,665	\$2,722	\$3,228	\$4,152	\$3,534	\$2,775	\$2,678	\$46,942
12 Total	\$479,220	\$546,777	\$285,289	\$259,190	\$260,245	\$197,650	\$221,533	\$277,350	\$365,061	\$311,292	\$230,303	\$214,298	\$3,648,208

1/ Per December 7, 2011 submittal at Docket No. M-2011-2276315 and December 12, 2012 submittal at Docket No. M-2012-2337320.

EXHIBIT 1
Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2014

Summary of Expense

	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Total
1 CAP Revenue Deficiency	\$1,091,933	\$933,179	\$890,022	\$912,486	\$883,530	\$1,017,461	\$1,256,412	\$1,117,316	\$1,183,108	\$1,310,630	\$1,234,845	\$992,614	\$12,823,536
2 CAP Frozen Arrearage	\$231,208	\$141,831	\$155,467	\$207,489	\$223,797	\$234,262	\$239,589	\$238,853	\$293,196	\$246,474	\$277,032	\$269,269	\$2,758,467
3 CAP Administrative Costs	(\$30,310)	\$80,082	\$81,477	\$102,283	\$73,526	\$76,784	\$153,683	\$5,797	\$150,392	\$86,041	\$11,146	\$75,924	\$866,825
4 Smart Comfort	\$69,101	\$60,525	\$31,801	\$76,767	\$67,065	\$113,580	\$85,439	\$350	\$768,253	\$135,157	\$20,000	\$85,891	\$1,513,929
5 CARES	(\$1,062)	\$11,146	\$9,687	\$10,417	\$17,613	\$14,355	\$10,409	\$10,763	\$10,413	\$5,202	\$10,405	\$15,622	\$124,971
6 Hardship Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$79,192	\$79,192
7 Total Expenses	\$1,360,870	\$1,226,762	\$1,168,456	\$1,309,442	\$1,265,531	\$1,456,442	\$1,745,533	\$1,373,079	\$2,405,362	\$1,783,503	\$1,553,427	\$1,518,512	\$18,166,920
8 CAP Customers	40,305	36,549	36,663	36,965	37,308	37,438	37,731	37,800	37,658	37,463	36,929	36,580	
9 Monthly Enrollment Level (1)	35,700	35,700	35,700	35,700	35,700	35,700	35,700	35,700	35,700	35,700	35,700	35,700	
10 CAP Customers*Enrollment	4,605	849	963	1,265	1,608	1,738	2,031	2,100	1,958	1,763	1,229	880	
11 Average CAP Deficiency/CAP Customer (2)	\$30.21	\$28.63	\$29.26	\$29.62	\$29.97	\$30.39	\$30.81	\$30.89	\$30.78	\$29.09	\$28.48	\$25.98	
12 Average Frozen Arrearage/CAP Customer (2)	\$9.37	\$7.09	\$7.11	\$7.85	\$8.25	\$8.46	\$8.62	\$8.75	\$8.94	\$9.35	\$9.71	\$9.46	
13 Deficiency and Arrearage Combined	\$39.58	\$35.72	\$36.37	\$37.47	\$38.22	\$38.85	\$39.43	\$39.64	\$39.72	\$38.44	\$38.19	\$35.44	
14 Bad Debt Offset (3)	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	
15 CAP Discount Credit (line 10 * line 13 * line 14)	\$19,011	\$3,163	\$3,653	\$4,943	\$6,410	\$7,043	\$8,352	\$8,682	\$8,111	\$7,069	\$4,896	\$3,253	\$84,586
16 Total Adjusted Expenses (line 7 - line 15)	\$1,341,860	\$1,223,599	\$1,164,803	\$1,304,499	\$1,259,121	\$1,449,399	\$1,737,181	\$1,364,397	\$2,397,251	\$1,776,434	\$1,548,532	\$1,515,259	\$18,082,334

1/ Per Company tariff, Rider 5, Universal Service Charge, page 85.

2/ Average amount per CAP customer per month.

3/ Per Company tariff, Rider 5, Universal Service Charge, page 85 and at Docket No. R-2010-2179522

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2014

Calculation of Interest

	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Total
1 Net Surcharge Revenue, Excl. GRT	\$1,000,276	\$1,141,295	\$1,234,992	\$1,146,722	\$1,138,532	\$864,494	\$969,344	\$1,214,465	\$1,596,751	\$1,362,545	\$1,006,458	\$937,435	\$13,613,309
2 E-Factor Revenue, Excl. GRT	\$479,220	\$546,777	\$285,289	\$259,190	\$260,245	\$197,650	\$221,533	\$277,350	\$365,061	\$311,292	\$230,303	\$214,298	\$3,648,208
3 Universal Service Charge Related Revenue, Excl. GRT	\$1,479,496	\$1,688,072	\$1,520,280	\$1,405,912	\$1,398,777	\$1,062,144	\$1,190,877	\$1,491,815	\$1,961,812	\$1,673,837	\$1,236,761	\$1,151,733	\$17,261,517
4 Expense	\$1,341,860	\$1,223,599	\$1,164,803	\$1,304,499	\$1,259,121	\$1,449,399	\$1,737,181	\$1,364,397	\$2,397,251	\$1,776,434	\$1,548,532	\$1,515,259	\$18,082,334
5 Over/(Under) Collection	\$137,637	\$464,474	\$355,477	\$101,413	\$139,656	(\$387,255)	(\$546,304)	\$127,418	(\$435,435)	(\$102,597)	(\$311,771)	(\$363,527)	(\$820,317)
6 Interest Rate	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	
7 Interest Weight	20/12	19/12	18/12	17/12	16/12	15/12	14/12	13/12	12/12	11/12	10/12	9/12	
8 Interest	\$13,764	\$44,125	\$31,993	\$8,620	\$11,172	(\$29,044)	(\$38,241)	\$8,282	(\$26,126)	(\$5,643)	(\$15,589)	(\$16,359)	(\$13,045)

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 § 1.54 (relating to service by a participant):

VIA FIRST-CLASS MAIL AND/OR E-MAIL

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Charlie King
Edward D. Christian
Snively King Majoros & Assoc., Inc.
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Landover, MD 20785
*Consultant on behalf of the Office of
Consumer Advocate*

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**PA PUBLIC UTILITY COMMISSION
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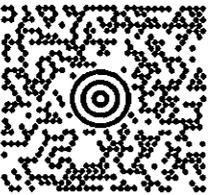
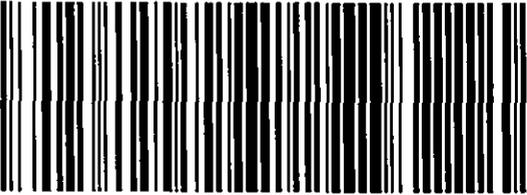
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412-393-1541 (phone)/412-393-5757 (fax)
twilliams@duqlight.com

Dated December 2, 2013

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