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Tishekia E. Williams, Esq.
Senior Counsel - Regulatory

December 2, 2013

VIA OVERNIGHT DELIVERY

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

**Re: Supplement No. 85 to Tariff Electric PA. P.U.C. No. 24
Universal Service Charge – Rider No. 5**

Dear Secretary Chiavetta:

Enclosed for filing, please find an original copy of the Supplement No. 85 to Duquesne Light Company's Tariff Electric, PA. P.U.C. No. 24 issued December 2, 2013 with an effective date of January 1, 2014. Effective January 1, 2014, the proposed Universal Service Charge will be 0.849 cents per kWh. Also enclosed is a copy of the reconciliation statement which supports the rate change. A copy of the reconciliation statement was also separately filed today.

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 the tariff supplement.

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

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DEC 02 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Respectfully submitted,

Tishekia E. Williams
Senior Counsel, Regulatory

Enclosures

cc: Certificate of Service



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

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ISSUED: December 2, 2013

EFFECTIVE: January 1, 2014

Issued in compliance with Commission Order entered February 24, 2011,
at Docket No. R-2010-2179522.

NOTICE

THIS TARIFF SUPPLEMENT INCREASES A RATE WITHIN AN EXISTING RIDER

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

INCREASE

Rider No. 5 – Universal Service Charge

Eighth Revised Page No. 84
Cancelling Seventh Revised Page No. 84

Annual adjustment of the Company's Universal Service Charge as required by the provisions of the Rider. The USC increased from 0.388 cents per kilowatt-hour to 0.849 cents per kilowatt-hour.

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 0.849 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. (I)

CALCULATION OF CHARGE

$$USC = [(US_c - Cr - E) / S_{RDS}] * 100 * [1 / (1 - T)]$$

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. The CAP discount shall be reduced by the annual Low Income Home Energy Assistance Program ("LIHEAP") funds received by CAP customers during the previous LIHEAP program year. The annual average discount from the previous year will be calculated as the difference between the bill at current rates and the CAP payment from customers during the

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	\$1,314,306	\$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	\$1,314,306	\$1,223,945	\$18,343,801
5 Less PA Gross Receipts Tax	\$92,763	\$105,841	\$95,320	\$88,150	\$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)

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
B. E-Factor Rate (1) Cents per kWh, Inc. GRT													
4	0.178	0.178	0.089	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	\$189,855	\$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

	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Total</u>
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 * line13 * 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	(\$435,439)	(\$102,597)	(\$311,771)	(\$363,527)	(\$820,817)
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)

ATTACHMENT A

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

Reconciliation of Revenue and Expense - November 1, 2012 through October 31, 2013

1	Net Surcharge Revenue, Incl. GRT	\$14,466,853	Exh. 1, Page 2
2	Net Surcharge Related Revenue, Excl. GRT	\$13,613,309	Line 1 * 0.941
3	E-Factor Revenue, Incl. GRT	\$3,876,948	Exh. 1, Page 3
4	E-Factor Revenue, Excl. GRT	\$3,648,208	Line 3 * 0.941
5	Universal Service Related Revenue, Excl. GRT	\$17,261,517	Line 2 + Line 4
6	Universal Service Related Expense	\$18,082,334	Exh. 1, Page 4
7	Total Reconciliation Period Over/(Under) Collection	(\$820,817)	Line 5 - Line 5
8	Interest	(\$13,045)	Exh. 1, Page 5
9	<u>Net Reconciliation Period Over/(Under) Collection</u>	<u>(\$833,862)</u>	Line 7 + Line 8
<u>E-Factor Reconciliation</u>			
10	Balance at YE October 31, 2012, Excl. GRT	\$3,281,909	Att. A, Page 2
11	E-Factor Revenue - Nov 2012-Oct 2013, Excl. GRT	\$3,648,208	Line 4
12	Prior Period Balance at October 31, 2013	(\$366,298)	Line 10 - Line 11
13	Reconciliation Period Over/(Under) Collection - Nov 2012-Oct 2013	(\$833,862)	Line 9
14	<u>E-Factor Balance at YE October 31, 2013</u>	<u>(\$1,200,161)</u>	Line 12 + Line 13

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

Reconciliation of E-Factor Revenue

<u>Filed December 2011</u>				
1	April 21, 2011 through October 31, 2011	Actual Current Period Over/(Under) Recovery	\$4,364,901	
2		Interest	<u>\$255,067</u>	
3		Total Actual		\$4,619,968 Line 1 + Line 2
4		Net Actual Over/(Under) Collection		\$4,619,968 Line 3
 <u>Filed December 2012</u>				
Effective January 1, 2012-December 2012				
5	Apr 2011 to Oct 2011	Prior Period Over/(Under) Collection	\$4,619,968	Line 4
6	Nov 2011 to Oct 2012	Current Period E-Factor Revenue (excl. GRT)	<u>\$5,398,616</u>	
7		Prior Period E-Factor Balance		(\$778,648) Line 5 - Line 6
8	Nov 2011 to Oct 2012	Actual Current Period Over/(Under) Recovery	\$3,757,322	
9		Interest	<u>\$303,236</u>	
10		Total		\$4,060,557 Line 8 + Line 9
11		E-Factor Balance at YE October 31, 2012		<u>\$3,281,909</u> Line 7 + Line 10
 <u>Filed December 2013</u>				
Effective January 1, 2014-December 2014				
12	Nov 2011 to Oct 2012	Prior Period Over/(Under) Collection	\$3,281,909	Line 11
13	Nov 2012 to Oct 2013	Current Period E-Factor Revenue (excl. GRT)	<u>\$3,648,208</u>	
14		Prior Period E-Factor Balance		(\$366,298) Line 12 - Line 13
15	Nov 2012 to Oct 2013	Actual Current Period Over/(Under) Recovery	(\$820,817)	
16		Interest	<u>(\$13,045)</u>	
17		Total		(\$833,862) Line 15 + Line 16
18		E-Factor Balance at YE October 31, 2013		<u>(\$1,200,161)</u> Line 14 + Line 17

ATTACHMENT A

**Duquesne Light Company
Rider 5 - Universal Service Charge
Proposed Charge Effective January 1, 2014**

Calculation of E-Factor Rate

A	B	C	D = B + C	E = D * 0.941	F	G = E - F	H	I = G + H	J	K = I + J	L	M =(K/L)*100	N =M*1/(1-5.9%)	
	Current Period November 2012-October 2013										Prior Period	Total		
<u>Customer Class</u>	<u>Net Reconciliation Period Surcharge Revenue</u> Exh. 1, Page 2	<u>Reconciliation Period Surcharge Revenue</u> Exh. 1, Page 3	<u>Reconciliation Surcharge Related Revenue</u>	<u>Reconciliation Period Related Revenue Less GRT</u>	<u>Reconciliation Period Expense</u> Exh. 1, Page 4	<u>Over/(Under) Collection e Factor</u>	<u>Interest</u> Exh. 1, Page 5	<u>Total Over/(Under) Collection e Factor</u>	<u>Over/(Under) Collection e Factor</u> Att. A, Page 1	<u>Reconciliation Period Over/(Under) Collection e Factor</u>	<u>Forecast Non-CAP Sales (kWh) Jan-Dec 2014</u> Att. A, Page 4	<u>Proposed E-Factor Rate Excl GRT</u>	<u>Proposed E-Factor Rate Incl GRT</u>	
Residential (RS, RH, RA)	\$14,466,853	\$3,876,948	\$18,343,801	\$17,261,517	\$18,082,334	(\$820,817)	(\$13,045)	(\$833,862)	(\$366,298)	(\$1,200,161)	3,886,263,454	(0.031)	(0.033)	cents/kWh

ATTACHMENT A

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

Calculation of the Projected Universal Service Charge

<u>Universal Service Program Costs:</u>		
1	CAP Revenue Deficiency	\$23,102,491
2	CAP Frozen Arrearage	\$3,921,003
3	CAP Administration Cost	\$1,300,000
4	Smart Comfort	\$1,364,600
5	CARES	\$130,833
6	Hardship Fund	\$75,000
7	<u>Projected Universal Service Program Budget</u>	<u>\$29,893,927</u>
 <u>Credit (Bad Debt Offset):</u>		
8	CAP Customer Participation Level	35,700 Per USC, Tariff Rider 5, page 85
9	Actual Enrollment as of October 31, 2013	36,580
10	Difference	880 Line 9 - Line 8
11	<u>Average Discount per Customer per Year</u>	<u>\$555 See Footnote 1</u>
12	Discount With Excess Customers	\$488,400 Line 10 * Line 11
13	Bad Debt Offset	10.43% Per USC, Tariff Rider 5, page 85
14	<u>Adjustment to USC for Bad Debt</u>	<u>\$50,940 Line 12 * Line 13</u>
15	<u>Total Projected Universal Service Program Costs</u>	<u>\$29,842,987 Line 7 - Line 14</u>
 <u>Projected Non-CAP Sales:</u>		
16	Forecast Residential Sales (kWh)	4,217,029,529
17	Less Forecast CAP Sales (kWh)	330,766,075
18	<u>Non-CAP Forecast Sales (kWh)</u>	<u>3,886,263,454 Line 16 - Line 17</u>
19	Charge - \$/kWh	\$0.00768 Line 15 / Line 18
20	Charge - ¢/kWh	0.768 Line 19 * 100
21	T= Pennsylvania Gross Receipts Tax (GRT):	5.9%
22	<u>Projected Universal Service Charge (USC) (¢/kWh)</u>	<u>0.816 Line 20 * 1 / (1 - line 21)</u>
23	E-Factor Over/(Under) Collection (¢/kWh), Incl. GRT	(0.033) Att. A, Page 3
24	<u>Universal Service Charge (USC) (¢/kWh) - Effective January 1, 2014</u>	<u>0.849 Line 22 - Line 23</u>

(1) Calculated as follows:

Projected 2014 CAP Deficiency and Arrearages (Line 1 + Line 2)	\$23,102,491
Projected Enrollment as of December 31, 2014	41,650
Average Discount per Customer per Year	<u>\$555</u>

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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PA PUBLIC UTILITY COMMISSION
SECRETARY'S OFFICE



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Dated December 2, 2013