



Duquesne Light

Our Energy...Your Power

411 Seventh Avenue
16th Floor
Pittsburgh, PA 15219

Tel 412-393-1541
Fax 412-393-5757
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Tishekia E. Williams
Senior Counsel

December 1, 2014

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

RECEIVED

DEC -1 2014

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**RE: Supplement No. 106 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 Supplement No. 106 to Duquesne Light Company's ("Duquesne Light" or "Company") Tariff-Electric, PA. P.U.C. No. 24 issued December 1, 2014 to become effective on January 1, 2015. As noted in the attachment, the proposed Universal Service Charge will be 0.582 cents per kWh.

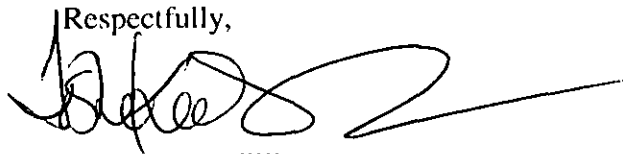
Also enclosed is a copy of the reconciliation statement which supports the rate change. A copy of the reconciliation statement was also separately filed today. Consistent with the Pennsylvania Public Utility Commission's Final Order issued at Docket M-2013-2350946, the propose rates are based in part upon modified enrollment projections for the Customer Assistance Program ("CAP"). Duquesne Light switched its CAP enrollment projections from a 5-year average to a 3-year average.

Finally, 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.

Ms. Rosemary Chiavetta, Secretary
Page 2
December 1, 2014

Should you have any questions, please feel free to contact me or Bill Pfrommer at 412-393-3623.

Respectfully,

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



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: December 1, 2014

EFFECTIVE: January 1, 2015

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

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

LIST OF MODIFICATIONS MADE BY THIS TARIFF

INCREASE

Rider No. 5 – Universal Service Charge

Tenth Revised Page No. 84
Cancelling Ninth Revised Page No. 84

In accordance with the provisions of the Annual Update section of Rider No. 5 – Universal Service Charge, the annual adjustment of the Company's Universal Service Charge is being filed. The USC increased from (0.275) cents per kilowatt-hour to 0.582 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 0.582 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

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

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, 2015

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2013 through October 31, 2014

	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Total
1 Net Surcharge Revenue, Incl. GRT	\$1,104,836	\$1,341,724	\$3,261,918	\$2,818,669	\$2,668,862	\$1,997,892	\$2,098,156	\$2,982,429	\$3,181,845	\$3,124,809	\$822,367	(\$952,004)	\$24,451,501
2 E-Factor Revenue, Incl. GRT	\$253,435	\$307,513	(\$128,986)	(\$109,516)	(\$103,721)	(\$77,660)	(\$81,541)	(\$115,939)	(\$123,661)	(\$121,438)	(\$95,126)	(\$79,045)	(\$475,684)
3 Universal Service Charge Related Revenue	\$1,358,270	\$1,649,237	\$3,132,932	\$2,709,152	\$2,565,140	\$1,920,232	\$2,016,616	\$2,866,490	\$3,058,184	\$3,003,371	\$727,241	(\$1,031,049)	\$23,975,816
4 Universal Service Charge Related Revenue	\$1,358,270	\$1,649,237	\$3,132,932	\$2,709,152	\$2,565,140	\$1,920,232	\$2,016,616	\$2,866,490	\$3,058,184	\$3,003,371	\$727,241	(\$1,031,049)	\$23,975,816
5 Less PA Gross Receipts Tax	\$80,138	\$97,305	\$184,843	\$159,840	\$151,343	\$113,294	\$118,980	\$169,123	\$180,433	\$177,199	\$42,907	(\$60,832)	\$1,414,573
6 Universal Service Charge Related Revenue	\$1,278,132	\$1,551,932	\$2,948,089	\$2,549,312	\$2,413,797	\$1,806,938	\$1,897,636	\$2,697,367	\$2,877,751	\$2,826,172	\$684,334	(\$970,217)	\$22,561,243
7 Expense	\$1,398,434	\$1,005,154	\$1,064,870	\$1,719,534	\$1,362,370	\$1,278,976	\$1,488,038	\$1,392,305	\$1,307,274	\$1,532,164	\$1,610,601	\$1,224,631	\$16,384,352
8 CAP Discount Credit	\$1,780	\$879	\$496	\$170	\$238	\$272	\$0	\$0	\$0	\$0	\$0	\$0	\$3,834
9 Adjusted Expense	\$1,396,654	\$1,004,275	\$1,064,375	\$1,719,364	\$1,362,133	\$1,278,704	\$1,488,038	\$1,392,305	\$1,307,274	\$1,532,164	\$1,610,601	\$1,224,631	\$16,380,518
10 Over/(Under) Collection	(\$118,522)	\$547,657	\$1,883,714	\$829,948	\$1,051,664	\$528,234	\$409,598	\$1,305,062	\$1,570,477	\$1,294,008	(\$926,268)	(\$2,194,848)	\$6,180,725
11 Interest	(\$11,852)	\$52,027	\$169,534	\$70,546	\$84,133	\$39,618	\$28,672	\$84,829	\$94,229	\$71,170	(\$46,313)	(\$98,768)	\$537,824
12 Total Over/(Under) Collection	(\$130,374)	\$599,684	\$2,053,249	\$900,494	\$1,135,797	\$567,852	\$438,270	\$1,389,891	\$1,664,706	\$1,365,178	(\$972,581)	(\$2,293,616)	\$6,718,550

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2015

Summary of Surcharge Revenue

Rate Class	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Total
A. Actual Surcharge Revenue by Month, Incl. GRT													
1 RS	\$972,658	\$1,158,755	\$2,739,561	\$2,357,899	\$2,274,780	\$1,787,643	\$1,946,945	\$2,801,742	\$2,988,446	\$2,937,206	\$768,004	(\$876,963)	\$21,856,677
2 RH	\$117,222	\$164,283	\$477,257	\$419,973	\$354,484	\$182,385	\$125,267	\$145,656	\$156,943	\$151,037	\$44,475	(\$62,901)	\$2,276,082
3 RA	\$14,956	\$18,686	\$45,099	\$40,796	\$39,597	\$27,864	\$25,944	\$35,031	\$36,457	\$36,565	\$9,888	(\$12,140)	\$318,742
4 Total	\$1,104,836	\$1,341,724	\$3,261,918	\$2,818,669	\$2,668,862	\$1,997,892	\$2,098,156	\$2,982,429	\$3,181,845	\$3,124,809	\$822,367	(\$952,004)	\$24,451,501
B. Actual Surcharge Revenue by Month, Excl. GRT													
5 RS	\$915,272	\$1,090,388	\$2,577,927	\$2,218,783	\$2,140,568	\$1,682,172	\$1,832,075	\$2,636,440	\$2,812,127	\$2,763,911	\$722,692	(\$825,227)	\$20,567,133
6 RH	\$110,305	\$154,590	\$449,099	\$395,195	\$333,570	\$171,624	\$117,877	\$137,062	\$147,683	\$142,126	\$41,851	(\$59,190)	\$2,141,793
7 RA	\$14,073	\$17,584	\$42,439	\$38,390	\$37,261	\$26,220	\$24,413	\$32,964	\$34,306	\$34,407	\$9,305	(\$11,424)	\$299,937
8 Total	\$1,039,650	\$1,262,562	\$3,069,464	\$2,652,367	\$2,511,399	\$1,880,016	\$1,974,365	\$2,806,466	\$2,994,116	\$2,940,445	\$773,847	(\$895,836)	\$23,008,862

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2015

Calculation of E-Factor Revenue

Rate Class	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Total
A. Actual Non-CAP kWh by Month													
1 RS	250,692,029	298,449,828	326,884,194	277,496,601	267,880,121	210,556,145	229,254,184	330,072,848	351,938,722	345,902,258	268,991,461	219,015,670	3,377,134,061
2 RH	30,211,877	42,259,640	58,454,532	49,527,430	41,769,500	21,504,737	14,772,779	17,139,266	18,496,077	17,783,387	15,822,456	17,356,570	345,098,250
3 RA	3,854,228	4,810,712	5,526,692	4,843,714	4,656,689	3,272,226	3,065,843	4,118,629	4,294,094	4,306,804	3,446,927	3,158,696	49,355,253
B. E-Factor Rate (1) Cents per kWh, Inc. GRT													
4	0.089	0.089	(0.033)	(0.033)	(0.033)	(0.033)	(0.033)	(0.033)	(0.033)	(0.033)	(0.033)	(0.033)	
C. E-Factor Revenue, Incl. GRT													
5 RS	\$223,116	\$265,620	(\$107,872)	(\$91,574)	(\$88,400)	(\$69,484)	(\$75,654)	(\$108,924)	(\$116,140)	(\$114,148)	(\$88,767)	(\$72,275)	(\$444,501)
6 RH	\$26,889	\$37,611	(\$19,290)	(\$16,344)	(\$13,784)	(\$7,097)	(\$4,875)	(\$5,656)	(\$6,104)	(\$5,869)	(\$5,221)	(\$5,728)	(\$25,467)
7 RA	\$3,430	\$4,282	(\$1,824)	(\$1,598)	(\$1,537)	(\$1,080)	(\$1,012)	(\$1,359)	(\$1,417)	(\$1,421)	(\$1,137)	(\$1,042)	(\$5,716)
8 Total	\$253,435	\$307,513	(\$128,986)	(\$109,516)	(\$103,721)	(\$77,660)	(\$81,541)	(\$115,939)	(\$123,661)	(\$121,438)	(\$95,126)	(\$79,045)	(\$475,684)
D. E-Factor Revenue, Excl. GRT													
9 RS	\$209,952	\$249,949	(\$101,507)	(\$86,171)	(\$83,185)	(\$65,384)	(\$71,190)	(\$102,498)	(\$109,288)	(\$107,413)	(\$83,530)	(\$68,011)	(\$418,276)
10 RH	\$25,302	\$35,392	(\$18,152)	(\$15,380)	(\$12,971)	(\$6,678)	(\$4,587)	(\$5,322)	(\$5,744)	(\$5,522)	(\$4,913)	(\$5,390)	(\$23,965)
11 RA	\$3,228	\$4,029	(\$1,716)	(\$1,504)	(\$1,446)	(\$1,016)	(\$952)	(\$1,279)	(\$1,333)	(\$1,337)	(\$1,070)	(\$981)	(\$5,379)
12 Total	\$238,482	\$289,370	(\$121,375)	(\$103,055)	(\$97,602)	(\$73,078)	(\$76,730)	(\$109,099)	(\$116,365)	(\$114,273)	(\$89,514)	(\$74,382)	(\$447,619)

1/ Per December 12, 2012 submittal at Docket No. M-2012-2337320 and December 2, 2013 submittal at Docket No. M-2013-2395688.

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2015

Summary of Expense

	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Total
1 CAP Revenue Deficiency	\$916,495	\$824,549	\$796,052	\$862,604	\$861,290	\$961,503	\$1,073,595	\$884,790	\$948,739	\$1,139,096	\$1,108,421	\$855,191	\$11,232,325
2 CAP Frozen Arrearage	\$216,507	\$151,767	\$161,746	\$195,163	\$224,909	\$220,002	\$205,912	\$166,119	\$182,016	\$199,860	\$229,816	\$224,995	\$2,378,812
3 CAP Administrative Costs	\$80,726	\$23,630	\$75,835	\$137,040	\$83,407	\$86,226	\$83,604	\$96,895	\$89,427	(\$4,342)	\$94,796	\$127,432	\$974,674
4 Smart Comfort	\$174,294	\$0	\$20,861	\$509,036	\$181,520	\$0	\$113,683	\$233,256	\$81,468	\$191,930	\$83,896	\$0	\$1,589,944
5 CARES	\$10,413	\$5,208	\$10,376	\$15,692	\$11,244	\$11,244	\$11,244	\$11,244	\$5,624	\$5,620	\$19,267	\$17,013	\$134,191
6 Hardship Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$74,406	\$0	\$74,406
7 Total Expenses	\$1,398,434	\$1,005,154	\$1,064,870	\$1,719,534	\$1,362,370	\$1,278,976	\$1,488,038	\$1,392,305	\$1,307,274	\$1,532,164	\$1,610,601	\$1,224,631	\$16,384,352
8 CAP Customers	36,246	36,011	35,878	35,755	35,775	35,779	35,717	35,176	34,838	34,879	34,943	35,216	
9 Monthly Enrollment Level (1)	35,700	35,700	35,700	35,700	35,700	35,700	41,650	41,650	41,650	41,650	41,650	41,650	
10 CAP Customers>Enrollment	546	311	178	55	75	79	0	0	0	0	0	0	
11 Average CAP Deficiency/CAP Customer (2)	\$25.29	\$22.90	\$22.19	\$24.13	\$24.08	\$26.87	\$30.06	\$25.15	\$27.23	\$32.66	\$31.72	\$24.28	
12 Average Frozen Arrearage/CAP Customer (2)	\$5.97	\$4.21	\$4.51	\$5.46	\$6.29	\$6.15	\$5.77	\$4.72	\$5.22	\$5.73	\$6.58	\$6.39	
13 Deficiency and Arrearage Combined	\$31.26	\$27.11	\$26.70	\$29.58	\$30.36	\$33.02	\$35.82	\$29.88	\$32.46	\$38.39	\$38.30	\$30.67	
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)	\$1,780	\$879	\$496	\$170	\$238	\$272	\$0	\$0	\$0	\$0	\$0	\$0	\$3,834
16 Total Adjusted Expenses (line 7 - line 15)	\$1,396,654	\$1,004,275	\$1,064,375	\$1,719,364	\$1,362,133	\$1,278,704	\$1,488,038	\$1,392,305	\$1,307,274	\$1,532,164	\$1,610,601	\$1,224,631	\$16,380,518

1/ Per tariff, Rider 5, Universal Service Charge, page 85. The Monthly Enrollment Level changed effective May 1, 2014 in compliance with base rate case order entered April 23, 2014 at Docket No. R-2013-2372129.

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, 2015

Calculation of Interest

	Nov.13	Dec.13	Jan.14	Feb.14	Mar.14	Apr.14	May.14	Jun.14	Jul.14	Aug.14	Sep.14	Oct.14	Total
1 Net Surcharge Revenue, Excl. GRT	\$1,039,650	\$1,262,562	\$3,069,464	\$2,652,367	\$2,511,399	\$1,880,016	\$1,974,365	\$2,806,466	\$2,994,116	\$2,940,445	\$773,847	(\$895,836)	\$23,008,862
2 E-Factor Revenue, Excl. GRT	\$238,482	\$289,370	(\$121,375)	(\$103,055)	(\$97,602)	(\$73,078)	(\$76,730)	(\$109,099)	(\$116,365)	(\$114,273)	(\$89,514)	(\$74,382)	(\$447,619)
3 Universal Service Charge Related Revenue, Excl. GRT	\$1,278,132	\$1,551,932	\$2,948,089	\$2,549,312	\$2,413,797	\$1,806,938	\$1,897,636	\$2,697,367	\$2,877,751	\$2,826,172	\$684,334	(\$970,217)	\$22,561,243
4 Expense	\$1,396,654	\$1,004,275	\$1,064,375	\$1,719,364	\$1,362,133	\$1,278,704	\$1,488,038	\$1,392,305	\$1,307,274	\$1,532,164	\$1,610,601	\$1,224,631	\$16,380,518
5 Over/(Under) Collection	(\$118,522)	\$547,657	\$1,883,714	\$829,948	\$1,051,664	\$528,234	\$409,598	\$1,305,062	\$1,570,477	\$1,294,008	(\$926,768)	(\$2,194,848)	\$6,180,725
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	(\$11,852)	\$52,027	\$169,534	\$70,546	\$84,133	\$39,618	\$28,672	\$84,829	\$94,229	\$71,170	(\$46,313)	(\$98,768)	\$537,824

ATTACHMENT A

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2015

Reconciliation of Revenue and Expense - November 1, 2013 through October 31, 2014

1	Net Surcharge Revenue, Incl. GRT	\$24,451,501	Exh. 1, Page 2
2	Net Surcharge Related Revenue, Excl. GRT		\$23,008,862 Line 1 * 0.941
3	E-Factor Revenue, Incl. GRT	(\$475,684)	Exh. 1, Page 3
4	E-Factor Revenue, Excl. GRT		(\$447,619) Line 3 * 0.941
5	Universal Service Related Revenue, Excl. GRT		\$22,561,243 Line 2 + Line 4
6	Universal Service Related Expense		\$16,380,518 Exh. 1, Page 4
7	Total Reconciliation Period Over/(Under) Collection		\$6,180,725 Line 5 - Line 5
8	Interest		\$537,824 Exh. 1, Page 5
9	<u>Net Reconciliation Period Over/(Under) Collection</u>		<u>\$6,718,550</u> Line 7 + Line 8
<u>E-Factor Reconciliation</u>			
10	Balance at YE October 31, 2013, Excl. GRT		(\$1,200,161) Att. A, Page 2
11	E-Factor Revenue - Nov 2013-Oct 2014, Excl. GRT		(\$447,619) Line 4
12	Prior Period Balance at October 31, 2014		(\$752,542) Line 10 - Line 11
13	Reconciliation Period Over/(Under) Collection - Nov 2013-Oct 2014		\$6,718,550 Line 9
14	Audit Finding No. 1 - Recovery of Understatement of CAP Discount		(\$623,025) Note (1)
15	Audit Finding No. 2 - Recovery of Understatement of Arrearage Forgiveness		(\$535,766) Note (1)
16	Audit Finding No. 3 - Refund with Interest of Overstatement of Administrative Charges		\$84,925 Note (1)
17	<u>E-Factor Balance at YE October 31, 2014</u>		<u>\$4,892,142</u> Sum Line 12 through Line 16

(1) Audit findings per Commission order entered January 23, 2014 at Docket No. D-2013-2343084. Interest on refund calculated at 44 months from from November 2011 and 32 months from November 2012 at 6%.

ATTACHMENT A
Duquene Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2015

Reconciliation of E-Factor Revenue

<u>Filed December 2013</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	
13	Nov 2012 to Oct 2013	E-Factor Revenue (excl. GRT)	<u>\$3,648,208</u>	
14		Prior Period Balance Oct. 31, 2013		(\$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 October 31, 2013	<u>(\$1,200,161)</u>	Line 14 + Line 17
<u>Filed December 2014</u>				
Effective January 1, 2015-December 2015				
19	Nov 2012 to Oct 2013	Prior Period Over/(Under) Collection	(\$1,200,161)	Line 18
20	Nov 2013 to Oct 2014	Current Period E-Factor Revenue (excl. GRT)	<u>(\$447,619)</u>	
21		Prior Period E-Factor Balance		(\$752,542) Line 19 - Line 20
22	Nov 2013 to Oct 2014	Actual Current Period Over/(Under) Recovery	\$6,180,725	
23		Interest	<u>\$537,824</u>	
24		Total		\$6,718,550 Line 22 + Line 23
25		E-Factor Balance at YE October 31, 2013		\$5,966,008 Line 21 + Line 24
26	Audit Finding No. 1 - Recovery of Understatement of CAP Discount			(\$623,025) Note (1)
27	Audit Finding No. 2 - Recovery of Understatement of Arrearage Forgiveness			(\$535,766) Note (1)
28	Audit Finding No. 3 - Refund with Interest of Overstatement of Administrative Charges			\$84,925 Note (1)
29		Net E-Factor Balance at YE October 31, 2014	<u>\$4,892,142</u>	Sum Line 25 through Line 28

{1} Audit findings per Commission order entered January 23, 2014 at Docket No. D-2013-2343084. Interest on refund calculated at 44 months from from November 2011 and 32 months from November 2012 at 6%.

ATTACHMENT A
 Duquesne Light Company
 Rider 5 - Universal Service Charge
 Proposed Charge Effective January 1, 2015

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	N	O =(M/L)*100	P =O*(1/(1-5.9%))		
Current Period November 2013-October 2014											Prior Period	Total	Total	Total			
Customer Class	Net Reconciliation Period Surcharge Revenue Exh. 1, Page 2	Reconciliation Period Surcharge Revenue E-Factor Revenue Exh. 1, Page 3	Reconciliation Surcharge Related Revenue	Reconciliation Period Related Revenue Less GRI	Reconciliation Period Expense Exh. 1, Page 4	Over/(Under) Collection e-Factor	Interest Exh. 1, Page 5	Total Over/(Under) Collection e-Factor	Over/(Under) Collection e-Factor Att. A, Page 1	Reconciliation Period Over/(Under) Collection e-Factor	Audit Findings (1)	Reconciliation Period Over/(Under) Collection e-Factor	Forecast Non-CAP Sales (kWh) Jan-Dec 2015 Att. A, Page 4	Proposed E-Factor Rate Excl. GRI	Proposed E-Factor Rate Incl. GRI	cents/kWh	
1 Residential (RS, RM, RA)	\$24,451,501	(\$475,684)	\$23,975,816	\$22,561,243	\$16,380,518	\$6,180,725	\$537,824	\$6,718,550	(\$752,542)	\$5,966,008	(\$1,073,866)	\$4,892,142	3,855,408,439	0.127	0.135		

(1) Audit findings per Commission audit order entered January 23, 2014 at DocId 3084.

ATTACHMENT A

**Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2015**

Calculation of the Projected Universal Service Charge

<u>Universal Service Program Costs:</u>		
1	CAP Revenue Deficiency	\$19,246,844
2	CAP Frozen Arrearage	\$4,006,332
3	CAP Administration Cost	\$1,200,000
4	Smart Comfort	\$1,364,600
5	CARES	\$135,000
6	Hardship Fund	\$75,000
7	<u>Projected Universal Service Program Budget</u>	<u>\$26,027,775</u>
 <u>Credit (Bad Debt Offset):</u>		
8	CAP Customer Participation Level	41,650 Per USC, Tariff Rider 5, page 85
9	<u>Actual Enrollment as of October 31, 2014</u>	<u>35,216</u>
10	Difference	0 Line 9 - Line 8
11	<u>Average Discount per Customer per Year</u>	<u>\$636 See Footnote 1</u>
12	Discount With Excess Customers	\$0 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>\$0 Line 12 * Line 13</u>
15	<u>Total Projected Universal Service Program Costs</u>	<u>\$26,027,775 Line 7 - Line 14</u>
 <u>Projected Non-CAP Sales:</u>		
16	Forecast Residential Sales (kWh)	4,176,260,197
17	<u>Less Forecast CAP Sales (kWh)</u>	<u>320,851,758</u>
18	Non-CAP Forecast Sales (kWh)	3,855,408,439 Line 16 - Line 17
19	Charge - \$/kWh	\$0.00675 Line 15 / Line 18
20	Charge - ¢/kWh	0.675 Line 19 * 100
21	T= Pennsylvania Gross Receipts Tax (GRT):	5.9%
22	<u>Projected Universal Service Charge (USC) (¢/kWh)</u>	<u>0.717 Line 20 * 1 / (1 - line 21)</u>
23	E-Factor Over/(Under) Collection (¢/kWh), Incl. GRT	0.135 Att. A, Page 3
24	<u>Universal Service Charge (USC) (¢/kWh) - Effective January 1, 2015</u>	<u>0.582 Line 22 - Line 23</u>

(1) Calculated as follows:

Projected 2015 CAP Deficiency and Arrearages (Line 1 + Line 2)	\$23,253,175
Projected Enrollment as of December 31, 2015	<u>36,539</u>
Average Discount per Customer per Year	<u>\$636</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):

Bureau of Investigation & Enforcement
PA Public Utility Commission
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twilliams@duqlight.com

Dated: December 1, 2014

UPS CampusShip: View/Print Label

1. **Ensure there are no other shipping or tracking labels attached to your package.** Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.

2. **Fold the printed sheet containing the label at the line so that the entire shipping label is visible.** Place the label on a single side of the package and cover it completely with clear plastic shipping tape. Do not cover any seams or closures on the package with the label. Place the label in a UPS Shipping Pouch. If you do not have a pouch, affix the folded label using clear plastic shipping tape over the entire label.

3. **GETTING YOUR SHIPMENT TO UPS**

UPS locations include the UPS Store[®], UPS drop boxes, UPS customer centers, authorized retail outlets and UPS drivers.

Schedule a same day or future day Pickup to have a UPS driver pickup all your CampusShip packages.

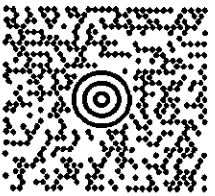

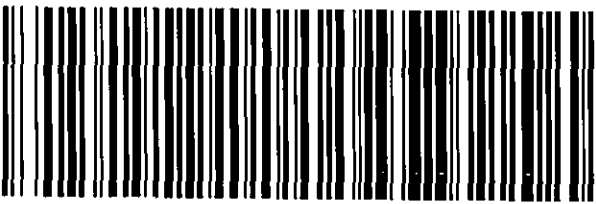

Hand the package to any UPS driver in your area.

Take your package to any location of The UPS Store[®], UPS Drop Box, UPS Customer Center, UPS Alliances (Office Depot[®] or Staples[®]) or Authorized Shipping Outlet near you. Items sent via UPS Return Services(SM) (including via Ground) are also accepted at Drop Boxes. To find the location nearest you, please visit the Resources area of CampusShip and select UPS Locations.

Customers with a Daily Pickup

Your driver will pickup your shipment(s) as usual.

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KIM REYNOLDS 4123931542 DUQUESNE LIGHT 411 7TH AVENUE, 16-1 PITTSBURGH PA 15219		4.4 LBS LTR	1 OF 1
SHIP TO: ROSEMARY CHIAVETTA, SECRETARY 717-772-7777 PENNSYLVANIA PUBLIC UTILITY COMMISS 400 NORTH STREET SECOND FLOOR COMMONWEALTH KEYSTONE BUILDING HARRISBURG PA 17120-0093			
	PA 171 9-20 		
UPS NEXT DAY AIR		1	
TRACKING #: 1Z 187 399 NT 9460 4401			
			
BILLING: P/P ATTENTION UPS DRIVER: SHIPPER RELEASE			
Cost Center: 006			
CS 16.7.04. WNTZ90 57.0A 10/2014			

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