



Duquesne Light

Our Energy...Your Power

411 Seventh Avenue
16th Floor
Pittsburgh, PA 15219

Tel 412-393-1541
Fax 412-393-5757
twilliams@duqlight.com

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

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

Dear Secretary Chiavetta:

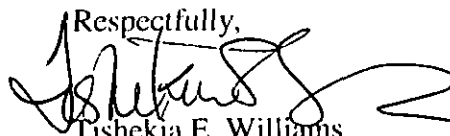
Enclosed for filing is Duquesne Light Company's ("Duquesne Light" or "Company") Universal Service Charge Rider No. 5 reconciliation statement for the period of November 1, 2013 through October 31, 2014 ("Reconciliation Filing"). Duquesne Light experienced an over collection of \$6,718,550 for the reconciliation 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.

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

Respectfully,


Tishekia E. Williams
Senior Counsel, Regulatory

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Enclosures
cc: Certificate of Service

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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

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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	(\$825,222)	\$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
4 B. E-Factor Rate (1) Cents per kWh, Inc. GRT	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	Seq-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	\$2,606,466	\$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)	\$22,561,223
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	\$16,360,518
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	(\$926,268)	(\$2,194,648)	\$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	\$84,819	\$94,229	\$71,170	(\$46,313)	(\$98,768)	\$537,824

CERTIFICATE OF SERVICE

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

FIRST CLASS MAIL

Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
PO Box 3265
Harrisburg, PA 17105-3265

Patrick M. Cicero, Esquire
Harry S. Geller, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101

Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Sharon E. Webb, Esquire
Small Business Advocate
Office of the Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101

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Tishekia Williams, Esquire
Senior Counsel, Regulatory
Duquesne Light Company
411 Seventh Avenue, 16-1
Pittsburgh, PA 15222
412-393-1541
twilliams@duqlight.com

Date: December 1, 2014

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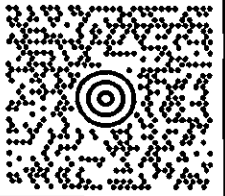
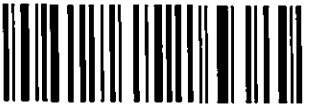
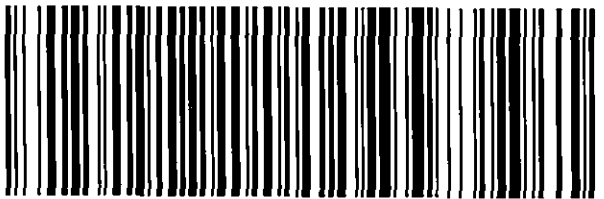

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