



Duquesne Light
Our Energy...Your Power

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Tishkia E. Williams
Senior Counsel

December 22, 2014

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

**RE: Duquesne Light Company – Rider No. 10 State Tax Adjustment Surcharge
Supplement No. 109 to Tariff Electric - PA. P.U.C. No. 24**

Dear Secretary Chiavetta:

Enclosed for filing, please find an original copy of Supplement No. 109 to Duquesne Light Company's ("Company") Tariff-Electric, PA. P.U.C. No. 24 which amends Rider No. 10 – State Tax Adjustment Surcharge to be effective January 1, 2015.

Pursuant to Commission Order issued December 1, 2006 at docket number R-00061346, the structure of Duquesne Light's Rider No. 10 – State Tax Adjustment Surcharge was modified. Accordingly, the State Tax Adjustment surcharge has two parts: Part 1 applies to the distribution component of customers' bills and Part 2 to all components of the bills. Duquesne proposes new tax surcharge rates -0.0252% for Part I, and 0.0000% for Part II. These rates appear in the proposed Rider No. 10 enclosed herein to be effective January 1, 2015.

If you have any questions regarding the information in this filing, please feel free to contact me or Bill Pfrommer at (412) 393-3623.

Respectfully,

Tishkia 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 22, 2014

EFFECTIVE: January 1, 2015

Issued in compliance with Section B-1 of the Pennsylvania Public Utility Commission
Order of March 10, 1970.

NOTICE

THIS TARIFF SUPPLEMENT INCREASES A RATE WITHIN AN EXISTING RIDER

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

INCREASE

Rider No. 10 – State Tax Adjustment

Tenth Revised Page No. 94
Cancelling Ninth Revised Page No. 94

In compliance with Section B-1 of the Pennsylvania Public Utility Commission Order of March 10, 1970, the State Tax Adjustment (STAS) has been recalculated as follows:

Part 1 of the surcharge has increased from (0.1210%) to (0.0252%). Part 2 of the Surcharge remains at 0.0000%.

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 10 - STATE TAX ADJUSTMENT****(Applicable to All Rates)**

In addition to the charges provided in this Tariff, a two-part surcharge will apply to all bills rendered by the Company, pursuant to the Pennsylvania Public Utility Commission authorization of March 10, 1970, to compensate the Company for new and increased taxes imposed by the General Assembly.

Part 1 of the surcharge, at a rate of (0.0252%) will include Capital Stock Tax, Corporate Net Income Tax, and Public Utility Realty Tax, which will be applied to the distribution charges of customer bills. (I)

Part 2 of the surcharge, at a rate of 0.0000% will include Gross Receipts Tax and will be applied to all portions of customer bills.

The Company will recompute the surcharge using the elements prescribed by the Commission's March 10, 1970, authorization:

1. Whenever any of the tax rates used in computing the surcharge is changed, in which case the recomputation shall take into account the changed tax rate.
2. Whenever the Company makes effective increased or decreased rates (other than net energy clause), in which case the recomputation shall take into account the adjustments prescribed by the Commission's March 10, 1970, authorization.
3. On December 22, and each year thereafter.

Every recomputation made pursuant to the above paragraph shall be submitted to the Commission within ten (10) days after the occurrence of the event or date which occasions such recomputation; and if the recomputed surcharge is less than the one then in effect the Company will, and if the recomputed surcharge is more than the one then in effect the Company may, accompany such recomputation with a Tariff or supplement to reflect such recomputed surcharge, the effective date of which, shall be ten (10) days after filing.

DUQUESNE LIGHT COMPANY
State Tax Adjustment Surcharge Computation

Application Period: January 1, 2015 - December 31, 2015

(Summary of Revenue Requirements Submitted in Compliance with Pennsylvania Public Utility Commission Order Dated March 10, 1970 Re State Tax Adjustment Procedure and Order dated December 16, 1999 at R-00994930)

Part I - Applicable to Distribution Charges on Customer Bills

1 Capital Stock and Franchise Tax

Duquesne Light PA Corporate Tax Report	2013	\$1,074,321,515	
	Current Tax Millage Rate	0.45	
	Millage Recovery in Base Rates (1)	<u>0.60</u>	
			(0.15)
Decrease in Capital Stock and Franchise Tax Liability			(161,148)

(1) Weighted millage rate used in Company's August 2, 2013 rate case filing (Docket No. R-2013-2372129).

2 Public Utility Realty Tax

Taxable Value of T&D Property	2013	25,117,749	
	Current Tax Millage Rate	32.4251	
	Millage Recovery in Base Rates	<u>30.0000</u>	
			2.4251
Increase in PURTA Liability			60,913

3 Reconciliation of Prior Period STAS

Under-refund of Prior Period STAS (See page 3) (25,010)

4 Total of Above Items (125,245)

5 Gross-up for GRT Line 4 / 0.9410 (133,098)

6 Projected Distribution Revenues for Application Period 528,960,412

7 Part I STAS Rate (Line 5 / 6) -0.0252%

DUQUESNE LIGHT COMPANY
State Tax Adjustment Surcharge Computation
Application Period: January 1, 2015 - December 31, 2015

Page 2 of 3

(Summary of Revenue Requirements Submitted in Compliance with Pennsylvania Public Utility Commission Order Dated March 10, 1970 Re: State Tax Adjustment Procedure and Order dated December 16, 1999 at R-00994930)

Part II - Applicable to All Charges on Customer Bills

1 Gross Receipts Tax Adjustment for PURTA Surcharge

2015 Surcharge Millage Rate	0.00	
Projected total revenues	\$802,102,357	
Increase in Gross Receipts Tax Liability		\$0
4 Total of Above Items		0
5 Gross-up for GRT	Line 4 / 0.9410	0
6 Projected Total Revenues for Application Period		\$802,102,357
7 Part II STAS Rate (Line 5 / 6)		<u>0.0000%</u>

DUQUESNE LIGHT COMPANY
State Tax Adjustment Surcharge Computation
Application Period: January 1, 2015 - December 31, 2015

(Summary of Revenue Requirements Submitted in Compliance with Pennsylvania Public Utility Commission Order Dated March 10, 1970 Re: State Tax Adjustment Procedure and Order dated December 16, 1999 at R-00994930)

Reconciliation of STAS Rider 01/01/2014 through 12/31/2014

1 Capital Stock and Franchise Tax

2012	\$1,008,241,603			
	2014 Tax Expense @	0.067%	=	\$675,522
	Millage Recovery in Base Rates (1)	0.136%	=	<u>1,374,569</u>

(1) Weighted millage rate for 2014 based on Company's July 23, 2010 rate case filing (Docket No. R-2010-2179522) and August 2, 2013 rate case filing (Docket No. R-2013-2372129).

Amount to be Refunded through STAS	(699,048)
Amount Refunded through STAS	<u>(671,272)</u>
Over/(Under) Refund	(27,775)

2 PURTA Tax

PURTA Assessment to be refunded through STAS	69,606
Amount Refunded through STAS	<u>66,840</u>
Over/(Under) Refund	2,766

4 Total Over/(Under) Refund of STAS 1/01/2014 through 12/31/2014 **(\$25,010)**

CERTIFICATE OF SERVICE

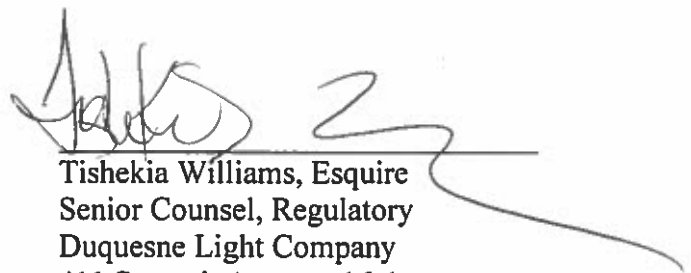
I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. § 1.54 (relating to service by a participant).

FIRST CLASS MAIL

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

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

Office of Small Business Advocate
300 North Second Street, Suite 1102
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Date: December 22, 2014