



Tishekia E. Williams
Managing Counsel, Regulatory

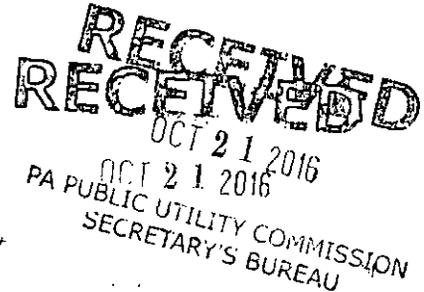
411 Seventh Avenue
Mail drop 15-7
Pittsburgh, PA 15219

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

October 21, 2016

Via Overnight Delivery

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



**Re: Petition of Duquesne Light Company for Approval of a Distribution System
Improvement Charge
Docket Number: P-2016-2540046**

**Implementation of Act 11 of 2012
Docket Number: M-2012-2293611**

Dear Secretary Chiavetta:

Enclosed for filing, please find a redlined and original copy of Duquesne Light Company ("Duquesne Light" or "Company") Supplement No. 145 to Electric-PA P.U.C. No. 24 issued October 21, 2016 to become effective November 1, 2016. Supplement No. 145 is issued in compliance with Pennsylvania Public Utility Commission ("Commission") Supplemental Implementation Order entered on September 21, 2016 at Docket No. M-2012-2293611. Supplement No. 145 modifies language and a formula in Duquesne Light's Rider No. 22 – Distribution System Improvement Charge. A description of the changes contained in Supplement No. 145 is detailed on list of modifications contained on page 2 of the tariff filing.

Please feel free to contact me with any questions, comments or concerns.

Respectfully Submitted,

Tishekia E. Williams
Attorney ID#208997

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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OCT 21 2016

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ISSUED: October 21, 2016

EFFECTIVE: November 1, 2016

Issued in compliance with the Commission's
Supplemental Implementation Order (Implementation of Act 11 of 2012)
entered September 21, 2016, at Docket No. M-2012-2293611.

NOTICE

**THIS TARIFF SUPPLEMENT ADDS AND MODIFIES LANGUAGE AND MODIFIES A FORMULA IN
RIDER NO. 22 – DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC")**

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF**CHANGES****Table of Contents****Thirty-Third Revised Page No. 3
Cancelling Thirty-Second Revised Page No. 3**

Original Page No. 112F has been added to retail Tariff No. 24 and, therefore, to the Table of Contents.

**Rider No. 22 – Distribution System Improvement
Charge (“DSIC”)****First Revised Page No. 112D
Cancelling Original Page No. 112D**

In Compliance with the Commission's Supplemental Implementation Order (Implementation of Act 11 of 2012) entered September 21, 2016, at Docket No. M-2012-2293611, modifications have been made to the formula in calculating the E-Factor and reconciling over and under collections with the DSIC and any resulting residual when the DSIC is reset to zero.

**Rider No. 22 – Distribution System Improvement
Charge (“DSIC”)****First Revised Page No. 112E
Cancelling Original Page No. 112E**

In Compliance with the Commission's Supplemental Implementation Order (Implementation of Act 11 of 2012) entered September 21, 2016, at Docket No. M-2012-2293611, language has been added to Item No. 2. Audit / Reconciliation under the Customer Safeguards section that permits the Company to request approval from the Commission for quarterly reconciliation in order to recover an under-collection from customers or refund an overcollection amount to customers in a single quarter for the quarterly period commencing April 1.

Language has been added to state that the Company is not permitted to accrue interest on under collections.

Item No. 6. Earnings Reports has been moved to Original Page No. 112F in order to accommodate the modifications to Item No. 2. Audit / Reconciliation.

**Rider No. 22 – Distribution System Improvement
Charge (“DSIC”)****Original Page No. 112F**

Original Page No. 112F has been added to Tariff No. 24 in order to accommodate the modifications made in Compliance with the Commission's Supplemental Implementation Order (Implementation of Act 11 of 2012) entered September 21, 2016, at Docket No. M-2012-2293611.

Item No. 6. Earnings Reports has been moved to Original Page No. 112F in order to accommodate the modifications to Item No. 2. Audit / Reconciliation.

In Compliance with the Commission's Supplemental Implementation Order (Implementation of Act 11 of 2012) entered September 21, 2016, at Docket No. M-2012-2293611, language has been added to Item No. 6. Earnings Report stating that a tariff supplement should be filed on one-day's notice to reset the DSIC to zero due to overearning.

Item No. 7. Residual E-Factor Recovery Upon Reset to Zero has been added under the Customer Safeguards section to resolve any residual over/under collection or E-Factor amount after the DSIC rate has been reset to zero.

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(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 22 – DISTRIBUTION SYSTEM IMPROVEMENT CHARGE – (Continued)

(Applicable to All Rates)

COMPUTATION OF THE DSIC – (Continued)

APPLICATION OF DSIC – (Continued)

The DSIC shall be applied on a bills rendered basis at the effective date of each change.

To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected revenue for distribution service (including all applicable clauses and riders) for the quarterly period during which the charge will be collected, exclusive of the STAS.

FORMULA

The formula for calculation of the DSIC is as follows:

$$DSIC = \left\{ \frac{(DSI * PTRR) + Dep}{PQR} + \frac{e}{PQR} \right\} * (1 / (1 - T)) \quad (C)$$

WHERE:

DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation.

PTRR = Pre-tax return rate applicable to DSIC-eligible property.

Dep = Depreciation expense related to DSIC-eligible property.

e = Amount calculated (+ /-) under the annual reconciliation feature or Commission audit, as described below. (C)

PQR = Projected quarterly revenues for distribution service (including all applicable clauses and riders) from existing customers plus netted revenue from any customers which will be acquired or lost by the beginning of the applicable service period.

Revenue shall be based upon the summation of projected revenues for the applicable three-month period.

T = Pennsylvania Gross Receipts Tax ("GRT") rate in effect during the billing month, expressed in decimal form.

Minimum bills shall not be reduced by reason of the DSIC. DSIC charges shall not be a part of the monthly rate schedule minimum nor be subject to any credits or discounts.

The State Tax Adjustment Surcharge ("STAS") included in this Tariff is applied to charges under the DSIC.

(C) – Indicates Change

ISSUED: OCTOBER 21, 2016

EFFECTIVE: NOVEMBER 1, 2016

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 22 – DISTRIBUTION SYSTEM IMPROVEMENT CHARGE – (Continued)

(Applicable to All Rates)

QUARTERLY UPDATES

Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Commission's Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

CUSTOMER SAFEGUARDS

1. **CAP** The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.
2. **AUDIT / RECONCILIATION** The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, et seq., shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the Company may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307 (e), over a one-year period commencing on April 1 of each year or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) and will be refunded in the same manner as an over-collection. The Company is not permitted to accrue interest on under collections. (C)
3. **NEW BASE RATES** The DSIC will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rates or rate base will be reflected in the quarterly updates of the DSIC. (C)
4. **CUSTOMER NOTICE** Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing. (C)
5. **ALL CUSTOMER CLASSES** The DSIC shall be applied equally to all customer classes. (C)

(C) – Indicates Change

ISSUED: OCTOBER 21, 2016

EFFECTIVE: NOVEMBER 1, 2016

STANDARD CONTRACT RIDERS - (Continued)

(C)

RIDER NO. 22 - DISTRIBUTION SYSTEM IMPROVEMENT CHARGE - (Continued)**(Applicable to All Rates)****CUSTOMER SAFEGUARDS - (Continued)**

6. **EARNINGS REPORTS** The DSIC will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings Reports show that the Utility would earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section. The Company shall file a tariff supplement implementing the reset to zero due to overearning on one-day's notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings Report indicating that the Company has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs. (C)
7. **RESIDUAL E-FACTOR RECOVERY UPON RESET TO ZERO** The Company shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The Company can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The Company shall refund any overcollection to customers and is entitled to recover any undercollections as set forth in Item No. 2. Audit / Reconciliation under the Customer Safeguards section. Once the Company determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the Company shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement. (C)

(C) - Indicates Change

ISSUED: OCTOBER 21, 2016

EFFECTIVE: NOVEMBER 1, 2016

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):

FIRST-CLASS MAIL

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

Sharon Webb, Esq.
Office of Small Business Advocate
300 North Second Street
Suite 1102
Harrisburg, PA 17101

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

Theodore Robinson
Citizen Power
2121 Murray Avenue
Pittsburgh, PA 15217

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OCT 21 2016

PA MISSION
OF SECRETARY'S BUREAU

Dated: October 21, 2016



Tishekia Williams, Esquire.
Duquesne Light Company
411 Seventh Avenue, 16-1
Pittsburgh, PA 15219
Phone: 412-393-1541
Fax: 412-393-5757
Email: twilliams@duqlight.com

