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March 31, 2017

Via Overnight Delivery

RECEIVED

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

MAR 31 2017

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Re: Duquesne Light Company Rider No. 1 – Retail Market Enhancement Surcharge
Rate Calculation Filing
Supplement No. XXX to Tariff Electric – PA. P.U.C. No. 24**

Dear Secretary Chiavetta:

Enclosed for filing are red-lined pro forma tariff pages updating the rates in Duquesne Light Company's ("Duquesne Light" or the "Company") Rider No. 1 – Retail Market Enhancement ("RME") Surcharge for the period June 1, 2017, to May 31, 2018. Pursuant to Rider No. 1, this filing is made on 60 days' notice.

The RME Surcharge is being revised consistent with the Non-Unanimous Settlement ("Settlement"), filed on September 23, 2016, and approved in its entirety by the Pennsylvania Public Utility Commission, in the Company's recent default service proceeding. *Petition of Duquesne Light Company for Approval of a Default Service Plan for the Period June 1, 2017, through May 31, 2021*, Docket No. P-2016-2543140, Order entered December 22, 2016. The red-lined items in these pro forma tariff pages indicate updates to the pro forma tariff that was included as Appendix A to the Settlement.

Duquesne Light will file its RME Surcharge rates to become effective on June 1, 2017, as set forth in the enclosed red-lined pro forma tariff pages, with its Default Service compliance filing on or about April 28, 2017. These RME Surcharge rates will supersede those contained in the Company's tariff Supplement No. 154, which as explained in that filing's cover letter, is being filed in compliance with the Company's Rider No. 1 as currently written.

Should you have any questions, please do not hesitate to contact David Ogden, Manager, Rates & Tariff Services, at (412) 393-6343 or dogden@duqlight.com.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'T. Williams', written over a horizontal line.

Tishekia Williams
Managing Counsel, Regulatory

Enclosure

Cc: Certificate of Service

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STANDARD CONTRACT RIDERS - (Continued)

MAR 31 2017

RIDER NO. 1 – RETAIL MARKET ENHANCEMENT SURCHARGE

PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

(Applicable to all Rates)

The Retail Market Enhancement Surcharge ("RMES") is instituted as a cost recovery mechanism to recover all eligible costs incurred by the Company associated with implementing Commission-mandated activities, programs, projects, services etc. to enhance the competitive energy market in Pennsylvania. As an example, some of the mandated activities may be found in, but are not limited to, Commission Order's at Docket No. I-2011-2237952, Docket No. M-2013-2355751, and Docket No. M-2014-2401345. In addition, in accordance with the Commission's Order entered on December 22, 2016, at Docket No. P-2016-2543140, beginning June 1, 2017, the RMES recovers the Purchase of Receivables ("POR") program discount expense associated with the uncollectible expense of Electric Generation Supplier ("EGS") consolidated billings. The RMES shall remain in effect to recover all expenses associated with Commission-mandated consumer education and retail market enhancement activities that are directed by the Commission to be recovered through the RMES or other Commission-approved mechanism and that are not otherwise being recovered in base rates. Consumer education activities shall also include those expenses to educate low-income and Customer Assistance Program ("CAP") customers about shopping in the retail market. The RMES will be recomputed annually and filed, to be effective June 1 of each year, unless the new rate is such a small change as to warrant no change in rates. The RMES shall be applied to all customers' bills. The RMES process will reconcile actual expense with revenue billed in accordance with this Rider.

(C)

MONTHLY RETAIL MARKET ENHANCEMENT SURCHARGE RATES

Tariff Rate Class	Monthly RME Surcharge per Customer (cents)	Monthly POR Surcharge per Customer (cents)	Total (cents)
Rate RS	1.00	10.00	11.00
Rate RH	1.00	10.00	11.00
Rate RA	1.00	10.00	11.00
Rate GS	1.00	15.00	16.00
Rate GM < 25 kW	1.00	15.00	16.00
Rate GM > 25 kW	1.00	101.00	102.00
Rate GMH < 25 kW	1.00	15.00	16.00
Rate GMH > 25 kW	1.00	101.00	102.00
Rates GL, GLH, L and HVPS	1.00	0.00	1.00
Rates AL, SE, UMS, SM, SH and PAL	5.00	0.00	5.00

(I)
(I)
(I)
(I)
(I)
(I)
(D)
(D)

CALCULATION OF RATES

The RMES, calculated independently for each customer class in this Tariff, shall be applied to all customers served under the Tariff. The RMES shall be determined in cents per month in accordance with the formula set forth below and shall be applied to all customers served during any part of a billing month.

$$RMES = [((RME - e) + POR) / (C * 12) * 100] * [1 / (1 - T)]$$

(C)

Where **RMES** = Retail Market Enhancement Surcharge, a fixed charge in cents per month, to be billed to each customer served under the applicable Tariff rate class.

(I) – Indicates Increase

(D) – Indicates Decrease

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 1 – RETAIL MARKET ENHANCEMENT SURCHARGE – (Continued)****(Applicable to all Rates)****CALCULATION OF RATES – (CONTINUED)**

- RME** = Projected annual expenses associated with retail market enhancement, consumer education activities and CAP customer education mandated by the Commission in dollars for each customer class for the filing year. CAP customer education dollars shall be assigned to the Residential customer class for cost recovery purposes.
- POR** = The annual expense of \$797,900 associated with the Purchase of Receivables program discount for each customer class based on calendar year 2015 data. This amount shall remain fixed. (C)
- C** = Projected average number of customers per customer class for the filing year.
- e** = The net overcollection or undercollection of the consumer education and retail market enhancement related expenses directed by the Commission as computed for each customer class as of the end of the reconciliation year.
- T** = The Pennsylvania Gross Receipts Tax in effect during the billing month, expressed in decimal form.

ANNUAL UPDATE

The RMES defined herein will be updated effective June 1 of each year unless, upon determination, the rates then in effect would result in a significant over or under collection. On or about January 31, the Company will file a reconciliation of the revenue and expense for the previous calendar year. On or about April 1 of the filing year, the Company will file revised RMES rates with the Commission defining rates in effect from June 1 to May 31 of the following year. These rates shall be determined based on the projected budget and number of customers for the filing year and the over or under collection of expenses based on actual RMES revenue and expense incurred for the previous calendar year, the reconciliation year. If it is determined that a significant over or under collection will occur, the Company shall file a revised RMES to become effective on no less than ten (10) day notice.

MISCELLANEOUS

No interest will be included in the RMES.

Rider No. 10 – State Tax Adjustment Surcharge (STAS) shall be applicable to the surcharge defined in this Rider.

The RMES will be added to the monthly Customer Charge of each rate schedule or added as a line item on the monthly bill, as applicable.

The Company shall file reconciliation statements annually.

The RMES shall be subject to review and audit by the Commission.

The RMES shall remain in effect until otherwise directed by the Commission and until the final reconciliation statement is approved and charges fully recovered.

(C) – Indicates Change**ISSUED: XXXXX XX, 2017****EFFECTIVE: XXXX X, 2017**

EXHIBIT 1

Duquesne Light Company
 Rider No. 1 - Retail Market Enhancement
 Proposed Surcharge Effective June 1, 2017

Reconciliation of Revenue and Expense - January 1, 2016 through December 31, 2016

1	Surcharge Revenue, Incl. GRT	\$452,516	Exh. 1, Page 3
2	Surcharge Revenue, Excl. GRT		\$425,818 Line 1 * 0.941
3	E-Factor Revenue, Incl. GRT	\$394,202	Exh. 1, Page 4
4	E-Factor Revenue, Excl. GRT		\$370,944 Line 3 * 0.941
5	Net Retail Market Enhancement Related Revenue, Excl. GRT		\$54,873 Line 2 - Line 4
6	Retail Market Enhancement Related Expense		\$91,104 Exh. 1, Page 5
7	Reconciliation Period (Over)/ Under Collection		\$36,230 Line 6 - Line 5
8	Balance at May 2016, Excl. GRT	\$633,439	Att. A, Page 1
9	E-Factor Revenue - Jun-Dec 2016 , Excl. GRT	\$370,944	Line 4
10	Prior Period Balance at YE 2016	\$262,495	Line 8 - Line 9
11	Reconciliation Period (Over)/ Under Collection - Jun-Dec 2016	\$36,230	Line 7
12	E-Factor Balance at YE 2016	\$298,725	Line 10 + Line 11

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PA PUBLIC UTILITY COMMISSION
 SECRETARY'S BUREAU

EXHIBIT 1

Duquesne Light Company
Rider No. 1 - Retail Market Enhancement
Proposed Surcharge Effective June 1, 2017

Summary of Revenue and Expense for the Reconciliation Period - January 2016 through December 2016

	a	b	c = a + b	d = c * 0.941	e = b * 0.941	f = d - e	g	h = g - f
<u>Customer Class / (Rate Class)</u>	Surcharge C-Factor Revenue <u>Incl. GRT</u>	Surcharge E-Factor Revenue <u>Incl. GRT</u> Exh. 1, Page 4	Total Surcharge Revenue <u>Incl. GRT</u>	Total Surcharge Revenue <u>Excl. GRT</u>	Surcharge E-Factor Revenue <u>Excl. GRT</u>	Net Retail Market Enhancement Related Revenue	Surcharge Related Expense <u>Exh. 1, Page 5</u>	Total (Over) Under Collection
1 Residential (RS, RH, RA)	\$51,806	\$352,875	\$404,680	\$380,804	\$332,055	\$48,749	\$81,535	\$32,786
2 Small Commercial & Industrial (GS, GM, GMH) <25 kW	\$4,517	\$29,282	\$33,799	\$31,805	\$27,554	\$4,251	\$6,789	\$2,539
3 Medium Commercial & Industrial (GM, GMH) >25 kW	\$1,040	\$7,101	\$8,142	\$7,661	\$6,682	\$979	\$1,634	\$655
4 Large Commercial & Industrial (GL, GLH, L, HVPS)	\$90	\$598	\$687	\$647	\$563	\$84	\$138	\$54
5 Lighting (AL, SE, SM, SH, PAL)	\$109	\$673	\$782	\$736	\$633	\$103	\$155	\$52
6 Unmetered (UMS)	\$752	\$3,674	\$4,425	\$4,164	\$3,457	\$708	\$851	\$144
7 Total	\$58,314	\$394,202	\$452,516	\$425,818	\$370,944	\$54,873	\$91,104	\$36,230

EXHIBIT 1

**Duquesne Light Company
Rider No. 1 - Retail Market Enhancement
Proposed Surcharge Effective June 1, 2017**

Summary of Surcharge Revenue - January 2016 through December 2016

A. Actual 2016 Surcharge Revenue by Month, Incl. GRT

<u>Rate Class</u>	Jan-2016	Feb-2016	Mar-2016	Apr-2016	May-2016	Jun-2016	Jul-2016	Aug-2016	Sep-2016	Oct-2016	Nov-2016	Dec-2016	<u>Total</u>
1 RS	\$0	\$0	\$0	\$0	\$0	\$52,591	\$53,288	\$53,678	\$53,825	\$53,998	\$54,074	\$54,314	\$375,769
2 RH	\$0	\$0	\$0	\$0	\$0	\$2,129	\$5,023	\$3,336	\$3,148	\$4,241	\$4,323	\$3,160	\$25,359
3 RA	\$0	\$0	\$0	\$0	\$0	\$302	\$662	\$504	\$431	\$543	\$599	\$511	\$3,552
4 GS	\$0	\$0	\$0	\$0	\$0	\$1,923	\$3,287	\$2,530	\$2,066	\$2,551	\$2,699	\$2,649	\$17,704
5 GM <25KW	\$0	\$0	\$0	\$0	\$0	\$1,553	\$2,606	\$2,051	\$1,843	\$2,002	\$2,247	\$2,019	\$14,321
6 GM =>25KW	\$0	\$0	\$0	\$0	\$0	\$854	\$1,299	\$1,082	\$918	\$1,025	\$1,090	\$1,075	\$7,344
7 GMH <25KW	\$0	\$0	\$0	\$0	\$0	\$185	\$317	\$263	\$221	\$258	\$284	\$246	\$1,774
8 GMH =>25KW	\$0	\$0	\$0	\$0	\$0	\$75	\$165	\$106	\$99	\$115	\$123	\$115	\$798
9 GL	\$0	\$0	\$0	\$0	\$0	\$55	\$114	\$89	\$70	\$88	\$91	\$84	\$591
10 GLH	\$0	\$0	\$0	\$0	\$0	\$7	\$15	\$13	\$7	\$11	\$11	\$11	\$74
11 L	\$0	\$0	\$0	\$0	\$0	\$2	\$4	\$4	\$1	\$3	\$3	\$3	\$20
12 HVPS	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$0	\$0	\$0	\$0	\$1	\$3
13 AL	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$1	\$1	(\$0)	\$0	\$0	\$2
14 SE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1
15 SM	\$0	\$0	\$0	\$0	\$0	\$19	\$18	\$19	\$19	\$19	\$20	\$21	\$134
16 SH	\$0	\$0	\$0	\$0	\$0	\$1	\$1	\$1	\$1	\$1	\$1	(\$0)	\$9
17 PAL	\$0	\$0	\$0	\$0	\$0	\$88	\$90	\$88	\$88	\$89	\$90	\$104	\$636
18 UMS	\$0	\$0	\$0	\$0	\$0	\$618	\$615	\$571	\$604	\$575	\$654	\$787	\$4,425
19 Total	\$0	\$0	\$0	\$0	\$0	\$60,403	\$67,507	\$64,336	\$63,344	\$65,519	\$66,309	\$65,099	\$452,516

B. Actual 2016 Surcharge Revenue by Customer Class

	<u>Incl. GRT</u>	<u>Excl. GRT</u>
20 Residential (RS, RH, RA)	\$404,680	\$380,804
21 Small Commercial & Industrial (GS, GM, GMH) <25 kW	\$33,799	\$31,805
22 Medium Commercial & Industrial (GM, GMH) >25 kW	\$8,142	\$7,661
23 Large Commercial & Industrial (GL, GLH, L, HVPS)	\$687	\$647
24 Lighting (AL, SE, SM, SH, PAL)	\$782	\$736
25 Unmetered (UMS)	\$4,425	\$4,164
26 Total	\$452,516	\$425,818

EXHIBIT 1

Duquesne Light Company
Rider No. 1 - Retail Market Enhancement
Proposed Surcharge Effective June 1, 2017

Calculation of E-Factor Revenue - January 2016 through December 2016

Rate Class	Jan-2016	Feb-2016	Mar-2016	Apr-2016	May-2016	Jun-2016	Jul-2016	Aug-2016	Sep-2016	Oct-2016	Nov-2016	Dec-2016	Total
A Actual Customer Count by Month													
1 RS	489,932	490,407	490,383	489,552	488,930	486,958	487,213	488,907	491,015	491,867	492,701	493,465	5,881,330
2 RH	30,758	30,932	31,394	31,342	31,464	31,349	31,443	31,874	32,329	32,579	32,748	32,940	381,152
3 RA	4,117	4,145	4,161	4,187	4,192	4,223	4,599	4,616	4,655	4,664	4,679	4,679	52,917
4 GS	22,720	22,714	22,621	22,686	22,716	22,656	22,635	22,739	22,804	22,802	22,918	22,937	272,948
5 GM <25KW	18,704	18,745	18,808	18,683	18,676	18,635	18,603	18,713	18,757	18,727	18,684	18,680	224,415
6 GM >25KW	9,514	9,516	9,539	9,531	9,547	9,563	9,559	9,584	9,607	9,596	9,610	9,618	114,784
7 GMH <25KW	2,269	2,265	2,260	2,255	2,257	2,250	2,261	2,275	2,277	2,276	2,271	2,261	27,177
8 GMH >25KW	1,008	1,014	1,016	1,017	1,015	1,016	1,011	1,013	1,014	1,017	1,018	1,020	12,179
9 GL	753	765	765	765	765	769	769	769	768	765	765	766	9,184
10 GLH	107	96	96	96	96	96	96	96	96	95	95	96	1,161
11 L	26	26	26	26	26	26	26	26	26	26	26	26	312
12 MVPS	4	4	4	4	4	4	4	4	4	4	4	4	48
13 AL	3	3	3	3	3	3	3	3	3	3	3	3	38
14 SE	1	1	1	1	1	1	1	1	1	1	1	1	12
15 SM	175	175	175	174	174	174	174	174	174	177	178	178	2,102
16 SH	14	14	13	13	13	13	13	13	13	13	13	13	158
17 PAL	806	809	805	805	805	811	810	811	811	814	812	813	9,712
18 UMS	5,478	5,478	5,476	5,486	5,489	5,493	5,494	5,495	5,495	5,476	5,479	5,477	65,816

B E-Factor Rate per Customer Class, Excl. GRT													
19 Residential (RS, RH, RA)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09
20 Small Commercial & Industrial (GS, GM, GMH) <25 kW	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09
21 Medium Commercial & Industrial (GM, GMH) >25 kW	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09
22 Large Commercial & Industrial (GL, GLH, L, MVPS)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09
23 Lighting (AL, SE, SM, SH, PAL)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09
24 Unmetered (UMS)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09

C. E-Factor Revenue by Month, Excl. GRT													
25 RS	\$0	\$0	\$0	\$0	\$0	\$41,826	\$43,849	\$44,007	\$44,191	\$44,268	\$44,343	\$44,412	\$308,891
26 RH	\$0	\$0	\$0	\$0	\$0	\$2,821	\$2,830	\$2,869	\$2,910	\$2,932	\$2,947	\$2,965	\$20,274
27 RA	\$0	\$0	\$0	\$0	\$0	\$380	\$414	\$415	\$419	\$420	\$421	\$421	\$2,890
28 GS	\$0	\$0	\$0	\$0	\$0	\$2,039	\$2,037	\$2,047	\$2,052	\$2,052	\$2,063	\$2,064	\$14,354
29 GM<25	\$0	\$0	\$0	\$0	\$0	\$1,677	\$1,674	\$1,684	\$1,688	\$1,685	\$1,682	\$1,681	\$12,772
30 GM>25	\$0	\$0	\$0	\$0	\$0	\$861	\$860	\$863	\$865	\$864	\$865	\$866	\$6,047
31 GMH<25	\$0	\$0	\$0	\$0	\$0	\$203	\$203	\$205	\$205	\$205	\$204	\$203	\$1,478
32 GMH>25	\$0	\$0	\$0	\$0	\$0	\$91	\$91	\$91	\$91	\$91	\$92	\$92	\$640
33 GL	\$0	\$0	\$0	\$0	\$0	\$69	\$69	\$69	\$69	\$69	\$69	\$69	\$483
34 GLH	\$0	\$0	\$0	\$0	\$0	\$9	\$9	\$9	\$9	\$9	\$9	\$9	\$60
35 L	\$0	\$0	\$0	\$0	\$0	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$16
36 MVPS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3
37 AL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2
38 SE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1
39 SM	\$0	\$0	\$0	\$0	\$0	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$111
40 SH	\$0	\$0	\$0	\$0	\$0	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$8
41 PAL	\$0	\$0	\$0	\$0	\$0	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$511
42 UMS	\$0	\$0	\$0	\$0	\$0	\$494	\$494	\$495	\$495	\$493	\$493	\$493	\$3,457
43 Total	\$0	\$0	\$0	\$0	\$0	\$52,564	\$52,624	\$52,840	\$53,086	\$53,181	\$53,280	\$53,368	\$370,944

D. E-Factor Revenue by Customer Class		
	Incl. GRT	Excl. GRT
44 Residential (RS, RH, RA)	\$352,875	\$332,055
45 Small Commercial & Industrial (GS, GM, GMH) <25 kW	\$29,282	\$27,554
46 Medium Commercial & Industrial (GM, GMH) >25 kW	\$7,101	\$6,687
47 Large Commercial & Industrial (GL, GLH, L, MVPS)	\$598	\$563
48 Lighting (AL, SE, SM, SH, PAL)	\$673	\$633
49 Unmetered (UMS)	\$3,674	\$3,457
50 Total	\$394,202	\$370,944

EXHIBIT 1

Duquesne Light Company
Rider No. 1 - Retail Market Enhancement
Proposed Surcharge Effective June 1, 2017

Summary of Expense - January 2016 through December 2016

A. Actual 2016 Expense by Month

Rate Class	Jan-2016	Feb-2016	Mar-2016	Apr-2016	May-2016	Jun-2016	Jul-2016	Aug-2016	Sep-2016	Oct-2016	Nov-2016	Dec-2016	Total
1 Training and Organization Change Management	\$80,352	\$8,281	(\$7,097)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$81,535
2 Post go-live support	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Communication Material	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 POR Expense (1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 Subtotal - Residential	\$80,352	\$8,281	(\$7,097)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$81,535
6 Training and Organization Change Management	\$6,690	\$689	(\$590)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,789
7 Post go-live support	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Communication Material	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 POR Expense (1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Subtotal - Small C&I	\$6,690	\$689	(\$590)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,789
11 Training and Organization Change Management	\$1,611	\$166	(\$142)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,634
12 Post go-live support	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Communication Material	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 POR Expense (1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Subtotal - Medium C&I	\$1,611	\$166	(\$142)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,634
16 Training and Organization Change Management	\$136	\$14	(\$12)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$138
17 Post go-live support	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18 Communication Material	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Subtotal - Large C&I	\$136	\$14	(\$12)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$138
20 Training and Organization Change Management	\$153	\$16	(\$13)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$155
21 Post go-live support	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22 Communication Material	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 Subtotal - Lighting	\$153	\$16	(\$13)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$155
24 Training and Organization Change Management	\$839	\$86	(\$74)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$851
25 Post go-live support	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Communication Material	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27 Subtotal - Unmetered	\$839	\$86	(\$74)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$851
28 Total	\$89,780	\$9,252	(\$7,929)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$91,104

#REF!

29 Residential (RS, RH, RA)	\$81,535
30 Small Commercial & Industrial (GS, GM, GMM) <25 kW	\$6,789
31 Medium Commercial & Industrial (GM, GMM) >25 kW	\$1,634
32 Large Commercial & Industrial (GL, GLH, L, HVPS)	\$138
33 Lighting (AL, SE, SM, SH, PAL)	\$155
34 Unmetered (UMS)	\$851
35 Total	\$91,104

Exhibit 1

Duquesne Light Company
Rider No. 1 - Retail Market Enhancement
Proposed Surcharge Effective June 1, 2017

Summary of Revenue and Expense for the Reconciliation Period - January 2016 through December 2016

	Jan-2016	Feb-2016	Mar-2016	Apr-2016	May-2016	Jun-2016	Jul-2016	Aug-2016	Sep-2016	Oct-2016	Nov-2016	Dec-2016	Total
Revenue													
1 Actual Surcharge Revenue	\$0	\$0	\$0	\$0	\$0	\$60,403	\$67,507	\$64,336	\$63,344	\$65,519	\$66,309	\$65,099	\$452,516
2 E-Factor Revenue	\$0	\$0	\$0	\$0	\$0	\$55,859	\$55,924	\$56,153	\$56,415	\$56,518	\$56,621	\$56,714	\$394,202
3 Net Surcharge Revenue	\$0	\$0	\$0	\$0	\$0	\$4,544	\$11,583	\$8,183	\$6,929	\$9,003	\$9,688	\$8,385	\$58,314
4 Less PA Gross Receipts Tax (GRT) at 5.9%	\$0	\$0	\$0	\$0	\$0	\$268	\$683	\$483	\$409	\$531	\$572	\$495	\$3,441
5 Net Calendar Month Revenue	\$0	\$0	\$0	\$0	\$0	\$4,276	\$10,899	\$7,700	\$6,520	\$8,472	\$9,116	\$7,890	\$54,873
Expense													
6 Training and Organization Change Management	\$89,780	\$9,252	(\$7,929)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$91,104
7 Post go-live support	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Communication Material	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 POR Expense (1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 Total Expense	\$89,780	\$9,252	(\$7,929)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$91,104
12 (Over)/Under Collection	\$89,780	\$9,252	(\$7,929)	\$0	\$0	(\$4,276)	(\$10,899)	(\$7,700)	(\$6,520)	(\$8,472)	(\$9,116)	(\$7,890)	\$36,230

(1) Reflects the Uncollectible POR Provision of the Joint Petition for Approval of Non-Unanimous Settlement that was adopted as part of the Commission order entered December 22, 2016 at Docket No. P-2016-2543140. Effective June 1, 2017 the Company will eliminate the uncollectible accounts component of the POR discounts for EGSS. Calendar year 2015 POR discount expense of \$797,900 POR uncollectible expense will be moved to the Company's Rider 1 RMES for recovery until the next base rate proceeding. The amount will be filed Appendix D of the Joint Petition for Approval of Non-Unanimous Settlement reflects, by customer class, the allocated fixed dollar amounts.

ATTACHMENT A

Duquesne Light Company
Rider No. 1 - Retail Market Enhancement
Proposed Surcharge Effective June 1, 2017

Summary of (Over)/Under Calculation Balance by Customer Class at December 31, 2016

A	B	C	D (B-C)	E	F (E-D)	G	I (F+G-C)
<u>Customer Class / (Rate Class)</u>	Total Surcharge Revenue <u>Excl. GRT</u> Exh. 1, Page 2	E-Factor Revenue <u>Excl. GRT</u> Exh. 1, Page 4	Net Reconciliation Period Revenue <u>Excl. GRT</u>	Actual Reconciliation Period <u>Expense</u> Exh. 1, Page 5	Current Reconciliation Period (Over)/ Under <u>Collection</u>	Prior Period YE 2016 (Over)/ Under Collection <u>Balance</u> Note 1	Total (Over)/ Under Collection Balance at <u>Dec. 31, 2016</u>
1 Residential (RS, RH, RA)	\$380,804	\$332,055	\$48,749	\$81,535	\$32,786	\$566,974	\$267,705
2 Small Commercial & Industrial (GS, GM, GMH) <25 kW	\$31,805	\$27,554	\$4,251	\$6,789	\$2,539	\$47,210	\$22,194
3 Medium Commercial & Industrial (GM, GMH) >25 kW	\$7,661	\$6,682	\$979	\$1,634	\$655	\$11,275	\$5,248
4 Large Commercial & Industrial (GL, GLH, L, HVPS)	\$647	\$563	\$84	\$138	\$54	\$967	\$458
5 Unmetered (UMS) & Lighting (AL, SE, SM, SH, PAL)	\$4,900	\$4,090	\$810	\$1,006	\$196	\$7,013	\$3,119
6 Total	\$425,818	\$370,944	\$54,873	\$91,104	\$36,230	\$633,439	\$298,725

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ATTACHMENT A

Duquesne Light Company
Rider No. 1 - Retail Market Enhancement
Proposed Surcharge Effective June 1, 2017

Calculation of E-Factor Revenue - January to May 2017

A	B	C	D	E	F	G	H
				= (C * D) / 100	= B - E		= F / G * 100
	Total (Over)/ Under Collection Balance at <u>Dec. 31, 2016</u> Att. A, page 1	Forecast Customer Bills <u>Jan-May 2017</u>	Current E-Factor Rate Excl. GRT <u>Cents/Month</u> Att. A, page 4	Forecast E-Factor Revenue Jan. 2017 to <u>May 2017</u>	Forecast (Over)/ Under Collection Balance at <u>May 31, 2017</u>	Forecast Customer Bills Jun 2017 to <u>May 2018</u>	Proposed E-Factor Rate Excl. GRT <u>Cents/Month</u>
1 Residential (RS, RH, RA)	\$267,705	2,649,675	9.00	\$238,471	\$29,234	6,354,782	1.00
2 Small C&I (GS, GM, GMH) <25 kW	\$22,194	222,629	9.00	\$20,037	\$2,158	535,612	1.00
3 Medium C&I (GM, GMH) >25 kW	\$5,248	53,050	9.00	\$4,774	\$474	127,183	1.00
4 Large C&I (GL, GLH, L, HVPS)	\$458	4,512	9.00	\$406	\$52	10,894	1.00
5 Unmetered (UMS) & Lighting (AL, SE, SM, SH, PAL)	\$3,119	14,168	9.00	\$1,275	\$1,844	34,032	5.00
6 Total	\$298,725	2,944,035		\$264,963	\$33,762	7,062,503	

ATTACHMENT A

**Duquesne Light Company
Rider No. 1 - Retail Market Enhancement
Proposed Surcharge Effective June 1, 2017**

Calculation of C-Factor Rate

<u>Customer / (Rate Class)</u>	A	B	C	D
		2017 Retail Market Enhancement <u>Budget</u>	Forecast Customer Bills Jun 2017 to <u>May 2018</u>	Monthly C-Factor Rate <u>Cents/Month</u>
1 Residential (RS, RH, RA)		\$0	6,354,782	0.00
2 Small Commercial & Industrial (GS, GM, GMH) <25 kW		\$0	535,612	0.00
3 Medium Commercial & Industrial (GM, GMH) >25 kW		\$0	127,183	0.00
4 Large Commercial & Industrial (GL, GLH, L, HVPS)		\$0	10,894	0.00
5 Unmetered (UMS) & Lighting (AL, SE, SM, SH, PAL)		\$0	34,032	0.00
6 Total		\$0	7,062,503	

ATTACHMENT A

**Duquesne Light Company
Rider No. 1 - Retail Market Enhancement
Proposed Surcharge Effective June 1, 2017**

Calculation of POR Rate

A	B	C	D
<u>Customer / (Rate Class)</u>	2017 Retail Market Enhancement POR Budget (1)	Forecast Customer Bills Jun 2017 to May 2018	Monthly POR Rate Cents/Month
1 Residential (RS, RH, RA)	\$599,733	6,354,782	9.00
2 Small Commercial & Industrial (GS, GM, GMH) <25 kW	\$77,631	535,612	14.00
3 Medium Commercial & Industrial (GM, GMH) >25 kW	\$120,536	127,183	95.00
4 Large Commercial & Industrial (GL, GLH, L, HVPS)	\$0	10,894	0.00
5 Unmetered (UMS) & Lighting (AL, SE, SM, SH, PAL)	\$0	34,032	0.00
6 Total	\$797,900	7,062,503	

(1) Reflects the Uncollectible POR Provision of the Joint Petition for Approval of Non-Unanimous Settlement that was adopted as part of the Commission order entered December 22, 2016 at Docket No. P-2016-2543140. Effective June 1, 2017 the Company will eliminate the uncollectible accounts component of the POR discounts for EGSs. Calendar year 2015 POR discount expense of \$797,900 POR uncollectible expense will be moved to the Company's Rider 1 RMES for recovery until the next base rate proceeding. The amount will be fixed. Appendix D of the Joint Petition for Approval of Non-Unanimous Settlement reflects, by customer class, the allocated fixed dollar amounts.

ATTACHMENT A

**Duquesne Light Company
Rider No. 1 - Retail Market Enhancement
Proposed Surcharge Effective June 1, 2017**

Calculation of the Projected Retail Market Enhancement Surcharge Effective June 1, 2017

A	B	C	D	E = B + C + D	F = 1 / (1 - .059)	G = E * F
<u>Customer / (Rate Class)</u>	POR Monthly Charge <u>Cents/Month</u> Att. A, page 3	C-Factor Monthly Charge <u>Cents/Month</u> Att. A, page 3	E-Factor Monthly Charge <u>Cents/Month</u> Att. A, page 2	Total Monthly Charge <u>Cents/Month</u>	PA GRT Factor	Proposed Surcharge Inc. GRT <u>Cents/Month</u>
1 Residential (RS, RH, RA)	9.00	0.00	1.00	10.00	1.0627	11.00
2 Small Commercial & Industrial (GS, GM, GMH) <25 kW	14.00	0.00	1.00	15.00	1.0627	16.00
3 Medium Commercial & Industrial (GM, GMH) >25 kW	95.00	0.00	1.00	96.00	1.0627	102.00
4 Large Commercial & Industrial (GL, GLH, L, HVPS)	0.00	0.00	1.00	1.00	1.0627	1.00
5 Unmetered (UMS) & Lighting (AL, SE, SM, SH, PAL)	0.00	0.00	5.00	5.00	1.0627	5.00

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).

VIA U.S. MAIL

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
400 North Street, 2nd Floor West
P.O. Box 3265
Harrisburg, PA 17105-3265

Office of Small Business Advocate
Commerce Tower, Suite 202
300 North Second Street
Harrisburg, PA 17101-1923

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

Bureau of Audits
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 3rd Floor East
Harrisburg, PA 17120



Tishekia Williams
Duquesne Light Company
411 Seventh Avenue, 15-7
Pittsburgh, PA 15219
Phone: 412-393-1541
twilliams@duqlight.com

Dated: March 31, 2017

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