



Michael Zimmerman
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November 30, 2017

Via Electronic Filing

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

**Re: Duquesne Light Company – Annual Reconciliation of Rider No. 5
Universal Service Charge**

Dear Secretary Chiavetta:

Enclosed for filing on behalf of Duquesne Light Company (“Duquesne Light” or “Company”) is a copy of the Company’s Universal Service Charge Rider reconciliation statement for November 1, 2016 through October 31, 2017 (“Reconciliation Filing”).

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.

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 blue ink, appearing to read "Michael Zimmerman", is written over a light blue horizontal line.

Michael Zimmerman
Counsel, Regulatory

Enclosure

Cc: Certificate of Service

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



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Dated: November 30, 2017

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2018

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2016 through October 31, 2017

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Total
1 Net Surcharge Revenue, Incl. GRT	\$1,841,165	\$2,401,626	\$2,806,126	\$2,292,358	\$2,520,213	\$1,917,254	\$2,228,366	\$2,892,805	\$3,806,450	\$3,125,612	\$2,546,759	\$2,273,363	\$30,652,097
2 E-Factor Revenue, Incl. GRT	(\$324,404)	(\$423,385)	(\$588,386)	(\$485,474)	(\$530,549)	(\$404,231)	(\$469,740)	(\$608,807)	(\$800,005)	(\$657,161)	(\$534,741)	(\$477,597)	(\$6,304,480)
3 Universal Service Charge Related Revenue	\$1,516,762	\$1,978,241	\$2,217,740	\$1,806,884	\$1,989,664	\$1,513,024	\$1,758,626	\$2,283,998	\$3,006,445	\$2,468,450	\$2,012,018	\$1,795,766	\$24,347,617
4 Universal Service Charge Related Revenue	\$1,516,762	\$1,978,241	\$2,217,740	\$1,806,884	\$1,989,664	\$1,513,024	\$1,758,626	\$2,283,998	\$3,006,445	\$2,468,450	\$2,012,018	\$1,795,766	\$24,347,617
5 Less PA Gross Receipts Tax	\$89,489	\$116,716	\$130,847	\$106,606	\$117,390	\$89,268	\$103,759	\$134,756	\$177,380	\$145,639	\$118,709	\$105,950	\$1,436,509
6 Universal Service Charge Related Revenue	\$1,427,273	\$1,861,525	\$2,086,894	\$1,700,278	\$1,872,273	\$1,423,755	\$1,654,867	\$2,149,242	\$2,829,064	\$2,322,812	\$1,893,309	\$1,689,816	\$22,911,108
7 Expense	\$1,764,518	\$2,006,218	\$2,023,012	\$2,144,393	\$3,805,783	\$3,642,022	\$633,528	\$2,171,391	\$2,178,249	\$2,098,862	\$1,766,545	\$2,078,508	\$26,313,030
8 CAP Discount Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Adjusted Expense	\$1,764,518	\$2,006,218	\$2,023,012	\$2,144,393	\$3,805,783	\$3,642,022	\$633,528	\$2,171,391	\$2,178,249	\$2,098,862	\$1,766,545	\$2,078,508	\$26,313,030
10 Over/(Under) Collection	(\$337,245)	(\$144,693)	\$63,882	(\$444,115)	(\$1,933,510)	(\$2,218,267)	\$1,021,339	(\$22,150)	\$650,815	\$223,950	\$126,764	(\$388,692)	(\$3,401,922)
11 Interest	(\$33,725)	(\$13,746)	\$5,749	(\$37,750)	(\$154,681)	(\$166,370)	\$71,494	(\$1,440)	\$39,049	\$12,317	\$6,338	(\$17,491)	(\$290,254)
12 Total Over/(Under) Collection	(\$370,970)	(\$158,439)	\$69,631	(\$481,865)	(\$2,088,190)	(\$2,384,637)	\$1,092,833	(\$23,589)	\$689,864	\$236,267	\$133,102	(\$406,183)	(\$3,692,176)

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2018

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2016 through October 31, 2017

Rate Class	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Total
A. Actual Surcharge Revenue by Month, Incl. GRT													
1 RS	\$1,631,989	\$2,066,347	\$2,429,130	\$1,949,973	\$2,176,683	\$1,744,392	\$2,049,661	\$2,708,075	\$3,576,260	\$2,921,757	\$2,368,758	\$2,076,703	\$27,699,728
2 RH	\$179,273	\$295,351	\$333,984	\$299,923	\$302,373	\$144,252	\$149,075	\$144,508	\$181,817	\$162,916	\$142,743	\$163,074	\$2,499,287
3 RA	\$29,904	\$39,928	\$43,012	\$42,462	\$41,157	\$28,610	\$29,630	\$40,222	\$48,373	\$40,939	\$35,259	\$33,586	\$453,081
4 Total	\$1,841,165	\$2,401,626	\$2,806,126	\$2,292,358	\$2,520,213	\$1,917,254	\$2,228,366	\$2,892,805	\$3,806,450	\$3,125,612	\$2,546,759	\$2,273,363	\$30,652,097
B. Actual Surcharge Revenue by Month, Excl. GRT													
5 RS	\$1,535,701	\$1,944,433	\$2,285,811	\$1,834,924	\$2,048,259	\$1,641,473	\$1,928,731	\$2,548,299	\$3,365,260	\$2,749,373	\$2,229,001	\$1,954,178	\$26,065,444
6 RH	\$168,696	\$277,925	\$314,279	\$282,228	\$284,533	\$135,741	\$140,280	\$135,982	\$171,090	\$153,304	\$134,321	\$153,453	\$2,351,829
7 RA	\$28,140	\$37,572	\$40,474	\$39,957	\$38,729	\$26,922	\$27,882	\$37,848	\$45,519	\$38,524	\$33,178	\$31,605	\$426,350
8 Total	\$1,732,537	\$2,259,930	\$2,640,565	\$2,157,109	\$2,371,520	\$1,804,136	\$2,096,892	\$2,722,129	\$3,581,870	\$2,941,201	\$2,396,500	\$2,139,235	\$28,843,623

EXHIBIT 1

**Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2018**

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2016 through October 31, 2017

	<u>Rate Class</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Total</u>
A. Actual Non-CAP kWh by Month														
1	RS	231,902,042	293,662,761	265,429,520	221,891,967	242,226,554	194,540,127	228,407,632	301,589,634	397,603,836	325,026,216	263,113,631	230,836,965	3,196,230,885
2	RH	25,487,355	42,090,483	40,673,071	30,619,288	33,894,145	16,162,113	16,432,534	16,418,160	20,327,362	18,117,453	15,909,119	18,131,005	294,262,088
3	RA	4,226,491	5,686,047	5,212,616	4,353,094	4,593,150	3,176,371	3,699,256	4,112,470	5,352,115	4,560,816	3,909,128	3,728,956	52,610,510
4	B. E-Factor Rate (1) Cents per kWh, Inc. GRT	(0.124)	(0.124)	(0.189)	(0.189)	(0.189)	(0.189)	(0.189)	(0.189)	(0.189)	(0.189)	(0.189)	(0.189)	
C. E-Factor Revenue, Incl. GRT														
5	RS	(\$287,559)	(\$364,142)	(\$501,662)	(\$419,376)	(\$457,808)	(\$367,681)	(\$431,690)	(\$570,004)	(\$751,471)	(\$614,300)	(\$497,285)	(\$436,282)	(\$5,699,259)
6	RH	(\$31,604)	(\$52,192)	(\$76,872)	(\$57,870)	(\$64,060)	(\$30,546)	(\$31,057)	(\$31,030)	(\$38,419)	(\$34,242)	(\$30,068)	(\$34,268)	(\$512,230)
7	RA	(\$5,241)	(\$7,051)	(\$9,852)	(\$8,227)	(\$8,681)	(\$6,003)	(\$6,992)	(\$7,773)	(\$10,115)	(\$8,620)	(\$7,388)	(\$7,048)	(\$92,991)
8	Total	(\$324,404)	(\$423,385)	(\$588,386)	(\$485,474)	(\$530,549)	(\$404,231)	(\$469,740)	(\$608,807)	(\$800,005)	(\$657,161)	(\$534,741)	(\$477,597)	(\$6,304,480)
D. E-Factor Revenue, Excl. GRT														
9	RS	(\$270,593)	(\$342,657)	(\$472,064)	(\$394,633)	(\$430,798)	(\$345,988)	(\$406,221)	(\$536,374)	(\$707,134)	(\$578,056)	(\$467,945)	(\$410,541)	(\$5,363,003)
10	RH	(\$29,740)	(\$49,113)	(\$72,337)	(\$54,456)	(\$60,280)	(\$28,744)	(\$29,225)	(\$29,200)	(\$36,152)	(\$32,222)	(\$28,294)	(\$32,246)	(\$482,008)
11	RA	(\$4,932)	(\$6,635)	(\$9,271)	(\$7,742)	(\$8,169)	(\$5,649)	(\$6,579)	(\$7,314)	(\$9,519)	(\$8,111)	(\$6,952)	(\$6,632)	(\$87,504)
12	Total	(\$305,264)	(\$398,405)	(\$553,671)	(\$456,831)	(\$499,247)	(\$380,381)	(\$442,025)	(\$572,888)	(\$752,805)	(\$618,389)	(\$503,192)	(\$449,419)	(\$5,932,515)

1/ Per November 25, 2015 submittal at Docket No. M-2015-2515580 and November 30, 2016 submittal at Docket No. M-2016-2577960

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2018

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2016 through October 31, 2017

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Total
1 CAP Revenue Deficiency	\$1,088,367	\$1,458,693	\$1,605,036	\$1,481,932	\$3,185,316	\$3,053,744	(\$17,296)	\$1,448,551	\$1,345,846	\$1,362,742	\$1,098,222	\$1,277,353	\$18,388,506
2 CAP Frozen Arrearage	\$345,346	\$263,563	\$271,401	\$326,190	\$395,110	\$346,001	\$420,387	\$576,456	\$563,075	\$487,298	\$453,465	\$442,685	\$4,890,977
3 CAP Administrative Costs	\$129,829	\$137,037	\$131,723	\$133,032	\$129,448	\$129,448	\$144,448	\$130,248	\$135,737	\$133,669	\$133,669	\$133,669	\$1,601,957
4 Smart Comfort	\$189,726	\$135,675	\$3,602	\$191,989	\$84,659	\$101,579	\$74,739	\$4,886	\$122,341	\$103,903	\$69,939	\$145,530	\$1,228,569
5 CARES	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$135,000
6 Hardship Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$68,021	\$68,021
7 Total Expenses	\$1,764,518	\$2,006,218	\$2,023,012	\$2,144,393	\$3,805,783	\$3,642,022	\$633,528	\$2,171,391	\$2,178,249	\$2,098,862	\$1,766,545	\$2,078,508	\$26,313,030
8 CAP Customers	40,639	40,621	40,676	40,402	40,378	40,576	40,751	39,288	36,148	35,717	35,817	34,049	
9 Monthly Enrollment Level (1)	41,650	41,650	41,650	41,650	41,650	41,650	41,650	41,650	41,650	41,650	41,650	41,650	
10 CAP Customers>Enrollment	0	0	0	0	0	0	0	0	0	0	0	0	
11 Average CAP Deficiency/CAP Customer (2)	\$26.78	\$35.91	\$39.46	\$36.68	\$78.89	\$75.26	(\$0.42)	\$36.87	\$37.23	\$38.15	30.662032	\$37.52	
12 Average Frozen Arrearage/CAP Customer (2)	\$8.50	\$6.49	\$6.67	\$8.07	\$9.79	\$8.53	\$10.32	\$14.67	\$15.58	\$13.64	\$12.66	\$13.00	
13 Deficiency and Arrearage Combined	\$35.28	\$42.40	\$46.13	\$44.75	\$88.67	\$83.79	\$9.89	\$51.54	\$52.81	\$51.80	\$43.32	\$50.52	
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 * line13 * line 14)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Total Adjusted Expenses (line 7 - line 15)	\$1,764,518	\$2,006,218	\$2,023,012	\$2,144,393	\$3,805,783	\$3,642,022	\$633,528	\$2,171,391	\$2,178,249	\$2,098,862	\$1,766,545	\$2,078,508	\$26,313,030

1/ Per tariff, Rider 5, Universal Service Charge, page 85.

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.

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2 E-Factor Revenue, Excl. GRT	(\$305,264)	(\$398,405)	(\$553,671)	(\$456,831)	(\$499,247)	(\$380,381)	(\$442,025)	(\$572,888)	(\$752,805)	(\$618,389)	(\$503,192)	(\$449,419)	(\$5,932,515)
3 Universal Service Charge Related Revenue, Excl. GRT	\$1,427,273	\$1,861,525	\$2,086,894	\$1,700,278	\$1,872,273	\$1,423,755	\$1,654,867	\$2,149,242	\$2,829,064	\$2,322,812	\$1,893,309	\$1,689,816	\$22,911,108
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5 Over/(Under) Collection	(\$337,245)	(\$144,693)	\$63,882	(\$444,115)	(\$1,933,510)	(\$2,218,267)	\$1,021,339	(\$22,150)	\$650,815	\$223,950	\$126,764	(\$388,692)	(\$3,401,922)
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	(\$33,725)	(\$13,746)	\$5,749	(\$37,750)	(\$154,681)	(\$166,370)	\$71,494	(\$1,440)	\$39,049	\$12,317	\$6,338	(\$17,491)	(\$290,254)