



Michael Zimmerman  
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Mail drop 15-7  
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December 1, 2017

**Via Electronic Filing**

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

**Re: Duquesne Light Company – Universal Service Charge  
Supplement No. 164 – Rider No. 5**

Dear Secretary Chiavetta:

Enclosed for filing, please find Duquesne Light Company's ("Duquesne Light" or the "Company") Supplement No. 164 to Tariff Electric – PA P.U.C. No. 24. Supplement No. 164 is a proposed update to the Company's Universal Service Charge, issued December 1, 2017, with an effective date of January 1, 2018.

Also enclosed is a reconciliation statement supporting the proposed rate change. This statement includes projected expenses that reflect proposed updates to the Company's Universal Service and Energy Conservation Plan to take effect January 1, 2018. These proposed updates are described in the *Joint Petition of Duquesne Light Company, the Office of the Consumer Advocate, and CAUSE-PA for Approval of Modifications to Duquesne Light Company's CAP Design in its Universal Service and Energy Conservation Plan and a Waiver of Commission Regulations Regarding Length of Universal Service and Energy Conservation Plans*, filed September 15, 2017, at Docket No. M-2016-2534322, which is presently pending before the Commission.

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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Michael Zimmerman  
Duquesne Light Company  
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Pittsburgh, PA 15219  
Phone: 412-393-6268  
mzimmerman@duqlight.com

Dated: December 1, 2017



# 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 1, 2017

EFFECTIVE: January 1, 2018

Issued in compliance with Commission Order entered February 24, 2011,  
at Docket No. R-2010-2179522.

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# NOTICE

**THIS TARIFF SUPPLEMENT INCREASES A RATE WITHIN AN EXISTING RIDER**

**See Page Two**

LIST OF MODIFICATIONS MADE BY THIS TARIFF

INCREASE

Rider No. 5 – Universal Service Charge

Thirteenth Revised Page No. 84  
Cancelling Twelfth Revised Page No. 84

In accordance with the provisions of the Annual Update section of Rider No. 5 – Universal Service Charge, the annual adjustment to the Company's Universal Service Charge is being filed. The USC increased from 0.900 cents per kilowatt-hour to 0.972 cents per kilowatt-hour.

**STANDARD CONTRACT RIDERS - (Continued)****RIDER NO. 5 – UNIVERSAL SERVICE CHARGE**  
**(Applicable to Rate Schedules RS, RH and RA)****APPLICABILITY**

The Universal Service Charge (“USC”) is instituted as a cost recovery mechanism to recover the costs incurred by the Company to provide its Commission approved Universal Service and Energy Conservation Plan. The USC shall be applicable to all residential customers who take distribution service under Rate Schedules RS, RH and RA except for residential customers in the Company’s Customer Assistance Program (“CAP”). The USC provides for the recovery of the costs, excluding internal administrative costs, associated with universal service programs provided by the Company to residential customers. The USC shall be determined to the nearest one-thousandth of one (1) cent per kilowatt-hour (“kWh”) in accordance with the formula set forth below and shall be applied to all kilowatt-hours delivered during the billing month. The USC is a non-bypassable charge.

**RATE**

In addition to the charges provided in this Tariff, an amount of 0.972 cents per kilowatt-hour shall be added to the distribution energy charges per kilowatt-hour of each applicable rate schedule to determine the total per kilowatt-hour charge. The USC shall not be applicable to customers enrolled in the Company’s CAP. (I)

**CALCULATION OF CHARGE**

$$USC = [ (US_c - Cr - E) / S_{Res} ] * 100 * [ 1 / (1 - T) ]$$

Where: USC = The charge, in cents per kilowatt-hour, to be applied to each kilowatt-hour delivered to all applicable non-CAP customers who take distribution service under the residential retail rate schedules under this Tariff.

US<sub>c</sub> = Universal Service Program costs, which are the estimated direct and external administrative costs to be incurred by the Company to provide Universal Service to customers for the USC Computational Year. Such costs shall include, but are not limited to, preparation of the Needs Assessment, Universal Service Plan development, Impact Evaluation and educational materials. Universal Service Programs include the following programs which may change from time to time:

- Customer Assistance Program (“CAP”): CAP costs will be calculated to include the projected CAP discount and CAP program costs for the Computational Year. The total CAP discount will be based on the annual average discount from the previous year, the Reconciliation Year, multiplied by the projected average number of CAP program participants during the Computational Year. The CAP discount shall be reduced by the annual Low Income Home Energy Assistance Program (“LIHEAP”) funds received by CAP customers during the previous LIHEAP program year. The annual average discount from the previous year will be calculated as the difference between the bill at current rates and the CAP payment from customers during the

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

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 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
B. E-Factor Rate (1) Cents per kWh, Inc. GRT													
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.

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, Excl. GRT	\$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
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
4 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
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)

**ATTACHMENT A**

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

**Reconciliation of Revenue and Expense - November 1, 2016 through October 31, 2017**

1	Net Surcharge Revenue, Incl. GRT	\$30,652,097	Exh. 1, Page 2
2	Net Surcharge Related Revenue, Excl. GRT		\$28,843,623 Line 1 * 0.941
3	E-Factor Revenue, Incl. GRT	(\$6,304,480)	Exh. 1, Page 3
4	E-Factor Revenue, Excl. GRT		(\$5,932,515) Line 3 * 0.941
5	Universal Service Related Revenue, Excl. GRT		\$22,911,108 Line 2 + Line 4
6	Universal Service Related Expense		\$26,313,030 Exh. 1, Page 4
7	Total Reconciliation Period Over/(Under) Collection		(\$3,401,922) Line 5 - Line 5
8	Interest		(\$290,254) Exh. 1, Page 5
9	Net Reconciliation Period Over/(Under) Collection		(\$3,692,176) Line 7 + Line 8
	<u>E-Factor Reconciliation</u>		
10	Balance at YE October 31, 2016, Excl. GRT		(\$6,585,266) Att. A, Page 2
11	E-Factor Revenue - Nov 2016-Oct 2017, Excl. GRT		(\$5,932,515)
12	Prior Period Balance at October 31, 2017		(\$652,751) Line 10 - Line 11
13	Reconciliation Period Over/(Under) Collection - Nov 2016-Oct 2017		(\$3,692,176) Line 9
17	E-Factor Balance at YE October 31, 2017		(\$4,344,927) Sum Line 12 through Line 16

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

**Reconciliation of E-Factor Revenue**

Filed December 2014

Effective January 1, 2015-December 2015

1	Nov 2012 to Oct 2013	Prior Period Over/(Under) Collection	(\$1,200,161)	
2	Nov 2013 to Oct 2014	E-Factor Revenue (excl. GRT)	<u>(\$447,619)</u>	
3		Prior Period Balance Oct. 31, 2013		(\$752,542) Line 1 - Line 2
4	Nov 2013 to Oct 2014	Actual Current Period Over/(Under) Recovery	\$6,180,725	
5		Interest	<u>\$537,824</u>	
6		Total		\$6,718,550 Line 4 + Line 5
7		E-Factor Balance at October 31, 2014		\$5,966,008 Line 3 + Line 6
8	Audit Finding No. 1 - Recovery of Understatement of CAP Discount			(\$623,025) Note (1)
9	Audit Finding No. 2 - Recovery of Understatement of Arrearage Forgiveness			(\$535,766) Note (1)
10	Audit Finding No. 3 - Refund with Interest of Overstatement of Administrative Charges			\$84,925 Note (1)
11		Net E-Factor Balance at YE October 31, 2014		<u>\$4,892,142</u> Sum Line 7 through Line 10

Filed November 2015

Effective January 1, 2016-December 2016

12	Nov 2013 to Oct 2014	Prior Period Over/(Under) Collection	\$4,892,142	Line 11
13	Nov 2014 to Oct 2015	Current Period E-Factor Revenue (excl. GRT)	<u>\$3,947,009</u>	
14		Prior Period E-Factor Balance		\$945,133 Line 12 - Line 13
15	Nov 2014 to Oct 2015	Actual Current Period Over/(Under) Recovery	(\$4,730,166)	
16		Interest	<u>(\$602,295)</u>	
17		Total		(\$5,332,461) Line 15 + Line 16
18		E-Factor Balance at YE October 31, 2015		<u>(\$4,387,328)</u> Line 14 + Line 17

Filed November 2016

Effective January 1, 2017-December 2017

19	Nov 2014 to Oct 2015	Prior Period Over/(Under) Collection	(\$4,387,328)	Line 1
20	Nov 2015 to Oct 2016	Current Period E-Factor Revenue (excl. GRT)	<u>(\$3,108,345)</u>	
21		Prior Period E-Factor Balance		(\$1,278,983) Line 19 - Line 20
22	Nov 2015 to Oct 2016	Actual Current Period Over/(Under) Recovery	(\$4,968,108)	
23		Interest	<u>(\$404,991)</u>	
24		Total		(\$5,373,099) Line 22 + Line 23
25		E-Factor Balance at YE October 31, 2016		(\$6,652,083) Line 21 + Line 24
26	Audit Finding No. 1 - Refund for an overstatement of Smart Comfort Expenses			\$49,309 Note (2)
27	Audit Finding No. 2 - Refund for an understatement of USC Revenue			\$38,062 Note (2)
28	Audit Finding No. 3 - Recovery of a miscalculation of the CAP Discount Credit			(\$20,555) Note (2)
29		Net E-Factor Balance at YE October 31, 2016		<u>(\$6,585,266)</u> Sum Line 25 through Line 28

(1) Audit findings per Commission order entered January 23, 2014 at Docket No. D-2013-2343084. Interest on refund calculated at 44 months from from November 2011 and 32 months from November 2012 at 6%.

(2) Per the October 6, 2016 PUC Audit Report at Docket No. D-2015-2495284 for the 12 months ended October 31, 2013 and October 31, 2014.

Filed November 2017

Effective January 1, 2018-December 2018

19	Nov 2015 to Oct 2016	Prior Period Over/(Under) Collection	(\$6,585,266)	Line 18
20	Nov 2016 to Oct 2017	Current Period E-Factor Revenue (excl. GRT)	<u>(\$5,932,515)</u>	
21		Prior Period E-Factor Balance		(\$652,751) Line 19 - Line 20
22	Nov 2016 to Oct 2017	Actual Current Period Over/(Under) Recovery	(\$3,401,922)	
23		Interest	<u>(\$290,254)</u>	
24		Total		(\$3,692,176) Line 22 + Line 23
25		E-Factor Balance at YE October 31, 2017		(\$4,344,927) Line 21 + Line 24
26		Net E-Factor Balance at YE October 31, 2017		<u>(\$4,344,927)</u> Sum Line 25 through Line 28

**ATTACHMENT A**

**Duquesne Light Company  
Rider 5 - Universal Service Charge  
Proposed Charge Effective January 1, 2018**

**Calculation of E-Factor Rate**

A	B	C	D = B + C	E = D * 0.941	F	G = E - F	H	I = G + H	J	K = I + J	L	M =(K/L)*100	N =M*1/(1-5.9%)
Current Period November 2015-October 2016										Prior Period	Total		
<u>Customer Class</u>	Net Reconciliation Period Surcharge Revenue Exh. 1, Page 2	Reconciliation Period Surcharge Revenue Exh. 1, Page 3	Reconciliation Surcharge Related Revenue	Reconciliation Period Related Revenue Less GRT	Reconciliation Period Expense Exh. 1, Page 4	Over/(Under) Collection e Factor	Interest Exh. 1, Page 5	Total Over/(Under) Collection e Factor	Over/(Under) Collection e Factor Att. A, Page 1	Reconciliation Period Over/(Under) Collection e Factor	Forecast Non-CAP Sales (kWh) Jan-Dec 2018 Att. A, Page 4	Proposed E-Factor Rate Excl. GRT	Proposed E-Factor Rate Incl. GRT
1 Residential (RS, RH, RA)	\$30,652,097	(\$6,304,480)	\$24,347,617	\$22,911,108	\$26,313,030	(\$3,401,922)	(\$290,254)	(\$3,692,176)	(\$652,751)	(\$4,344,927)	3,575,950,818	(0.122)	(0.129)

cents/kWh

**ATTACHMENT A**

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

**Calculation of the Projected Universal Service Charge**

<u>Universal Service Program Costs:</u>		
1	CAP Revenue Deficiency	\$20,742,906
2	CAP Frozen Arrearage	\$3,705,557
3	CAP Administration Cost	\$2,056,355
4	Smart Comfort	\$1,665,000
5	CARES	\$135,000
6	Hardship Fund	\$75,000
7	<u>Projected Universal Service Program Budget</u>	<u>\$28,379,818</u>
 <u>Credit (Bad Debt Offset):</u>		
8	CAP Customer Participation Level	41,650 Per USC, Tariff Rider 5, page 85
9	<u>Actual Enrollment as of October 31, 2017</u>	<u>34,049</u>
10	Difference	0 Line 9 - Line 8
11	<u>Average Discount per Customer per Year</u>	<u>\$669 See Footnote 1</u>
12	Discount With Excess Customers	\$0 Line 10 * Line 11
13	<u>Bad Debt Offset</u>	<u>10.43% Per USC, Tariff Rider 5, page 85</u>
14	Adjustment to USC for Bad Debt	\$0 Line 12 * Line 13
15	<u>Total Projected Universal Service Program Costs</u>	<u>\$28,379,818</u> Line 7 - Line 14
 <u>Projected Non-CAP Sales:</u>		
16	Forecast Residential Sales (kWh)	3,949,298,936
17	<u>Less Forecast CAP Sales (kWh)</u>	<u>373,348,119</u>
18	Non-CAP Forecast Sales (kWh)	3,575,950,818 Line 16 - Line 17
19	Charge - \$/kWh	\$0.00794 Line 15 / Line 18
20	Charge - ¢/kWh	0.794 Line 19 * 100
21	T= Pennsylvania Gross Receipts Tax (GRT):	5.9%
22	<u>Projected Universal Service Charge (USC) (¢/kWh)</u>	<u>0.843</u> Line 20 * 1 / (1 - line 21)
23	E-Factor Over/(Under) Collection (¢/kWh), Incl. GRT	(0.129) Att. A, Page 3
24	<u>Universal Service Charge (USC) (¢/kWh) - Effective January 1, 2018</u>	<u>0.972</u> Line 22 - Line 23

(1) Calculated as follows:

Projected 2018 CAP Deficiency and Arrearages (Line 1 + Line 2)	\$24,448,463
Projected Enrollment as of December 31, 2018	36,540
Average Discount per Customer per Year	<u>\$669</u>