



Michael Zimmerman
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December 21, 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 – Rider No. 10 State Tax Adjustment Surcharge
Supplement No. 165 to Tariff Electric – PA. P.U.C. No. 24**

Dear Secretary Chiavetta:

Enclosed for filing, please find an original copy of Supplement No. 165 to Duquesne Light Company's ("Company") Tariff-Electric, PA. P.U.C. No. 24, which amends Rider No. 10 – State Tax Adjustment Surcharge, to become effective January 1, 2018.

Pursuant to Commission Order issued December 1, 2006, at Docket No. R-00061346, the Company's 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. Herein, the Company proposes new tax surcharge rates of -0.1276% for Part 1, and 0.00% for Part 2, to be effective January 1, 2018.

Should you have any questions, please feel free to contact me or David Ogden, Manager of Rates and Tariff Services, at 412-393-6343.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Michael Zimmerman", is written over a light blue horizontal line.

Michael Zimmerman
Counsel, Regulatory

Cc: Enclosures
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).

FIRST CLASS MAIL

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

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

Office of Small Business Advocate
Suite 1102, Commerce Building
200 North Street
Harrisburg, PA 17101-1923



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Date: December 21, 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 21, 2017

EFFECTIVE: January 1, 2018

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

**Thirteenth Revised Page No. 94
Cancelling Twelfth 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 (0.1388%) to (0.1276%).

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 (0.1276%) 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, 2018 - December 31, 2018

(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	2016		\$1,109,953,378
		Current Tax Millage Rate	0.00
		Millage Recovery in Base Rates (1)	<u>0.60</u>
			(0.60)

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

Decrease in Capital Stock and Franchise Tax Liability (665,972)

2 Public Utility Realty Tax

Taxable Value of T&D Property	2016		28,272,346
		Current Tax Millage Rate	30.5763
		Millage Recovery in Base Rates (1)	<u>30.0000</u>
			0.5763

Increase in PURTA Liability 16,293

3 Reconciliation of Prior Period STAS

Under-refund of Prior Period STAS (See page 3) (5,416)

4 Total of Above Items (655,095)

5 Gross-up for GRT Line 4 / 0.9410 (696,168)

6 Projected Distribution Revenues for Application Period 545,517,773

7 Part I STAS Rate (Line 5 / 6) -0.1276%

DUQUESNE LIGHT COMPANY
State Tax Adjustment Surcharge Computation
Application Period: January 1, 2018 - December 31, 2018

(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

2018 Surcharge Millage Rate 0.00

Projected total revenues \$834,082,740

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 \$834,082,740

7 Part II STAS Rate (Line 5 / 6) 0.0000%

DUQUESNE LIGHT COMPANY
State Tax Adjustment Surcharge Computation
Application Period: January 1, 2018 - December 31, 2018

(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 01/01/2017 through 12/31/2017

1 Capital Stock and Franchise Tax

2015	\$1,140,936,108		
	2017 Tax Expense @	0.000% =	\$0
	Millage Recovery in Base Rates (1)	0.060% =	<u>684,562</u>

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

Amount to be Refunded through STAS	(684,562)	
Amount Refunded through STAS	<u>(678,928)</u>	
Over/(Under) Refund		(\$5,633)

2 PURTA Tax

PURTA Assessment to be collected through STAS	26,441	
Amount Collected through STAS	<u>26,224</u>	
(Over)/Under Collection		218

4 Total Over/(Under) Refund of STAS 1/01/2017 through 12/31/2017 **(\$5,416)**