



Michael Zimmerman
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January 30, 2018

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's Annual Reconciliation Statement – January 1, 2017
through December 31, 2017, for Rider No. 22 – Distribution System Improvement
Charge
Docket No. P-2016-2540046**

Dear Secretary Chiavetta:

Enclosed for filing is Duquesne Light Company's Reconciliation of Revenue and Expenses for the period of January 1, 2017 through December 31, 2017, for Tariff-Electric, PA. P.U.C. No. 24, Rider No. 22 – Distribution System Improvement Charge.

Should you have any questions, please do not hesitate to contact me or Dave Ogden at 412-393-6268.

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. Code § 1.54 (relating to service by a participant):

FIRST-CLASS MAIL

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

Office of Small Business Advocate
300 North Second Street, Suite 1102
Harrisburg, PA 17101

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



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Dated: January 30, 2018

Exhibit 1

Duquesne Light Company
Rider 22 - Distribution System Improvement Charge
Annual Reconciliation - January 1, 2017 through December 31, 2017

Summary of Reconciliation Period

1	Surcharge Revenue, Inc. GRT	\$9,107,039	Exh. 1, Page 2
2	Surcharge Revenue, Excl. GRT	\$8,569,723	Line 1 * 0.941
3	E-Factor Revenue, Inc. GRT	\$0	Exh. Page 4
4	E-Factor Revenue, Excl. GRT	\$0	Line 3 * 0.941
5	Net DSIC Related Revenue, Excl. GRT	\$8,569,723	Line 2 - Line 4
6	Filed Current (DSIC) Revenue Requirement - Excl. GRT	\$8,392,435	Exh. 1, Page 2
7	Reconciliation Period (Over)/Under Collection	(\$177,288)	Line 6 - Line 5
8	Interest on (Over)/Under Collection	\$6,246	Exhibit 1, Page 5
9	Total Reconciliation Period (Over)/Under Collection	(\$171,042)	Line 7 + Line 8

Exhibit 1

**Duquesne Light Company
Rider 22 - Distribution System Improvement Charge
Annual Reconciliation - January 1, 2017 through December 31, 2017**

Summary of Revenue for the Reconciliation Period - January 2017 through December 2017

	<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>Nov-17</u>	<u>Dec-17</u>	<u>Total</u>
1 Net Surcharge Revenue, Incl. GRT	\$382,893	\$365,158	\$362,211	\$312,320	\$360,086	\$991,693	\$948,786	\$855,277	\$770,851	\$1,223,259	\$1,212,232	\$1,322,273	\$9,107,039
2 Less E-Factor Revenue, Incl. GRT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 DSIC Related Revenue	\$382,893	\$365,158	\$362,211	\$312,320	\$360,086	\$991,693	\$948,786	\$855,277	\$770,851	\$1,223,259	\$1,212,232	\$1,322,273	\$9,107,039
4 DSIC Related Revenue	\$382,893	\$365,158	\$362,211	\$312,320	\$360,086	\$991,693	\$948,786	\$855,277	\$770,851	\$1,223,259	\$1,212,232	\$1,322,273	\$9,107,039
5 Less PA Gross Receipts Tax	\$22,591	\$21,544	\$21,370	\$18,427	\$21,245	\$58,510	\$55,978	\$50,461	\$45,480	\$72,172	\$71,522	\$78,014	\$537,315
6 Net DSIC Related Revenue	\$360,302	\$343,613	\$340,841	\$293,893	\$338,841	\$933,183	\$892,808	\$804,816	\$725,370	\$1,151,087	\$1,140,711	\$1,244,259	\$8,569,723
7 Filed Current (DSIC) Revenue Requirement - Excl. GRT	\$375,459	\$348,162	\$346,065	\$496,633	\$531,655	\$598,610	\$844,098	\$832,892	\$706,340	\$1,069,293	\$1,059,162	\$1,184,067	\$8,392,435
8 (Over)/Under Collection	\$15,156	\$4,548	\$5,224	\$202,740	\$192,814	(\$334,573)	(\$48,710)	\$28,076	(\$19,031)	(\$81,793)	(\$81,549)	(\$60,192)	(\$177,288)
9 Interest	(\$1,516)	(\$458)	(\$503)	(\$18,627)	(\$16,871)	\$27,811	\$3,836	(\$1,989)	\$1,269	\$5,112	\$4,757	\$3,423	\$6,246
10 Total (Over)/Under Collection	\$13,641	\$4,091	\$4,721	\$184,114	\$175,943	(\$306,762)	(\$44,874)	\$26,088	(\$17,762)	(\$76,681)	(\$76,792)	(\$56,768)	(\$171,042)

Exhibit 1

Duquesne Light Company
Rider 22 - Distribution System Improvement Charge
Annual Reconciliation - January 1, 2017 through December 31, 2017

Revenue Requirement and Actual Revenues

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
Filed Distribution Revenue, including GRT	\$45,340,860	\$42,044,453	\$41,791,232	\$38,244,330	\$40,941,286	\$46,097,283	\$51,552,989	\$50,868,607	\$43,139,453	\$40,439,046	\$40,055,885	\$44,779,623	\$525,295,047
Filed DSIC Rate (Including GRT) - Excluding E-Factor	0.88%	0.88%	0.88%	1.38%	1.38%	1.38%	1.74%	1.74%	1.74%	2.81%	2.81%	2.81%	
Calculated DSIC Revenue Requirement (Including GRT) - Excluding E-Factor	\$399,000	\$369,991	\$367,763	\$527,772	\$564,990	\$636,143	\$897,022	\$885,114	\$750,626	\$1,136,337	\$1,125,570	\$1,258,307	\$8,918,635
Gross Receipts Tax Factor	0.941	0.941	0.941	0.941	0.941	0.941	0.941	0.941	0.941	0.941	0.941	0.941	
Calculated DSIC Revenue Requirement (Excluding GRT)	\$375,459	\$348,162	\$346,065	\$496,633	\$531,655	\$598,610	\$844,098	\$832,892	\$706,340	\$1,069,293	\$1,059,162	\$1,184,067	\$8,392,435
Actual DSIC Revenue Billed (Excluding GRT)	\$360,302	\$343,613	\$340,841	\$293,893	\$338,841	\$933,183	\$892,808	\$804,816	\$725,370	\$1,151,087	\$1,140,711	\$1,244,259	\$8,569,723
Net (Over)/Under Collection	\$15,156	\$4,548	\$5,224	\$202,740	\$192,814	(\$334,573)	(\$48,710)	\$28,076	(\$19,031)	(\$81,793)	(\$81,549)	(\$60,192)	(\$177,288)
Interest on (Over)/Under Collection	(\$1,516)	(\$458)	(\$503)	(\$18,627)	(\$16,871)	\$27,811	\$3,836	(\$1,989)	\$1,269	\$5,112	\$4,757	\$3,423	\$6,246
Net (Over)/Under Collection, Including Interest	\$13,641	\$4,091	\$4,721	\$184,114	\$175,943	(\$306,762)	(\$44,874)	\$26,088	(\$17,762)	(\$76,681)	(\$76,792)	(\$56,768)	(\$171,042)

Exhibit 1

**Duquesne Light Company
Rider 22 - Distribution System Improvement Charge
Annual Reconciliation - January 1, 2017 through December 31, 2017**

Calculation of E-Factor Revenue

	<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>Nov-17</u>	<u>Dec-17</u>	<u>Total</u>
1 Total Distribution Revenue													
2 including surcharges	44,346,340	41,495,182	41,646,282	34,857,353	38,733,517	42,976,511	52,361,893	47,132,221	41,202,467	41,151,418	40,593,869	44,567,703	
3 E-Factor DSIC % Inc. GRT	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
4 E-Factor Revenue, Inc. GRT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 E-Factor Revenue, Excl. GRT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Exhibit 1

**Duquesne Light Company
Rider 20 - Smart Meter Charge
Annual Reconciliation - January 1, 2017 through December 31, 2017**

Calculation of Interest

	<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>Nov-17</u>	<u>Dec-17</u>	<u>Total</u>
1 Actual Surcharge Revenue, Excl. GRT	\$360,302	\$343,613	\$340,841	\$293,893	\$338,841	\$933,183	\$892,808	\$804,816	\$725,370	\$1,151,087	\$1,140,711	\$1,244,259	\$8,569,723
2 Less E-Factor Revenue, Excl. GRT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Net Surcharge Related Revenue	\$360,302	\$343,613	\$340,841	\$293,893	\$338,841	\$933,183	\$892,808	\$804,816	\$725,370	\$1,151,087	\$1,140,711	\$1,244,259	\$8,569,723
4 Calculated Current (DSIC) Revenue Requirement - Excl. GRT	\$375,459	\$348,162	\$346,065	\$496,633	\$531,655	\$598,610	\$844,098	\$832,892	\$706,340	\$1,069,293	\$1,059,162	\$1,184,067	\$8,392,435
5 (Over)/Under Collection	\$15,156	\$4,548	\$5,224	\$202,740	\$192,814	(\$334,573)	(\$48,710)	\$28,076	(\$19,031)	(\$81,793)	(\$81,549)	(\$60,192)	(\$177,288)
6 Interest Rate (1)	5.00%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.25%	
7 Interest Weight	21/12	20/12	19/12	18/12	17/12	16/12	15/12	14/12	13/12	12/12	11/12	10/12	
8 Interest (2)	(\$1,516)	(\$458)	(\$503)	(\$18,627)	(\$16,871)	\$27,811	\$3,836	(\$1,989)	\$1,269	\$5,112	\$4,757	\$3,423	\$6,246
9 Total (Over)/Under Collection	\$13,641	\$4,091	\$4,721	\$184,114	\$175,943	(\$306,762)	(\$44,874)	\$26,088	(\$17,762)	(\$76,681)	(\$76,792)	(\$56,768)	(\$171,042)

(1) Interest calculated at the residential mortgage lending rate as specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law.

(2) Per Duquesne Light's Retail Tariff, Rider No. 22, page 112E, the Company is not permitted to accrue interest on under collections.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company for :
Approval of a Distribution System : Docket No. P-2016-2540046
Improvement Charge :

VERIFICATION

I, Scott Ward, hereby state that the personnel performing DSIC-eligible work are qualified and that any DSIC-eligible work that is performed by independent contractors is properly inspected by utility employees, in compliance with 66 Pa. C.S. § 1359.

The facts set forth above are true and correct to the best of my knowledge, information and belief, and I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).



Dated: January 30, 2018