



Michael Zimmerman  
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November 30, 2018

**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 – 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 Rider No. 5 – Universal Service Charge Rider reconciliation statement for the period November 1, 2017 through October 31, 2018 (“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 me or 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. Code § 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  
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Dated: November 30, 2018

EXHIBIT 1

Duquesne Light Company  
Rider No. 5 - Universal Service Charge  
Proposed Charge Effective January 1, 2019

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2017 through October 31, 2018

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Total
1 Net Surcharge Revenue, Incl. GRT	\$2,477,516	\$3,140,753	\$3,468,356	\$2,776,069	\$2,884,244	\$2,364,085	\$2,910,762	\$3,278,899	\$4,655,538	\$3,957,041	\$3,340,007	\$2,748,238	\$38,001,508
2 E-Factor Revenue, Incl. GRT	(\$521,280)	(\$659,974)	(\$473,248)	(\$356,890)	(\$382,569)	(\$313,554)	(\$396,330)	(\$441,318)	(\$599,566)	(\$525,430)	(\$443,556)	(\$364,731)	(\$5,478,447)
3 Universal Service Charge Related Revenue	\$1,956,236	\$2,480,779	\$2,995,107	\$2,419,180	\$2,501,675	\$2,050,530	\$2,514,432	\$2,837,582	\$4,055,972	\$3,431,611	\$2,896,451	\$2,383,507	\$32,523,060
4 Universal Service Charge Related Revenue	\$1,956,236	\$2,480,779	\$2,995,107	\$2,419,180	\$2,501,675	\$2,050,530	\$2,514,432	\$2,837,582	\$4,055,972	\$3,431,611	\$2,896,451	\$2,383,507	\$32,523,060
5 Less PA Gross Receipts Tax	\$115,418	\$146,366	\$176,711	\$142,732	\$147,599	\$120,981	\$148,351	\$167,417	\$239,302	\$202,465	\$170,891	\$140,627	\$1,918,861
6 Universal Service Charge Related Revenue	\$1,840,818	\$2,334,413	\$2,818,396	\$2,276,448	\$2,354,077	\$1,929,549	\$2,366,080	\$2,670,164	\$3,816,670	\$3,229,146	\$2,725,560	\$2,242,880	\$30,604,200
7 Expense	\$1,862,860	\$1,680,489	\$1,691,805	\$1,883,087	\$1,862,579	\$2,659,162	\$3,082,994	\$2,449,917	\$2,586,218	\$2,887,567	\$2,481,371	\$3,125,602	\$28,253,651
8 CAP Discount Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Adjusted Expense	\$1,862,860	\$1,680,489	\$1,691,805	\$1,883,087	\$1,862,579	\$2,659,162	\$3,082,994	\$2,449,917	\$2,586,218	\$2,887,567	\$2,481,371	\$3,125,602	\$28,253,651
10 Over/(Under) Collection	(\$22,043)	\$653,924	\$1,126,590	\$393,361	\$491,498	(\$729,613)	(\$716,914)	\$220,247	\$1,230,452	\$341,579	\$244,190	(\$882,722)	\$2,350,549
11 Interest	(\$2,204)	\$62,123	\$101,393	\$33,436	\$39,320	(\$54,721)	(\$50,184)	\$14,316	\$73,827	\$18,787	\$12,209	(\$39,722)	\$208,579
12 Total Over/(Under) Collection	(\$24,247)	\$716,047	\$1,227,984	\$426,796	\$530,818	(\$784,334)	(\$767,098)	\$234,563	\$1,304,279	\$360,365	\$256,399	(\$922,444)	\$2,559,128

EXHIBIT 1

Duquesne Light Company  
Rider No. 5 - Universal Service Charge  
Proposed Charge Effective January 1, 2019

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2017 through October 31, 2018

Rate Class	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Total
A. Actual Surcharge Revenue by Month, Incl. GRT													
1 RS	\$2,170,298	\$2,677,807	\$2,874,550	\$2,376,047	\$2,460,187	\$2,074,337	\$2,777,168	\$2,978,377	\$4,382,175	\$3,707,433	\$3,116,779	\$2,487,170	\$34,082,330
2 RH	\$266,683	\$409,219	\$529,462	\$351,473	\$375,442	\$250,286	\$168,349	\$182,102	\$216,231	\$198,249	\$178,444	\$217,128	\$3,343,067
3 RA	\$40,535	\$53,726	\$64,343	\$48,549	\$48,615	\$39,463	(\$34,755)	\$118,420	\$57,132	\$51,359	\$44,784	\$43,941	\$576,111
4 Total	\$2,477,516	\$3,140,753	\$3,468,356	\$2,776,069	\$2,884,244	\$2,364,085	\$2,910,762	\$3,278,899	\$4,655,538	\$3,957,041	\$3,340,007	\$2,748,238	\$38,001,508
B. Actual Surcharge Revenue by Month, Excl. GRT													
5 RS	\$2,042,251	\$2,519,817	\$2,704,952	\$2,235,861	\$2,315,036	\$1,951,951	\$2,613,315	\$2,802,653	\$4,123,627	\$3,488,695	\$2,932,889	\$2,340,427	\$32,071,472
6 RH	\$250,948	\$385,075	\$498,224	\$330,736	\$353,291	\$235,519	\$158,417	\$171,358	\$203,473	\$186,552	\$167,915	\$204,317	\$3,145,826
7 RA	\$38,143	\$50,557	\$60,547	\$45,684	\$45,747	\$37,134	(\$32,705)	\$111,433	\$53,761	\$48,329	\$42,142	\$41,348	\$542,120
8 Total	\$2,331,342	\$2,955,448	\$3,263,723	\$2,612,281	\$2,714,074	\$2,224,604	\$2,739,027	\$3,085,444	\$4,380,862	\$3,723,576	\$3,142,947	\$2,586,092	\$35,759,419

**EXHIBIT 1**

**Duquesne Light Company  
Rider No. 5 - Universal Service Charge  
Proposed Charge Effective January 1, 2019**

**Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2017 through October 31, 2018**

<u>Rate Class</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Total</u>
<b>A. Actual Non-CAP kWh by Month</b>													
1 RS	241,662,517	297,748,869	303,944,687	236,884,031	252,960,938	213,266,301	285,898,556	319,044,145	436,816,830	381,357,641	320,817,714	255,882,022	3,546,284,251
2 RH	29,644,209	45,449,076	56,103,449	34,921,576	38,579,118	25,770,872	17,239,971	18,564,777	22,101,649	20,663,411	18,381,661	22,362,305	349,782,073
3 RA	4,502,774	5,994,808	6,810,995	4,853,025	5,024,829	4,028,270	4,094,194	4,497,688	5,861,486	5,289,376	4,642,648	4,493,264	60,093,356
4 B. E-Factor Rate (1) Cents per kWh, Inc. GRT	(0.189)	(0.189)	(0.129)	(0.129)	(0.129)	(0.129)	(0.129)	(0.129)	(0.129)	(0.129)	(0.129)	(0.129)	(0.129)
<b>C. E-Factor Revenue, Incl. GRT</b>													
5 RS	(\$456,742)	(\$562,745)	(\$392,089)	(\$305,580)	(\$326,320)	(\$275,114)	(\$368,809)	(\$411,567)	(\$563,494)	(\$491,951)	(\$413,855)	(\$330,088)	(\$4,898,354)
6 RH	(\$56,028)	(\$85,899)	(\$72,373)	(\$45,049)	(\$49,767)	(\$33,244)	(\$22,240)	(\$23,949)	(\$28,511)	(\$26,656)	(\$23,712)	(\$28,847)	(\$496,275)
7 RA	(\$8,510)	(\$11,330)	(\$8,786)	(\$6,260)	(\$6,482)	(\$5,196)	(\$5,282)	(\$5,802)	(\$7,561)	(\$6,823)	(\$5,989)	(\$5,796)	(\$83,819)
8 Total	(\$521,280)	(\$659,974)	(\$473,248)	(\$356,890)	(\$382,569)	(\$313,554)	(\$396,330)	(\$441,318)	(\$599,566)	(\$525,430)	(\$443,556)	(\$364,731)	(\$5,478,447)
<b>D. E-Factor Revenue, Excl. GRT</b>													
9 RS	(\$429,794)	(\$529,543)	(\$368,955)	(\$287,551)	(\$307,067)	(\$258,882)	(\$347,049)	(\$387,284)	(\$530,248)	(\$462,926)	(\$389,437)	(\$310,613)	(\$4,609,351)
10 RH	(\$52,722)	(\$80,831)	(\$68,103)	(\$42,391)	(\$46,831)	(\$31,283)	(\$20,927)	(\$22,536)	(\$26,829)	(\$25,083)	(\$22,313)	(\$27,145)	(\$466,995)
11 RA	(\$8,008)	(\$10,662)	(\$8,268)	(\$5,891)	(\$6,100)	(\$4,890)	(\$4,970)	(\$5,460)	(\$7,115)	(\$6,421)	(\$5,636)	(\$5,454)	(\$78,874)
12 Total	(\$490,524)	(\$621,036)	(\$445,327)	(\$335,833)	(\$359,997)	(\$295,055)	(\$372,947)	(\$415,280)	(\$564,192)	(\$494,430)	(\$417,386)	(\$343,212)	(\$5,155,219)

1/ Per November 30, 2016 submittal at Docket No. M-2016-2577960 and November 30, 2017 submittal at Docket No. M-2017-2636059.

EXHIBIT 1

Duquesne Light Company  
Rider No. 5 - Universal Service Charge  
Proposed Charge Effective January 1, 2019

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2017 through October 31, 2018

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Total
1 CAP Revenue Deficiency	\$1,165,709	\$1,092,101	\$1,225,234	\$1,124,777	\$1,163,561	\$1,767,932	\$1,807,854	\$1,668,695	\$1,814,467	\$1,812,480	\$1,752,081	\$2,001,108	\$18,395,998
2 CAP Frozen Arrearage	\$434,695	\$265,586	\$319,463	\$425,466	\$470,019	\$659,373	\$591,496	\$516,882	\$475,575	\$619,598	\$461,839	\$538,815	\$5,778,808
3 CAP Administrative Costs	\$135,826	\$136,282	\$135,858	\$150,925	\$135,919	\$135,833	\$135,892	\$135,831	\$136,105	\$135,826	\$135,826	\$135,826	\$1,645,949
4 Smart Comfort	\$115,380	\$175,270	\$0	\$170,670	\$81,830	\$84,775	\$536,501	\$117,260	\$148,820	\$308,412	\$120,374	\$349,771	\$2,209,064
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	\$88,832	\$88,832
7 Total Expenses	\$1,862,860	\$1,680,489	\$1,691,805	\$1,883,087	\$1,862,579	\$2,659,162	\$3,082,994	\$2,449,917	\$2,586,218	\$2,887,567	\$2,481,371	\$3,125,602	\$28,253,651
8 CAP Customers	34,449	34,420	34,058	34,059	34,220	34,910	34,963	35,008	35,183	35,498	35,630	35,883	
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)	\$33.84	\$31.73	\$35.97	\$33.02	\$34.00	\$50.64	\$51.71	\$47.67	\$51.57	\$51.06	\$49.17	\$55.77	
12 Average Frozen Arrearage/CAP Customer (2)	\$12.62	\$7.72	\$9.38	\$12.49	\$13.74	\$18.89	\$16.92	\$14.76	\$13.52	\$17.45	\$12.96	\$15.02	
13 Deficiency and Arrearage Combined	\$46.46	\$39.44	\$45.35	\$45.52	\$47.74	\$69.53	\$68.63	\$62.43	\$65.09	\$68.51	\$62.14	\$70.78	
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)	\$1,862,860	\$1,680,489	\$1,691,805	\$1,883,087	\$1,862,579	\$2,659,162	\$3,082,994	\$2,449,917	\$2,586,218	\$2,887,567	\$2,481,371	\$3,125,602	\$28,253,651

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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Duquesne Light Company  
Rider No. 5 - Universal Service Charge  
Proposed Charge Effective January 1, 2019

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2017 through October 31, 2018

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Total
1 Net Surcharge Revenue, Excl. GRT	\$2,331,342	\$2,955,448	\$3,263,723	\$2,612,281	\$2,714,074	\$2,224,604	\$2,739,027	\$3,085,444	\$4,380,862	\$3,723,576	\$3,142,947	\$2,586,092	\$35,759,419
2 E-Factor Revenue, Excl. GRT	(\$490,524)	(\$621,036)	(\$445,327)	(\$335,833)	(\$359,997)	(\$295,055)	(\$372,947)	(\$415,280)	(\$564,192)	(\$494,430)	(\$417,386)	(\$343,212)	(\$5,155,219)
3 Universal Service Charge Related Revenue, Excl. GRT	\$1,840,818	\$2,334,413	\$2,818,396	\$2,276,448	\$2,354,077	\$1,929,549	\$2,366,080	\$2,670,164	\$3,816,670	\$3,229,146	\$2,725,560	\$2,242,880	\$30,604,200
4 Expense	\$1,862,860	\$1,680,489	\$1,691,805	\$1,883,087	\$1,862,579	\$2,659,162	\$3,082,994	\$2,449,917	\$2,586,218	\$2,887,567	\$2,481,371	\$3,125,602	\$28,253,651
5 Over/(Under) Collection	(\$22,043)	\$653,924	\$1,126,590	\$393,361	\$491,498	(\$729,613)	(\$716,914)	\$220,247	\$1,230,452	\$341,579	\$244,190	(\$882,722)	\$2,350,549
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	(\$2,204)	\$62,123	\$101,393	\$33,436	\$39,320	(\$54,721)	(\$50,184)	\$14,316	\$73,827	\$18,787	\$12,209	(\$39,722)	\$208,579