



Michael Zimmerman
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November 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 Rider No. 5 – Universal Service Charge Rate
Supplement No. 186 to Tariff Electric – PA. P.U.C. No. 24**

Dear Secretary Chiavetta:

Enclosed for filing, please find Duquesne Light Company's ("Duquesne Light" or "Company") Supplement No. 186 to Tariff Electric – PA. P.U.C. No. 24. Supplement No. 186 is a proposed update to the Company's Universal Service Charge rates, issued November 30, 2018, with an effective date of January 1, 2019.

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".

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



Michael Zimmerman
Duquesne Light Company
411 Seventh Avenue, 15-7
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>
A. Actual Non-CAP kWh by Month													
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)
C. E-Factor Revenue, Incl. GRT													
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)
D. E-Factor Revenue, Excl. GRT													
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.

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, 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

ATTACHMENT A

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

Reconciliation of Revenue and Expense - November 1, 2017 through October 31, 2018

1	Net Surcharge Revenue, Incl. GRT	\$38,001,508	Exh. 1, Page 2
2	Net Surcharge Related Revenue, Excl. GRT		\$35,759,419 Line 1 * 0.941
3	E-Factor Revenue, Incl. GRT	(\$5,478,447)	Exh. 1, Page 3
4	E-Factor Revenue, Excl. GRT		(\$5,155,219) Line 3 * 0.941
5	Universal Service Related Revenue, Excl. GRT		\$30,604,200 Line 2 + Line 4
6	Universal Service Related Expense		\$28,253,651 Exh. 1, Page 4
7	Total Reconciliation Period Over/(Under) Collection		\$2,350,549 Line 5 - Line 6
8	Interest		\$208,579 Exh. 1, Page 5
9	Net Reconciliation Period Over/(Under) Collection		\$2,559,128 Line 7 + Line 8
	<u>E-Factor Reconciliation</u>		
10	Balance at YE October 31, 2017, Excl. GRT		(\$4,344,927) Att. A, Page 2
11	E-Factor Revenue - Nov 2017-Oct 2018, Excl. GRT		(\$5,155,219) Line 4
12	Prior Period Balance at October 31, 2018		\$810,292 Line 10 - Line 11
13	Reconciliation Period Over/(Under) Collection - Nov 2017-Oct 2018		\$2,559,128 Line 9
14	E-Factor Balance at YE October 31, 2018		\$3,369,420 Line 12 + Line 13

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

Reconciliation of E-Factor Revenue

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

30	Nov 2015 to Oct 2016	Prior Period Over/(Under) Collection	(\$6,585,266)	Line 29
31	Nov 2016 to Oct 2017	Current Period E-Factor Revenue (excl. GRT)	<u>(\$5,932,515)</u>	
32		Prior Period E-Factor Balance	(\$652,751)	Line 30 - Line 31
33	Nov 2016 to Oct 2017	Actual Current Period Over/(Under) Recovery	(\$3,401,922)	
34		Interest	<u>(\$290,254)</u>	
35		Total	(\$3,692,176)	Line 33 + Line 34
36		E-Factor Balance at YE October 31, 2017	<u>(\$4,344,927)</u>	Line 32 + Line 35

Filed November 2018

Effective January 1, 2019-December 2019

37	Nov 2016 to Oct 2017	Prior Period Over/(Under) Collection	(\$4,344,927)	Line 36
38	Nov 2017 to Oct 2018	Current Period E-Factor Revenue (excl. GRT)	<u>(\$5,155,219)</u>	
39		Prior Period E-Factor Balance	\$810,292	Line 37 - Line 38
40	Nov 2017 to Oct 2018	Actual Current Period Over/(Under) Recovery	\$2,350,549	
41		Interest	<u>\$208,579</u>	
42		Total	\$2,559,128	Line 40 + Line 41
43		E-Factor Balance at YE October 31, 2018	<u>\$3,369,420</u>	Line 39 + Line 42

ATTACHMENT A
Duquesne Light Company
Rider 5 - Universal Service Charge
Proposed Charge Effective January 1, 2019

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 2017-October 2018										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 Exh. 1, Page 3	Reconciliation Period Related Revenue Less GRT Exh. 1, Page 4	Reconciliation Period Expense Exh. 1, Page 4	Over/(Under) Collection e Factor Exh. 1, Page 5	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 2019 Att. A, Page 4	Proposed E-Factor Rate Excl. GRT	Proposed E-Factor Rate Incl. GRT	cents/kWh
1 Residential (RS, RH, RA)	\$38,001,508	(\$5,478,447)	\$32,523,060	\$30,604,200	\$28,253,651	\$2,350,549	\$208,579	\$2,559,128	\$810,292	\$3,369,420	3,589,107,338	0.094	0.100	

ATTACHMENT A

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

Calculation of the Projected Universal Service Charge

<u>Universal Service Program Costs:</u>		
1	CAP Revenue Deficiency	\$21,326,537
2	CAP Frozen Arrearage	\$5,753,792
3	CAP Administration Cost	\$1,634,448
4	Smart Comfort	\$2,415,000
5	CARES	\$135,000
6	Hardship Fund	\$82,000
7	<u>Projected Universal Service Program Budget</u>	<u>\$31,346,777</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, 2018</u>	<u>35,883</u>
10	Difference	0 Line 9 - Line 8
11	<u>Average Discount per Customer per Year</u>	<u>\$716</u> See Footnote 1
12	Discount With Excess Customers	\$0 Line 10 * Line 11
13	<u>Bad Debt Offset</u>	<u>10.43%</u> Per USC, Tariff Rider 5, page 85
14	Adjustment to USC for Bad Debt	\$0 Line 12 * Line 13
15	<u>Total Projected Universal Service Program Costs</u>	<u>\$31,346,777</u> Line 7 - Line 14
 <u>Projected Non-CAP Sales:</u>		
16	Forecast Residential Sales (kWh)	4,010,899,838
17	<u>Less Forecast CAP Sales (kWh)</u>	<u>421,792,500</u>
18	Non-CAP Forecast Sales (kWh)	3,589,107,338 Line 16 - Line 17
19	Charge - \$/kWh	\$0.00873 Line 15 / Line 18
20	Charge - ¢/kWh	0.873 Line 19 * 100
21	T= Pennsylvania Gross Receipts Tax (GRT):	5.9%
22	<u>Projected Universal Service Charge (USC) (¢/kWh)</u>	<u>0.928</u> Line 20 * 1 / (1 - line 21)
23	E-Factor Over/(Under) Collection (¢/kWh), Incl. GRT	0.100 Att. A, Page 3
24	<u>Universal Service Charge (USC) (¢/kWh) - Effective January 1, 2019</u>	<u>0.828</u> Line 22 - Line 23

(1) Calculated as follows:

Projected 2019 CAP Deficiency and Arrearages (Line 1 + Line 2)	\$27,080,329
Projected Enrollment as of December 31, 2019	<u>37,800</u>
Average Discount per Customer per Year	<u>\$716</u>



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: November 30, 2018

EFFECTIVE: January 1, 2019

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

NOTICE

THIS TARIFF SUPPLEMENT DECREASES A RATE WITHIN AN EXISTING RIDER

(C)

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF**CHANGE****Title Page**

Language has been removed from the Title Page in accordance with Ordering Paragraph No. 1 of the Temporary Rates Order entered May 17, 2018, at Docket No. M-2018-2641242.

DECREASE**Rider No. 5 – Universal Service Charge**

**Fifteenth Revised Page No. 84
Cancelling Fourteenth 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 decreased from 0.972 cents per kilowatt-hour to 0.828 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 0.828 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. (D)

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_c = 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