



Michael Zimmerman  
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December 20, 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 – Rider No. 20 Smart Meter Charge  
Supplement No. 187 to Tariff Electric – PA. P.U.C. No. 24  
Docket No. – M-2018-\_\_\_\_\_**

Dear Secretary Chiavetta:

Enclosed please find an original copy of Supplement No. 187 to Duquesne Light Company's ("Company") Tariff-Electric, PA. P.U.C. No. 24, and supporting documentation. Supplement No. 187 amends Rider No. 20 – Smart Meter Charge, with an effective date of January 1, 2019.

Rider No. 20 provides in part that the Company shall file quarterly updates to the rate in Rider No. 20, with supporting documentation, at least 10 days prior to the effective date of the update. This filing constitutes the Company's quarterly update to Rider No. 20.

Please note that the Company contemplates updating the rate in Rider No. 20, to become effective December 29, 2018, through a separate filing on or about December 21, 2018. On September 14, 2018, the Company filed a *Joint Petition for Approval of Settlement Stipulation* ("Joint Petition") in its pending base distribution rate proceeding at Docket No. R-2018-3000124. The Joint Petition proposes in part to reset the rate in Rider No. 20 effective December 29, 2018. Upon entry of a Commission Order on the Joint Petition, the Company anticipates making a compliance filing to effect such update to the rate in Rider No. 20 effective December 29, 2018.



Should you have any questions, please feel free to contact me or David Ogden, Manager of Rate & Tariff Services, at 412-393-6343 or [dogden@duqlight.com](mailto:dogden@duqlight.com).

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Michael Zimmerman".

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. 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

Bureau of Audits  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 3<sup>rd</sup> Floor East  
Harrisburg, PA 17120



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Michael Zimmerman  
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Pittsburgh, PA 15219  
Phone: 412-393-6268  
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Dated: December 20, 2018



# 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 20, 2018

EFFECTIVE: January 1, 2019

Issued in compliance with Commission Order dated May 11, 2010,  
at Docket No. M-2009-2123948.

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# NOTICE

**THIS TARIFF SUPPLEMENT DECREASES RATES WITHIN AN EXISTING RIDER**

**See Page Two**

LIST OF MODIFICATIONS MADE BY THIS TARIFF

DECREASE

Rider No. 20 – Smart Meter Charge

Fortieth Revised Page No. 108  
Cancelling Thirty-Ninth Revised Page No. 108

The Smart Meter Charge has been adjusted as required by the provisions of the Rider.

The monthly charge per meter has decreased from \$4.25 to \$3.39 for Single-Phase meters.

The monthly charge per meter has decreased from \$7.16 to \$2.33 for Poly-Phase meters.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 20 – SMART METER CHARGE

(Applicable to Rates RS, RH, RA, GS/GM, GMH, GL, GLH, L, HVPS and AL)

PURPOSE

The Smart Meter Charge (“SMC”) is instituted as a cost recovery mechanism to recover all costs to implement the Company’s Smart Meter Procurement and Implementation Plan (“Plan”). The SMC has been added per Commission Order at Docket No. M-2009-2123948. Act 129 (“Act”) became effective November 14, 2008, requiring all Pennsylvania electric distribution companies (“EDCs”) with more than 100,000 customers to implement smart meters. Act 129 set forth the timeline for implementation, the definition of smart meters and the provisions for full and current cost recovery of all costs incurred by EDCs to install and make fully functional a smart meter system defined in and required by Act 129. The Company filed its Plan on August 14, 2009, in compliance with the Act, including this Charge and provisions for cost recovery. This Charge shall be updated as described below to recover all costs associated with implementing the Plan.

The SMC is a non-bypassable charge and shall be applicable to the monthly bill of all metered customers based on the number of meters installed at the premise.

ELIGIBLE COSTS

The SMC recovers all eligible costs incurred by the Company to implement smart meter technology and the supporting infrastructure. Eligible costs, described in 66 Pa. C.S. § 2807(f), include capital and expense items relating to all Plan elements, equipment and facilities, as well as all related administrative costs. Plan costs include, but are not limited to, capital expenditures for any equipment and facilities that may be required to implement the Plan, as well as depreciation, operating and maintenance expenses, a return component based on the EDC’s weighted cost of capital and taxes. In general, eligible administrative costs include, but are not limited to, incremental costs relating to Plan development, cost analysis, measurement and verification and reporting. The costs associated with testing, upgrades, maintenance and personnel training are considered eligible costs.

MONTHLY SMART METER CHARGE

Meter Type	Monthly Charge Per Meter
Single-Phase	\$3.39
Poly-Phase	\$2.33

(D)  
(D)

The SMC, calculated independently for each meter type, shall be applied to all applicable customers served under the Tariff. Customers will be billed based on the number of meter types installed at their premise. Customers with multiple meters will incur multiple charges. The SMC shall be determined in dollars and cents per month per meter in accordance with the formula described in the “Calculation of Charge” section and shall be applied to all applicable customers served during any part of a billing month.

(D) – Indicates Decrease

Duquesne Light Company  
Smart Meter Cost Recovery Charge  
Calculation of Smart Meter Charge Rates  
Tariff Rider No. 20  
Effective January 1, 2019

Line	Common Plant	Single Phase Meters	Poly Phase Meters	
1	Average Projected Smart Meter Plant In Service	\$70,205,488	\$103,201,861	\$5,779,374
2	Annual Depreciation (years)	10	15	15
3	Annual Depreciation	\$7,020,549	\$6,880,124	\$385,292
4	Accrued Depreciation	\$22,586,368	\$14,936,804	\$401,986
5	Weighted Average Pre-Tax Rate of Return (PTRR)(page 2)	9.42%	9.42%	9.42%

Formula and Calculation

6	SMC = [(( NPIS * PTRR/4) + Dep/4 + O&M - S + e/4) / M] * (1/(1-T))			
7	<u>(Plant-accrued depreciation-ADIT)*Return + Depreciation + O&amp;M - Savings + e-Factor</u>			
8	Meters per Quarter * (1-Gross Receipts Tax)			
9	Smart Meter Plant In Service	\$70,205,488	\$103,201,861	\$5,779,374
10	Less Accrued Depreciation	(\$22,586,368)	(\$14,936,804)	(\$401,986)
11	Less Accumulated Deferred Income Taxes	(\$16,119,850)	(\$22,766,931)	(\$846,825)
12	Net Plant	\$31,499,270	\$65,498,126	\$4,530,563
13	Weighted Rate of Return/4	2.36%	2.36%	2.36%
14	Return	\$741,871	\$1,542,612	\$106,704
15	Depreciation/4	\$1,755,137	\$1,720,031	\$96,323
16	O&M Expense (Projected for Quarter)	\$0	\$0	\$0
17	Savings	\$0	\$0	\$0
18	e-Factor/4 (1)	\$0	(\$287,685)	(\$34,075)
19	Adjustment/4 (2)	\$0	\$85,228	(\$117,753)
20	Smart Meter Revenue Requirement (SMRR)	\$2,497,008	\$3,060,185	\$51,198
21	Meters		571,306	21,561
22	Share of Total Meters		96.4%	3.6%
23	Allocated Common Plant SMRR Based on Meters (Line 19 * Line 21)		\$2,406,197	\$90,811
24	Total Revenue Requirement by Meter Type for Upcoming Quarter (Line 19 + Line 22)		\$5,466,383	\$142,009
25	Current Meter Count		571,306	21,561
26	Projected Quarterly Bills Based on Meter Count (line 24 x 3)		1,713,918	64,684
27	Monthly Charge per Meter for Upcoming Quarter (Line 23 / Line 25)		\$3.19	\$2.20
28	Pennsylvania Gross Receipts Tax Rate (PA GRT)		5.9%	5.9%
29	Monthly Smart Meter Charge Including GRT (\$/month/meter)		\$3.39	\$2.33

(1) E-factor component based on (\$2,056,474) overcollection balance at June 30, 2018 and projected E-factor revenue of (\$769,434) through December 2018, for a total estimated overcollection of (\$1,287,040) through December 2018. Over collection to be refunded over the one-year period commencing on January 1, 2019 (Single Phase (\$1,150,740)/4; Poly Phase (\$136,301)/ 4).

(2) Prior period adjustment reflects a net overcollection of (\$119,007) plus (\$11,096) of calculated interest. Net overcollection to be refunded over the one-year period commencing on January 1, 2019 (Single Phase \$340,910/4; Poly Phase (\$471,013)/ 4) See Exhibit 2 - Prior Period Adjustment Calculation for the detailed calculation of this adjustment.

Duquesne Light Company  
Smart Meter Cost Recovery Charge  
Weighted Average Cost of Capital  
Tariff Rider No. 20  
Effective January 1, 2019

Line

Pre-Tax Weighted Average Cost of Capital

	<u>Weight (1)</u>	<u>Cost</u>	<u>Weighted Average Cost</u>	<u>Gross Revenue Conversion Factor</u>	<u>Pre-Tax Weighted Average Cost</u>
1 Debt (1)	45.91%	4.78%	2.19%		2.19%
2 Preferred Equity (1)	1.46%	4.09%	0.06%	1.40631	0.08%
3 Common Equity (2)	<u>52.63%</u>	9.65%	<u>5.08%</u>	1.40631	<u>7.14%</u>
4 Total Return	100.00%		7.33%		9.42%

Calculation of Gross Revenue Conversion Factor

	<u>Rate</u>	
5 Gross Revenue Charge		100.00%
6 Less: State Income Taxes	9.99%	<u>9.99%</u>
7 Income Before Federal Income Taxes		90.01%
8 Less: Federal Income Taxes	21.00%	<u>18.90%</u>
9 Income After Income Taxes		71.11%
10 Gross Revenue Conversion Factor		1.40631

Notes:

- 1/ Weighted capitalization ratio's and cost of debt and preferred per Company's records. This information was submitted to the PA PUC in the in the Company's Third Quarter 2017 Quarterly Financial Report. Pursuant to 52 Pa. Code 71.4(c), the Company has not filed an Earnings Report for the twelve months ending December 31, 2017, for the twelve months ending March 31, 2018, for the twelve months ending June 30, 2018 or for the twelve months ended September 30, 2018 because the Company presently has a distribution rate case pending before the Commission at Docket No. R-2018-3000124.
- 2/ Effective July 1, 2017, cost of common equity reflects the published Market Based Returns on Common Equity, published in the Second Quarter 2018 Quarterly Earnings Report Summary, Docket No. M-2018-3005325.

Duquesne Light Company  
Smart Meter Cost Recovery Charge  
Prior Period Adjustment Calculation  
Tariff Rider No. 20  
Effective January 1, 2019

Q3 2016

	As Filed			Updated			Difference			Totals
	Common	Single	Poly	Common	Single	Poly	Common	Single	Poly	
	Plant	Phase Meters	Phase Meters	Plant	Phase Meters	Phase Meters	Plant	Phase Meters	Phase Meters	
Smart Meter Plant In Service	\$59,168,442	\$41,456,975	\$69,133	\$59,168,442	\$41,442,051	\$26,916	\$0	(\$14,925)	(\$42,217)	(\$57,142)
Less Accrued Depreciation	(\$5,543,651)	(\$2,141,595)	(\$498)	(\$5,543,651)	(\$2,141,251)	(\$207)	\$0	\$343	\$290	\$634
Less Accumulated Deferred Income Taxes	(\$10,061,082)	(\$6,770,411)	(\$10,170)	(\$10,061,082)	(\$6,773,433)	(\$3,354)	\$0	(\$3,022)	\$6,816	\$3,794
Net Plant	\$43,563,708	\$32,544,970	\$58,465	\$43,563,708	\$32,527,366	\$23,355	\$0	(\$17,603)	(\$35,111)	(\$52,714)
Weighted Rate of Return/4	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%	0.00%	0.00%	0.00%	0.00%
Return	\$1,231,361	\$919,908	\$1,652	\$1,231,361	\$919,410	\$660	\$0	(\$498)	(\$992)	(\$1,490)
Depreciation/4	\$1,479,211	\$690,950	\$1,152	\$1,479,211	\$690,701	\$449	\$0	(\$249)	(\$704)	(\$952)
Smart Meter Revenue Requirement (SMRR)	\$2,710,572	\$1,610,858	\$2,805	\$2,710,572	\$1,610,111	\$1,109	\$0	(\$746)	(\$1,696)	(\$2,442)

Check LTR 12/20/16 - Docket No. 14-0217-201017

Q4 2016

	As Filed			Updated			Difference			Totals
	Common	Single	Poly	Common	Single	Poly	Common	Single	Poly	
	Plant	Phase Meters	Phase Meters	Plant	Phase Meters	Phase Meters	Plant	Phase Meters	Phase Meters	
Smart Meter Plant In Service	\$62,128,315	\$48,309,504	\$700,057	\$62,128,315	\$48,724,185	\$227,969	\$0	\$414,680	(\$472,088)	(\$57,408)
Less Accrued Depreciation	(\$7,054,148)	(\$2,908,441)	(\$8,088)	(\$7,054,148)	(\$2,912,115)	(\$2,824)	\$0	(\$3,674)	\$5,264	\$1,590
Less Accumulated Deferred Income Taxes	(\$12,510,940)	(\$9,610,481)	(\$125,929)	(\$12,510,940)	(\$9,689,984)	(\$36,941)	\$0	(\$79,505)	\$88,988	\$9,484
Net Plant	\$42,563,227	\$35,790,582	\$566,040	\$42,563,227	\$36,122,085	\$188,204	\$0	\$331,502	(\$377,836)	(\$46,334)
Weighted Rate of Return/4	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%	0.00%	0.00%	0.00%	0.00%
Return	\$1,203,028	\$1,011,603	\$15,999	\$1,203,028	\$1,020,973	\$5,319	\$0	\$9,370	(\$10,679)	(\$1,310)
Depreciation/4	\$1,553,208	\$805,158	\$11,668	\$1,553,208	\$812,070	\$3,799	\$0	\$6,911	(\$7,868)	(\$957)
Smart Meter Revenue Requirement (SMRR)	\$2,756,236	\$1,816,761	\$27,666	\$2,756,236	\$1,833,042	\$9,119	\$0	\$16,281	(\$18,547)	(\$2,266)

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Q1 2017

	As Filed			Updated			Difference			Totals
	Common	Single	Poly	Common	Single	Poly	Common	Single	Poly	
	Plant	Phase Meters	Phase Meters	Plant	Phase Meters	Phase Meters	Plant	Phase Meters	Phase Meters	
Smart Meter Plant In Service	\$67,931,603	\$54,844,171	\$1,195,637	\$67,931,603	\$55,692,738	\$289,495	\$0	\$848,567	(\$906,142)	(\$57,575)
Less Accrued Depreciation	(\$8,722,343)	(\$5,786,276)	(\$25,492)	(\$8,722,343)	(\$5,801,823)	(\$7,396)	\$0	(\$15,547)	\$18,095	\$2,549
Less Accumulated Deferred Income Taxes	(\$13,724,657)	(\$11,117,145)	(\$201,260)	(\$13,724,657)	(\$11,250,950)	(\$55,752)	\$0	(\$139,805)	\$145,508	\$11,703
Net Plant	\$45,484,604	\$37,940,749	\$968,886	\$45,484,604	\$40,639,964	\$226,347	\$0	\$699,215	(\$742,539)	(\$43,324)
Weighted Rate of Return/4	2.82%	2.82%	2.82%	2.82%	2.82%	2.82%	0.00%	0.00%	0.00%	0.00%
Return	\$1,284,099	\$1,127,587	\$27,353	\$1,284,099	\$1,147,327	\$6,390	\$0	\$19,740	(\$20,963)	(\$1,223)
Depreciation/4	\$1,698,290	\$914,070	\$19,927	\$1,698,290	\$928,212	\$4,825	\$0	\$14,143	(\$15,102)	(\$960)
Smart Meter Revenue Requirement (SMRR)	\$2,982,389	\$2,041,657	\$47,280	\$2,982,389	\$2,075,539	\$11,215	\$0	\$33,883	(\$36,065)	(\$2,183)

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Q2 2017

	As Filed			Updated			Difference			Totals
	Common	Single	Poly	Common	Single	Poly	Common	Single	Poly	
	Plant	Phase Meters	Phase Meters	Plant	Phase Meters	Phase Meters	Plant	Phase Meters	Phase Meters	
Smart Meter Plant In Service	\$68,376,282	\$62,319,569	\$1,860,295	\$68,376,282	\$63,599,420	\$514,662	\$0	\$1,279,850	(\$1,345,633)	(\$65,781)
Less Accrued Depreciation	(\$10,429,151)	(\$4,783,866)	(\$52,079)	(\$10,429,151)	(\$4,818,332)	(\$14,054)	\$0	(\$34,466)	\$38,025	\$3,559
Less Accumulated Deferred Income Taxes	(\$14,114,567)	(\$12,051,972)	(\$282,989)	(\$14,114,567)	(\$12,236,126)	(\$78,650)	\$0	(\$184,154)	\$204,339	\$20,185
Net Plant	\$43,832,564	\$45,483,732	\$1,525,227	\$43,832,564	\$46,544,961	\$421,958	\$0	\$1,061,229	(\$1,103,269)	(\$42,039)
Weighted Rate of Return/4	2.82%	2.82%	2.82%	2.82%	2.82%	2.82%	0.00%	0.00%	0.00%	0.00%
Return	\$1,237,459	\$1,284,074	\$48,059	\$1,237,459	\$1,314,034	\$11,913	\$0	\$29,960	(\$31,147)	(\$1,187)
Depreciation/4	\$1,709,407	\$1,038,659	\$31,005	\$1,709,407	\$1,059,990	\$8,578	\$0	\$21,331	(\$22,427)	(\$1,096)
Smart Meter Revenue Requirement (SMRR)	\$2,946,866	\$2,322,733	\$74,064	\$2,946,866	\$2,374,024	\$20,490	\$0	\$51,291	(\$53,574)	(\$2,283)

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Q3 2017

	As Filed			Updated			Difference			Totals
	Common	Single	Poly	Common	Single	Poly	Common	Single	Poly	
	Plant	Phase Meters	Phase Meters	Plant	Phase Meters	Phase Meters	Plant	Phase Meters	Phase Meters	
Smart Meter Plant In Service	\$69,201,492	\$68,934,426	\$3,112,100	\$69,201,492	\$70,465,448	\$1,272,828	\$0	\$1,531,021	(\$1,839,272)	(\$308,250)
Less Accrued Depreciation	(\$12,152,503)	(\$5,895,709)	(\$96,821)	(\$12,152,503)	(\$5,954,754)	(\$30,855)	\$0	(\$59,046)	\$65,966	\$6,920
Less Accumulated Deferred Income Taxes	(\$14,560,709)	(\$13,602,681)	(\$450,898)	(\$14,560,709)	(\$13,846,731)	(\$164,528)	\$0	(\$244,050)	\$288,371	\$42,321
Net Plant	\$42,488,281	\$49,436,037	\$2,564,381	\$42,488,281	\$50,663,962	\$1,077,445	\$0	\$1,227,926	(\$1,486,935)	(\$259,010)
Weighted Rate of Return/4	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	0.00%	0.00%	0.00%	0.00%
Return	\$1,152,654	\$1,341,138	\$69,568	\$1,152,654	\$1,374,450	\$29,230	\$0	\$33,312	(\$40,339)	(\$7,027)
Depreciation/4	\$1,730,037	\$1,148,907	\$51,868	\$1,730,037	\$1,174,424	\$21,214	\$0	\$25,517	(\$30,655)	(\$5,138)
Smart Meter Revenue Requirement (SMRR)	\$2,882,691	\$2,490,045	\$121,437	\$2,882,691	\$2,548,874	\$50,444	\$0	\$58,829	(\$70,993)	(\$12,164)

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Duquesne Light Company  
Smart Meter Cost Recovery Charge  
Prior Period Adjustment Calculation  
Tariff Rider No 20  
Effective January 1, 2019

Q4 2017

	As Filed			Updated			Difference			Totals
	Common Plant	Single Phase Meters	Poly Phase Meters	Common Plant	Single Phase Meters	Poly Phase Meters	Common Plant	Single Phase Meters	Poly Phase Meters	
Smart Meter Plant In Service	\$69,252,555	\$75,685,581	\$4,258,685	\$69,252,555	\$77,239,733	\$2,023,911	\$0	\$1,554,152	(\$2,234,774)	(\$680,622)
Less Accrued Depreciation	(\$13,883,410)	(\$7,119,525)	(\$161,618)	(\$13,883,410)	(\$7,204,560)	(\$60,349)	\$0	(\$85,035)	\$101,270	\$16,234
Less Accumulated Deferred Income Taxes	(\$15,549,600)	(\$18,385,922)	(\$1,033,542)	(\$15,613,710)	(\$18,836,047)	(\$501,456)	(\$64,109)	(\$450,125)	\$532,086	\$17,852
Net Plant	\$39,819,545	\$50,180,134	\$3,063,524	\$39,755,436	\$51,199,126	\$1,462,106	(\$64,109)	\$1,018,992	(\$1,601,418)	(\$646,535)
Weighted Rate of Return/4	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	0.00%	0.00%	0.00%	0.00%
Return	\$1,081,180	\$1,362,491	\$83,181	\$1,079,440	\$1,390,159	\$39,699	(\$1,741)	\$27,668	(\$43,482)	(\$17,555)
Depreciation/4	\$1,731,314	\$1,261,426	\$70,978	\$1,731,314	\$1,287,329	\$33,732	\$0	\$25,903	(\$37,246)	(\$11,344)
Smart Meter Revenue Requirement (SMRR)	\$2,812,494	\$2,623,917	\$154,159	\$2,810,753	\$2,677,488	\$73,431	(\$1,741)	\$53,570	(\$80,728)	(\$28,898)

Check to filed 1207e DocNet No 11 2018-001734

Note: Q4 2017 includes a 263A tax adjustment that is allocated based on percentage of total plant. This allocation method causes changes to all in-service buckets when any in-service plant dollars change

Q1 2018

	As Filed			Updated			Difference			Totals
	Common Plant	Single Phase Meters	Poly Phase Meters	Common Plant	Single Phase Meters	Poly Phase Meters	Common Plant	Single Phase Meters	Poly Phase Meters	
Smart Meter Plant In Service	\$69,369,161	\$81,990,065	\$5,249,968	\$69,369,161	\$83,452,691	\$2,784,744	\$0	\$1,462,626	(\$2,465,224)	(\$1,002,598)
Less Accrued Depreciation	(\$15,616,122)	(\$8,450,491)	(\$243,809)	(\$15,616,122)	(\$8,560,389)	(\$102,705)	\$0	(\$109,898)	\$141,104	\$31,206
Less Accumulated Deferred Income Taxes	(\$15,992,441)	(\$20,630,468)	(\$1,308,125)	(\$16,088,605)	(\$21,176,024)	(\$662,144)	(\$96,164)	(\$545,556)	\$645,981	\$4,261
Net Plant	\$37,760,598	\$52,909,106	\$3,698,034	\$37,664,434	\$53,716,278	\$2,019,895	(\$96,164)	\$807,172	(\$1,678,139)	(\$967,131)
Weighted Rate of Return/4	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	0.00%	0.00%	0.00%	0.00%
Return	\$882,342	\$1,236,314	\$86,411	\$880,095	\$1,255,175	\$47,198	(\$2,247)	\$18,861	(\$39,213)	(\$22,599)
Depreciation/4	\$1,734,229	\$1,366,501	\$87,499	\$1,734,229	\$1,390,878	\$46,412	\$0	\$24,377	(\$41,087)	(\$16,710)
Smart Meter Revenue Requirement (SMRR)	\$2,616,571	\$2,602,815	\$173,911	\$2,614,324	\$2,646,053	\$93,611	(\$2,247)	\$43,238	(\$80,300)	(\$39,309)

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Q2 2018

	As Filed			Updated			Difference			Totals
	Common Plant	Single Phase Meters	Poly Phase Meters	Common Plant	Single Phase Meters	Poly Phase Meters	Common Plant	Single Phase Meters	Poly Phase Meters	
Smart Meter Plant In Service	\$69,534,264	\$86,592,107	\$6,049,632	\$69,534,264	\$88,426,981	\$3,449,752	\$0	\$1,834,873	(\$2,599,880)	(\$765,007)
Less Accrued Depreciation	(\$17,353,694)	(\$9,873,730)	(\$340,772)	(\$17,353,694)	(\$10,010,134)	(\$156,586)	\$0	(\$136,405)	\$184,186	\$47,781
Less Accumulated Deferred Income Taxes	(\$16,032,281)	(\$20,877,103)	(\$1,340,571)	(\$16,128,445)	(\$21,435,639)	(\$683,805)	(\$96,164)	(\$558,537)	\$656,766	\$2,065
Net Plant	\$36,148,289	\$55,841,275	\$4,368,289	\$36,052,125	\$56,981,207	\$2,609,361	(\$96,164)	\$1,139,932	(\$1,758,928)	(\$715,160)
Weighted Rate of Return/4	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	0.00%	0.00%	0.00%	0.00%
Return	\$844,668	\$1,304,829	\$102,073	\$842,421	\$1,331,466	\$60,972	(\$2,247)	\$26,636	(\$41,100)	(\$16,711)
Depreciation/4	\$1,738,357	\$1,443,202	\$100,827	\$1,738,357	\$1,473,783	\$57,496	\$0	\$30,581	(\$43,331)	(\$12,750)
Smart Meter Revenue Requirement (SMRR)	\$2,583,025	\$2,748,031	\$202,900	\$2,580,778	\$2,805,249	\$118,468	(\$2,247)	\$57,218	(\$84,432)	(\$29,461)

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Note: Any necessary adjustments to plant in-service beginning in Jul 2018 will be reflected in the annual 1307e reconciliation to be filed in July 2019

Totals

	Difference			Totals
	Common Plant	Single Phase Meters	Poly Phase Meters	
Return	(\$6,235)	\$165,049	(\$227,915)	(\$69,100)
Depreciation/4	\$0	\$148,514	(\$198,420)	(\$49,906)
Smart Meter Revenue Requirement (SMRR)	(\$6,235)	\$313,564	(\$426,336)	(\$119,007)
meter counts (1)		571,306	21,561	
% of Total		96.4%	3.6%	
Change in Revenue Requirement	\$	313,564	\$ (426,336)	\$ (112,772)
Allocated Share of Common	\$	(6,008)	\$ (227)	\$ (6,235)
Total Change in Revenue Requirement	\$	307,555	\$ (426,562)	\$ (119,007)
Interest, Exhibit 2, pages 3 & 4	\$	33,355	\$ (44,450)	\$ (11,096)
Total With Interest	\$	340,910	\$ (471,013)	\$ (130,102)
Annual Meter Counts		6,855,672	258,732	
Customer Impact - Charge/(Credit)	\$	0.05	\$ (1.82)	
GRT		5.90%	5.90%	
Customer Impact w/ GRT - Charge/(Credit)		\$0.05	(\$1.93)	

(1) Meter counts tie to 1/1/2019 filing, which reflects average reconciliation period meter counts

Duquesne Light Company  
Smart Meter Cost Recovery Charge  
Prior Period Adjustment Calculation  
Tariff Rider No. 20  
Effective January 1, 2019

	<u>Single</u>	<u>Common Allocated</u>	<u>Total</u>	<u>Interest Rate</u>	<u>Weighting</u>	<u>Interest</u>
Jul-16	(249)	-	(249)	6%	3.00	(45)
Aug-16	(249)	-	(249)	6%	2.92	(44)
Sep-16	(249)	-	(249)	6%	2.83	(42)
Oct-16	5,427	-	5,427	6%	2.75	895
Nov-16	5,427	-	5,427	6%	2.67	868
Dec-16	5,427	-	5,427	6%	2.58	841
Jan-17	11,294	-	11,294	6%	2.50	1,694
Feb-17	11,294	-	11,294	6%	2.42	1,638
Mar-17	11,294	-	11,294	6%	2.33	1,581
Apr-17	17,097	-	17,097	6%	2.25	2,308
May-17	17,097	-	17,097	6%	2.17	2,223
Jun-17	17,097	-	17,097	6%	2.08	2,137
Jul-17	19,610	-	19,610	6%	2.00	2,353
Aug-17	19,610	-	19,610	6%	1.92	2,255
Sep-17	19,610	-	19,610	6%	1.83	2,157
Oct-17	17,857	(559)	17,298	6%	1.75	1,816
Nov-17	17,857	(559)	17,298	6%	1.67	1,730
Dec-17	17,857	(559)	17,298	6%	1.58	1,643
Jan-18	14,413	(722)	13,691	6%	1.50	1,232
Feb-18	14,413	(722)	13,691	6%	1.42	1,164
Mar-18	14,413	(722)	13,691	6%	1.33	1,095
Apr-18	19,073	(722)	18,351	6%	1.25	1,376
May-18	19,073	(722)	18,351	6%	1.17	1,285
Jun-18	19,073	(722)	18,351	6%	1.08	1,193
	313,564	(6,008)	307,555			33,355

Duquesne Light Company  
Smart Meter Cost Recovery Charge  
Prior Period Adjustment Calculation  
Tariff Rider No. 20  
Effective January 1, 2019

	<u>Poly</u>	<u>Common Allocated</u>	<u>Total</u>	<u>Interest Rate</u>	<u>Weighting</u>	<u>Interest</u>
Jul-16	(565)	-	(565)	6%	3.00	(102)
Aug-16	(565)	-	(565)	6%	2.92	(99)
Sep-16	(565)	-	(565)	6%	2.83	(96)
Oct-16	(6,182)	-	(6,182)	6%	2.75	(1,020)
Nov-16	(6,182)	-	(6,182)	6%	2.67	(989)
Dec-16	(6,182)	-	(6,182)	6%	2.58	(958)
Jan-17	(12,022)	-	(12,022)	6%	2.50	(1,803)
Feb-17	(12,022)	-	(12,022)	6%	2.42	(1,743)
Mar-17	(12,022)	-	(12,022)	6%	2.33	(1,683)
Apr-17	(17,858)	-	(17,858)	6%	2.25	(2,411)
May-17	(17,858)	-	(17,858)	6%	2.17	(2,322)
Jun-17	(17,858)	-	(17,858)	6%	2.08	(2,232)
Jul-17	(23,664)	-	(23,664)	6%	2.00	(2,840)
Aug-17	(23,664)	-	(23,664)	6%	1.92	(2,721)
Sep-17	(23,664)	-	(23,664)	6%	1.83	(2,603)
Oct-17	(26,909)	(21)	(26,930)	6%	1.75	(2,828)
Nov-17	(26,909)	(21)	(26,930)	6%	1.67	(2,693)
Dec-17	(26,909)	(21)	(26,930)	6%	1.58	(2,558)
Jan-18	(26,767)	(27)	(26,794)	6%	1.50	(2,411)
Feb-18	(26,767)	(27)	(26,794)	6%	1.42	(2,277)
Mar-18	(26,767)	(27)	(26,794)	6%	1.33	(2,144)
Apr-18	(28,144)	(27)	(28,171)	6%	1.25	(2,113)
May-18	(28,144)	(27)	(28,171)	6%	1.17	(1,972)
Jun-18	(28,144)	(27)	(28,171)	6%	1.08	(1,831)
	(426,336)	(227)	(426,562)			(44,450)