

Emily M. Farah
Regulatory Counsel
efarah@duqlight.com
(412) 393-6431



January 25, 2019

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, Room-N201
400 North Street
Harrisburg, PA 17120

Re: **Pennsylvania Public Utility Commission, et al. v. Duquesne Light Company**
Docket No. R-2013-2372129, et al.

Dear Secretary Chiavetta:

Pursuant to paragraph 29 of the Joint Petition for Approval of Non-Unanimous Settlement that was approved by the Commission on April 23, 2014 in the above-referenced proceeding, please find enclosed for filing Duquesne Light Company's affidavit and report attesting to the actual contributions to pension trusts during the 2018 calendar year.

If you have any questions regarding the information contained in this filing, please contact myself or Audrey Waldock at 412.393.6334 or awaldock@duqlight.com.

Respectfully,

A handwritten signature in black ink, appearing to read "Emily M. Farah", is written over the typed name and title.

Emily M. Farah
Counsel, Regulatory

Enclosure

c: Certificate of Service

AFFIDAVIT

I, Jaime A. Bachota, Assistant Controller, after being duly sworn, state that I am authorized to make this Affidavit on behalf of Duquesne Light Company (“Duquesne” or “Company”), and that in compliance with the Settlement Agreement and approved Commission Order in the last Duquesne Light distribution base rate case held before the Commission, Docket No. R-2013-2372129 et al., I make the following affirmations:

1. The Settlement Agreement among the parties and approved by the Commission in said distribution rate proceeding provided that Duquesne is to provide a report and affidavit to the Commission attesting to the actual contributions Duquesne made to its pension trust during each preceding calendar year. Commencing with calendar year 2014, Duquesne will deposit into its pension trust an amount equal to \$37,200,000 per year; provided, however, that contribution(s) in any year in excess of the foregoing may be used on a cumulative basis to satisfy future contribution obligations under this Settlement. The Settlement provides for recovery of the expense component of \$18,600,000 (50% of the average cash contributions) of projected future pension contributions. [Settlement Agreement at page 7]

2. The Settlement Agreement further provides that if Duquesne concludes a contribution less than \$37,200,000 to the pension trust is appropriate, the Company may reduce the pension contribution and will record a regulatory liability on its books that is equal to 50% of the reduction to the pension contribution below the level of \$37,200,000. [Settlement Agreement at page 7]

3. I hereby represent and affirm that the following contributions were made by Duquesne to its employee pension trust fund during the calendar year 2018. I further represent

and affirm beginning when new rates became effective, that the following regulatory liability represent 50% of the reduction to the pension contributions below the level of \$37,200,000.

<u>Contributions in 2018</u>	<u>Amount</u>
February 27, 2018	<u>\$23,000,000</u>
TOTAL	\$23,000,000
<u>Pension Regulatory Liability</u>	
Pension Recovery per Settlement	\$37,200,000
Actual Pension Contributions	<u>\$23,000,000</u>
Difference	\$14,200,000
Adjusted 50% per Settlement	<u>50%</u>
Increase to Pension Regulatory Liability	\$ 7,100,000
Pension Regulatory Liability @ 12/31/2014	\$ 9,709,000
Pension Regulatory Liability @ 12/31/2015	\$ 28,309,000
Pension Regulatory Liability @ 12/31/2016	\$ 26,909,000
Pension Regulatory Liability @ 12/31/2017	\$ -
Pension Regulatory Liability @ 12/31/2018	\$ -

4. I also attach a report from Willis Towers Watson, a nationally known outside pension consulting firm that supports and shows the contributions having been made to the pension trusts. (See page 5 of attached report).

5. I represent that Duquesne has complied with the Settlement Agreement as it relates to its pension funding commitment.

Jaime A. Bachota

 Jaime A. Bachota

Sworn and subscribed before me this 24 day of January, 2019.

By: *David A. Odrey*

 My Commission Expires: September 28, 2022

Commonwealth of Pennsylvania - Notary Seal
 David A. Odrey, Notary Public
 Allegheny County
 My commission expires September 28, 2022
 Commission number 1220017
 Member, Pennsylvania Association of Notaries

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