



**Michael Zimmerman**  
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January 30, 2020

**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's Annual Reconciliation Statement – January 1, 2019 through December 31, 2019, 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, 2019 through December 31, 2019, for Tariff-Electric, PA. P.U.C. No. 25, Rider No. 22 – Distribution System Improvement Charge.

Should you have any questions, please do not hesitate 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", is written over a light blue circular stamp.

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, 2<sup>nd</sup> Floor West  
PO Box 3265  
Harrisburg, PA 17105-3265

Office of Small Business Advocate  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101

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



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Dated: January 30, 2020

**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, 2020

Exhibit 1

Duquesne Light Company  
Rider 22 - Distribution System Improvement Charge  
Annual Reconciliation - January 1, 2019 through December 31, 2019

Summary of Reconciliation Period

1	Surcharge Revenue, Inc. GRT	(\$3,607,509)	Exh. 1, Page 2
2	Surcharge Revenue, Excl. GRT		(\$3,394,666) Line 1 * 0.941
3	E-Factor Revenue, Inc. GRT	(\$2,303,739)	Exh. Page 4
4	E-Factor Revenue, Excl. GRT		(\$2,167,818) Line 3 * 0.941
5	Net DSIC Related Revenue, Excl. GRT		(\$1,226,848) Line 2 - Line 4
6	Filed Current (DSIC) Revenue Requirement - Excl. GRT		\$0 Exh. 1, Page 2
7	Reconciliation Period (Over)/Under Collection		\$1,226,848 Line 6 - Line 5
8	Interest on (Over)/Under Collection		\$0 Exhibit 1, Page 5
9	<u>Total Reconciliation Period (Over)/Under Collection</u>		<u>\$1,226,848</u> Line 7 + Line 8

Exhibit 1

Duquesne Light Company  
Rider 22 - Distribution System Improvement Charge  
Annual Reconciliation - January 1, 2019 through December 31, 2019

Summary of Revenue for the Reconciliation Period - January 2019 through December 2019

	Jan-19 (1)	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total
1 Net Surcharge Revenue, Incl. GRT	(\$1,384,112)	(\$13,868)	(\$19,185)	(\$196,665)	(\$223,295)	(\$249,300)	(\$263,928)	(\$276,224)	(\$247,396)	(\$254,319)	(\$233,564)	(\$245,654)	(\$3,607,509)
2 Less E-Factor Revenue, Incl. GRT	(\$15,205)	(\$13,795)	(\$14,476)	(\$217,134)	(\$248,478)	(\$263,531)	(\$291,964)	(\$251,255)	(\$233,746)	(\$241,445)	(\$248,678)	(\$264,032)	(\$2,303,739)
3 DSIC Related Revenue	(\$1,368,906)	(\$73)	(\$4,709)	\$20,470	\$25,183	\$14,232	\$28,036	(\$24,969)	(\$13,650)	(\$12,874)	\$15,114	\$18,378	(\$1,303,770)
4 DSIC Related Revenue	(\$1,368,906)	(\$73)	(\$4,709)	\$20,470	\$25,183	\$14,232	\$28,036	(\$24,969)	(\$13,650)	(\$12,874)	\$15,114	\$18,378	(\$1,303,770)
5 Less PA Gross Receipts Tax	(\$80,765)	(\$4)	(\$278)	\$1,208	\$1,486	\$840	\$1,654	(\$1,473)	(\$805)	(\$760)	\$892	\$1,084	(\$76,922)
6 Net DSIC Related Revenue	(\$1,288,141)	(\$69)	(\$4,431)	\$19,262	\$23,697	\$13,392	\$26,381	(\$23,496)	(\$12,845)	(\$12,114)	\$14,222	\$17,294	(\$1,226,848)
7 Filed Current (DSIC) Revenue Requirement - Excl. GRT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 (Over)/Under Collection	\$1,288,141	\$69	\$4,431	(\$19,262)	(\$23,697)	(\$13,392)	(\$26,381)	\$23,496	\$12,845	\$12,114	(\$14,222)	(\$17,294)	\$1,226,848
9 Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Total (Over)/Under Collection	\$1,288,141	\$69	\$4,431	(\$19,262)	(\$23,697)	(\$13,392)	(\$26,381)	\$23,496	\$12,845	\$12,114	(\$14,222)	(\$17,294)	\$1,226,848

(1) January 2019 reflects an under collection as a result of the Company's reversal of the December 2018 unbilled revenue entry.

Exhibit 1

Duquesne Light Company  
Rider 22 - Distribution System Improvement Charge  
Annual Reconciliation - January 1, 2019 through December 31, 2019

Revenue Requirement and Actual Revenues

	Jan-19 (1)	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total
Filed Distribution Revenue, including GRT	\$51,459,119	\$46,685,433	\$46,873,110	\$42,202,453	\$46,782,198	\$51,882,661	\$60,450,587	\$57,523,530	\$47,389,705	\$44,878,599	\$45,009,997	\$50,565,496	\$591,702,888
Filed DSIC Rate (Including GRT) - Excluding E-Factor	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Calculated DSIC Revenue Requirement (Including GRT) - Excluding E-Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Actual DSIC Revenue Billed (Excluding GRT)	(\$1,288,141)	(\$69)	(\$4,431)	\$19,262	\$23,697	\$13,392	\$26,381	(\$23,496)	(\$12,845)	(\$12,114)	\$14,222	\$17,294	(\$1,226,848)
Net (Over)/Under Collection	\$1,288,141	\$69	\$4,431	(\$19,262)	(\$23,697)	(\$13,392)	(\$26,381)	\$23,496	\$12,845	\$12,114	(\$14,222)	(\$17,294)	\$1,226,848
Interest on (Over)/Under Collection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net (Over)/Under Collection, including Interest	\$1,288,141	\$69	\$4,431	(\$19,262)	(\$23,697)	(\$13,392)	(\$26,381)	\$23,496	\$12,845	\$12,114	(\$14,222)	(\$17,294)	\$1,226,848

(1) As part of the Company's distribution rate case at Docket No. R-2018-3000124, the Company received Commission approval to roll its Distribution System Improvement Charge ("DSIC") and the associated plant additions into base rates. Consistent with Duquesne Light's Tariff No. 25, Rider No. 22, page 140, beginning December 29, 2018, the DSIC c-factor rate was set to zero. It remained at zero throughout calendar year 2019.

Exhibit 1

Duquesne Light Company  
Rider 22 - Distribution System Improvement Charge  
Annual Reconciliation - January 1, 2019 through December 31, 2019

Calculation of E-Factor Revenue

	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>	<u>Jun-19</u>	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Total</u>
1 Total Distribution Revenue													
2 including surcharges	\$50,684,453	\$45,982,546	\$48,254,512	\$40,968,731	\$46,882,705	\$49,722,873	\$64,880,861	\$55,834,417	\$51,943,447	\$45,555,626	\$46,920,375	\$49,817,300	
3 E-Factor DSIC % Inc. GRT	-0.03%	-0.03%	-0.03%	-0.53%	-0.53%	-0.53%	-0.45%	-0.45%	-0.45%	-0.53%	-0.53%	-0.53%	
4 E-Factor Revenue, Inc. GRT	(\$15,205)	(\$13,795)	(\$14,476)	(\$217,134)	(\$248,478)	(\$263,531)	(\$291,964)	(\$251,255)	(\$233,746)	(\$241,445)	(\$248,678)	(\$264,032)	(\$2,303,739)
5 E-Factor Revenue, Excl. GRT	(\$14,308)	(\$12,981)	(\$13,622)	(\$204,323)	(\$233,818)	(\$247,983)	(\$274,738)	(\$236,431)	(\$219,955)	(\$227,200)	(\$234,006)	(\$248,454)	(\$2,167,818)

**Exhibit 1**

**Duquesne Light Company  
Rider 22 - Distribution System Improvement Charge  
Annual Reconciliation - January 1, 2019 through December 31, 2019**

**Calculation of Interest**

	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>	<u>Jun-19</u>	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Total</u>
1 Actual Surcharge Revenue, Excl. GRT	(\$1,302,449)	(\$13,050)	(\$18,053)	(\$185,061)	(\$210,121)	(\$234,591)	(\$248,357)	(\$259,927)	(\$232,799)	(\$239,314)	(\$219,784)	(\$231,160)	(\$3,394,666)
2 Less E-Factor Revenue, Excl. GRT	(\$14,308)	(\$12,981)	(\$13,622)	(\$204,323)	(\$233,818)	(\$247,983)	(\$274,738)	(\$236,431)	(\$219,955)	(\$227,200)	(\$234,006)	(\$248,454)	(\$2,167,818)
3 Net Surcharge Related Revenue	(\$1,288,141)	(\$69)	(\$4,431)	\$19,262	\$23,697	\$13,392	\$26,381	(\$23,496)	(\$12,845)	(\$12,114)	\$14,222	\$17,294	(\$1,226,848)
4 Calculated Current (DSIC) Revenue Requirement - Excl. GRT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 (Over)/Under Collection	\$1,288,141	\$69	\$4,431	(\$19,262)	(\$23,697)	(\$13,392)	(\$26,381)	\$23,496	\$12,845	\$12,114	(\$14,222)	(\$17,294)	\$1,226,848
6 Interest Rate (1)	5.75%	5.50%	5.25%	5.25%	5.25%	5.25%	5.00%	4.75%	4.75%	4.50%	4.50%	4.50%	
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)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Total (Over)/Under Collection	\$1,288,141	\$69	\$4,431	(\$19,262)	(\$23,697)	(\$13,392)	(\$26,381)	\$23,496	\$12,845	\$12,114	(\$14,222)	(\$17,294)	\$1,226,848

(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 Tariff No. 25, Rider No. 22, page 140, the Company is not permitted to accrue interest on under collections.