



**Michael Zimmerman**  
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April 14, 2020

**Via Electronic Delivery**

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 – Default Service Plan VIII Compliance Filing  
Docket No. M-2020-  
Supplement No. 9 to Tariff Electric – PA. P.U.C. No. 25**

Dear Secretary Chiavetta:

On April 1, 2020, Duquesne Light Company (“Duquesne Light” or the “Company”) submitted for filing Supplement No. 9 to Tariff No. 25, updating the fixed retail adder rates contained in Rider No. 9, effective June 1, 2020. The Company also provided statements that support the proposed default service rates. To date, the Company has not received notice of a docket number assigned to that filing. The instant submission is intended for filing at the same docket as the Company’s Supplement No. 9 filed April 1, 2020.

Enclosed for filing at this docket, please find **revised** schedules in support of Supplement No. 9. These revised supporting schedules update the interest rate applicable to over- and under-collections, to reflect end-of-month interest rates. These revisions do not affect the updated fixed retail adder rates reflected in Supplement No. 9; therefore, this filing does not include a revised tariff supplement.

Included with this filing are public and **CONFIDENTIAL** versions of the supporting statements. The **CONFIDENTIAL** versions include competitive Request for Proposal results. The Company respectfully requests that the **CONFIDENTIAL** versions be excluded from the public file.

Should you have any questions, please do not hesitate to contact 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  
Senior Counsel, Regulatory

Enclosure

Cc: Certificate of Service, Non-confidential version

## 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):

### ELECTRONIC MAIL

Bureau of Investigation & Enforcement  
Richard Kanaskie  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor West  
PO Box 3265  
Harrisburg, PA 17105-3265  
[rkanaskie@pa.gov](mailto:rkanaskie@pa.gov)

Office of Small Business Advocate  
John Evans  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101  
[jorevan@pa.gov](mailto:jorevan@pa.gov)

Office of Consumer Advocate  
Tanya McCloskey  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
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[TMcCloskey@paoca.org](mailto:TMcCloskey@paoca.org)

Bureau of Audits  
Pennsylvania Public Utility Commission  
Barbara Sidor  
Commonwealth Keystone Building  
400 North Street, 3<sup>rd</sup> Floor East  
Harrisburg, PA 17120  
[bsidor@pa.gov](mailto:bsidor@pa.gov)



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Dated: April 14, 2020

Exhibit 1

Duquesne Light Company  
Rider No. 9 - Day Ahead Hourly Price Service (HPS) Fixed Retail Administrative Charge (FRA)  
Proposed HPS FRA Effective June 1, 2020

Annual HPS FRA Adjustment - February 1, 2019 through January 31, 2020

1	HPS FRA Revenue, Excl. GRT	\$434,738	Exh. 1, Page 2
2	E-Factor Revenue, Excl. GRT	\$33,691	Exh. 1, Page 2
3	Net Revenue, Excl. GRT	\$401,046	Line 1 - Line 2
4	HPS Expense	\$398,158	Exh. 1, Page 2
5	Reconciliation Period (Over)/Under Collection	(\$2,889)	Line 4 - Line 3
6	Interest	\$588	Exh. 1, Page 3
7	Total Reconciliation Period (Over)/Under Collection	(\$2,300)	Line 5 + Line 6
8	Net (Over)/Under Collection at January 2019	\$33,874	Exh. 1, Page 4
9	E-Factor Revenue - February 2019 - January 2020, Excl. GRT	\$33,691	Line 2
10	(Over)/Under E-Factor Recovery at January 31, 2020	\$183	Line 8 - Line 9
11	Reconciliation Period (Over)/Under Collection - Feb 2019 - Jan 2020	(\$2,300)	Line 7
12	Prior Period Adjustment	(\$35,011)	Exh. 1, Page 4
13	E-Factor Balance at January 31, 2020	(\$37,129)	Line 10 + Line 11 + Line 12

Exhibit 1

Duquesne Light Company  
Rider No. 9 - Day Ahead Hourly Price Service (HPS) Fixed Retail Administrative Charge (FRA)  
Proposed HPS FRA Effective June 1, 2020

Annual Reconciliation of Revenue and Expense - Current Period

	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019 (1)	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Total
<b>Revenue</b>													
1 Actual HPS FRA Revenue (2)	\$27,656	\$30,163	\$20,128	\$25,331	\$22,436	\$54,713	\$43,934	\$37,560	\$35,426	\$38,423	\$43,202	\$55,764	\$434,738
2 E-Factor Revenue	\$2,544	\$2,833	\$2,256	\$2,620	\$2,498	\$3,275	\$2,842	\$2,705	\$3,498	\$2,211	\$2,955	\$3,454	\$33,691
3 Net Revenue	\$25,112	\$27,330	\$17,872	\$22,711	\$19,939	\$51,439	\$41,092	\$34,856	\$31,928	\$36,212	\$40,247	\$52,310	\$401,046
4 Less PA Gross Receipts Tax (GRT) at 5.9% (3)													\$0
5 Net Calendar Month Revenue	\$25,112	\$27,330	\$17,872	\$22,711	\$19,939	\$51,439	\$41,092	\$34,856	\$31,928	\$36,212	\$40,247	\$52,310	\$401,046
<b>Expense</b>													
6 Supply Expense (2)	\$13,535	\$14,179	\$11,435	\$13,171	\$22,030	\$26,021	\$23,473	\$21,286	\$28,193	\$25,160	\$19,166	\$27,550	\$245,199
7 Filing Preparation and Approval Process (4)	\$1,302	\$1,302	\$1,302	\$1,302	\$1,297	\$1,297	\$1,297	\$1,297	\$1,297	\$1,297	\$1,297	\$1,297	\$15,584
8 Working Capital for Default Service Supply (4)	\$4,442	\$4,442	\$4,442	\$4,442	\$9,918	\$9,918	\$9,918	\$9,918	\$9,918	\$9,918	\$9,918	\$9,918	\$97,117
9 Administrative Expense (5)	\$625	\$625	\$32,933	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$39,808
10 Internal Administrative Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$450	\$450
11 Total Expense	\$19,905	\$20,549	\$50,112	\$19,541	\$33,871	\$37,861	\$35,314	\$33,126	\$40,033	\$37,000	\$31,006	\$39,840	\$398,158
12 (Over)/Under Collection	(\$5,208)	(\$6,781)	\$32,240	(\$3,170)	\$13,932	(\$13,578)	(\$5,778)	(\$1,729)	\$8,105	\$788	(\$9,241)	(\$12,470)	(\$2,889)

(1) In accordance with the Company's most recent default service proceeding, effective on June 1, 2019, the Company lowered the Hourly Priced Service ("HPS") limit to 200 kW. Default Service customers with monthly metered demands between 200 kW and 300 kW have transitioned from being served as Medium C&I customers under Rider No. 8 of the Company's Tariff, and are now served as under Rider No. 9.

(2) Retail revenue excludes Company Use facilities. Supply invoice amount excludes expense associated with Company Use facilities.

(3) The FRA \$/MWH excludes GRT. FRA as a component of Rider No. 9, is adjusted for GRT in the calculation of the Rider 9 energy and capacity charges.

(4) Reflects the unbundling provisions of the Joint Petition for Approval of Non-Unanimous Settlement that was adopted as part of the Commission order entered December 22, 2016 at Docket No. P-2016-2543140. The unbundled expenses will be fixed and reconciled only for differences between projected and actual consumption. Appendix C of the Joint Petition for Approval of Non-Unanimous Settlement reflects, by customer class, the allocated fixed dollar amounts for filing preparation and working capital for default service supply. This has been updated as part of the Commission rate case order entered on December 20, 2018 at Docket No. R-2018-3000124 per page 19, paragraph 44.

(5) Administrative fees to conduct the request for proposal for rates effective June 1, 2019.

Exhibit 1

Duquesne Light Company  
Rider No. 9 - Day Ahead Hourly Price Service (HPS) Fixed Retail Administrative Charge (FRA)  
Proposed HPS FRA Effective June 1, 2020

Annual HPS FRA Adjustment - Interest Calculation on (Over)/Under Collection

	<u>Feb 2019</u>	<u>Mar 2019</u>	<u>Apr 2019</u>	<u>May 2019</u>	<u>Jun 2019 (1)</u>	<u>Jul 2019</u>	<u>Aug 2019</u>	<u>Sep 2019</u>	<u>Oct 2019</u>	<u>Nov 2019</u>	<u>Dec 2019</u>	<u>Jan 2020</u>	<u>Total</u>
1 (Over)/Under Collection	(\$5,208)	(\$6,781)	\$32,240	(\$3,170)	\$13,932	(\$13,578)	(\$5,778)	(\$1,729)	\$8,105	\$788	(\$9,241)	(\$12,470)	(\$2,889)
2 Interest Rate (1)	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.25%	5.00%	4.75%	4.75%	4.75%	4.75%	
3 Interest Weight	22/12	21/12	20/12	19/12	18/12	17/12	16/12	15/12	14/12	13/12	12/12	11/12	
4 Interest	(\$525)	(\$653)	\$2,955	(\$276)	\$1,149	(\$1,058)	(\$404)	(\$108)	\$449	\$41	(\$439)	(\$543)	\$588

1/ Interest rate per Section 54 Pa. Code 54.190(c).

**Exhibit 1**

**Duquesne Light Company  
Rider No. 9 - Day Ahead Hourly Price Service (HPS) Fixed Retail Administrative Charge (FRA)  
Proposed HPS FRA Effective June 1, 2020**

**Annual HPS FRA Adjustment - Reconciliation of E-Factor Revenue**

Filed April 2018

Effective June 2018 to May 2019

1		Prior Period Total (Over)/Under E-Factor Recovery	\$0	
2	Feb 2017 to Jan 2018	Current Period E-Factor Revenue (excl. GRT)	\$0	
3		(Over)/Under E-Factor Recovery		<u>\$0</u> Line 1 - Line 2
4	Feb 2017 to Jan 2018	Current Period (Over)/Under Recovery	\$29,031	
5		Interest	\$1,980	
6		Total		<u>\$31,011</u> Line 4 + Line 5
7		Net (Over)/Under Collection		<u>\$31,011</u> Line 3 + Line 6

Filed April 2019

Effective June 2019 to May 2020

8		Prior Period Total (Over)/Under E-Factor Recovery	\$31,011	
9	Feb 2018 to Jan 2019	Current Period E-Factor Revenue (excl. GRT)	\$20,616	
10		(Over)/Under E-Factor Recovery		<u>\$10,395</u> Line 8 - Line 9
11	Feb 2018 to Jan 2019	Current Period (Over)/Under Recovery	\$21,605	
12		Interest	\$1,874	
13		Total		<u>\$23,479</u> Line 11 + Line 12
14		Net (Over)/Under Collection		<u>\$33,874</u> Line 10 + Line 13

Filed April 2020

Effective June 2020 to May 2021

15		Prior Period Total (Over)/Under E-Factor Recovery	\$33,874	
16	Feb 2019 to Jan 2020	Current Period E-Factor Revenue (excl. GRT)	\$33,691	
17		(Over)/Under E-Factor Recovery		<u>\$183</u> Line 15 - Line 16
18	Feb 2019 to Jan 2020	Current Period (Over)/Under Recovery	(\$2,889)	
19		Interest	\$588	
20		Total		<u>(\$2,300)</u> Line 18 + Line 19
21		Prior Period Adjustment		(\$35,011) See Note 1
22		Net (Over)/Under Collection		<u>(\$37,129)</u> Line 17 + Line 20 + Line 21

1/ Prior period adjustment reflects an over-collection of \$31,031 plus \$3,928 of calculated interest. The over-collection will be refunded over the one-year period commencing on June 1, 2020. See Exhibit 1, page 5 for the detailed calculation of this adjustment.

Exhibit 1

**Duquesne Light Company**  
**Rider No. 9 - Day Ahead Hourly Price Service (HPS) Fixed Retail Administrative Charge (FRA)**  
**Prior Period Adjustment (3) (4) (5)**

	A	B	C	D = A*B*C	E = A+D	F	G = E*B*F	H = E+G
Month	Principle	Interest Rate (1)	Original Interest Weighting	Interest	Total Principle and Interest	Updated Interest Weighting (2)	Interest	Total Principle and Interest
1 Jun-17	(1,598)	4.25%	18/12	(102)	(1,700)	42/12	(253)	(1,953)
2 Jul-17	(1,899)	4.25%	17/12	(114)	(2,013)	41/12	(292)	(2,306)
3 Aug-17	(1,733)	4.25%	16/12	(98)	(1,831)	40/12	(259)	(2,091)
4 Sep-17	(1,485)	4.25%	15/12	(79)	(1,564)	39/12	(216)	(1,780)
5 Oct-17	(1,520)	4.25%	14/12	(75)	(1,595)	38/12	(215)	(1,810)
6 Nov-17	(1,467)	4.25%	13/12	(68)	(1,535)	37/12	(201)	(1,736)
7 Dec-17	(1,568)	4.50%	12/12	(71)	(1,639)	36/12	(221)	(1,860)
8 Jan-18	(1,767)	4.50%	11/12	(73)	(1,840)	35/12	(242)	(2,082)
9 Feb-18	(1,345)	4.50%	22/12	(111)	(1,456)	34/12	(186)	(1,641)
10 Mar-18	(1,665)	4.75%	21/12	(138)	(1,803)	33/12	(236)	(2,039)
11 Apr-18	(1,349)	4.75%	20/12	(107)	(1,456)	32/12	(184)	(1,641)
12 May-18	(1,544)	4.75%	19/12	(116)	(1,660)	31/12	(204)	(1,864)
13 Jun-18	(1,277)	5.00%	18/12	(96)	(1,373)	30/12	(172)	(1,545)
14 Jul-18	(1,186)	5.00%	17/12	(84)	(1,270)	29/12	(153)	(1,423)
15 Aug-18	(1,483)	5.00%	16/12	(99)	(1,582)	28/12	(185)	(1,767)
16 Sep-18	(1,134)	5.25%	15/12	(74)	(1,208)	27/12	(143)	(1,351)
17 Oct-18	(1,133)	5.25%	14/12	(69)	(1,203)	26/12	(137)	(1,339)
18 Nov-18	(1,286)	5.25%	13/12	(73)	(1,359)	25/12	(149)	(1,508)
19 Dec-18	(1,222)	5.50%	12/12	(67)	(1,289)	24/12	(142)	(1,431)
20 Jan-19	(1,591)	5.50%	11/12	(80)	(1,671)	23/12	(176)	(1,848)
21	<u>\$ (29,252)</u>			<u>\$ (1,795)</u>	<u>\$ (31,047)</u>		<u>(3,964)</u>	<u>(35,011)</u>

1/ Interest rate per Section 54 Pa. Code 54.190(c).

2/ November 30, 2020 is the mid-point of the period June 2020 to May 2021 during which the over collection will be refunded.

3/Columns A & C & Rows 1 through 8 are from the 1307(e) Docket No. M-2018-3000148.

4/Columns A & C & Rows 9 through 20 are from the 1307(e) Docket No. M-2019-3008228.

5/ The Company's Rider No. 9 FRA \$/MWH excludes GRT. FRA, as a component of Rider No. 9, is adjusted for GRT in the calculation of the Rider No. 9 energy and capacity charges. This prior period adjustment corrects the Company's treatment of GRT within the filings identified within footnote (3) and (4).



**CONFIDENTIAL**

**ATTACHMENT A**

**Duquesne Light Company  
Rider No. 9 - Day Ahead Hourly Price Service (HPS) Fixed Retail Administrative Charge (FRA)  
Proposed HPS FRA Effective June 1, 2020**

**Summary of RFP Results**

**CONFIDENTIAL  
REDACTION**

ATTACHMENT A

Duquesne Light Company  
Rider No. 9 - Day Ahead Hourly Price Service (HPS) Fixed Retail Administrative Charge (FRA)  
Proposed HPS FRA Effective June 1, 2020

Rate Design for HPS FRA

1	HPS FRA Bid Price		\$2.50 /MWh	Weighted bid price - Att. A, Page 1
2	Outside Services	\$39,808		Outside services to conduct RFPs
3	Forecast POLR Sales (MWh)	295,068		Forecast POLR sales (MWh) June 1, 2020 through May 31, 2021
4	Administrative Adder (per MWh)		\$0.13 /MWh	Line 2 / Line 3
5	Filing Preparation and Approval Process Expense	\$15,565		Updated as part of the Commission rate case order entered on December 20, 2018 at Docket No. R-2018-3000124 per page 19, paragraph 44.
6	Working Capital for Default Service Supply Expense	\$119,021		
7	Total Large C&I Unbundling Expense	\$134,585		
8	Forecast POLR Sales (MWh)	295,068		
9	Unbundling Adder (per MWh)		\$0.46 /MWh	Line 7 / Line 8
10	E-factor (Over)/Under Collection	\$183		Prior Period - Exh. 1, Page 4
	<u>Reconciliation</u>			
11	(Over)/Under Collection	(\$2,889)		Exh. 1, Page 2
12	Interest on (Over)/Under Collection	\$588		Exh. 1, Page 3
13	Total (Over)/Under Collection	(\$2,300)		Line 11 + Line 12
14	Prior Period Adjustment	(\$35,011)		Exh. 1, Page 4
15	Total E Factor (Over)/Under Reconciliation	(\$37,129)		Line 10 + Line 13+ Line 14
16	Forecast POLR Sales (MWh)	295,068		Forecast POLR sales (MWh) June 1, 2020 through May 31, 2021
17	E-Factor Rate (per MWh)		(\$0.13) /MWh	Line 15 / Line 16
18	HPS FRA (\$/MWh)		\$2.96 /MWh	Line 1 + Line 4 + Line 9 + Line 17
19	Forecast POLR Sales (MWh)	295,068		Forecast POLR sales (MWh) June 1, 2020 through May 31, 2021
20	Projected RFP Revenue	\$874,851		Line 18 * Line 19

**ATTACHMENT A**

**Duquesne Light Company  
Rider No. 9 - Day Ahead Hourly Price Service (HPS) Fixed Retail Administrative Charge (FRA)  
Proposed HPS FRA Effective June 1, 2020**

**Summary of Current Tariff Rates and Proposed Tariff Rates**

<u>Rate Schedule</u>	<u>Units</u>	<u>Rate</u>	Current Tariff  Effective <u>6/1/2019</u>	Proposed Tariff  Effective <u>6/1/2020</u>
GL GLH L HVPS				
All MWh	MWh	\$/MWh	\$1.70	\$2.96