



Michael Zimmerman
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April 1, 2020

Via Electronic Delivery

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd 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:

Enclosed please find Supplement No. 9 to Duquesne Light Company's ("Duquesne Light" or the "Company") Tariff No. 25 Supplement No. 9 is filed in compliance with the Public Service Commission's ("Commission") Order issued December 22, 2016, Docket No. P-2016-2543140 and has an effective date of June 1, 2020.

Supplement No. 9 would modify the fixed retail adder rates contained in Rider No. 9, which applies to customers taking default hourly price service. Herein, the Company is providing statements that support the proposed default service rates. 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 that reads "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

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Dated: April 1, 2020



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

Steven E. Malnight
President and Chief Executive Officer

ISSUED: April 1, 2020

EFFECTIVE: June 1, 2020

Issued in compliance with
Commission Order dated December 22, 2016, at Docket No. P-2016-2543140.

NOTICE

THIS TARIFF SUPPLEMENT INCREASES A RATE WITHIN AN EXISTING RIDER

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

INCREASE

Rider No. 9 – Day-Ahead Hourly Price Service

First Revised Page No. 108
Cancelling Original Page No. 108

The Fixed Retail Administrative Charge (“FRA”) has increased from \$1.70 MWH to \$2.96 MWH for the Application Period June 1, 2020, through May 31, 2021.

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 9 – DAY-AHEAD HOURLY PRICE SERVICE – (Continued)**

(Applicable to Rates GS/GM, GMH, GL, GLH, L and HVPS and Generating Station Service)

MONTHLY CHARGES – (Continued)**PJM Ancillary Service Charges and Other PJM Charges – (Continued)**

- PJM_S**= PJM Surcharge is a pass-through of the charges incurred by the Company for grid management and administrative costs associated with membership and operation in PJM. These are the charges incurred by the Company under PJM Schedules 9 and 10 to provide hourly price service.
- R_D** = Reactive supply service charge in \$/MW-day to serve the customer's load as calculated under the PJM Tariff Schedule 2.
- B_D** = Blackstart service charge in \$/MW-day to serve the customer's load as calculated under the PJM Tariff Schedule 6A.

Fixed Retail Administrative Charge

- FRA** = The Fixed Retail Administrative Charge in \$ per MWH. The Fixed Retail Administrative Charge consists of the sum of administrative charges for the suppliers providing hourly price service (as determined by a competitive solicitation process) and for the Company to obtain supply and administer this service. Default service supply-related costs shall include the cost of preparing the company's default service plan filing and working capital costs associated with default service supply. The Company will recover these costs over the default service plan period as defined in the Commission's order at Docket No.R-2018-3000124.

The supplier charges shall be based on the winning bids in the Company's most recent solicitation for supply of hourly price default service.

The Company's administrative charges shall be based on an amortization of the costs incurred by the Company to acquire generation supply from any source for the Medium (≥ 200 kW) Customer Class and Large C&I Customer Class during the most recent twelve-month (12-month) period ended May 31st (as determined by amortizing such costs over a 12-month period) plus the amortization of the cost of administering the hourly price service over the duration of the default service plan, including any unbundled costs of preparing the Company's default service plan filing and working capital costs associated with default service supply.

This charge shall also include the Company's costs associated with any Commission approved solar contracts and its administration, if applicable, in \$ per MWh. The proceeds of any solar energy, capacity, ancillary services and solar AECs that are acquired and in excess of those allocated to default service suppliers, and sold into the market, will be netted against solar contract costs.

Application Period	FRA \$/MWH
June 1, 2017 through May 31, 2018	\$1.77
June 1, 2018 through May 31, 2019	\$1.74
June 1, 2019 through May 31, 2020	\$1.70
June 1, 2020 through May 31, 2021	\$2.96

(I)

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	<u>Net Revenue, Excl. GRT</u>	<u>\$401,046</u>	Line 1 - Line 2
4	<u>HPS Expense</u>	<u>\$398,158</u>	Exh. 1, Page 2
5	<u>Reconciliation Period (Over)/Under Collection</u>	<u>(\$2,889)</u>	Line 4 - Line 3
6	<u>Interest</u>	<u>\$609</u>	Exh. 1, Page 3
7	<u>Total Reconciliation Period (Over)/Under Collection</u>	<u>(\$2,279)</u>	Line 5 + Line 6
8	Net (Over)/Under Collection at January 2019	\$33,874	Exh. 1, Page 4
9	<u>E-Factor Revenue - February 2019 - January 2020, Excl. GRT</u>	<u>\$33,691</u>	Line 2
10	<u>(Over)/Under E-Factor Recovery at January 31, 2020</u>	<u>\$183</u>	Line 8 - Line 9
11	Reconciliation Period (Over)/Under Collection - Feb 2019 - Jan 2020	(\$2,279)	Line 7
12	Prior Period Adjustment	(\$34,959)	Exh. 1, Page 4
13	<u>E-Factor Balance at January 31, 2020</u>	<u>(\$37,055)</u>	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
<u>Revenue</u>													
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
<u>Expense</u>													
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
<u>Expense</u>													
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%	5.49%	5.25%	5.15%	4.99%	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	(\$1,056)	(\$404)	(\$111)	\$472	\$41	(\$439)	(\$543)	\$609

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	\$609	
20		Total		<u>(\$2,279)</u> Line 18 + Line 19
21		Refund of GRT		(\$34,959) See Note 1
22		Net (Over)/Under Collection		<u>(\$37,055)</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)	4.13%	18/12	(99)	(1,697)	42/12	(245)	(1,942)
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)	4.40%	12/12	(69)	(1,637)	36/12	(216)	(1,853)
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)	4.58%	21/12	(133)	(1,798)	33/12	(227)	(2,025)
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)	4.89%	18/12	(94)	(1,371)	30/12	(168)	(1,539)
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)	5.03%	15/12	(71)	(1,205)	27/12	(136)	(1,341)
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)	5.35%	12/12	(65)	(1,287)	24/12	(138)	(1,424)
20 Jan-19	(1,591)	5.50%	11/12	(80)	(1,671)	23/12	(176)	(1,848)
21	<u>\$ (29,252)</u>			<u>\$ (1,779)</u>	<u>\$ (31,031)</u>		<u>(3,928)</u>	<u>(34,959)</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	\$609		Exh. 1, Page 3
13	Total (Over)/Under Collection	(\$2,279)		Line 11 + Line 12
14	Refund of GRT	(\$34,959)		Exh. 1, Page 4
15	Total E Factor (Over)/Under Reconciliation	(\$37,055)		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 <u>Effective 6/1/2019</u>	Proposed Tariff <u>Effective 6/1/2020</u>
GM > =200 kW				
GMH > =200 kW				
GL				
GLH				
L				
HVPS				
All MWh	MWh	\$/MWh	\$1.70	\$2.96