



Michael Zimmerman
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December 1, 2020

Via Electronic Filing

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

**Re: Duquesne Light Company Rider No. 5 – Universal Service Charge Rate
Supplement No. 16 to Tariff Electric – PA. P.U.C. No. 25**

Dear Secretary Chiavetta:

Enclosed for filing, please find Duquesne Light Company's ("Duquesne Light" or "Company") Supplement No. 16 to Tariff Electric – PA. P.U.C. No. 25. Supplement No. 16 is a proposed update to the Company's Universal Service Charge rates, issued December 1, 2020, with an effective date of January 1, 2021.

Should you have any questions, please do not hesitate to contact me or 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

Enclosures

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):

ELECTRONIC MAIL

Bureau of Investigation & Enforcement
Richard Kanaskie
Commonwealth Keystone Building
400 North Street, 2nd Floor West
PO Box 3265
Harrisburg, PA 17105-3265
rkanaskie@pa.gov

Office of Small Business Advocate
John Evans
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
jorevan@pa.gov

Office of Consumer Advocate
Tanya McCloskey
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
TMcCloskey@paoca.org



Michael Zimmerman
Duquesne Light Company
411 Seventh Avenue, 15-7
Pittsburgh, PA 15219
Phone: 412-393-6268
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Dated: December 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: December 1, 2020

EFFECTIVE: January 1, 2021

Issued in compliance with Commission Order entered February 24, 2011,
at Docket No. R-2010-2179522.

NOTICE

THIS TARIFF SUPPLEMENT INCREASES A RATE WITHIN AN EXISTING RIDER

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

INCREASE

Rider No. 5 – Universal Service Charge

Second Revised Page No. 93
Cancelling First Revised Page No. 93

In accordance with the provisions of the Annual Update section of Rider No. 5 – Universal Service Charge, the annual adjustment to the Company's Universal Service Charge is being filed. The USC increased from 0.965 cents per kilowatt-hour to 0.996 cents per kilowatt-hour effective January 1, 2021.

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 5 – UNIVERSAL SERVICE CHARGE****(Applicable to Rate Schedules RS, RH and RA)****APPLICABILITY**

The Universal Service Charge (“USC”) is instituted as a cost recovery mechanism to recover the costs incurred by the Company to provide its Commission approved Universal Service and Energy Conservation Plan. The USC shall be applicable to all residential customers who take distribution service under Rate Schedules RS, RH and RA except for residential customers in the Company’s Customer Assistance Program (“CAP”). The USC provides for the recovery of the costs, excluding internal administrative costs, associated with universal service programs provided by the Company to residential customers. The USC shall be determined to the nearest one-thousandth of one (1) cent per kilowatt-hour (“kWh”) in accordance with the formula set forth below and shall be applied to all kilowatt-hours delivered during the billing month. The USC is a non-bypassable charge.

RATE

In addition to the charges provided in this Tariff, an amount of 0.996 cents per kilowatt-hour shall be added to the distribution energy charges per kilowatt-hour of each applicable rate schedule to determine the total per kilowatt-hour charge. The USC shall not be applicable to customers enrolled in the Company’s CAP. (I)

CALCULATION OF CHARGE

$$USC = [(US_c - Cr - E) / S_{Res}] * 100 * [1 / (1 - T)]$$

Where: USC = The charge, in cents per kilowatt-hour, to be applied to each kilowatt-hour delivered to all applicable non-CAP customers who take distribution service under the residential retail rate schedules under this Tariff.

US_c = Universal Service Program costs, which are the estimated direct and external administrative costs to be incurred by the Company to provide Universal Service to customers for the USC Computational Year. Such costs shall include, but are not limited to, preparation of the Needs Assessment, Universal Service Plan development, Impact Evaluation and educational materials. Universal Service Programs include the following programs which may change from time to time:

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2021

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2019 through October 31, 2020

	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Total
1 Net Surcharge Revenue, Incl. GRT	\$2,302,602	\$2,667,638	\$2,835,717	\$2,875,309	\$2,602,574	\$2,383,982	\$2,718,755	\$3,440,612	\$5,338,455	\$4,256,402	\$2,847,602	\$2,346,235	\$36,615,882
2 E-Factor Revenue, Incl. GRT	\$279,783	\$322,800	\$80,865	\$73,145	\$69,978	\$63,819	\$73,240	\$94,598	\$141,970	\$114,569	\$76,635	\$62,696	\$1,454,098
3 Universal Service Charge Related Revenue	\$2,582,385	\$2,990,438	\$2,916,582	\$2,948,453	\$2,672,552	\$2,447,801	\$2,791,995	\$3,535,210	\$5,480,424	\$4,370,971	\$2,924,237	\$2,408,931	\$38,069,980
4 Universal Service Charge Related Revenue	\$2,582,385	\$2,990,438	\$2,916,582	\$2,948,453	\$2,672,552	\$2,447,801	\$2,791,995	\$3,535,210	\$5,480,424	\$4,370,971	\$2,924,237	\$2,408,931	\$38,069,980
5 Less PA Gross Receipts Tax	\$152,361	\$176,436	\$172,078	\$173,959	\$157,681	\$144,420	\$164,728	\$208,577	\$323,345	\$257,887	\$172,530	\$142,127	\$2,246,129
6 Universal Service Charge Related Revenue	\$2,430,024	\$2,814,002	\$2,744,504	\$2,774,495	\$2,514,871	\$2,303,380	\$2,627,267	\$3,326,632	\$5,157,079	\$4,113,084	\$2,751,707	\$2,266,804	\$35,823,851
7 Expense	\$3,004,286	\$1,992,390	\$2,551,054	\$2,373,509	\$2,721,108	\$4,851,137	\$2,427,761	\$2,570,148	\$2,804,823	\$2,563,845	\$2,603,110	\$2,543,834	\$33,007,004
8 CAP Discount Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Adjusted Expense	\$3,004,286	\$1,992,390	\$2,551,054	\$2,373,509	\$2,721,108	\$4,851,137	\$2,427,761	\$2,570,148	\$2,804,823	\$2,563,845	\$2,603,110	\$2,543,834	\$33,007,004
10 Over/(Under) Collection	(\$574,261)	\$821,612	\$193,450	\$400,986	(\$206,236)	(\$2,547,757)	\$199,506	\$756,484	\$2,352,257	\$1,549,239	\$148,597	(\$277,029)	\$2,816,847
11 Interest	(\$57,426)	\$78,053	\$17,410	\$34,084	(\$16,499)	(\$191,082)	\$13,965	\$49,171	\$141,135	\$85,208	\$7,430	(\$12,466)	\$148,985
12 Total Over/(Under) Collection	(\$631,688)	\$899,665	\$210,860	\$435,070	(\$222,735)	(\$2,738,838)	\$213,471	\$805,656	\$2,493,392	\$1,634,447	\$156,027	(\$289,496)	\$2,965,831

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2021

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2019 through October 31, 2020

Rate Class	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Total
A. Actual Surcharge Revenue by Month, Incl. GRT													
1 RS	\$1,992,453	\$2,281,483	\$2,394,164	\$2,423,627	\$2,264,652	\$2,109,912	\$2,469,465	\$3,200,002	\$5,021,826	\$3,966,960	\$2,634,139	\$2,120,248	\$32,878,930
2 RH	\$275,188	\$336,477	\$388,906	\$396,604	\$291,120	\$232,932	\$206,090	\$194,387	\$248,636	\$233,298	\$172,827	\$188,170	\$3,164,635
3 RA	\$34,961	\$49,678	\$52,647	\$55,078	\$46,802	\$41,138	\$43,199	\$46,223	\$67,992	\$56,145	\$40,636	\$37,817	\$572,317
4 Total	\$2,302,602	\$2,667,638	\$2,835,717	\$2,875,309	\$2,602,574	\$2,383,982	\$2,718,755	\$3,440,612	\$5,338,455	\$4,256,402	\$2,847,602	\$2,346,235	\$36,615,882
B. Actual Surcharge Revenue by Month, Excl. GRT													
5 RS	\$1,874,898	\$2,146,875	\$2,252,908	\$2,280,633	\$2,131,038	\$1,985,427	\$2,323,767	\$3,011,201	\$4,725,538	\$3,732,909	\$2,478,725	\$1,995,153	\$30,939,074
6 RH	\$258,952	\$316,625	\$365,960	\$373,204	\$273,944	\$219,189	\$193,931	\$182,918	\$233,967	\$219,533	\$162,630	\$177,068	\$2,977,921
7 RA	\$32,899	\$46,747	\$49,541	\$51,829	\$44,041	\$38,710	\$40,650	\$43,496	\$63,981	\$52,832	\$38,238	\$35,586	\$538,550
8 Total	\$2,166,748	\$2,510,247	\$2,668,410	\$2,705,666	\$2,449,022	\$2,243,327	\$2,558,348	\$3,237,616	\$5,023,486	\$4,005,274	\$2,679,594	\$2,207,807	\$34,455,545

EXHIBIT 1

**Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2021**

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2019 through October 31, 2020

	<u>Rate Class</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>	<u>Oct-20</u>	<u>Total</u>
A. Actual Non-CAP kWh by Month														
1	RS	241,295,226	276,175,856	262,356,927	237,209,441	234,152,506	217,066,066	256,056,696	338,554,025	512,554,978	411,592,336	272,722,935	217,758,852	3,477,495,844
2	RH	33,378,152	40,679,002	42,856,909	38,726,571	30,158,497	24,138,947	21,283,271	20,307,431	26,544,527	23,220,174	17,819,613	19,502,343	338,615,437
3	RA	5,109,906	5,945,303	5,804,842	5,389,010	4,834,483	4,252,763	4,354,016	4,976,655	6,937,687	5,838,863	4,207,790	3,878,015	61,529,333
4	B. E-Factor Rate (1) Cents per kWh, Inc. GRT	0.100	0.100	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	
C. E-Factor Revenue, Incl. GRT														
5	RS	\$241,295	\$276,176	\$68,213	\$61,674	\$60,880	\$56,437	\$66,575	\$88,024	\$133,264	\$107,014	\$70,908	\$56,617	\$1,287,078
6	RH	\$33,378	\$40,679	\$11,143	\$10,069	\$7,841	\$6,276	\$5,534	\$5,280	\$6,902	\$6,037	\$4,633	\$5,071	\$142,842
7	RA	\$5,110	\$5,945	\$1,509	\$1,401	\$1,257	\$1,106	\$1,132	\$1,294	\$1,804	\$1,518	\$1,094	\$1,008	\$24,178
8	Total	\$279,783	\$322,800	\$80,865	\$73,145	\$69,978	\$63,819	\$73,240	\$94,598	\$141,970	\$114,569	\$76,635	\$62,696	\$1,454,098
D. E-Factor Revenue, Excl. GRT														
9	RS	\$227,059	\$259,881	\$64,188	\$58,036	\$57,288	\$53,107	\$62,647	\$82,831	\$125,402	\$100,700	\$66,724	\$53,277	\$1,211,140
10	RH	\$31,409	\$38,279	\$10,485	\$9,475	\$7,379	\$5,906	\$5,207	\$4,968	\$6,494	\$5,681	\$4,360	\$4,771	\$134,415
11	RA	\$4,808	\$5,595	\$1,420	\$1,318	\$1,183	\$1,040	\$1,065	\$1,218	\$1,697	\$1,429	\$1,029	\$949	\$22,752
12	Total	\$263,276	\$303,755	\$76,094	\$68,829	\$65,849	\$60,054	\$68,919	\$89,017	\$133,593	\$107,810	\$72,114	\$58,997	\$1,368,307

1/ Per November 30, 2018 submittal at Docket No. M-2018-3006254 and December 2, 2019 submittal at Docket No. M-2019-3014722.

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2021

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2019 through October 31, 2020

	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Total
1 CAP Revenue Deficiency	\$1,713,791	\$4,562,019	\$1,888,945	\$1,741,915	\$1,976,316	\$1,282,592	\$1,887,899	\$2,003,276	\$1,856,200	\$2,021,913	\$1,939,398	\$2,399,508	\$25,273,773
2 CAP Frozen Arrearage (5)	\$488,732	(\$2,397,714)	\$320,763	\$329,098	\$339,820	\$3,102,765	\$416,611	\$384,434	\$397,631	\$291,150	\$314,355	\$234,861	\$4,222,506
3 CAP Administrative Costs	\$672,185	(\$295,879)	\$123,960	\$175,699	\$292,824	\$156,107	\$0	\$148,509	\$413,749	\$151,828	\$178,739	(\$171,724)	\$1,845,997
4 Smart Comfort	\$118,328	\$112,715	\$206,136	\$115,547	\$100,898	\$207,805	\$112,001	\$22,678	\$125,993	\$87,705	\$94,273	\$69,938	\$1,374,016
5 CARES	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$135,000
6 Hardship Funds (4)	\$0	\$0	\$0	\$0	\$0	\$90,618	\$0	\$0	\$0	\$0	\$65,095	\$0	\$155,713
7 Total Expenses	\$3,004,286	\$1,992,390	\$2,551,054	\$2,373,509	\$2,721,108	\$4,851,137	\$2,427,761	\$2,570,148	\$2,804,823	\$2,563,845	\$2,603,110	\$2,543,834	\$33,007,004
8 CAP Customers	36,223	35,804	35,545	35,644	35,741	36,023	36,494	36,764	36,948	36,392	36,086	35,404	
9 Monthly Enrollment Level (1)	39,088	39,088	39,088	39,088	39,088	39,088	39,088	39,088	39,088	39,088	39,088	39,088	
10 CAP Customers>Enrollment	0	0	0	0	0	0	0	0	0	0	0	0	
11 Average CAP Deficiency/CAP Customer (2)	\$47.31	\$127.42	\$53.14	\$48.87	\$55.30	\$35.60	\$51.73	\$54.49	\$50.24	\$55.56	\$53.74	\$67.78	
12 Average Frozen Arrearage/CAP Customer (2)	\$13.49	(\$66.97)	\$9.02	\$9.23	\$9.51	\$86.13	\$11.42	\$10.46	\$10.76	\$8.00	\$8.71	\$6.63	
13 Deficiency and Arrearage Combined	\$60.80	\$60.45	\$62.17	\$58.10	\$64.80	\$121.74	\$63.15	\$64.95	\$61.00	\$63.56	\$62.46	\$74.41	
14 Bad Debt Offset (3)	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	
15 CAP Discount Credit (line 10 * line13 * line 14)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Total Adjusted Expenses (line 7 - line 15)	\$3,004,286	\$1,992,390	\$2,551,054	\$2,373,509	\$2,721,108	\$4,851,137	\$2,427,761	\$2,570,148	\$2,804,823	\$2,563,845	\$2,603,110	\$2,543,834	\$33,007,004

1/ Per Tariff No. 25, Rider 5, Universal Service Charge, page 94 and at Docket No. R-2019-3013287. In accordance with the Company's approved distribution rate case at Docket No. R-2018-3000124, effective 12/29/2018, the CAP participation level has been reset per the provisions of Rider No. 5

2/ Average amount per CAP customer per month.

3/ Per Company Tariff No. 25, Rider 5, Universal Service Charge, page 94 and at Docket No. R-2019-3013287.

4/ Due to COVID-19, the Company temporarily amended its USECP to expand the number of qualifying customers, therefore resulting in additional administrative costs associated with the Hardship Fund. See Docket No. M-2016-2534323, Secretarial Letter entered April 17, 2020.

5/ In December 2019, the Company inadvertently booked a CAP revenue deficiency accrual to its CAP frozen arrearages account, and not through the CAP revenue deficiency account. The manual accrual was reversed in April 2020 and the actual data was applied to the proper account via the billing system.

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2021

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2019 through October 31, 2020

	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Total
1 Net Surcharge Revenue, Excl. GRT	\$2,166,748	\$2,510,247	\$2,668,410	\$2,705,666	\$2,449,022	\$2,243,327	\$2,558,348	\$3,237,616	\$5,023,486	\$4,005,274	\$2,679,594	\$2,207,807	\$34,455,545
2 E-Factor Revenue, Excl. GRT	\$263,276	\$303,755	\$76,094	\$68,829	\$65,849	\$60,054	\$68,919	\$89,017	\$133,593	\$107,810	\$72,114	\$58,997	\$1,368,307
3 Universal Service Charge Related Revenue, Excl. GRT	\$2,430,024	\$2,814,002	\$2,744,504	\$2,774,495	\$2,514,871	\$2,303,380	\$2,627,267	\$3,326,632	\$5,157,079	\$4,113,084	\$2,751,707	\$2,266,804	\$35,823,851
4 Expense	\$3,004,286	\$1,992,390	\$2,551,054	\$2,373,509	\$2,721,108	\$4,851,137	\$2,427,761	\$2,570,148	\$2,804,823	\$2,563,845	\$2,603,110	\$2,543,834	\$33,007,004
5 Over/(Under) Collection	(\$574,261)	\$821,612	\$193,450	\$400,986	(\$206,236)	(\$2,547,757)	\$199,506	\$756,484	\$2,352,257	\$1,549,239	\$148,597	(\$277,029)	\$2,816,847
6 Interest Rate	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	
7 Interest Weight	20/12	19/12	18/12	17/12	16/12	15/12	14/12	13/12	12/12	11/12	10/12	9/12	
8 Interest	(\$57,426)	\$78,053	\$17,410	\$34,084	(\$16,499)	(\$191,082)	\$13,965	\$49,171	\$141,135	\$85,208	\$7,430	(\$12,466)	\$148,985

ATTACHMENT A

**Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2021**

Reconciliation of Revenue and Expense - November 1, 2019 through October 31, 2020

1	Net Surcharge Revenue, Incl. GRT	\$36,615,882		Exh. 1, Page 2
2	Net Surcharge Related Revenue, Excl. GRT		\$34,455,545	Line 1 * 0.941
3	E-Factor Revenue, Incl. GRT	\$1,454,098		Exh. 1, Page 3
4	E-Factor Revenue, Excl. GRT		\$1,368,307	Line 3 * 0.941
5	Universal Service Related Revenue, Excl. GRT		\$35,823,851	Line 2 + Line 4
6	Universal Service Related Expense		\$33,007,004	Exh. 1, Page 4
7	Total Reconciliation Period Over/(Under) Collection		\$2,816,847	Line 5 - Line 6
8	Interest		\$148,985	Exh. 1, Page 5
9	Net Reconciliation Period Over/(Under) Collection		\$2,965,831	Line 7 + Line 8
<u>E-Factor Reconciliation</u>				
10	Balance at YE October 31, 2019, Excl. GRT		\$884,436	Att. A, Page 2
11	E-Factor Revenue - Nov 2019-Oct 2020, Excl. GRT		\$1,368,307	Line 4
12	Prior Period Balance at October 31, 2020		(\$483,871)	Line 10 - Line 11
13	Reconciliation Period Over/(Under) Collection - Nov 2019-Oct 2020		\$2,965,831	Line 9
14	Audit Finding No. 1 - Refund for an overstatement of CAP Deficiency Expense		\$187,141	Att. A, Page 2
15	E-Factor Balance at YE October 31, 2020		\$2,669,101	Line 12 + Line 13 + Line 14

ATTACHMENT A
Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2021

Reconciliation of E-Factor Revenue

<u>Filed November 2016</u>					
Effective January 1, 2017-December 2017					
1	Nov 2014 to Oct 2015	Prior Period Over/(Under) Collection	(\$4,387,328)		Line 1
2	Nov 2015 to Oct 2016	Current Period E-Factor Revenue (excl. GRT)	<u>(\$3,108,345)</u>		
3		Prior Period E-Factor Balance		(\$1,278,983)	Line 1 - Line 2
4	Nov 2015 to Oct 2016	Actual Current Period Over/(Under) Recovery	(\$4,968,108)		
5		Interest	<u>(\$404,991)</u>		
6		Total		(\$5,373,099)	Line 4 + Line 5
7		E-Factor Balance at YE October 31, 2016		(\$6,652,083)	Line 3 + Line 6
8	Audit Finding No. 1 - Refund for an overstatement of Smart Comfort Expenses			\$49,309	Note (1)
9	Audit Finding No. 2 - Refund for an understatement of USC Revenue			\$38,062	Note (1)
10	Audit Finding No. 3 - Recovery of a miscalculation of the CAP Discount Credit			(\$20,555)	Note (1)
11		Net E-Factor Balance at YE October 31, 2016		<u>(\$6,585,266)</u>	Sum Line 25 through Line 28
(1) Per the October 6, 2016 PUC Audit Report at Docket No. D-2015-2495284 for the 12 months ended October 31, 2013 and October 31, 2014.					
<u>Filed November 2017</u>					
Effective January 1, 2018-December 2018					
12	Nov 2015 to Oct 2016	Prior Period Over/(Under) Collection	(\$6,585,266)		Line 11
13	Nov 2016 to Oct 2017	Current Period E-Factor Revenue (excl. GRT)	<u>(\$5,932,515)</u>		
14		Prior Period E-Factor Balance		(\$652,751)	Line 12 - Line 13
15	Nov 2016 to Oct 2017	Actual Current Period Over/(Under) Recovery	(\$3,401,922)		
16		Interest	<u>(\$290,254)</u>		
17		Total		(\$3,692,176)	Line 15 + Line 16
18		E-Factor Balance at YE October 31, 2017		<u>(\$4,344,927)</u>	Line 14 + Line 17
<u>Filed November 2018</u>					
Effective January 1, 2019-December 2019					
19	Nov 2016 to Oct 2017	Prior Period Over/(Under) Collection	(\$4,344,927)		Line
20	Nov 2017 to Oct 2018	Current Period E-Factor Revenue (excl. GRT)	<u>(\$5,155,219)</u>		
21		Prior Period E-Factor Balance		\$810,292	Line 19 - Line 20
22	Nov 2017 to Oct 2018	Actual Current Period Over/(Under) Recovery	\$2,350,549		
23		Interest	<u>\$208,579</u>		
24		Total		\$2,559,128	Line 22 + Line 23
25		E-Factor Balance at YE October 31, 2018		<u>\$3,369,420</u>	Line 21 + Line 24
<u>Filed November 2019</u>					
Effective January 1, 2020-December 2020					
26	Nov 2017 to Oct 2018	Prior Period Over/(Under) Collection	\$3,369,420		Line 17
27	Nov 2018 to Oct 2019	Current Period E-Factor Revenue (excl. GRT)	<u>\$2,204,807</u>		
28		Prior Period E-Factor Balance		\$1,164,613	Line 26 - Line 27
29	Nov 2018 to Oct 2019	Actual Current Period Over/(Under) Recovery	(\$253,092)		
30		Interest	<u>(\$27,085)</u>		
31		Total		(\$280,177)	Line 29 + Line 30
32		E-Factor Balance at YE October 31, 2019		<u>\$884,436</u>	Line 28 + Line 31
<u>Filed November 2020</u>					
Effective January 1, 2021-December 2021					
33	Nov 2018 to Oct 2019	Prior Period Over/(Under) Collection	\$884,436		Line 32
34	Nov 2019 to Oct 2020	Current Period E-Factor Revenue (excl. GRT)	<u>\$1,368,307</u>		
35		Prior Period E-Factor Balance		(\$483,871)	Line 33 - Line 34
36	Nov 2019 to Oct 2020	Actual Current Period Over/(Under) Recovery	\$2,816,847		
37		Interest	<u>\$148,985</u>		
38		Total		\$2,965,831	Line 36 + Line 37
39		E-Factor Balance at YE October 31, 2020		<u>\$2,481,961</u>	Line 35 + Line 38
40	Audit Finding No. 1 - Refund for an overstatement of CAP Deficiency Expense			\$187,141	Note 1
41		Net E-Factor Balance at YE October 31, 2020		<u>\$2,669,101</u>	Line 39 + Line 40

(1) Per the February 4, 2020 PUC Audit Report at Docket No. D-2018-3003729. Interest on refund calculated at 80 months from November 2014 at 6%.

ATTACHMENT A
Duquesne Light Company
Rider 5 - Universal Service Charge
Proposed Charge Effective January 1, 2021

Calculation of E-Factor Rate

A	B	C	D = B + C	E = D * 0.941	F	G = E - F	H	I = G + H	J	K = I + J	L	M = K + L	N	O =(M/N)*100	P =O*1/(1-5.9%)		
Current Period November 2019-October 2020											Prior Period	Total	Total	Total			
<u>Customer Class</u>	Net Reconciliation Period Surcharge Revenue Exh. 1, Page 2	Reconciliation Period Surcharge Revenue Exh. 1, Page 3	Reconciliation Surcharge Related Revenue Exh. 1, Page 3	Reconciliation Period Related Revenue Less GRT	Reconciliation Period Expense Exh. 1, Page 4	Over/(Under) Collection e Factor	Interest	Total Over/(Under) Collection e Factor	Over/(Under) Collection e Factor Att. A, Page 1	Reconciliation Period Over/(Under) Collection e Factor	Audit Findings (1)	Reconciliation Period Over/(Under) Collection e Factor	Forecast Non-CAP Sales (kWh) Jan-Dec 2021 Att. A, Page 4	Proposed E-Factor Rate Excl. GRT	Proposed E-Factor Rate Incl. GRT	cents/kWh	
1 Residential (RS, RH, RA)	\$36,615,882	\$1,454,098	\$38,069,980	\$35,823,851	\$33,007,004	\$2,816,847	\$148,985	\$2,965,831	(\$483,871)	\$2,481,961	\$187,141	\$2,669,101	3,659,972,938	0.073	0.077	cents/kWh	

(1) Audit findings per Commission audit order entered October 6, 2016 at Docket No. D-2018-3003729.

ATTACHMENT A

**Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2021**

Calculation of the Projected Universal Service Charge

<u>Universal Service Program Costs:</u>		
1	CAP Revenue Deficiency	\$24,549,366
2	CAP Frozen Arrearage	\$6,132,517
3	CAP Administration Cost	\$1,852,169
4	Smart Comfort	\$2,410,000
5	CARES	\$135,000
6	Hardship Fund	\$92,000
7	PIPP Costs (1)	\$1,785,519
8	<u>Projected Universal Service Program Budget</u>	<u>\$36,956,571</u>
 <u>Credit (Bad Debt Offset):</u>		
9	CAP Customer Participation Level	39,088 Per Tariff No. 25, USC - Rider 5, page 94
10	<u>Actual Enrollment as of October 31, 2020</u>	<u>35,404</u>
11	Difference	0 Line 10 - Line 9
12	<u>Average Discount per Customer per Year</u>	<u>\$843 See Footnote 1</u>
13	Discount With Excess Customers	\$0 Line 11 * Line 12
14	<u>Bad Debt Offset</u>	<u>10.43% Per Tariff No. 25, USC - Rider 5, page 94</u>
15	Adjustment to USC for Bad Debt	\$0 Line 13 * Line 14
16	<u>Total Projected Universal Service Program Costs</u>	<u>\$36,956,571 Line 8 - Line 15</u>
 <u>Projected Non-CAP Sales:</u>		
17	Forecast Residential Sales (kWh)	3,985,933,738
18	<u>Less Forecast CAP Sales (kWh)</u>	<u>325,960,800</u>
19	<u>Non-CAP Forecast Sales (kWh)</u>	<u>3,659,972,938 Line 17 - Line 18</u>
20	Charge - \$/kWh	\$0.01010 Line 16 / Line 19
21	Charge - ¢/kWh	1.010 Line 20 * 100
22	T= Pennsylvania Gross Receipts Tax (GRT):	5.9%
23	<u>Projected Universal Service Charge (USC) (¢/kWh)</u>	<u>1.073 Line 21 * 1 / (1 - line 22)</u>
24	E-Factor Over/(Under) Collection (¢/kWh), Incl. GRT	0.077 Att. A, Page 3
25	<u>Universal Service Charge (USC) (¢/kWh) - Effective January 1, 2021</u>	<u>0.996 Line 23 - Line 24</u>

(1) Calculated as follows:

Projected 2021 CAP Deficiency and Arrearages (Line 1 + Line 2)	\$30,681,883
Projected Enrollment as of December 31, 2021	<u>36,400</u>
Average Discount per Customer per Year	<u>\$843</u>

(1) Pursuant to the Commission's Order on Reconsideration entered April 19, 2018, at Docket No. M-2016-2534323, concurrent with the transition to the PIPP, CAP customers' in-program arrears (IPA) will be written off, giving CAP customers who are delinquent at that time a "fresh start" as a one-time accommodation. The Company will assume responsibility for 45% of this IPA, and will not seek rate recovery on this amount. The remaining 55% – not to exceed 55% of \$12 million, or \$6.6 million – will be deferred and combined with CAP customers' pre-program arrearages, and forgiven in 1/24th increments upon CAP customers' in-full monthly payments. The costs of this forgiven IPA will be recovered via Duquesne Light's USC. The IPA balance at October 31, 2020 is \$10.9M.