



**Tishekia E. Williams**  
Director, Regulatory Legal

411 Seventh Avenue  
Mail drop 15-7  
Pittsburgh, PA 15219

Tel: 412-393-1541  
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twilliams@duqlight.com

May 14, 2021

**Via Electronic Filing**

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

Re: **Petition of Duquesne Light Company to Adjust DSIC rate**  
**Docket No. P-2021-\_\_\_\_\_**

Dear Secretary Chiavetta:

Enclosed for filing please find the Petition of Duquesne Light Company (“Duquesne Light” or “Company”) for Approval to Adjust its Distribution System Improvement Charge (“DSIC”) rate to correct an inadvertent billing error. The enclosed Petition requests approval of the adjustment no later than June 17, 2021, with rates to become effective July 1, 2021. As detailed in the Petition, the Company respectfully requests expedited review of the Petition. The Company further requests that the response time be shortened to 10 days.

Electronic copies of this Petition have been served on those listed on the Certificate of Service, including the Commission’s Bureau of Audits and Bureau of Consumer Services.

Please contact me with any questions, comments, or concerns.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Tishekia E. Williams". The signature is written in a cursive style and includes a long horizontal stroke at the end.

Tishekia E. Williams  
Director, Regulatory Legal

Enclosure

cc: Certificate of Service (w/ encl.)

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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:  
DUQUESNE LIGHT COMPANY PETITION :  
FOR APPROVAL TO ADJUST : Docket No. P-2021-\_\_\_\_\_  
DISTRIBUTION SYSTEM IMPROVEMENT :  
CHARGE (“DSIC”) RATE :  
:  
:

**DUQUESNE LIGHT COMPANY  
PETITION FOR APPROVAL ADJUST DSIC RATE**

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Pursuant to 52 Pa. Code § 5.41, Duquesne Light Company (“Duquesne Light” or the “Company”) hereby petitions the Pennsylvania Public Utility Commission (“Commission”) for approval to adjust its Distribution System Improvement Charge (“DSIC”) rate effective July 1, 2021. In support thereof, Duquesne Light states as follows:

**I. INTRODUCTION**

1. Duquesne Light is a public utility that provides electric distribution, transmission, and default service in Pennsylvania subject to the regulatory jurisdiction of the Commission. Duquesne Light is a “public utility” and an “electric distribution company” as defined in Sections 102 and 2803 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 102, 2803.

2. Duquesne Light furnishes electric service to more than 600,000 customers throughout its certificated service territory, which includes the City of Pittsburgh and portions of Allegheny and Beaver counties and encompasses approximately 800 square miles in western Pennsylvania.

3. The names, addresses and telephone numbers of Duquesne Light's attorneys authorized to receive all notices and communications regarding this filing are as follows:

Tishekia E. Williams (ID #208997)  
Emily M. Farah (ID #322559)  
Duquesne Light Company  
411 Seventh Avenue, MD 15-7  
Pittsburgh, PA 15219  
Phone: 412-393-1541  
Phone: 412-393-6431  
Email: [twilliams@duqlight.com](mailto:twilliams@duqlight.com)  
Email: [efarah@duqlight.com](mailto:efarah@duqlight.com)

4. The attorneys listed above consent to electronic service of documents related to this proceeding.

## **II. BACKGROUND**

5. Pursuant to the Commission's Supplemental Implementation Order entered September 21, 2016, at Docket No. M-2012-2293611, the Company implemented a DSIC to recover the costs related to the repair, replacement or improvement of eligible distribution property. See 66 Pa. C.S. §§ 1350-1360.

6. The DSIC rate may not exceed 5% of distribution rates billed for electric utilities, including Duquesne Light, pursuant to 66 Pa. C.S. § 1358(a)(1).

7. The DSIC is subject to annual reconciliation in order to recover an under-collection or refund an over-collection from customers.

8. On December 18, 2020, Duquesne Light filed Supplement No. 18 to Tariff Electric, PA. P.U.C. No. 25 ("Supplement No. 18"), which is attached to this Petition as **Exhibit A**.

9. Supplement No. 18 proposed to increase Rider No. 22 – Distribution System Improvement Charge to 3.35% for a 3-month period beginning January 1, 2021.

10. Supplement No. 18 was approved by Secretarial Letter dated December 23, 2020

issued at Docket No. M-2020-3023368, which is attached to this Petition as **Exhibit B**.

11. On March 19, 2021, Duquesne Light filed Supplement No. 21 to Tariff Electric, PA. P.U.C. No. 25 (“Supplement No. 21”), which is attached to this Petition as **Exhibit C**.

12. Supplement No. 21 proposed to increase the monthly DSIC charge from 3.35% to 4.01% for the period April 1, 2021, through June 30, 2021.

13. Supplement No. 21 was approved by Secretarial Letter dated March 30, 2021 issued at Docket No. M-2021-3024748, which is attached to this Petition as **Exhibit D**.

14. On January 19, 2021, the Company completed an upgrade of its Customer Care & Billing (“CC&B”) system (“Project Spark”).

15. Following the completion of the upgrade, the Company closely monitored numerous components of system performance for the first 90-days, known as the hyper-care period.

16. During the hyper-care period,<sup>1</sup> the Company identified an error with the DSIC rate. Specifically, the Company discovered that the DSIC rate was inadvertently entered into the CC&B system by an employee as 0.0335% instead of 3.35%. As a result, all Duquesne Light customer were billed less than the Commission-approved DSIC rate.

17. The Company corrected the DSIC rate in its CC&B system immediately upon discovering the error.<sup>2</sup>

18. Duquesne Light customers were underbilled the DSIC rate between January 14, 2021<sup>3</sup> and February 19, 2021.

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<sup>1</sup> While the error was discovered during Project Spark hyper-care period (the 90-day stabilization time-frame immediately after system go-live), the error was not caused by a system failure.

<sup>2</sup> Duquesne Light voluntarily self-reported the issue to the Commission’s Bureau of Audits and Bureau of Consumer Services upon discovering the error.

<sup>3</sup> Prior to the Project Spark go-live date (January 19, 2021), the Company entered into a “code freeze” to prevent information technology changes during the system testing phase.

19. On average, residential customers were underbilled approximately \$0.67 per month.

20. On average, commercial customers<sup>4</sup> were underbilled approximately \$4.07 per month.

21. In this Petition, Duquesne Light is respectfully requesting Commission approval no later than June 17, 2021, to include the underbilled amount of approximately \$2 million in its DSIC standard rate computation for rates effective July 1, 2021.

### **III. DUQUESNE LIGHT COMPANY'S DSIC RATE BILLING CORRECTION**

22. The Company proposes to recover the underbilled DSIC revenue through its quarterly update filing for rates effective July 1, 2021. The Company will increase the current DSIC from 4.01% to an estimated 4.83% for a 3-month period beginning July 1, 2021.<sup>5</sup>

23. Attached to this Petition as **Exhibit E** is an illustrative example of the Company's Computation of Cumulative Distribution System Improvement Charge that Duquesne Light intends to file in accordance with the preceding paragraph.

24. As set forth in the Computation of the DSIC within the Company's Rider No. 21—Distribution System Improvement Charge, Exhibit E, lines 1 through 11 reflect the Company's standard quarterly DSIC rate computation. The Company is proposing to adjust the standard quarterly DSIC rate by including the billing error amount (line 12), converting the billing error amount into a rate (line 13), and combining the standard quarterly DSIC rate with the billing error rate to arrive at an adjusted DSIC rate (line 14).

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<sup>4</sup> Commercial customers billed in accordance with the General Service Medium  $\geq 25$  rate, with a demand of 30kW and usage of approximately 10,000 per month.

<sup>5</sup> The Company does not anticipate the DSIC to exceed 5% in the third quarter of 2021. However, in the event the DSIC adjustment will exceed 5%, Duquesne Light respectfully requests this Petition be considered a petition for a waiver in accordance with 66 Pa. C.S. § 1358(a)(1) ("The commission may upon petition grant a waiver of the 5% limit under this paragraph for a utility in order to ensure and maintain adequate, efficient, safe, reliable and reasonable service.").

25. Consistent with the Application of the DSIC section of the Company's Rider No. 21 – Distribution System Improvement Charge, the adjusted DSIC rate will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for distribution service under the Company's otherwise applicable rates and charges, excluding amounts billed for the State Tax Adjustment Surcharge ("STAS").

26. Implementation of the updated DSIC rate beginning July 1, 2021, is necessary to avoid exceeding the allowable 5% cap. See 66 Pa. C.S. § 1358(a)(1) ("the distribution system improvement charge may not exceed 5% of the amount billed to customers under the applicable rates of the wastewater utility or distribution rates of the electric distribution company").

27. The updated DSIC rate will continue to appear as a line item on page 3 of each customer bill. Likewise, as normal and customary with rate changes, customer bills will display a message to inform them of the DSIC adjustment.

28. The message to appear on the typical residential customer's bills will be: "A change in the Distribution System Improvement Charge, effective July 1, 2021, will increase your monthly bill by about \$0.46, or less than 1%."

29. The message to appear on the typical medium commercial customer's bills will be: "A change in the Distribution System Improvement Charge, effective July 1, 2021, will increase your monthly bill by about \$2.78, or less than 1%."

30. Duquesne Light assessed multiple options for correcting the underbilling that occurred as a result of the aforementioned error. Typically, if a billing error is discovered the bill is corrected by cancelling the incorrect bills and issuing new corrected bills for the impacted time period and customers. Alternatively, the Company may also make a line item adjustment to subsequent bills. The Company deploys these billing corrections methods pursuant to 52 Pa. Code

§56.14 without seeking additional Commission approval.

31. Given the number of impacted customers and de minimis nature of the individual billing adjustments, the traditional methods of completing the billing correction are highly inefficient, time consuming and likely to lead to significant customer confusion.

32. After thoughtful consideration, the most cost-effective and straightforward method of recovering the underbilled DISC charges is by adjusting the rate on customers' bills in the second quarter of 2021.

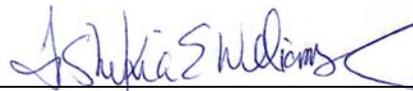
33. This DSIC adjustment differs from other adjustments typically included in quarterly surcharge filings because the under recovery was not caused by changes in customers count or sales, for example. Rather, the under recovery was the result of a billing error.

34. In an effort to be transparent, the Company is requesting approval to adjust the DSIC rate to recovery the prior underbilling as described herein.

#### **IV. CONCLUSION**

WHEREFORE, Duquesne Light Company requests that the Pennsylvania Public Utility Commission approve the instant petition and enter an order authorizing the Company to adjust its Distribution System Improvement Charge ("DSIC") rate effective July 1, 2021.

Respectfully submitted,



Tishekia E. Williams (ID #208997)  
Duquesne Light Company  
411 Seventh Avenue, MD 15-7  
Pittsburgh, PA 15211  
Telephone: 412-393-1541  
Email: twilliams@duqlight.com

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

:  
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:  
DUQUESNE LIGHT COMPANY PETITION :  
FOR APPROVAL TO ADJUST : Docket No. P-2021-\_\_\_\_\_  
DISTRIBUTION SYSTEM IMPROVEMENT :  
CHARGE (“DSIC”) RATE :  
:  
:

**VERIFICATION**

I, Katherine Scholl, Director of Revenue Management and Customer Billing for Duquesne Light Company, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: May 14, 2021



Katherine Scholl  
Director, Revenue Management and  
Customer Billing  
Duquesne Light Company

## CERTIFICATE OF SERVICE

I hereby certify that true and correct copy of the foregoing Petition of Duquesne Light Company has been served upon the following persons, in the manner(s) indicated below, in accordance with the requirements of § 1.54 (relating to service by a participant).

### VIA ELECTRONIC MAILING ONLY

Office of Consumer Advocate  
c/o Tanya McCloskey  
555 Walnut Street  
Forum Place, 5th Floor  
Harrisburg, PA 17101-1923  
[TMcCloskey@paoca.org](mailto:TMcCloskey@paoca.org)

Bureau of Consumer Services  
c/o Alexis Bechtel  
400 North Street, 2nd Floor  
Harrisburg, PA 17120  
[abechtel@pa.gov](mailto:abechtel@pa.gov)

Bureau of Audits  
c/o Barbara A. Sidor  
3070 William Pitt Way  
Pittsburgh, PA 15238  
[bsidor@pa.gov](mailto:bsidor@pa.gov)

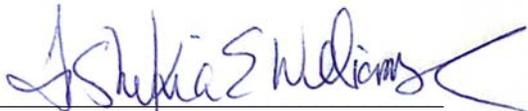
Law Bureau  
c/o Rick Hicks  
Commonwealth Keystone Building  
400 North Street, 3rd Floor West  
Harrisburg, PA 17120  
[finksmith@pa.gov](mailto:finksmith@pa.gov)

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

Office of Small Business Advocate  
c/o Steven Gray  
555 Walnut Street, 1st Floor  
Harrisburg, PA 17101  
[sgray@pa.gov](mailto:sgray@pa.gov)

Date: May 14, 2021

DUQUESNE LIGHT COMPANY

By:   
Tishekia E. Williams, Esq.

# EXHIBIT A



**Michael Zimmerman**  
Senior Counsel, Regulatory

411 Seventh Avenue  
Mail drop 15-7  
Pittsburgh, PA 15219

Tel: 412-393-6268  
mzimmerman@duqlight.com

December 18, 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 – Rider No. 22 Distribution System Improvement Charge  
Supplement No. 18 to Tariff Electric – PA. P.U.C. No. 25  
Docket No. – M-2020-\_\_\_\_\_**

Dear Secretary Chiavetta:

Enclosed for filing, please find an original copy of Supplement No. 18 to Duquesne Light Company's ("Company") Tariff-Electric, PA. P.U.C. No. 25, which amends Rider No. 22 – Distribution System Improvement Charge (DSIC), to become effective January 1, 2021. Six Schedules comprising supporting documentation are also enclosed. As described herein Supplement 18 increases the DSIC from 2.67% to 3.35%.

Should you have any questions, please do not hesitate to contact me or David Ogden, Manager of Rates and Tariff Services, at 412-393-6268.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Michael Zimmerman".

Michael Zimmerman  
Senior Counsel, Regulatory

Enclosure

Cc: Certificate of Service

# EXHIBIT A

## 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  
Harrisburg, PA 17101-1923  
[TMcCloskey@paoca.org](mailto:TMcCloskey@paoca.org)



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Michael Zimmerman  
Duquesne Light Company  
411 Seventh Avenue, 15-7  
Pittsburgh, PA 15219  
Phone: 412-393-6268  
Email: [mzimmerman@duqlight.com](mailto:mzimmerman@duqlight.com)

Dated: December 18, 2020

# EXHIBIT A

## 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).



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Scott Ward

Dated: December 18, 2020

# EXHIBIT A

SUPPLEMENT NO. 18  
TO ELECTRIC – PA. P.U.C. NO. 25



# 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 18, 2020

EFFECTIVE: January 1, 2021

Issued in compliance with Commission Order entered September 15, 2016,  
at Docket No. P-2016-2540046.

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# NOTICE

**THIS TARIFF SUPPLEMENT INCREASES A RATE WITHIN AN EXISTING RIDER**

**See Page Two**

**LIST OF MODIFICATIONS MADE BY THIS TARIFF**

**INCREASE**

**Rider No. 22 – Distribution System Improvement Charge**

**Fifth Revised Page No. 137  
Cancelling Fourth Revised Page No. 137**

The Distribution System Improvement Charge has been adjusted as required by the provisions of the Rider.

The monthly charge applicable to all rates has increased from 2.67% to 3.35% for the period January 1, 2021, through March 31, 2021.

## STANDARD CONTRACT RIDERS - (Continued)

**RIDER NO. 22 – DISTRIBUTION SYSTEM IMPROVEMENT CHARGE**

(Applicable to All Rates)

In addition to the net charges provided for in this Tariff, a charge of 3.35% will apply consistent with the Commission Order entered September 15, 2016, at Docket No. P-2016-2540046 approving the Distribution System Improvement Charge (“DSIC”).

(I)

**GENERAL DESCRIPTION****PURPOSE**

To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

**ELIGIBLE PROPERTY**

The DSIC-eligible property will consist of the following:

- Poles and towers (account 364);
- Overhead conductors (account 365) and underground conduit and conductors (accounts 366 and 367);
- Line transformers (account 368) and substation equipment (account 362);
- Any fixture or device related to eligible property listed above including insulators, circuit breakers, fuses, reclosers, grounding wires, cross arms and brackets, relays, capacitors, converters and condensers;
- Unreimbursed costs related to highway relocation projects where an electric distribution company must relocate its facilities; and
- Other related capitalized costs.

**EFFECTIVE DATE**

The DSIC will become effective October 1, 2016.

# EXHIBIT A

**Duquesne Light Company**  
**Schedule 1 - Computation of Cumulative Distribution System Improvement Charge**  
**January 1, 2021 through March 31, 2021**

Line No.		Total	
1	Applicable Plant	157,383,530	Schedule 2, Line 2, Column N
	Less:		
2	Accumulated Depreciation	1,218,702	Schedule 2, Line 3, Column N
	DSI = Distribution System Improvement Projects		
3	Net of Accumulated Depreciation and Retirements	156,164,828	Line 1 - Line 2
4	PTRR = Pre-tax return rate applicable to DSIC-eligible property	2.25%	Schedule 3, Line 5, Column F
5	Pre-Tax Return	3,518,706	Line 3 * Line 4
6	Dep = Depreciation Expense	869,126	Schedule 2, Line 5, Column L through N
7	E = Experienced Net (Over)/Under Collections	132,312	Note 2
8	Net Amount to be Recovered, including (Over)/Under Collections (w/o GRT)	<u>4,520,144</u>	Line 5 + Line 6 + Line 7
9	Net Amount to be Recovered, including (Over)/Under Collections (w/ GRT)	<u>4,803,554</u>	Line 8 * Note 1
10	PQR = Projected Quarterly Distribution Revenue	<u>143,359,827</u>	Schedule 2, Line 6, Columns P through R
11	DSIC = Distribution System Improvement Charge Rate % of Billed Distribution Revenues (w/ GRT)	3.35%	Line 9 / Line 10 or Note 3

Note 1:  
 $1/(1-T) = (T = 5.9\% \text{ Gross Receipts Tax} = \text{GRT})$

Note 2:  
 E-factor component based on \$529,248 under collection balance at December 31, 2019, as detailed on Schedule 6. Under collection will be recouped over the one-year period commencing on April 1, 2020 in the amount of \$529,248/4.

Note 3:  
 The distribution system improvement charge may not exceed 5% of the amount billed to customers under the applicable distribution rates of the electric distribution company, in compliance with 66 Pa. C.S.A. § 1358(a)(1)

# EXHIBIT A

**Duquesne Light Company**  
**Schedule 2 - Computation of Cumulative Distribution System Improvement Charge by Month**  
**January 1, 2021 through March 31, 2021**

Line No.	(A) Oct-19	(B) Nov-19	(C) Dec-19	(D) Jan-20	(E) Feb-20	(F) Mar-20	(G) Apr-20	(H) May-20	(I) Jun-20	(J) Jul-20	(K) Aug-20	(L) Sep-20	
1 Incremental Plant Additions	\$ 13,108,977	\$ 9,969,432	\$ 15,528,468	\$ 5,354,094	\$ 12,035,158	\$ 10,725,896	\$ 15,764,971	\$ 3,117,178	\$ 9,580,753	\$ 3,995,505	\$ 24,747,110	\$ 10,995,916	
2 Cumulative Plant	13,108,977	23,078,409	38,606,877	43,960,971	55,996,129	66,722,025	82,486,996	85,604,174	95,184,927	99,180,432	123,927,542	134,923,458	
Less:													
3 Accumulated Depreciation	12,893	47,555	114,537	192,194	286,487	406,966	403,196	568,020	684,084	645,448	601,910	849,124	
DSI = Distribution System Improvement Projects Net of Accumulated Depreciation and Retirements	\$ 13,096,084	\$ 23,030,854	\$ 38,492,340	\$ 43,768,777	\$ 55,709,642	\$ 66,315,059	\$ 82,083,800	\$ 85,036,154	\$ 94,500,843	\$ 98,534,984	\$ 123,325,632	\$ 134,074,334	Line 2 - Line 3
5 Dep = Depreciation Expense	12,893	36,141	66,982	85,407	101,150	124,721	152,259	172,410	185,318	197,152	231,164	266,340	
6 Projected 2021 Distribution Revenues													

# EXHIBIT A

**Duquesne Light Company**  
**Schedule 2 - Computation of Cumulative Distribution System Improvement Charge by Month**  
**January 1, 2021 through March 31, 2021**

Line No.	(M) Oct-20	(N) Nov-20	(O) Dec-20	(P) Jan-21	(Q) Feb-21	(R) Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21		
1	Incremental Plant Additions	\$ 10,987,042	\$ 11,473,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Cumulative Plant	145,910,500	157,383,530	-	-	-	-	-	-	-	-	-	-	
	Less:													
3	Accumulated Depreciation	1,109,252	1,218,702	-	-	-	-	-	-	-	-	-	-	
4	DSI = Distribution System Improvement Projects Net of Accumulated Depreciation and Retirements	\$ 144,801,248	\$ 156,164,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Line 2 - Line 3
5	Dep = Depreciation Expense	289,787	312,999	-	-	-	-	-	-	-	-	-	-	
6	Projected 2021 Distribution Revenues			\$ 50,607,126	\$ 46,023,270	\$ 46,729,431								

# EXHIBIT A

**Duquesne Light Company**  
**Schedule 3 - Computation of Cumulative Distribution System Improvement Charge Pre-Tax Rate of Return**  
**January 1, 2021 through March 31, 2021**

Line No.	(A) Description	(B) Capitalized Ratio (1)	(C) Embedded Cost	(D) Rate of Return	(E) Tax Multiplier (3)	(F) Pre-Tax Rate of Return (PTRR) (1)
1	Long-Term Debt	47.95%	4.37% (1)	2.10%	-	2.10%
2	Preferred	0.00%	0.00% (1)	0.00%	1.40631	0.00%
3	Common Equity (2)	52.05%	9.45% (2)	4.92%	1.40631	6.92%
4	Total	<u>100.00%</u>		<u>7.01%</u>		<u>9.01%</u>
5				Annual PTRR / 4 Quarters =		2.25%

(1) The pre-tax rate of return is calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. See Schedules 4 and 5 for additional detail.

(2) Cost of common equity reflects the published Market Based Returns on Common Equity in the Second Quarter 2020 Quarterly Earnings Report Summary, Docket No. M-2020-3021797.

(3) The tax multiplier is calculated as follows:  $1/[(1 - \text{Pa. Tax Rate}) \times (1 - \text{Fed. Tax Rate})]$  where the Pa. tax rate is 9.99% and the Fed. Tax rate is 21%  
 $1/[(1 - 9.99\%) \times (1 - 21\%)] = 1.40631$

# EXHIBIT A

**Duquesne Light Company**  
**Schedule 4 - Calculation of Capital Structure and Related Ratios**  
**As of November 30, 2020**

<u>Line No.</u>		<u>Total Company Actual Amount Outstanding</u> (1)	<u>Ratios</u> (2)
1	Total Debt (Sch. 5., Col. 1)	\$ 1,377,602,640	47.95%
2	Total Preferred & Preference Stock (Sch. 5., Col. 1)	-	0.00%
3	<u>Common Equity:</u>		
4	Common stock	-	
5	Premium on capital stock	-	
6	Other paid in capital	988,426,521	
7	Capital stock expense	-	
8	Retained earnings	509,027,260	
9	Unappropriated undistributed sub earnings	-	
10	Accumulated other comp income	<u>(1,811,488)</u>	
11	Total Common Equity	<u>1,495,642,293</u>	<u>52.05%</u>
12	Total Capital	<u><u>\$ 2,873,244,933</u></u>	<u><u>100.00%</u></u>

# EXHIBIT A

**Duquesne Light Company**  
**Schedule 5 - Cost of Debt and Preferred Stock as Adjusted**  
**As of November 30, 2020**

Line No	Description	[ 1 ] Amount Outstanding	[ 2 ] Percent to Total	[ 3 ] Effective Interest Rate	[ 4 ] Annual Interest Cost	[ 5 ] Average Weighted Cost Rate
1	1st Mortgage Bond 4.76% due 2/3/42	\$ 200,000,000	14.34%	4.79%	\$ 9,575,876	0.69%
2	1st Mortgage Bond 4.97% due 11/14/43	\$ 160,000,000	11.47%	4.99%	\$ 7,983,203	0.57%
3	1st Mortgage Bond 5.02% due 2/4/44	\$ 45,000,000	3.23%	5.04%	\$ 2,268,062	0.16%
4	1st Mortgage Bond 5.12% due 2/4/54	\$ 85,000,000	6.09%	5.14%	\$ 4,365,527	0.31%
5	1st Mortgage Bond 3.78% due 3/2/45	\$ 100,000,000	7.17%	3.79%	\$ 3,794,836	0.27%
6	1st Mortgage Bond 3.93% due 3/2/55	\$ 200,000,000	14.34%	3.94%	\$ 7,882,241	0.57%
7	1st Mortgage Bond 3.93% due 7/15/45	\$ 160,000,000	11.47%	3.95%	\$ 6,313,971	0.45%
8	1st Mortgage Bond 3.82% due 10/3/47	\$ 60,000,000	4.30%	3.84%	\$ 2,306,525	0.17%
9	1st Mortgage Bond 3.89% due 2/1/48	\$ 60,000,000	4.30%	3.91%	\$ 2,346,461	0.17%
10	1st Mortgage Bond 4.04% due 2/1/58	\$ 125,000,000	8.96%	4.06%	\$ 5,069,471	0.36%
11	1st Mortgage Bond 3.11% due 5/5/50	\$ 200,000,000	14.34%	3.13%	\$ 6,257,125	0.45%
12	Sub-Total	1,395,000,000	100.00%		58,163,299	4.17%
13	Amortization of loss on reacquired debt	(17,397,360)			2,034,388	
14	Amortization of gain on reacquired debt	-			-	
15	Net Long-Term Debt	\$ 1,377,602,640			\$ 60,197,687	4.37%

Preferred Stock

Line No	Description	Amount Outstanding	Percent to Total	Effective Cost Rate	Annual Cost	Weighted Cost Rate
1	3.75% Preferred Stock	-	0.00%	0.00%	\$ -	0.00%
2	4.15% Preferred Stock	-	0.00%	0.00%	-	0.00%
3	4.20% Preferred Stock	-	0.00%	0.00%	-	0.00%
4	4.10% Preferred Stock	-	0.00%	0.00%	-	0.00%
5	\$2.10 Preferred Stock	-	0.00%	0.00%	-	0.00%
6	Total Preferred Stock	\$ -	0.00%		\$ -	0.00%

# EXHIBIT A

**Duquesne Light Company**  
**Schedule 6 - E Factor Balance Reconciliation**  
**As of December 31, 2019**

1	Surcharge Revenue, Inc. GRT	(\$3,607,509)	
2	Surcharge Revenue, Excl. GRT		(\$3,394,666) Line 1 * 0.941
3	E-Factor Revenue, Inc. GRT	(\$2,238,603)	
4	E-Factor Revenue, Excl. GRT		(\$2,106,526) Line 3 * 0.941
5	Net DSIC Related Revenue, Excl. GRT		(\$1,288,141) Line 2 - Line 4
6	Filed Current (DSIC) Revenue Requirement - Excl. GRT		\$0
7	Reconciliation Period (Over)/Under Collection		\$1,288,141 Line 6 - Line 5
8	Interest on (Over)/Under Collection		\$0
9	Total Reconciliation Period (Over)/Under Collection		\$1,288,141 Line 7 + Line 8
10	Balance at YE December 31, 2018, Excl. GRT	(\$2,865,419)	
11	E-Factor Revenue - January 2019 - December 2019, Excl. GRT	(\$2,106,526)	Line 4
12	Prior Period Balance at December 31, 2019		(\$758,893) Line 10 - Line 11
13	Reconciliation Period (Over)/ Under Collection - Jan 19 - Dec 19		\$1,288,141 Line 9
14	E-Factor Balance at YE December 31, 2019		\$529,248 Line 12 + Line 13

(1) Line 1 through Line 9 tie to the 2019 DSIC annual 1307e reconciliation filing at Docket No. M-2020-3017778

(2) Line 10 ties to the Q2 2019 DSIC quarterly filing at Docket No. M-2019-3008660

# EXHIBIT B



PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEYSTONE BUILDING  
400 NORTH STREET, HARRISBURG, PA 17120

December 23, 2020

**MICHAEL ZIMMERMAN  
SENIOR COUNSEL REGULATORY  
DUQUESNE LIGHT COMPANY  
411 SEVENTH AVENUE  
MAIL DROP 15-7  
PITTSBURGH PA 15219**

**RE: Distribution System Improvement Charge  
Effective January 1, 2021  
M-2020-3023368**

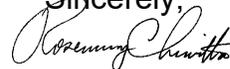
Dear Mr. Zimmerman:

The Bureau of Audits has reviewed Duquesne Light Company's proposed Supplement No. 18 to Tariff Electric - PA. P.U.C. No. 25 and the supporting rate computations submitted on December 18, 2020 to become effective on January 1, 2021.

Based upon staff review, it appears that the proposed Distribution System Improvement Charge (DSIC) rate for the three-month period of January 1, 2021 through March 31, 2021 is consistent with the tariff and, accordingly, is permitted to become effective as filed.

The DSIC is subject to continuous Commission review and audit as well as reconciliation reports in accordance with Section 1307(e) of the Public Utility Code, 66 Pa. C.S. § 1307(e).

Any subsequent submissions to the Commission related to this docketed case should reference Docket No. M-2020-3023368.

Sincerely,  


Rosemary Chiavetta  
Secretary

Contact Person: Barbara A. Sidor  
(412) 423-9301

# EXHIBIT C



**Michael Zimmerman**  
Senior Counsel, Regulatory

411 Seventh Avenue  
Mail drop 15-7  
Pittsburgh, PA 15219

Tel: 412-393-6268  
mzimmerman@duqlight.com

March 19, 2021

## 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 – Rider No. 22 Distribution System Improvement Charge Supplement No.21 to Tariff Electric – PA. P.U.C. No. 25 Docket No. – M-2021-\_\_\_\_\_**

Dear Secretary Chiavetta:

Enclosed for filing, please find an original copy of Supplement No. 21 to Duquesne Light Company's ("Company") Tariff-Electric, PA. P.U.C. No. 25, which amends Rider No. 22 – Distribution System Improvement Charge, to become effective April 1, 2021. Six Schedules comprising supporting documentation are also enclosed.

Should you have any questions, please do not hesitate to contact me or David Ogden, Manager of Rates and Tariff Services, at 412-393-6268.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Michael Zimmerman".

Michael Zimmerman  
Senior Counsel, Regulatory

Enclosure

Cc: Certificate of Service

# EXHIBIT C

## 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  
Harrisburg, PA 17101-1923  
[TMcCloskey@paoca.org](mailto:TMcCloskey@paoca.org)



---

Michael Zimmerman  
Duquesne Light Company  
411 Seventh Avenue, 15-7  
Pittsburgh, PA 15219  
Phone: 412-393-6268  
Email: [mzimmerman@duqlight.com](mailto:mzimmerman@duqlight.com)

Dated: March 19, 2021

# EXHIBIT C

SUPPLEMENT NO. 21  
TO ELECTRIC – PA. P.U.C. NO. 25



# 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

**Mark E. Kaplan**

**Interim President and Chief Executive Officer**

ISSUED: March 19, 2021

EFFECTIVE: April 1, 2021

Issued in compliance with Commission Order entered September 15, 2016,  
at Docket No. P-2016-2540046.

---

# NOTICE

**THIS TARIFF SUPPLEMENT INCREASES A RATE WITHIN AN EXISTING RIDER**

**See Page Two**

# EXHIBIT C

## LIST OF MODIFICATIONS MADE BY THIS TARIFF

### INCREASE

**Rider No. 22 – Distribution System Improvement Charge**

**Sixth Revised Page No. 137  
Cancelling Fifth Revised Page No. 137**

The Distribution System Improvement Charge has been adjusted as required by the provisions of the Rider.

The monthly charge applicable to all rates has increased from 3.35% to 4.01% for the period April 1, 2021, through June 30, 2021.

# EXHIBIT C

## STANDARD CONTRACT RIDERS - (Continued)

### RIDER NO. 22 – DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

(Applicable to All Rates)

In addition to the net charges provided for in this Tariff, a charge of 4.01% will apply consistent with the Commission Order entered September 15, 2016, at Docket No. P-2016-2540046 approving the Distribution System Improvement Charge (“DSIC”).

(I)

#### GENERAL DESCRIPTION

##### **PURPOSE**

To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

##### **ELIGIBLE PROPERTY**

The DSIC-eligible property will consist of the following:

- Poles and towers (account 364);
- Overhead conductors (account 365) and underground conduit and conductors (accounts 366 and 367);
- Line transformers (account 368) and substation equipment (account 362);
- Any fixture or device related to eligible property listed above including insulators, circuit breakers, fuses, reclosers, grounding wires, cross arms and brackets, relays, capacitors, converters and condensers;
- Unreimbursed costs related to highway relocation projects where an electric distribution company must relocate its facilities; and
- Other related capitalized costs.

##### **EFFECTIVE DATE**

The DSIC will become effective October 1, 2016.

# EXHIBIT C

**Duquesne Light Company**  
**Schedule 1 - Computation of Cumulative Distribution System Improvement Charge**  
**April 1, 2021 through June 30, 2021**

Line No.		Total	
1	Applicable Plant	186,124,537	Schedule 2, Line 2, Column Q
	Less:		
2	Accumulated Depreciation	2,008,619	Schedule 2, Line 3, Column Q
	DSI = Distribution System Improvement Projects		
3	Net of Accumulated Depreciation and Retirements	184,115,918	Line 1 - Line 2
4	PTRR = Pre-tax return rate applicable to DSIC-eligible property	2.27%	Schedule 3, Line 5, Column F
5	Pre-Tax Return	4,174,828	Line 3 * Line 4
6	Dep = Depreciation Expense	1,179,577	Schedule 2, Line 5, Column O through Q
7	E = Experienced Net (Over)/Under Collections	(53,088)	Note 2
8	Net Amount to be Recovered, including (Over)/Under Collections (w/o GRT)	<u>5,301,318</u>	Line 5 + Line 6 + Line 7
9	Net Amount to be Recovered, including (Over)/Under Collections (w/ GRT)	<u>5,633,706</u>	Line 8 * Note 1
10	PQR = Projected Quarterly Distribution Revenue	<u>140,623,003</u>	Schedule 2, Line 6, Columns S through U
11	DSIC = Distribution System Improvement Charge Rate % of Billed Distribution Revenues (w/ GRT)	4.01%	Line 9 / Line 10 or Note 3

Note 1:  
 $1/(1-T) = (T = 5.9\% \text{ Gross Receipts Tax} = \text{GRT})$

Note 2:  
 E-factor component based on \$212,351 over collection balance at December 31, 2020, as detailed on Schedule 6. Over collection will be refunded over the one-year period commencing on April 1, 2021 in the amount of \$212,351/4.

Note 3:  
 The distribution system improvement charge may not exceed 5% of the amount billed to customers under the applicable distribution rates of the electric distribution company, in compliance with 66 Pa. C.S.A. § 1358(a)(1)

# EXHIBIT C

**Duquesne Light Company**  
**Schedule 2 - Computation of Cumulative Distribution System Improvement Charge by Month**  
**April 1, 2021 through June 30, 2021**

Line No.	(A) Oct-19	(B) Nov-19	(C) Dec-19	(D) Jan-20	(E) Feb-20	(F) Mar-20	(G) Apr-20	(H) May-20	(I) Jun-20	(J) Jul-20	(K) Aug-20	(L) Sep-20	
1 Incremental Plant Additions	\$ 13,108,977	\$ 9,969,432	\$ 15,528,468	\$ 5,354,094	\$ 12,035,158	\$ 10,725,896	\$ 15,764,971	\$ 3,117,178	\$ 9,580,753	\$ 3,995,505	\$ 24,747,110	\$ 10,995,916	
2 Cumulative Plant	13,108,977	23,078,409	38,606,877	43,960,971	55,996,129	66,722,025	82,486,996	85,604,174	95,184,927	99,180,432	123,927,542	134,923,458	
Less:													
3 Accumulated Depreciation	12,893	47,555	114,537	192,194	286,487	406,966	403,196	568,020	684,084	645,448	601,910	849,124	
DSI = Distribution System Improvement Projects Net of Accumulated Depreciation and Retirements	\$ 13,096,084	\$ 23,030,854	\$ 38,492,340	\$ 43,768,777	\$ 55,709,642	\$ 66,315,059	\$ 82,083,800	\$ 85,036,154	\$ 94,500,843	\$ 98,534,984	\$ 123,325,632	\$ 134,074,334	Line 2 - Line 3
5 Dep = Depreciation Expense	12,893	36,141	66,982	85,407	101,150	124,721	152,259	172,410	185,318	197,152	231,164	266,340	
6 Projected 2021 Distribution Revenues													

# EXHIBIT C

**Duquesne Light Company**  
**Schedule 2 - Computation of Cumulative Distribution System Improvement Charge by Month**  
**April 1, 2021 through June 30, 2021**

Line No.	(M) Oct-20	(N) Nov-20	(O) Dec-20	(P) Jan-21	(Q) Feb-21	(R) Mar-21	(S) Apr-21	(T) May-21	(U) Jun-21	Jul-21	Aug-21	Sep-21
1 Incremental Plant Additions	\$ 10,987,042	\$ 11,473,030	\$ 10,945,379	\$ 5,558,658	\$ 12,236,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Cumulative Plant	145,910,500	157,383,530	168,328,909	173,887,567	186,124,537	-	-	-	-	-	-	-
Less:												
3 Accumulated Depreciation	1,109,252	1,218,702	1,491,974	1,644,617	2,008,619	-	-	-	-	-	-	-
DSI = Distribution System Improvement Projects Net of Accumulated Depreciation and Retirements	\$ 144,801,248	\$ 156,164,828	\$ 166,836,935	\$ 172,242,950	\$ 184,115,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5 Dep = Depreciation Expense	289,787	312,999	451,991	354,386	373,200	-	-	-	-	-	-	-
6 Projected 2021 Distribution Revenues							\$ 41,323,909	\$ 46,635,428	\$ 52,663,666			

# EXHIBIT C

**Duquesne Light Company**  
**Schedule 3 - Computation of Cumulative Distribution System Improvement Charge Pre-Tax Rate of Return**  
**April 1, 2021 through June 30, 2021**

Line No.	(A) Description	(B) Capitalized Ratio (1)	(C) Embedded Cost	(D) Rate of Return	(E) Tax Multiplier (3)	(F) Pre-Tax Rate of Return (PTRR) (1)
1	Long-Term Debt	47.38%	4.38% (1)	2.08%	-	2.08%
2	Preferred	0.00%	0.00% (1)	0.00%	1.40631	0.00%
3	Common Equity (2)	52.62%	9.45% (2)	4.97%	1.40631	6.99%
4	Total	<u>100.00%</u>		<u>7.05%</u>		<u>9.07%</u>
5				Annual PTRR / 4 Quarters =		2.27%

(1) The pre-tax rate of return is calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. See Schedules 4 and 5 for additional detail.

(2) Cost of common equity reflects the published Market Based Returns on Common Equity in the Third Quarter 2020 Quarterly Earnings Report Summary, Docket No. M-2020-3023406.

(3) The tax multiplier is calculated as follows:  $1/[(1 - \text{Pa. Tax Rate}) \times (1 - \text{Fed. Tax Rate})]$  where the Pa. tax rate is 9.99% and the Fed. Tax rate is 21%  
 $1/[(1 - 9.99\%) \times (1 - 21\%)] = 1.40631$

# EXHIBIT C

**Duquesne Light Company**  
**Schedule 4 - Calculation of Capital Structure and Related Ratios**  
**As of February 28, 2021**

Line No.	Total Company Actual Amount Outstanding (1)	Ratios (2)
1	Total Debt (Sch. 5., Col. 1)	\$ 1,378,109,543 47.38%
2	Total Preferred & Preference Stock (Sch. 5., Col. 1)	- 0.00%
3	<u>Common Equity:</u>	
4	Common stock	-
5	Premium on capital stock	-
6	Other paid in capital	988,426,521
7	Capital stock expense	-
8	Retained earnings	544,551,825
9	Unappropriated undistributed sub earnings	-
10	Accumulated other comp income	(2,690,662)
11	Total Common Equity	1,530,287,684 52.62%
12	Total Capital	\$ 2,908,397,227 100.00%

# EXHIBIT C

**Duquesne Light Company**  
**Schedule 5 - Cost of Debt and Preferred Stock as Adjusted**  
**As of February 28, 2021**

Line No	Description	[ 1 ] Amount Outstanding	[ 2 ] Percent to Total	[ 3 ] Effective Interest Rate	[ 4 ] Annual Interest Cost	[ 5 ] Average Weighted Cost Rate
1	1st Mortgage Bond 4.76% due 2/3/42	\$ 200,000,000	14.34%	4.81%	\$ 9,620,000	0.69%
2	1st Mortgage Bond 4.97% due 11/14/43	\$ 160,000,000	11.47%	5.01%	\$ 8,016,000	0.57%
3	1st Mortgage Bond 5.02% due 2/4/44	\$ 45,000,000	3.23%	5.06%	\$ 2,277,000	0.16%
4	1st Mortgage Bond 5.12% due 2/4/54	\$ 85,000,000	6.09%	5.16%	\$ 4,386,000	0.31%
5	1st Mortgage Bond 3.78% due 3/2/45	\$ 100,000,000	7.17%	3.81%	\$ 3,810,000	0.27%
6	1st Mortgage Bond 3.93% due 3/2/55	\$ 200,000,000	14.34%	3.95%	\$ 7,900,000	0.57%
7	1st Mortgage Bond 3.93% due 7/15/45	\$ 160,000,000	11.47%	3.96%	\$ 6,336,000	0.45%
8	1st Mortgage Bond 3.82% due 10/3/47	\$ 60,000,000	4.30%	3.86%	\$ 2,316,000	0.17%
9	1st Mortgage Bond 3.89% due 2/1/48	\$ 60,000,000	4.30%	3.93%	\$ 2,358,000	0.17%
10	1st Mortgage Bond 4.04% due 2/1/58	\$ 125,000,000	8.96%	4.07%	\$ 5,087,500	0.36%
11	1st Mortgage Bond 3.11% due 5/5/50	\$ 200,000,000	14.34%	3.14%	\$ 6,280,000	0.45%
12	Sub-Total	1,395,000,000	100.00%		58,386,500	4.19%
13	Amortization of loss on reacquired debt	(16,890,457)			2,031,894	
14	Amortization of gain on reacquired debt	-			-	
15	Net Long-Term Debt	<u>\$ 1,378,109,543</u>			<u>\$ 60,418,394</u>	<u>4.38%</u>

Preferred Stock

Line No	Description	Amount Outstanding	Percent to Total	Effective Cost Rate	Annual Cost	Weighted Cost Rate
1	3.75% Preferred Stock	-	0.00%	0.00%	\$ -	0.00%
2	4.15% Preferred Stock	-	0.00%	0.00%	-	0.00%
3	4.20% Preferred Stock	-	0.00%	0.00%	-	0.00%
4	4.10% Preferred Stock	-	0.00%	0.00%	-	0.00%
5	\$2.10 Preferred Stock	-	0.00%	0.00%	-	0.00%
6	Total Preferred Stock	<u>\$ -</u>	<u>0.00%</u>		<u>\$ -</u>	<u>0.00%</u>

# EXHIBIT C

**Duquesne Light Company**  
**Schedule 6 - E Factor Balance Reconciliation**  
**As of December 31, 2020**

1	Surcharge Revenue, Inc. GRT	\$9,138,944	
2	Surcharge Revenue, Excl. GRT		\$8,599,746 Line 1 * 0.941
3	E-Factor Revenue, Inc. GRT	\$423,111	
4	E-Factor Revenue, Excl. GRT		\$398,147 Line 3 * 0.941
5	Net DSIC Related Revenue, Excl. GRT		\$8,201,599 Line 2 - Line 4
6	Filed Current (DSIC) Revenue Requirement - Excl. GRT		\$7,874,838
7	Reconciliation Period (Over)/Under Collection		(\$326,761) Line 6 - Line 5
8	Interest on (Over)/Under Collection		(\$16,691)
9	Total Reconciliation Period (Over)/Under Collection		(\$343,452) Line 7 + Line 8
10	Balance at YE December 31, 2019, Excl. GRT		\$529,248
11	E-Factor Revenue - January 2020 - December 2020, Excl. GRT		\$398,147 Line 4
12	Prior Period Balance at December 31, 2020		\$131,100 Line 10 - Line 11
13	Reconciliation Period (Over)/ Under Collection - Jan 20 - Dec 20		(\$343,452) Line 9
14	E-Factor Balance at YE December 31, 2020		(\$212,351) Line 12 + Line 13

(1) Line 1 through Line 9 tie to the 2020 DSIC annual 1307e reconciliation filing at Docket No. M-2021-3023940

(2) Line 10 ties to the Q2 2020 DSIC quarterly filing at Docket No. M-2020-3019326

# EXHIBIT C

## 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).



---

Scott Ward

Dated: March 19, 2021



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEYSTONE BUILDING  
400 NORTH STREET  
HARRISBURG, PENNSYLVANIA 17120  
March 30, 2021

EXHIBIT D

**MICHAEL ZIMMERMAN  
SENIOR COUNSEL REGULATORY  
DUQUESNE LIGHT COMPANY  
411 SEVENTH AVENUE  
MAIL DROP 15-7  
PITTSBURGH PA 15219**

**RE: Distribution System Improvement Charge  
Effective April 1, 2021  
M-2021-3024748**

Dear Mr. Zimmerman:

The Bureau of Audits has reviewed Duquesne Light Company's proposed Supplement No. 21 to Tariff Electric - PA. P.U.C. No. 25 and the supporting rate computations submitted on March 19, 2021 to become effective on April 1, 2021.

Based upon staff review, it appears that the proposed Distribution System Improvement Charge (DSIC) rate for the three-month period of April 1, 2021 through June 30, 2021 is consistent with the tariff and, accordingly, is permitted to become effective as filed.

The DSIC is subject to continuous Commission review and audit as well as reconciliation reports in accordance with Section 1307(e) of the Public Utility Code, 66 Pa. C.S. § 1307(e).

Any subsequent submissions to the Commission related to this docketed case should reference Docket No. M-2021-3024748.

Sincerely,

A handwritten signature in black ink that reads 'Rosemary Chiavetta'. The signature is fluid and cursive.

Rosemary Chiavetta  
Secretary

Contact Person: Barbara A. Sidor  
(412) 423-9301

# EXHIBIT E

**Duquesne Light Company**  
**Schedule 1 - Computation of Cumulative Distribution System Improvement Charge**  
**Refund of Billing Error Calculation**  
**ILLUSTRATIVE EXAMPLE**

Line No.		Eff. 7/1/2021
1	Applicable Plant	209,134,816 <span style="color: red;">Note 4</span>
	Less:	
2	Accumulated Depreciation	3,158,733 <span style="color: red;">Note 4</span>
	DSI = Distribution System Improvement Projects	
3	Net of Accumulated Depreciation and Retirements	205,976,084 <span style="color: gray;">Line 1 - Line 2</span>
4	PTRR = Pre-tax return rate applicable to DSIC-eligible property	2.27%
5	Pre-Tax Return	4,670,508 <span style="color: gray;">Line 3 * Line 4</span>
6	Dep = Depreciation Expense	1,150,114 <span style="color: red;">Note 4</span>
7	E = Experienced Net (Over)/Under Collections	(53,088) <span style="color: gray;">Note 2</span>
8	Net Amount to be Recovered, including (Over)/Under Collections (w/o GRT)	<u>5,767,534</u> <span style="color: gray;">Line 5 + Line 6 + Line 7</span>
9	Net Amount to be Recovered, including (Over)/Under Collections (w/ GRT)	<u>6,129,154</u> <span style="color: gray;">Line 8 * Note 1</span>
10	PQR = Projected Quarterly Distribution Revenue	<u>168,104,934</u>
11	DSIC = Distribution System Improvement Charge Rate % of Billed Distribution Revenues (w/ GRT)	3.65% <span style="color: gray;">Line 9 / Line 10 or Note 3</span>
12	<span style="color: red;">Collection of Billing Error (w/GRT)</span>	<u>1,982,457</u> <span style="color: red;">Note 5</span>
13	<span style="color: red;">Rate for Billing Error (w/GRT)</span>	1.18% <span style="color: gray;">Line 12 / Line 10</span>
14	<span style="color: red;">Total DSIC Rate (w/ GRT)</span>	<u>4.83%</u> <span style="color: gray;">Line 11 + Line 13</span>

Note 1:  
 $1/(1-T) = (T = 5.9\% \text{ Gross Receipts Tax} = \text{GRT})$

Note 2:  
 E-factor component based on \$212,351 over collection balance at December 31, 2020, as detailed on Schedule 6. Over collection will be refunded over the one-year period commencing on April 1, 2021 in the amount of \$212,351/4.

Note 3:  
 The distribution system improvement charge may not exceed 5% of the amount billed to customers under the applicable distribution rates of the electric distribution company, in compliance with 66 Pa. C.S.A. § 1358(a)(1)

Note 4:  
Reflects actual activity as filed at Docket No. M-2021-3024748 as well as forecasted March - May 2021 activity

Note 5:  
DSIC Billing Correction Plan approved May XX, 2021, per Commission Order at Docket No. P-2021-XXXXXX.