



**Michael Zimmerman**  
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January 4, 2022

**Via Electronic Filing**

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. 5 – Universal Service Charge Rate  
Supplement No. 39 to Tariff Electric – PA. P.U.C. No. 25  
Docket No. M-2022-\_\_\_\_\_**

Dear Secretary Chiavetta:

Enclosed for filing, please find Duquesne Light Company's ("Duquesne Light" or "Company") Supplement No. 39 to Tariff Electric – PA. P.U.C. No. 25. Supplement No. 39 is a proposed update to the Company's Universal Service Charge rates, with an effective date of January 15, 2022.

Supplement No. 39 is filed in compliance with the Pennsylvania Public Utility Commission's ("Commission") Order entered December 16, 2021, at Docket No. R-2021-3024750 ("Order"). *Inter alia*, the Order directed changes to the Company's Universal Services and Energy Conservation Plan programs, and directed the Company to file implementing tariff supplements on at least one (1) day's notice. The Company is contemporaneously filing a letter at Docket Nos. R-2021-3024750, M-2016-2534323, and M-2019-3008227 that enumerates these changes.

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 W. Zimmerman".

Michael W. Zimmerman  
Senior Counsel, Regulatory

cc: Certificate of Service  
Enclosure

## 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  
Sharon Webb  
Steve Gray  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101  
[swebb@pa.gov](mailto:swebb@pa.gov)  
[sgray@pa.gov](mailto:sgray@pa.gov)

Office of Consumer Advocate  
Aron Beatty  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923  
[ABeatty@paoca.org](mailto:ABeatty@paoca.org)



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Dated: January 4, 2022



# 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

**Kevin E. Walker**

**President and Chief Executive Officer**

ISSUED: January 4, 2022

EFFECTIVE: January 15, 2022

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

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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. 5 – Universal Service Charge**

**Fourth Revised Page No. 93  
Cancelling Third Revised Page No. 93**

Rider No. 5 – Universal Service Charge is being updated in accordance with the Company's distribution rate case settlement (Order entered December 16, 2021, at Docket No. R-2021-3024750).

The USC increased from 0.964 cents per kilowatt-hour to 1.019 cents per kilowatt-hour effective January 15, 2022.

**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 1.019 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<sub>c</sub> = 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:

**ATTACHMENT A**

**Duquesne Light Company  
Rider No. 5 - Universal Service Charge  
Proposed Charge Effective January 15, 2022**

**Reconciliation of Revenue and Expense - November 1, 2020 through October 31, 2021**

|                                |   |              |              |                   |
|--------------------------------|---|--------------|--------------|-------------------|
| 1                              | Net Surcharge Revenue, Incl. GRT                                  | \$38,582,370 |              | Exh. 1, Page 2    |
| 2                              | Net Surcharge Related Revenue, Excl. GRT                          |              | \$36,306,010 | Line 1 * 0.941    |
| 3                              | E-Factor Revenue, Incl. GRT                                       | \$2,717,509  |              | Exh. 1, Page 3    |
| 4                              | E-Factor Revenue, Excl. GRT                                       |              | \$2,557,176  | Line 3 * 0.941    |
| 5                              | Universal Service Related Revenue, Excl. GRT                      |              | \$38,863,186 | Line 2 + Line 4   |
| 6                              | Universal Service Related Expense                                 |              | \$35,721,193 | Exh. 1, Page 4    |
| 7                              | Total Reconciliation Period Over/(Under) Collection               |              | \$3,141,993  | Line 5 - Line 6   |
| 8                              | Interest  |              | \$238,125    | Exh. 1, Page 5    |
| 9                              | Net Reconciliation Period Over/(Under) Collection                 |              | \$3,380,119  | Line 7 + Line 8   |
| <br>                           |   |              |              |                   |
| <u>E-Factor Reconciliation</u> |   |              |              |                   |
| 10                             | Balance at YE October 31, 2020, Excl. GRT                         |              | \$2,669,101  | Att. A, Page 2    |
| 11                             | E-Factor Revenue - Nov 2020-Oct 2021, Excl. GRT                   |              | \$2,557,176  | Line 4            |
| 12                             | Prior Period Balance at October 31, 2021                          |              | \$111,925    | Line 10 - Line 11 |
| 13                             | Reconciliation Period Over/(Under) Collection - Nov 2020-Oct 2021 |              | \$3,380,119  | Line 9            |
| 14                             | E-Factor Balance at YE October 31, 2021                           |              | \$3,492,044  | Line 12 + Line 13 |

**ATTACHMENT A**  
**Duquesne Light Company**  
**Rider No. 5 - Universal Service Charge**  
**Proposed Charge Effective January 15, 2022**

**Reconciliation of E-Factor Revenue**

|    |   |   |                      |                   |
|----|---|---|----------------------|-------------------|
| 1  |   | Net E-Factor Balance at YE October 31, 2016 | <u>(\$6,585,266)</u> |                   |
|    | <u>Filed November 2017</u>  |   |                      |                   |
|    | Effective January 1, 2018-December 2018                                     |   |                      |                   |
| 2  | Nov 2015 to Oct 2016  | Prior Period Over/(Under) Collection        | (\$6,585,266)        | Line 1            |
| 3  | Nov 2016 to Oct 2017  | Current Period E-Factor Revenue (excl. GRT) | <u>(\$5,932,515)</u> |                   |
| 4  |   | Prior Period E-Factor Balance               | (\$652,751)          | Line 2 - Line 3   |
| 5  | Nov 2016 to Oct 2017  | Actual Current Period Over/(Under) Recovery | (\$3,401,922)        |                   |
| 6  |   | Interest                                    | <u>(\$290,254)</u>   |                   |
| 7  |   | Total                                       | (\$3,692,176)        | Line 5 + Line 6   |
| 8  |   | E-Factor Balance at YE October 31, 2017     | <u>(\$4,344,927)</u> | Line 4 + Line 7   |
|    | <u>Filed November 2018</u>  |   |                      |                   |
|    | Effective January 1, 2019-December 2019                                     |   |                      |                   |
| 9  | Nov 2016 to Oct 2017  | Prior Period Over/(Under) Collection        | (\$4,344,927)        | Line 8            |
| 10 | Nov 2017 to Oct 2018  | Current Period E-Factor Revenue (excl. GRT) | <u>(\$5,155,219)</u> |                   |
| 11 |   | Prior Period E-Factor Balance               | \$810,292            | Line 9 - Line 10  |
| 12 | Nov 2017 to Oct 2018  | Actual Current Period Over/(Under) Recovery | \$2,350,549          |                   |
| 13 |   | Interest                                    | <u>\$208,579</u>     |                   |
| 14 |   | Total                                       | \$2,559,128          | Line 12 + Line 13 |
| 15 |   | E-Factor Balance at YE October 31, 2018     | <u>\$3,369,420</u>   | Line 11 + Line 14 |
|    | <u>Filed November 2019</u>  |   |                      |                   |
|    | Effective January 1, 2020-December 2020                                     |   |                      |                   |
| 16 | Nov 2017 to Oct 2018  | Prior Period Over/(Under) Collection        | \$3,369,420          | Line 15           |
| 17 | Nov 2018 to Oct 2019  | Current Period E-Factor Revenue (excl. GRT) | <u>\$2,204,807</u>   |                   |
| 18 |   | Prior Period E-Factor Balance               | \$1,164,613          | Line 16 - Line 17 |
| 19 | Nov 2018 to Oct 2019  | Actual Current Period Over/(Under) Recovery | (\$253,092)          |                   |
| 20 |   | Interest                                    | <u>(\$27,085)</u>    |                   |
| 21 |   | Total                                       | (\$280,177)          | Line 19 + Line 20 |
| 22 |   | E-Factor Balance at YE October 31, 2019     | <u>\$884,436</u>     | Line 18 + Line 21 |
|    | <u>Filed November 2020</u>  |   |                      |                   |
|    | Effective January 1, 2021-December 2021                                     |   |                      |                   |
| 23 | Nov 2018 to Oct 2019  | Prior Period Over/(Under) Collection        | \$884,436            | Line 22           |
| 24 | Nov 2019 to Oct 2020  | Current Period E-Factor Revenue (excl. GRT) | <u>\$1,368,307</u>   |                   |
| 25 |   | Prior Period E-Factor Balance               | (\$483,871)          | Line 23 - Line 24 |
| 26 | Nov 2019 to Oct 2020  | Actual Current Period Over/(Under) Recovery | \$2,816,847          |                   |
| 27 |   | Interest                                    | <u>\$148,985</u>     |                   |
| 28 |   | Total                                       | \$2,965,831          | Line 26 + Line 27 |
| 29 |   | E-Factor Balance at YE October 31, 2020     | <u>\$2,481,961</u>   | Line 25 + Line 28 |
| 30 | Audit Finding No. 1 - Refund for an overstatement of CAP Deficiency Expense |   | \$187,141            | Note 1            |
| 31 |   | Net E-Factor Balance at YE October 31, 2020 | <u>\$2,669,101</u>   | Line 30 + Line 29 |
|    | <u>Filed November 2021</u>  |   |                      |                   |
|    | Effective January 1, 2022-December 2022                                     |   |                      |                   |
| 32 | Nov 2019 to Oct 2020  | Prior Period Over/(Under) Collection        | \$2,669,101          | Line 31           |
| 33 | Nov 2020 to Oct 2021  | Current Period E-Factor Revenue (excl. GRT) | <u>\$2,557,176</u>   |                   |
| 34 |   | Prior Period E-Factor Balance               | \$111,925            | Line 32 - Line 33 |
| 35 | Nov 2020 to Oct 2021  | Actual Current Period Over/(Under) Recovery | \$3,141,993          |                   |
| 36 |   | Interest                                    | <u>\$238,125</u>     |                   |
| 37 |   | Total                                       | \$3,380,119          | Line 35 + Line 36 |
| 38 |   | E-Factor Balance at YE October 31, 2021     | <u>\$3,492,044</u>   | Line 34 + Line 37 |

(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 15, 2022**

**Calculation of E-Factor Rate**

| A                          | B   | C  | D<br>= B + C  | E<br>= D * 0.941   | F   | G<br>= E - F   | H                          | I<br>= G + H  | J  | K<br>= I + J   | L  | M<br>=(K/L)*100                           | N<br>=M*1/(1-5.9%)                        |
|----------------------------|---|--|---|--|---|--|----------------------------|---|--|--|--|---|---|
|                            | Current Period November 2020-October 2021                                 |  |   |  |   |  |                            |   |  | Prior Period   | Total  |   |   |
|                            | Net<br>Reconciliation<br>Period<br>Surcharge<br>Revenue<br>Exh. 1, Page 2 | Reconciliation<br>Period<br>Surcharge<br>Revenue<br>Exh. 1, Page 3 | Reconciliation<br>Surcharge<br>Related<br>Revenue<br>Exh. 1, Page 3 | Reconciliation<br>Period<br>Related<br>Revenue<br>Less GRT<br>Exh. 1, Page 3 | Reconciliation<br>Period<br>Expense<br>Exh. 1, Page 4 | Over/(Under)<br>Collection<br>e Factor<br>Exh. 1, Page 4 | Interest<br>Exh. 1, Page 5 | Total<br>Over/(Under)<br>Collection<br>e Factor<br>Exh. 1, Page 4 | Over/(Under)<br>Collection<br>e Factor<br>Att. A, Page 1 | Reconciliation<br>Period<br>Over/(Under)<br>Collection<br>e Factor | Forecast<br>Non-CAP<br>Sales (kWh)<br>Jan-Dec 2022<br>Att. A, Page 4 | Proposed<br>E-Factor<br>Rate<br>Excl. GRT | Proposed<br>E-Factor<br>Rate<br>Incl. GRT |
| 1 Residential (RS, RH, RA) | \$38,582,370  | \$2,717,509  | \$41,299,879  | \$38,863,186   | \$35,721,193  | \$3,141,993  | \$238,125                  | \$3,380,119   | \$111,925  | \$3,492,044  | 3,658,647,279  | 0.095                                     | 0.101 cents/kWh                           |

ATTACHMENT A

**Duquesne Light Company  
Rider No. 5 - Universal Service Charge  
Proposed Charge Effective January 15, 2022**

**Calculation of the Projected Universal Service Charge**

|   |  |   |
|---|--|---|
| <u>Universal Service Program Costs:</u> |  |   |
| 1                                       | CAP Revenue Deficiency (1)   | \$27,524,364  |
| 2                                       | CAP Frozen Arrearage   | \$3,507,972   |
| 3                                       | CAP Administration Cost  | \$1,991,533   |
| 4                                       | Smart Comfort (1)  | \$2,841,000   |
| 5                                       | CARES  | \$135,000   |
| 6                                       | Hardship Fund (1)  | \$203,000   |
| 7                                       | Recoverable PIPP Costs (2)   | \$2,351,636   |
| 8                                       | <u>Projected Universal Service Program Budget</u>                          | <u>\$38,554,505</u>                                     |
| <br><u>Credit (Bad Debt Offset):</u>    |  |   |
| 9                                       | CAP Customer Participation Level   | 35,853 Per Tariff No. 25, USC - Rider 5, page 94        |
| 10                                      | Actual Enrollment as of October 31, 2021                                   | 35,194  |
| 11                                      | Difference   | 0 Line 10 - Line 9                                      |
| 12                                      | <u>Average Discount per Customer per Year</u>                              | <u>\$880 See Footnote 3</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>\$38,554,505</u> Line 8 - Line 15                    |
| <br><u>Projected Non-CAP Sales:</u>     |  |   |
| 17                                      | Forecast Residential Sales (kWh)   | 3,975,321,482   |
| 18                                      | <u>Less Forecast CAP Sales (kWh)</u>                                       | <u>316,674,203</u>                                      |
| 19                                      | Non-CAP Forecast Sales (kWh)   | 3,658,647,279 Line 17 - Line 18                         |
| 20                                      | Charge - \$/kWh  | \$0.01054 Line 16 / Line 19                             |
| 21                                      | Charge - c/kWh   | 1.054 Line 20 * 100                                     |
| 22                                      | T= Pennsylvania Gross Receipts Tax (GRT):                                  | 5.9%  |
| 23                                      | <u>Projected Universal Service Charge (USC) (c/kWh)</u>                    | <u>1.120</u> Line 21 * 1 / (1 - line 22)                |
| 24                                      | E-Factor Over/(Under) Collection (c/kWh), Incl. GRT                        | 0.101 Att. A, Page 3                                    |
| 25                                      | <u>Universal Service Charge (USC) (c/kWh) - Effective January 15, 2022</u> | <u>1.019</u> Line 23 - Line 24                          |

(1) Revised budget updates pursuant to the Distribution Rate Case Settlement Agreement approved by the PUC Order dated December 16, 2021 at Docket No. R-2021-3024750

(2) 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 cutover is \$10.4M.

(3) Calculated as follows:

|  |              |
|--|--------------|
| Projected 2022 CAP Deficiency and Arrearages (Line 1 + Line 2) | \$31,032,336 |
| Projected Enrollment as of December 31, 2022                   | 35,258       |
| Average Discount per Customer per Year                         | <u>\$880</u> |