



Michael Zimmerman
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January 28, 2022

VIA ELECTRONIC FILING

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

**Re: Duquesne Light Company's Annual Reconciliation Statement – January 1, 2021 through December 31, 2021, for Rider No. 22 – Distribution System Improvement Charge
Docket No. M-2022-_____**

Dear Secretary Chiavetta:

Enclosed for filing is Duquesne Light Company's Reconciliation of Revenue and Expenses for the period of January 1, 2021 through December 31, 2021, for Tariff-Electric, PA. P.U.C. No. 25, Rider No. 22 – Distribution System Improvement Charge ("DSIC"). Pursuant to the Commission's Order dated June 17, 2021, at Docket No. P-2021-3025892, this Reconciliation of Revenue and Expenses includes a correction to an inadvertent DSIC billing error, which correction was incorporated into the DSIC effective July 1, 2021. See Docket No. M-2021-3026681.

Should you have any questions, please do not hesitate to contact me or David Ogden, Manager of Rate & Tariff Services, at 412-393-6343 or dogden@duqlight.com.

Respectfully Submitted,

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

Michael Zimmerman
Senior Counsel, Regulatory

Enclosure

Cc: Certificate of Service

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
Sharon Webb
Steve Gray
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
swebb@pa.gov
sgray@pa.gov

Office of Consumer Advocate
Aron Beatty
555 Walnut Street
Forum Place, 5th Floor
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Dated: January 28, 2022

**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 R. Ward

Scott R. Ward

Dated: January 27, 2022

Exhibit 1

Duquesne Light Company
Rider 22 - Distribution System Improvement Charge
Annual Reconciliation - January 1, 2021 through December 31, 2021

Summary of Reconciliation Period

1	Surcharge Revenue, Inc. GRT	\$26,082,486	Exh. 1, Page 2
2	Surcharge Revenue, Excl. GRT		\$24,543,619 Line 1 * 0.941
3	E-Factor Revenue, Inc. GRT	\$2,002,897	Exh. Page 4
4	E-Factor Revenue, Excl. GRT		\$1,884,726 Line 3 * 0.941
5	Net DSIC Related Revenue, Excl. GRT		\$22,658,894 Line 2 - Line 4
6	Filed Current (DSIC) Revenue Requirement - Excl. GRT		\$22,398,710 Exh. 1, Page 2
7	Reconciliation Period (Over)/Under Collection		(\$260,183) Line 6 - Line 5
8	Interest on (Over)/Under Collection		(\$14,293) Exhibit 1, Page 5
9	Total Reconciliation Period (Over)/Under Collection		(\$274,476) Line 7 + Line 8

Exhibit 1

Duquesne Light Company
Rider 22 - Distribution System Improvement Charge
Annual Reconciliation - January 1, 2021 through December 31, 2021

Summary of Revenue for the Reconciliation Period - January 2021 through December 2021

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
1 Net Surcharge Revenue, Incl. GRT	\$762,291	\$493,207	\$1,482,266	\$3,690,818	\$1,916,354	\$2,269,194	\$2,998,731	\$3,056,801	\$2,391,401	\$2,276,978	\$2,313,721	\$2,430,725	\$26,082,486
2 Less E-Factor Revenue, Incl. GRT	\$49,225	\$47,613	\$44,580	(\$17,029)	(\$19,075)	(\$22,619)	\$702,042	\$715,572	\$559,659	(\$19,141)	(\$18,500)	(\$19,430)	\$2,002,897
3 DSIC Related Revenue	\$713,066	\$445,595	\$1,437,686	\$3,707,848	\$1,935,429	\$2,291,812	\$2,296,688	\$2,341,229	\$1,831,742	\$2,296,119	\$2,332,221	\$2,450,155	\$24,079,589
4 DSIC Related Revenue	\$713,066	\$445,595	\$1,437,686	\$3,707,848	\$1,935,429	\$2,291,812	\$2,296,688	\$2,341,229	\$1,831,742	\$2,296,119	\$2,332,221	\$2,450,155	\$24,079,589
5 Less PA Gross Receipts Tax	\$42,071	\$26,290	\$84,823	\$218,763	\$114,190	\$135,217	\$135,505	\$138,132	\$108,073	\$135,471	\$137,601	\$144,559	\$1,420,696
6 Net DSIC Related Revenue	\$670,995	\$419,305	\$1,352,862	\$3,489,085	\$1,821,239	\$2,156,595	\$2,161,184	\$2,203,096	\$1,723,669	\$2,160,648	\$2,194,620	\$2,305,596	\$22,658,894
7 Filed Current (DSIC) Revenue Requirement - Excl. GRT	\$1,547,692	\$1,407,507	\$1,429,103	\$1,574,875	\$1,777,299	\$2,007,039	\$2,216,051	\$2,090,791	\$1,751,710	\$2,099,347	\$2,117,841	\$2,379,455	\$22,398,710
8 (Over)/Under Collection	\$876,697	\$988,202	\$76,241	(\$1,914,210)	(\$43,939)	(\$149,557)	\$54,867	(\$112,305)	\$28,041	(\$61,301)	(\$76,779)	\$73,860	(\$260,183)
9 Embedded Billing Error, Excl. GRT (1)	(\$831,592)	(\$1,033,900)	\$0	\$1,865,492	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Adjusted (Over)/Under Collection	\$45,105	(\$45,698)	\$76,241	(\$48,718)	(\$43,939)	(\$149,557)	\$54,867	(\$112,305)	\$28,041	(\$61,301)	(\$76,779)	\$73,860	(\$260,183)
11 Interest	\$2,960	(\$2,856)	\$4,829	(\$3,106)	(\$2,801)	(\$8,973)	\$3,086	(\$5,896)	\$1,291	(\$2,605)	(\$2,991)	\$2,770	(\$14,293)
12 Total (Over)/Under Collection	\$48,065	(\$48,554)	\$81,069	(\$51,824)	(\$46,740)	(\$158,530)	\$57,953	(\$118,201)	\$29,332	(\$63,906)	(\$79,770)	\$76,629	(\$274,476)

(1) DSIC Billing Correction Plan approved June 17, 2021, per Commission Order at Docket No. P-2021-3025892.

Exhibit 1

Duquesne Light Company
Rider 22 - Distribution System Improvement Charge
Annual Reconciliation - January 1, 2021 through December 31, 2021

Revenue Requirement and Actual Revenues

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21 (1)	Nov-21	Dec-21	Total
1 Filed Distribution Revenue, including GRT	\$50,607,126	\$46,023,270	\$46,729,431	\$41,323,909	\$46,635,428	\$52,663,666	\$61,488,136	\$58,012,598	\$48,604,200	\$44,265,366	\$44,655,317	\$50,171,537	\$591,179,984
2 Filed DSIC Rate (Including GRT) - Excluding E-Factor and Billing Error	3.25%	3.25%	3.25%	4.05%	4.05%	4.05%	3.83%	3.83%	3.83%	5.04%	5.04%	5.04%	
3 Calculated DSIC Revenue Requirement (Including GRT) - Excluding E-Factor and Billing Error	\$1,644,732	\$1,495,756	\$1,518,706	\$1,673,618	\$1,888,735	\$2,132,878	\$2,354,996	\$2,221,882	\$1,861,541	\$2,230,974	\$2,250,628	\$2,528,645	\$23,803,093
4 Gross Receipts Tax Factor	0.941	0.941	0.941	0.941	0.941	0.941	0.941	0.941	0.941	0.941	0.941	0.941	
5 Calculated DSIC Revenue Requirement (Excluding GRT)	\$1,547,692	\$1,407,507	\$1,429,103	\$1,574,875	\$1,777,299	\$2,007,039	\$2,216,051	\$2,090,791	\$1,751,710	\$2,099,347	\$2,117,841	\$2,379,455	\$22,398,710
6 Actual DSIC Revenue Billed (Excluding GRT)	\$670,995	\$419,305	\$1,352,862	\$3,489,085	\$1,821,239	\$2,156,595	\$2,161,184	\$2,203,096	\$1,723,669	\$2,160,648	\$2,194,620	\$2,305,596	\$22,658,894
7 Net (Over)/Under Collection	\$876,697	\$988,202	\$76,241	(\$1,914,210)	(\$43,939)	(\$149,557)	\$54,867	(\$112,305)	\$28,041	(\$61,301)	(\$76,779)	\$73,860	(\$260,183)
8 Embedded Billing Error, Excl. GRT	(\$831,592)	(\$1,033,900)	\$0	\$1,865,492	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Adjusted (Over)/Under Collection	\$45,105	(\$45,698)	\$76,241	(\$48,718)	(\$43,939)	(\$149,557)	\$54,867	(\$112,305)	\$28,041	(\$61,301)	(\$76,779)	\$73,860	(\$260,183)
10 Interest on (Over)/Under Collection	\$2,960	(\$2,856)	\$4,829	(\$3,106)	(\$2,801)	(\$8,973)	\$3,086	(\$5,896)	\$1,291	(\$2,605)	(\$2,991)	\$2,770	(\$14,293)
11 Net (Over)/Under Collection, Including Interest	\$48,065	(\$48,554)	\$81,069	(\$51,824)	(\$46,740)	(\$158,530)	\$57,953	(\$118,201)	\$29,332	(\$63,906)	(\$79,770)	\$76,629	(\$274,476)

(1) Q4 DSIC rate was capped at 5%. When netted with the negative e-factor rate, the filed DSIC rate does not exceed 5%.

Exhibit 1

Duquesne Light Company
Rider 22 - Distribution System Improvement Charge
Annual Reconciliation - January 1, 2021 through December 31, 2021

Calculation of E-Factor Revenue

	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Total</u>
A. E-Factor Revenue													
1 Total Distribution Revenue													
2 including surcharges	\$49,224,706	\$47,612,513	\$44,579,854	\$42,573,566	\$47,686,706	\$56,546,350	\$61,047,149	\$62,223,647	\$48,665,974	\$47,851,447	\$46,249,953	\$48,575,252	
3 E-Factor DSIC % Inc. GRT	0.10%	0.10%	0.10%	-0.04%	-0.04%	-0.04%	-0.03%	-0.03%	-0.03%	-0.04%	-0.04%	-0.04%	
4 E-Factor Revenue, Inc. GRT	\$49,225	\$47,613	\$44,580	(\$17,029)	(\$19,075)	(\$22,619)	(\$18,314)	(\$18,667)	(\$14,600)	(\$19,141)	(\$18,500)	(\$19,430)	\$25,957
5 E-Factor Revenue, Excl. GRT	\$46,320	\$44,803	\$41,950	(\$16,025)	(\$17,949)	(\$21,284)	(\$17,234)	(\$17,566)	(\$13,738)	(\$18,011)	(\$17,408)	(\$18,284)	\$24,426
B. E-Factor Billing Error Revenue (1)													
6 Total Distribution Revenue													
7 including surcharges	\$49,224,706	\$47,612,513	\$44,579,854	\$42,573,566	\$47,686,706	\$56,546,350	\$61,047,149	\$62,223,647	\$48,665,974	\$47,851,447	\$46,249,953	\$48,575,252	
8 Billing Error DSIC % Inc. GRT	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.18%	1.18%	1.18%	0.00%	0.00%	0.00%	
9 Billing Error Revenue, Inc. GRT	\$0	\$0	\$0	\$0	\$0	\$0	\$720,356	\$734,239	\$574,258	\$0	\$0	\$0	\$2,028,854
10 Billing Error Revenue, Excl. GRT	\$0	\$0	\$0	\$0	\$0	\$0	\$677,855	\$690,919	\$540,377	\$0	\$0	\$0	\$1,909,152

(1) DSIC Billing Correction Plan approved June 17, 2021, per Commission Order at Docket No. P-2021-3025892.

Exhibit 1

Duquesne Light Company
Rider 22 - Distribution System Improvement Charge
Annual Reconciliation - January 1, 2021 through December 31, 2021

Calculation of Interest

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
1 Actual Surcharge Revenue, Excl. GRT	\$717,316	\$464,108	\$1,394,812	\$3,473,060	\$1,803,289	\$2,135,311	\$2,821,805	\$2,876,449	\$2,250,308	\$2,142,637	\$2,177,211	\$2,287,312	\$24,543,619
2 Less E-Factor Revenue, Excl. GRT	\$46,320	\$44,803	\$41,950	(\$16,025)	(\$17,949)	(\$21,284)	\$660,622	\$673,353	\$526,639	(\$18,011)	(\$17,408)	(\$18,284)	\$1,884,726
3 Net Surcharge Related Revenue	\$670,995	\$419,305	\$1,352,862	\$3,489,085	\$1,821,239	\$2,156,595	\$2,161,184	\$2,203,096	\$1,723,669	\$2,160,648	\$2,194,620	\$2,305,596	\$22,658,894
4 Calculated Current (DSIC) Revenue Requirement - Excl. GRT	\$1,547,692	\$1,407,507	\$1,429,103	\$1,574,875	\$1,777,299	\$2,007,039	\$2,216,051	\$2,090,791	\$1,751,710	\$2,099,347	\$2,117,841	\$2,379,455	\$22,398,710
5 (Over)/Under Collection	\$876,697	\$988,202	\$76,241	(\$1,914,210)	(\$43,939)	(\$149,557)	\$54,867	(\$112,305)	\$28,041	(\$61,301)	(\$76,779)	\$73,860	(\$260,183)
6 Embedded Billing Error, Excl. GRT	(\$831,592)	(\$1,033,900)	\$0	\$1,865,492	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 Adjusted (Over)/Under Collection	\$45,105	(\$45,698)	\$76,241	(\$48,718)	(\$43,939)	(\$149,557)	\$54,867	(\$112,305)	\$28,041	(\$61,301)	(\$76,779)	\$73,860	(\$260,183)
8 Interest Rate (1)	3.75%	3.75%	4.00%	4.25%	4.50%	4.50%	4.50%	4.50%	4.25%	4.25%	4.25%	4.50%	
9 Interest Weight	21/12	20/12	19/12	18/12	17/12	16/12	15/12	14/12	13/12	12/12	11/12	10/12	
10 Interest (2)	\$2,960	(\$2,856)	\$4,829	(\$3,106)	(\$2,801)	(\$8,973)	\$3,086	(\$5,896)	\$1,291	(\$2,605)	(\$2,991)	\$2,770	(\$14,293)
11 Total (Over)/Under Collection	\$48,065	(\$48,554)	\$81,069	(\$51,824)	(\$46,740)	(\$158,530)	\$57,953	(\$118,201)	\$29,332	(\$63,906)	(\$79,770)	\$76,629	(\$274,476)

(1) Interest calculated at the residential mortgage lending rate as specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law.

(2) Per Duquesne Light's Tariff No. 25, Rider No. 22, page 140, the Company is not permitted to accrue interest on under collections.