



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

IN REPLY, PLEASE  
REFER TO OUR FILE

April 18, 2022

Docket No. M-2022-3031184  
Utility Code: 110150

TISHEKIA E. WILLIAMS  
DIRECTOR, REGULATORY  
DUQUESNE LIGHT COMPANY  
411 SEVENTH AVENUE, 15-7  
PITTSBURGH, PA 15219  
[twilliams@duqlight.com](mailto:twilliams@duqlight.com)

**Re: Annual Asset Optimization Plan for Duquesne Light Company – Docket No. M-2022-3031184**

Dear Ms. Williams:

On March 1, 2022, Duquesne Light Company (Duquesne) filed its Annual Asset Optimization Plan (AAOP), pursuant to 52 Pa. Code § 121.6.

The Commission's regulations require utilities with an approved Distribution System Improvement Charge (DSIC) to file annually an AAOP with the Commission. The AAOP shall be filed 60 days after the prior 12 months of the company's Long-Term Infrastructure Improvement Plan (LTIIIP) has expired, and pursuant to this timeframe for each successive AAOP. 52 Pa. Code § 121.6(a).

The AAOP must include:

- 1) A description that specifies all the eligible property repaired, improved, and replaced in the prior 12-month period under its LTIIIP and prior year's AAOP.
- 2) A description of the eligible property to be repaired, improved, and replaced in the upcoming 12-month period.

The Commission is charged with reviewing each AAOP only to determine whether the utility is in substantial compliance with the repairs, improvements, or replacements of the specific eligible property in its approved LTIIIP, for the corresponding 12-month timeframes. 52 Pa. Code § 121.6(d). The Commission has delegated the review of AAOPs to the Bureau of Technical Utility Services (TUS).

**Timely Filing**

*52 Pa. Code § 121.6(a)*

*A utility with an approved DSIC shall file with the Commission, for informational purposes, an AAO plan. The AAO plan shall be filed annually with the Commission 60 days after the 12*

*months of its LTIP has expired and under this time frame for each successive year of the term of the LTIP.*

Duquesne's AAOP complies with this requirement.

### **Content**

*52 Pa. Code § 121.6(b)*

*An AAO plan must include:*

- (1) A description that specifies all the eligible property repaired, improved, and replaced in the prior 12-month period under its LTIP and prior year's AAO plan.*
- (2) A description of the eligible property to be repaired, improved, and replaced in the upcoming 12-month period.*

Duquesne's AAOP substantially complies with this requirement.

### **Substantial Adherence to LTIP**

*52 Pa. Code § 121.6(d)*

*An AAO plan will be reviewed by the Commission only to determine whether the utility is in substantial compliance with the repairs, improvements, or replacements of the specific eligible property in its approved LTIP for the corresponding 12-month time frames.*

*52 Pa. Code § 121.6(e)*

*Absent any major modifications to the LTIP or Commission action to reject an AAO plan within 60 days of its submission to the Commission, the AAO plan will be deemed approved. The Commission may extend its consideration period if necessary.*

*52 Pa. Code § 121.6(f)*

*If an AAO plan is rejected by the Commission, the utility will be notified of the plan's deficiencies and actions needed to repair, improve, or replace eligible property to bring the utility into compliance with the work schedule in its approved LTIP. If the utility concludes that it needs to revise its LTIP to comply with the Commission's determinations, it shall file a petition for modification under § 121.5.*

Duquesne Light's LTIP includes 5 asset programs and 9 initiatives. Duquesne states that it spent \$35.2 million on LTIP programs in 2021 as compared to \$30.2 million estimated in the LTIP, which is an overspend of approximately 17%. Duquesne reported slight variations in eligible property to be improved or replaced in 2021, but its actual replacements are consistently on schedule or ahead of schedule with respect to the LTIP.

Duquesne states that it expects to meet or exceed its LTIP-eligible property replacement and improvement targets for 2022 and that it will spend approximately \$38.6 million on LTIP projects in 2022.

Compliance with the LTIP is evaluated on a multiyear basis over the life of the LTIP. Construction and budget variations in individual years can be expected and it is reasonable to expect that over a multi-year timeframe, much of this variation will be mitigated.

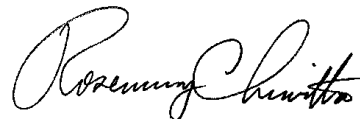
The AAOP does not propose a Major Modification to the company's LTIP. Accordingly, Duquesne's AAOP appears to substantially conform to the schedule set forth in the company's LTIP.

### **Conclusion**

Upon review of Duquesne's Annual Asset Optimization Plan filed on March 1, 2022, it appears that the filing substantially complies with the requirements of 52 Pa. Code § 121.6 and it is approved. This approval is contingent upon the possibility that subsequent audits, reviews, and inquiries, in any Commission proceeding, may be conducted pursuant to 52 Pa. Code § 121.

If you are dissatisfied with the resolution of this matter, you may, as set forth in 52. Code § 5.44, file a petition with the Commission within twenty (20) days after the date of this letter. Please direct any questions regarding this filing to Harry R. Bidelspach Sr., TUS, at [hbidelspac@pa.gov](mailto:hbidelspac@pa.gov).

Sincerely,



Rosemary Chiavetta  
Secretary

cc: Kriss Brown, LAW  
Richard Kanaskie, BIE  
Dan Searfoorce, TUS  
John Van Zant, TUS