



**Michael Zimmerman**  
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June 21, 2022

**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. 48 to Tariff Electric – PA. P.U.C. No. 25  
Docket No. M-2022-\_\_\_\_\_**

Dear Secretary Chiavetta:

Enclosed for filing, please find an original copy of Supplement No. 48 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 July 1, 2022. Seven Schedules comprising supporting documentation are also enclosed.

Should you have any questions, please feel free to contact me or David Ogden, Manager of Rates and Tariff Services, at 412-393-6343 or dogden@duqlight.com.

Respectfully Submitted,

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

Michael Zimmerman  
Senior Counsel, Regulatory

Enclosures

cc: Certificate of Service (w/ encl.)

## 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  
Patrick Cicero  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923  
[pcicero@paoca.org](mailto:pcicero@paoca.org)

Bureau of Audits  
Pennsylvania Public Utility Commission  
Barbara Sidor  
Commonwealth Keystone Building  
400 North Street, 3<sup>rd</sup> Floor East  
Harrisburg, PA 17120  
[bsidor@pa.gov](mailto:bsidor@pa.gov)



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Dated: June 21, 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: June 17, 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: June 21, 2022

EFFECTIVE: July 1, 2022

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**

**Thirteenth Revised Page No. 137  
Cancelling Twelfth Revised Page No. 137**

The Distribution System Improvement Charge has been updated as per Item No. 7 - Residual E-Factor Recovery Upon Reset to Zero under the "Customer Safeguards" section of the Rider.

The monthly charge applicable to all rates has increased from (0.09%) to (0.07%) for the period July 1, 2022, through September 30, 2022.

**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 (0.07%) 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.

**Duquesne Light Company**  
**Schedule 1 - Computation of Cumulative Distribution System Improvement Charge**  
**July 1, 2022 through September 30, 2022 (Note 1)**

<u>Line No.</u>	<u>Total</u>
1 Applicable Plant	- Schedule 2, Line 2
Less:	
2 Accumulated Depreciation	- Schedule 2, Line 3
DSI = Distribution System Improvement Projects	
3 Net of Accumulated Depreciation and Retirements	- Line 1 - Line 2
4 PTRR = Pre-tax return rate applicable to DSIC-eligible property	2.31% Schedule 3, Line 5, Column F
5 Pre-Tax Return	- Line 3 * Line 4
6 Dep = Depreciation Expense	- Schedule 2, Line 5
7 E = Experienced Net (Over)/Under Collections	(126,516) Note 3
8 Net Amount to be Recovered, including (Over)/Under Collections (w/o GRT)	<u>(126,516)</u> Line 5 + Line 6 + Line 7
9 Net Amount to be Recovered, including (Over)/Under Collections (w/ GRT)	<u>(134,448)</u> Line 8 * Note 2
10 PQR = Projected Quarterly Distribution Revenue	<u>190,408,680</u> Schedule 2, Line 6, Columns G through I
11 DSIC = Distribution System Improvement Charge Rate % of Billed Distribution Revenues (w/ GRT)	<u>-0.07%</u> Line 9 / Line 10 or Note 4

Note 1:

As part of the Company's distribution rate case at Docket No. R-2021-3024750, the Company sought permission to roll its Distribution System Improvement Charge ("DSIC") and the associated plant additions into base rates. The Company will be eligible to include plant additions in the DSIC once the total distribution account balances exceed the levels projected by the Company at December 31, 2022. Please see Schedule 7 - Distribution FERC Account Balance Tracker.

Note 2:

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

Note 3:

E-factor component based on \$506,062 over collection balance at December 31, 2021, as detailed on Schedule 6. Over collection will be refunded over the one-year period commencing on April 1, 2022 in the amount of \$506,062/4.

Note 4:

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)

**Duquesne Light Company**  
**Schedule 2 - Computation of Cumulative Distribution System Improvement Charge by Month**  
**July 1, 2022 through September 30, 2022**

Line No.	(A) Jan-22	(B) Feb-22	(C) Mar-22	(D) Apr-22	(E) May-22	(F) Jun-22	(G) Jul-22	(H) Aug-22	(I) Sep-22	(J) Oct-22	(K) Nov-22	(L) Dec-22	
1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2	-	-	-	-	-	-	-	-	-	-	-	-	
3	-	-	-	-	-	-	-	-	-	-	-	-	
4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Line 2 - Line 3
5	-	-	-	-	-	-	-	-	-	-	-	-	
6							\$ 70,331,778	\$ 66,071,193	\$ 54,005,709				

**Duquesne Light Company**  
**Schedule 3 - Computation of Cumulative Distribution System Improvement Charge Pre-Tax Rate of Return**  
**July 1, 2022 through September 30, 2022**

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	45.41%	4.38% (1)	1.99%	-	1.99%
2	Preferred	0.00%	0.00% (1)	0.00%	1.40631	0.00%
3	Common Equity (2)	54.59%	9.45% (2)	5.16%	1.40631	7.25%
4	Total	<u>100.00%</u>		<u>7.15%</u>		<u>9.24%</u>
5				Annual PTRR / 4 Quarters =		2.31%

(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 Fourth Quarter 2021 Quarterly Earnings Report Summary, Docket No. M-2022-3032405.

(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%  
 $1/[(1 - 9.99\%) \times (1 - 21\%)] = 1.40631$

**Duquesne Light Company**  
**Schedule 4 - Calculation of Capital Structure and Related Ratios**  
**As of May 31, 2022**

<u>Line No.</u>		Total Company Actual Amount Outstanding (1)	Ratios (2)
1	Total Debt (Sch. 5., Col. 1)	\$ 1,380,644,060	45.41%
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	672,425,310	
9	Unappropriated undistributed sub earnings	-	
10	Accumulated other comp income	<u>(1,225,925)</u>	
11	Total Common Equity	<u>1,659,625,906</u>	<u>54.59%</u>
12	Total Capital	<u><u>\$ 3,040,269,966</u></u>	<u><u>100.00%</u></u>

**Duquesne Light Company**  
**Schedule 5 - Cost of Debt and Preferred Stock as Adjusted**  
**As of May 31, 2022**

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	(14,355,940)			2,028,396	
14	Amortization of gain on reacquired debt	-			-	
15	Net Long-Term Debt	<u>\$ 1,380,644,060</u>			<u>\$ 60,414,896</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>

**Duquesne Light Company**  
**Schedule 6 - E Factor Balance Reconciliation**  
**As of December 31, 2021**

1	Surcharge Revenue, Inc. GRT	\$26,082,486	
2	Surcharge Revenue, Excl. GRT		\$24,543,619 Line 1 * 0.941
3	E-Factor Revenue, Inc. GRT	\$2,002,897	
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
7	Reconciliation Period (Over)/Under Collection		(\$260,183) Line 6 - Line 5
8	Interest on (Over)/Under Collection		(\$14,293)
9	Total Reconciliation Period (Over)/Under Collection		(\$274,476) Line 7 + Line 8
10	Balance at YE December 31, 2020, Excl. GRT		(\$212,351)
11	Billing Error Included in E-Factor, Excl. GRT		\$1,865,492
12	E-Factor Revenue - January 2021 - December 2021, Excl. GRT		\$1,884,726 Line 4
13	Prior Period Balance at December 31, 2021		(\$231,585) Line 10 - Line 11 + Line 12
14	Reconciliation Period (Over)/ Under Collection - Jan 21 - Dec 21		(\$274,476) Line 9
15	E-Factor Balance at YE December 31, 2021		(\$506,062) Line 13 + Line 14

(1) Line 1 through Line 9 tie to the 2021 DSIC annual 1307e reconciliation filing at Docket No. M-2022-3030608

(2) Line 10 ties to the Q2 2021 DSIC quarterly filing at Docket No. M-2021-3024748

**Duquesne Light Company**  
**Schedule 7 - Distribution FERC Account Balance Tracker**  
**July 1, 2022 through September 30, 2022**

Distribution FERC Accounts	Balances at												Balances at 12/31/2022	
	12/31/2021 (1)	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22		Dec-22
360 LAND AND LAND RIGHTS	\$ 23,281,380	\$ 21,796,942	\$ 21,796,989	\$ 21,796,942	\$ 21,796,942	\$ 21,797,081								
361 STRUCTURE AND IMPROVEMENTS	90,226,843	90,223,455	90,225,329	90,206,981	90,163,655	90,176,752								
362 STATION EQUIPMENT	527,958,581	527,376,194	528,687,116	529,605,999	532,286,044	534,021,760								
364 POLES, TOWERS & FIXTURES	636,916,111	639,690,880	644,771,817	645,638,351	656,357,761	660,092,587								
365 OVERHEAD COND. & DEVICES	618,176,041	617,446,849	622,075,571	623,420,020	621,011,160	625,310,848								
366 UNDERGROUND CONDUIT	146,497,189	146,952,558	146,872,079	146,856,285	147,334,307	147,364,697								
367 UNDERGROUND CONDUCTORS	466,484,291	476,081,859	477,197,850	478,468,828	479,768,686	481,527,962								
368 LINE TRANSFORMERS	458,319,337	461,117,172	463,409,177	464,998,409	467,359,026	469,733,739								
369 OVERHEAD & UNDERGROUND SERVICES	106,982,784	107,291,687	107,613,176	107,718,855	108,107,739	108,544,153								
370 METERS & APPURTECES	140,532,629	140,669,281	140,691,411	140,621,690	140,701,006	140,711,278								
370.1 METER COMMUNICATION EQUIPMENT	-	-	-	-	-	-								
373 STREES LIGHTING	45,552,850	45,834,737	45,869,825	46,002,841	46,155,391	46,158,878								
	\$ 3,260,928,036	\$ 3,274,481,613	\$ 3,289,210,340	\$ 3,295,335,200	\$ 3,311,041,715	\$ 3,325,439,737	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**2021 Rate Case - Distribution Electric Plant In Service - Pro Forma FPFTY (3)**  
**Source: Docket No. R-2021-3024750**

	Pro Forma FPFTY Ended 12/31/22 (2)
360 LAND AND LAND RIGHTS	\$ 23,190,000
361 STRUCTURE AND IMPROVEMENTS	72,288,000
362 STATION EQUIPMENT	536,936,000
364 POLES, TOWERS & FIXTURES	624,016,000
365 OVERHEAD COND. & DEVICES	629,457,000
366 UNDERGROUND CONDUIT	219,375,000
367 UNDERGROUND CONDUCTORS	460,253,000
368 LINE TRANSFORMERS	490,788,000
369 OVERHEAD & UNDERGROUND SERVICES	114,962,000
370 METERS & APPURTECES	151,189,000
370.1 METER COMMUNICATION EQUIPMENT	(20,000)
373 STREES LIGHTING	44,730,000
	\$ 3,367,164,000

(1) Balances at December 31, 2021 tie to the Company's FERC Form 1, filed on April 13, 2022

(2) DLC Exhibit 2, Book 5, Schedule C-2, Page 2 of 4, Column 2, Lines 16-29

(3) Per the final Opinion and Order of the Commission, issued on December 16, 2021 within Docket No. R-2021-3024750, paragraph #35 on page #15 states " as of the effective date of rates in this proceeding, Duquesne Light will be eligible to include plant additions in the Distribution System Improvement Charge ("DSIC") once the total distribution account balances exceeds \$3,367,154,000, which are the levels projected by the Company in this proceeding at December 31, 2022 per DLC Exhibit 2, Book 5, Schedule C-2, page 2." Please note that there is a de minimis difference between the settlement language and DLC Exhibit 2, Book 5, Schedule C-2.