



Michael Zimmerman
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November 30, 2022

Via Electronic Filing

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

**Re: Duquesne Light Company –Annual Reconciliation of Rider No. 5
Universal Service Charge
Docket No.: M-2022-_____**

Dear Secretary Chiavetta:

Enclosed for filing on behalf of Duquesne Light Company (“Duquesne Light” or “Company”) is a copy of the Company’s Rider No. 5 – Universal Service Charge Rider reconciliation statement for the period November 1, 2021 through October 31, 2022. (“Reconciliation Filing”).

The Pennsylvania Public Utility Commission (“Commission”) approved Rider No. 5 in Duquesne Light’s general base rate increase case at Docket No. R-2010-2179522. The reconcilable charge is designed to recover the costs incurred by the Company to provide its Universal Service and Energy Conservation Plan.

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,

Michael Zimmerman
Senior Counsel, Regulatory

Enclosures

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
NazAarah Sabree
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
ra-sba@pa.gov
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Office of Consumer Advocate
Patrick Cicero
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
pcicero@paoca.org

Bureau of Audits
Pennsylvania Public Utility Commission
Barbara Sidor
Commonwealth Keystone Building
400 North Street, 3rd Floor East
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Dated: November 30, 2022

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2023

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2021 through October 31, 2022

	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>Jul-22</u>	<u>Aug-22</u>	<u>Sep-22</u>	<u>Oct-22</u>	<u>Total</u>
1 Net Surcharge Revenue, Incl. GRT	\$2,774,917	\$3,026,095	\$3,695,538	\$3,020,653	\$2,824,245	\$2,490,995	\$2,662,433	\$3,434,551	\$5,071,576	\$4,079,220	\$2,891,069	\$2,446,951	\$38,418,245
2 E-Factor Revenue, Incl. GRT	\$211,332	\$234,757	\$376,728	\$301,946	\$278,137	\$245,724	\$272,841	\$376,066	\$453,964	\$404,531	\$286,173	\$242,436	\$3,684,637
3 Universal Service Charge Related Revenue	\$2,986,250	\$3,260,852	\$4,072,266	\$3,322,598	\$3,102,383	\$2,736,720	\$2,935,275	\$3,810,617	\$5,525,540	\$4,483,751	\$3,177,242	\$2,689,387	\$42,102,881
4 Universal Service Charge Related Revenue	\$2,986,250	\$3,260,852	\$4,072,266	\$3,322,598	\$3,102,383	\$2,736,720	\$2,935,275	\$3,810,617	\$5,525,540	\$4,483,751	\$3,177,242	\$2,689,387	\$42,102,881
5 Less PA Gross Receipts Tax	\$176,189	\$192,390	\$240,264	\$196,033	\$183,041	\$161,466	\$173,181	\$224,826	\$326,007	\$264,541	\$187,457	\$158,674	\$2,484,070
6 Universal Service Charge Related Revenue	\$2,810,061	\$3,068,462	\$3,832,002	\$3,126,565	\$2,919,342	\$2,575,253	\$2,762,094	\$3,585,791	\$5,199,533	\$4,219,210	\$2,989,785	\$2,530,713	\$39,618,811
7 Expense	\$2,754,970	\$3,229,279	\$3,679,719	\$4,169,190	\$3,751,780	\$3,123,014	\$3,249,702	\$3,991,204	\$4,977,250	\$5,624,801	\$4,469,499	\$3,271,375	\$46,291,783
8 CAP Discount Credit	\$0	\$0	\$0	\$1,218	\$4,388	\$7,371	\$8,219	\$10,988	\$17,698	\$28,583	\$27,831	\$21,804	\$128,100
9 Adjusted Expense	\$2,754,970	\$3,229,279	\$3,679,719	\$4,167,972	\$3,747,392	\$3,115,643	\$3,241,483	\$3,980,215	\$4,959,552	\$5,596,219	\$4,441,667	\$3,249,572	\$46,163,682
10 Over/(Under) Collection	\$55,091	(\$160,817)	\$152,283	(\$1,041,407)	(\$828,050)	(\$540,390)	(\$479,389)	(\$394,425)	\$239,981	(\$1,377,009)	(\$1,451,883)	(\$718,858)	(\$6,544,871)
11 Interest	\$5,509	(\$15,278)	\$13,705	(\$88,520)	(\$66,244)	(\$40,529)	(\$33,557)	(\$25,638)	\$14,399	(\$75,735)	(\$72,594)	(\$32,349)	(\$416,830)
12 Total Over/(Under) Collection	\$60,600	(\$176,095)	\$165,989	(\$1,129,927)	(\$894,294)	(\$580,919)	(\$512,946)	(\$420,062)	\$254,380	(\$1,452,744)	(\$1,524,477)	(\$751,207)	(\$6,961,701)

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2023

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2021 through October 31, 2022

Rate Class	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Total
A. Actual Surcharge Revenue by Month, Incl. GRT													
1 RS	\$2,410,646	\$2,621,984	\$3,062,914	\$2,510,496	\$2,417,397	\$2,187,950	\$2,438,771	\$3,160,924	\$4,778,849	\$3,781,834	\$2,662,492	\$2,188,358	\$34,222,615
2 RH	\$315,749	\$350,357	\$561,021	\$450,606	\$354,060	\$257,974	\$187,520	\$216,299	\$238,756	\$233,402	\$185,240	\$220,640	\$3,571,624
3 RA	\$48,523	\$53,753	\$71,603	\$59,551	\$52,789	\$45,071	\$36,142	\$57,328	\$53,971	\$63,984	\$43,337	\$37,953	\$624,005
4 Total	\$2,774,917	\$3,026,095	\$3,695,538	\$3,020,653	\$2,824,245	\$2,490,995	\$2,662,433	\$3,434,551	\$5,071,576	\$4,079,220	\$2,891,069	\$2,446,951	\$38,418,245
B. Actual Surcharge Revenue by Month, Excl. GRT													
5 RS	\$2,268,418	\$2,467,287	\$2,882,202	\$2,362,377	\$2,274,770	\$2,058,861	\$2,294,884	\$2,974,429	\$4,496,897	\$3,558,706	\$2,505,405	\$2,059,245	\$32,203,481
6 RH	\$297,119	\$329,686	\$527,921	\$424,020	\$333,170	\$242,754	\$176,457	\$203,538	\$224,669	\$219,632	\$174,310	\$207,622	\$3,360,899
7 RA	\$45,660	\$50,582	\$67,378	\$56,037	\$49,674	\$42,412	\$34,010	\$53,946	\$50,787	\$60,209	\$40,780	\$35,714	\$587,189
8 Total	\$2,611,197	\$2,847,555	\$3,477,501	\$2,842,434	\$2,657,615	\$2,344,027	\$2,505,350	\$3,231,913	\$4,772,353	\$3,838,546	\$2,720,496	\$2,302,581	\$36,151,568

EXHIBIT 1

**Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2023**

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2021 through October 31, 2022

<u>Rate Class</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>Jul-22</u>	<u>Aug-22</u>	<u>Sep-22</u>	<u>Oct-22</u>	<u>Total</u>
A. Actual Non-CAP kWh by Month													
1 RS	237,204,194	264,596,578	308,701,944	249,940,704	235,911,267	213,795,113	247,516,164	345,750,542	419,747,075	373,074,704	261,001,201	214,133,961	3,371,373,447
2 RH	32,302,189	34,864,136	57,020,639	43,256,790	34,344,051	25,170,283	18,460,587	21,384,865	23,734,373	21,972,519	18,096,510	21,763,229	352,370,170
3 RA	4,950,967	5,418,906	7,275,819	5,758,455	5,128,260	4,326,018	4,163,257	5,206,791	5,987,772	5,478,598	4,242,378	4,138,410	62,075,631
B. E-Factor Rate (1)													
	0.077	0.077	0.101	0.101	0.101	0.101	0.101	0.101	0.101	0.101	0.101	0.101	0.101
C. E-Factor Revenue, Incl. GRT													
5 RS	\$182,647	\$203,739	\$311,789	\$252,440	\$238,270	\$215,933	\$249,991	\$349,208	\$423,945	\$376,805	\$263,611	\$216,275	\$3,284,655
6 RH	\$24,873	\$26,845	\$57,591	\$43,689	\$34,687	\$25,422	\$18,645	\$21,599	\$23,972	\$22,192	\$18,277	\$21,981	\$339,774
7 RA	\$3,812	\$4,173	\$7,349	\$5,816	\$5,180	\$4,369	\$4,205	\$5,259	\$6,048	\$5,533	\$4,285	\$4,180	\$60,208
8 Total	\$211,332	\$234,757	\$376,728	\$301,946	\$278,137	\$245,724	\$272,841	\$376,066	\$453,964	\$404,531	\$286,173	\$242,436	\$3,684,637
D. E-Factor Revenue, Excl. GRT													
9 RS	\$171,871	\$191,719	\$293,393	\$237,546	\$224,212	\$203,193	\$235,242	\$328,605	\$398,932	\$354,574	\$248,058	\$203,515	\$3,090,860
10 RH	\$23,405	\$25,262	\$54,193	\$41,112	\$32,641	\$23,922	\$17,545	\$20,324	\$22,557	\$20,883	\$17,199	\$20,684	\$319,727
11 RA	\$3,587	\$3,926	\$6,915	\$5,473	\$4,874	\$4,111	\$3,957	\$4,949	\$5,691	\$5,207	\$4,032	\$3,933	\$56,655
12 Total	\$198,864	\$220,907	\$354,501	\$284,131	\$261,727	\$231,227	\$256,744	\$353,878	\$427,180	\$380,664	\$269,289	\$228,132	\$3,467,243

1/ Per December 1, 2020 submittal at Docket No. M-2020-3023092 and January 4, 2022 submittal at Docket No. M-2022-3030298.

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2023

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2021 through October 31, 2022

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Total
1 CAP Revenue Deficiency	\$1,648,606	\$2,150,828	\$2,892,486	\$3,105,744	\$2,567,350	\$1,933,070	\$1,876,717	\$2,703,213	\$3,737,651	\$4,137,823	\$3,170,240	\$2,175,883	\$32,099,612
2 CAP Frozen Arrearage	\$505,867	\$416,872	\$379,164	\$424,024	\$528,162	\$702,295	\$735,946	\$736,017	\$593,251	\$828,301	\$712,249	\$695,672	\$7,257,819
3 Recoverable PIPP Costs - 55% (4)	\$156,192	\$128,190	\$107,404	\$115,981	\$128,854	\$161,513	\$167,319	\$152,099	\$123,451	\$164,857	\$135,192	\$116,526	\$1,657,578
4 CAP Administrative Costs	\$154,164	\$154,164	\$154,164	\$154,164	\$154,164	\$154,164	\$154,164	\$154,164	\$154,164	\$154,164	\$154,164	\$154,164	\$1,831,519
5 Smart Comfort	\$278,890	\$367,976	\$135,251	\$358,028	\$229,950	\$160,722	\$304,306	\$193,898	\$357,483	\$328,406	\$286,404	\$135,496	\$3,136,809
6 CARES	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$12,083	\$135,833
7 Hardship Funds	\$0	\$0	\$0	\$0	\$132,050	\$0	\$0	\$40,564	\$0	\$0	\$0	\$0	\$172,614
8 Total Expenses	\$2,754,970	\$3,229,279	\$3,679,719	\$4,169,190	\$3,751,780	\$3,123,014	\$3,249,702	\$3,991,204	\$4,977,250	\$5,624,801	\$4,469,499	\$3,271,375	\$46,291,783
9 CAP Customers	35,470	35,304	35,787	35,972	36,347	36,841	36,968	36,986	37,315	37,947	38,499	38,668	
10 Monthly Enrollment Level (1)	39,088	39,088	37,314	35,853	35,853	35,853	35,853	35,853	35,853	35,853	35,853	35,853	
11 CAP Customers>Enrollment	0	0	0	119	494	988	1,115	1,133	1,462	2,094	2,646	2,815	
12 Average CAP Deficiency/CAP Customer (2)	\$46.48	\$60.92	\$80.83	\$86.34	\$70.63	\$52.47	\$50.77	\$73.09	\$100.16	\$109.04	\$82.35	\$56.27	
13 Average Frozen Arrearage/CAP Customer (2)	\$14.26	\$11.81	\$10.60	\$11.79	\$14.53	\$19.06	\$19.91	\$19.90	\$15.90	\$21.83	\$18.50	\$17.99	
14 Deficiency and Arrearage Combined	\$60.74	\$72.73	\$91.42	\$98.13	\$85.17	\$71.53	\$70.67	\$92.99	\$116.06	\$130.87	\$100.85	\$74.26	
15 Bad Debt Offset (3)	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	10.43%	
16 CAP Discount Credit (line 11 * line 14 * line 15)	\$0	\$0	\$0	\$1,218	\$4,388	\$7,371	\$8,219	\$10,988	\$17,698	\$28,583	\$27,831	\$21,804	\$128,100
17 Total Adjusted Expenses (line 8 - line 16)	\$2,754,970	\$3,229,279	\$3,679,719	\$4,167,972	\$3,747,392	\$3,115,643	\$3,241,483	\$3,980,215	\$4,959,552	\$5,596,219	\$4,441,667	\$3,249,572	\$46,163,682
18 Non-Recoverable PIPP Costs - 45% (4)	\$127,797	\$104,886	\$87,879	\$94,896	\$105,429	\$132,151	\$136,900	\$124,448	\$101,008	\$134,886	\$110,614	\$95,342	\$1,356,236

1/ Per Tariff No. 25, Rider 5, Universal Service Charge, page 94 and at Docket No. R-2019-3013287. In accordance with the Company's approved distribution rate case at Docket No. R-2021-3024750, effective 01/15/2022 the CAP participation level has been reset per the provisions of Rider No. 5.

2/ Average amount per CAP customer per month.

3/ Per Company Tariff No. 25, Rider 5, Universal Service Charge, page 94.

4/ 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. The remaining regulatory asset as of October 31, 2022 is \$2.5 million.

EXHIBIT 1

Duquesne Light Company
Rider No. 5 - Universal Service Charge
Proposed Charge Effective January 1, 2023

Statement of Over/(Under) Collection for the Reconciliation Period - November 1, 2021 through October 31, 2022

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Total
1 Net Surcharge Revenue, Excl. GRT	\$2,611,197	\$2,847,555	\$3,477,501	\$2,842,434	\$2,657,615	\$2,344,027	\$2,505,350	\$3,231,913	\$4,772,353	\$3,838,546	\$2,720,496	\$2,302,581	\$36,151,568
2 E-Factor Revenue, Excl. GRT	\$198,864	\$220,907	\$354,501	\$284,131	\$261,727	\$231,227	\$256,744	\$353,878	\$427,180	\$380,664	\$269,289	\$228,132	\$3,467,243
3 Universal Service Charge Related Revenue, Excl. GRT	\$2,810,061	\$3,068,462	\$3,832,002	\$3,126,565	\$2,919,342	\$2,575,253	\$2,762,094	\$3,585,791	\$5,199,533	\$4,219,210	\$2,989,785	\$2,530,713	\$39,618,811
4 Expense	\$2,754,970	\$3,229,279	\$3,679,719	\$4,167,972	\$3,747,392	\$3,115,643	\$3,241,483	\$3,980,215	\$4,959,552	\$5,596,219	\$4,441,667	\$3,249,572	\$46,163,682
5 Over/(Under) Collection	\$55,091	(\$160,817)	\$152,283	(\$1,041,407)	(\$828,050)	(\$540,390)	(\$479,389)	(\$394,425)	\$239,981	(\$1,377,009)	(\$1,451,883)	(\$718,858)	(\$6,544,871)
6 Interest Rate	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	
7 Interest Weight	20/12	19/12	18/12	17/12	16/12	15/12	14/12	13/12	12/12	11/12	10/12	9/12	
8 Interest	\$5,509	(\$15,278)	\$13,705	(\$88,520)	(\$66,244)	(\$40,529)	(\$33,557)	(\$25,638)	\$14,399	(\$75,735)	(\$72,594)	(\$32,349)	(\$416,830)