



Michael Zimmerman
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December 1, 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 Rider No. 5 – Universal Service Charge Rate
Supplement No. 53 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. 53 to Tariff Electric – PA. P.U.C. No. 25. Supplement No.53 is a proposed update to the Company's Universal Service Charge rates, with an effective date of January 1, 2023.

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 W. 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
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Office of Consumer Advocate
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555 Walnut Street
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Bureau of Audits
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Commonwealth Keystone Building
400 North Street, 3rd Floor East
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Michael Zimmerman
Duquesne Light Company
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Pittsburgh, PA 15219
Phone: 412-393-6268
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Dated: December 1, 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: December 1, 2022

EFFECTIVE: January 1, 2023

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

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

Fifth Revised Page No. 93
Cancelling Fourth Revised Page No. 93

In accordance with the provisions of the Annual Update section of Rider No. 5 – Universal Service Charge, the annual adjustment to the Company's Universal Service Charge is being filed. The USC increased from 1.019 cents per kilowatt-hour to 1.544 cents per kilowatt-hour effective January 1, 2023.

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 1.544 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_c = 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:

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)

ATTACHMENT A

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

Reconciliation of Revenue and Expense - November 1, 2021 through October 31, 2022

1	Net Surcharge Revenue, Incl. GRT	\$38,418,245	Exh. 1, Page 2
2	Net Surcharge Related Revenue, Excl. GRT		\$36,151,568 Line 1 * 0.941
3	E-Factor Revenue, Incl. GRT	\$3,684,637	Exh. 1, Page 3
4	E-Factor Revenue, Excl. GRT		\$3,467,243 Line 3 * 0.941
5	Universal Service Related Revenue, Excl. GRT		\$39,618,811 Line 2 + Line 4
6	Universal Service Related Expense		\$46,163,682 Exh. 1, Page 4
7	Total Reconciliation Period Over/(Under) Collection		(\$6,544,871) Line 5 - Line 6
8	Interest		(\$416,830) Exh. 1, Page 5
9	Net Reconciliation Period Over/(Under) Collection		(\$6,961,701) Line 7 + Line 8
	<u>E-Factor Reconciliation</u>		
10	Balance at YE October 31, 2021, Excl. GRT	\$3,492,044	Att. A, Page 2
11	E-Factor Revenue - Nov 2021-Oct 2022, Excl. GRT	\$3,467,243	Line 4
12	Prior Period Balance at October 31, 2022	\$24,801	Line 10 - Line 11
13	Reconciliation Period Over/(Under) Collection - Nov 2021-Oct 2022		(\$6,961,701) Line 9
14	Audit Finding No. 1 - Refund for a duplication of CAP Deficiency Expense	\$188,482	Att. A, Page 2
15	Audit Finding No. 2 - Collection for an understatement of CAP Deficiency Expense	(\$10,150)	Att. A, Page 2
16	Prior Period Adjustment	\$46,495	Att. A, Page 2
17	E-Factor Balance at YE October 31, 2022	(\$6,712,074)	Line 12 + Line 13 + Line 14 + Line 15 + Line 16

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

Reconciliation of E-Factor Revenue

1		Net E-Factor Balance at YE October 31, 2019	<u>\$884,436</u>	
<u>Filed November 2020</u>				
Effective January 1, 2021-December 2021				
2	Nov 2018 to Oct 2019	Prior Period Over/(Under) Collection	\$884,436	Line 1
3	Nov 2019 to Oct 2020	Current Period E-Factor Revenue (excl. GRT)	<u>\$1,368,307</u>	
4		Prior Period E-Factor Balance		(\$483,871) Line 2 - Line 3
5	Nov 2019 to Oct 2020	Actual Current Period Over/(Under) Recovery	\$2,816,847	
6		Interest	<u>\$148,985</u>	
7		Total		\$2,965,831 Line 5 + Line 6
8		E-Factor Balance at YE October 31, 2020	<u>\$2,481,961</u>	Line 4 + Line 7
9	Audit Finding No. 1 - Refund for an overstatement of CAP Deficiency Expense		\$187,141	Note 1
10		Net E-Factor Balance at YE October 31, 2020	<u>\$2,669,101</u>	Line 9 + Line 8

(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%.

Filed November 2021
Effective January 1, 2022-December 2022

11	Nov 2019 to Oct 2020	Prior Period Over/(Under) Collection	\$2,669,101	Line 2
12	Nov 2020 to Oct 2021	Current Period E-Factor Revenue (excl. GRT)	<u>\$2,557,176</u>	
13		Prior Period E-Factor Balance		\$111,925 Line 11 - Line 12
14	Nov 2020 to Oct 2021	Actual Current Period Over/(Under) Recovery	\$3,141,993	
15		Interest	<u>\$238,125</u>	
16		Total		\$3,380,119 Line 14 + Line 15
17		E-Factor Balance at YE October 31, 2021	<u>\$3,492,044</u>	Line 13 + Line 16

Filed November 2022
Effective January 1, 2023-December 2023

18	Nov 2020 to Oct 2021	Prior Period Over/(Under) Collection	\$3,492,044	Line 17
19	Nov 2021 to Oct 2022	Current Period E-Factor Revenue (excl. GRT)	<u>\$3,467,243</u>	
20		Prior Period E-Factor Balance		\$24,801 Line 18 - Line 19
21	Nov 2021 to Oct 2022	Actual Current Period Over/(Under) Recovery	(\$6,544,871)	
22		Interest	<u>(\$416,830)</u>	
23		Total		(\$6,961,701) Line 21 + Line 22
24	Audit Finding No. 1 - Refund for a duplication of CAP Deficiency Expense		\$188,482	Note 1
25	Audit Finding No. 2 - Collection for an understatement of CAP Deficiency Expense		(\$10,150)	Note 1
26	Prior Period Adjustment		\$46,495	Note 2
27		E-Factor Balance at YE October 31, 2022	<u>(\$6,712,074)</u>	Line 20 + Line 23 + Line 24 + Line 25 + Line 26

(1) Per the May 31, 2022 PUC Audit Report at Docket No. D-2020-3021687. Interest on refund calculated at 76 months from March 2017 at 6%. No interest calculated on undercollections.

(2) Self identified prior period adjustment. Interest on refund calculated at 31 months from December 2020 at 6%.

ATTACHMENT A
Duquesne Light Company
Rider 5 - Universal Service Charge
Proposed Charge Effective January 1, 2023

Calculation of E-Factor Rate

A	B	C	D = B + C	E = D * 0.941	F	G = E - F	H	I = G + H	J	K = I + J	L	M	N = K + L + M	O	P = (N/O)*100	Q = P*1/(1-5.9%)
	Current Period November 2021-October 2022								Prior Period	Total			Total			
<u>Customer Class</u>	Net Reconciliation Period Surcharge Revenue Exh. 1, Page 2	Reconciliation Period Surcharge Revenue Exh. 1, Page 3	Reconciliation Surcharge Related Revenue Exh. 1, Page 3	Reconciliation Period Related Revenue Less GRT	Reconciliation Period Expense Exh. 1, Page 4	Over/(Under) Collection e Factor	Interest Exh. 1, Page 5	Total Over/(Under) Collection e Factor	Over/(Under) Collection e Factor Att. A, Page 1	Reconciliation Period Over/(Under) Collection e Factor	Audit Findings (1)	Prior Period Adjustment	Reconciliation Period Over/(Under) Collection e Factor	Forecast Non-CAP Sales (kWh) Jan-Dec 2023 Att. A, Page 4	Proposed E-Factor Rate Excl. GRT	Proposed E-Factor Rate Incl. GRT
1 Residential (RS, RH, RA)	\$38,418,245	\$3,684,637	\$42,102,881	\$39,618,811	\$46,163,682	(\$6,544,871)	(\$416,830)	(\$6,961,701)	\$24,801	(\$6,936,901)	\$178,332	\$46,495	(\$6,712,074)	3,772,514,859	(0.178)	(0.189)

(1) Audit findings per Commission audit order entered May 31, 2022 at Docket No. D-2020-3021687.

ATTACHMENT A

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

Calculation of the Projected Universal Service Charge

Universal Service Program Costs:

1	CAP Revenue Deficiency	\$34,993,735	
2	CAP Frozen Arrearage	\$6,107,403	
3	CAP Administration Cost	\$2,051,279	
4	Smart Comfort	\$3,453,500	
5	CARES	\$145,000	
6	Hardship Fund	\$203,000	
7	Recoverable PIPP Costs (1)	\$1,647,835	
8	<u>Projected Universal Service Program Budget</u>	<u>\$48,601,752</u>	

Credit (Bad Debt Offset):

9	CAP Customer Participation Level	35,853	Per Tariff No. 25, USC - Rider 5, page 94
10	<u>Average Projected Enrollment for Calendar Year 2023</u>	<u>40,556</u>	
11	Difference	4,703	Line 10 - Line 9
12	<u>Average Discount per Customer per Year</u>	<u>\$1,013</u>	See Footnote 2
13	Discount With Excess Customers	\$4,764,575	Line 11 * Line 12
14	<u>Bad Debt Offset</u>	<u>10.43%</u>	Per Tariff No. 25, USC - Rider 5, page 94
15	Adjustment to USC for Bad Debt	\$496,945	Line 13 * Line 14
16	<u>Total Projected Universal Service Program Costs</u>	<u>\$48,104,806</u>	Line 8 - Line 15

Projected Non-CAP Sales:

17	Forecast Residential Sales (kWh)	4,135,999,636	
18	<u>Less Forecast CAP Sales (kWh)</u>	<u>363,484,777</u>	
19	Non-CAP Forecast Sales (kWh)	3,772,514,859	Line 17 - Line 18

20	Charge - \$/kWh	\$0.01275	Line 16 / Line 19
21	Charge - ¢/kWh	1.275	Line 20 * 100

22	T= Pennsylvania Gross Receipts Tax (GRT):	5.9%	
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23	<u>Projected Universal Service Charge (USC) (¢/kWh)</u>	<u>1.355</u>	Line 21 * 1 / (1 - line 22)
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24	E-Factor Over/(Under) Collection (¢/kWh), Incl. GRT	(0.189)	Att. A, Page 3
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25	<u>Universal Service Charge (USC) (¢/kWh) - Effective January 1, 2023</u>	<u>1.544</u>	Line 23 - Line 24
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(1) 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.

(2) Calculated as follows:

Projected 2023 CAP Deficiency and Arrearages (Line 1 + Line 2)	\$41,101,138
Average Projected Enrollment for Calendar Year 2023	<u>40,556</u>
Average Discount per Customer per Year	<u>\$1,013</u>