



Michael Zimmerman
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December 1, 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 – Rider No. 22 Distribution System Improvement Charge
Pro Forma Supplement to Tariff Electric – PA. P.U.C. No. 25
Docket No. M-2012-2293611**

Dear Secretary Chiavetta:

Enclosed for filing, please find a red-line and clean copy of Duquesne Light Company's ("Company") Pro Forma Supplement to Tariff-Electric, PA. P.U.C. No. 25, which is being filed in compliance with the Pennsylvania Public Utility Commission's ("Commission") Supplemental Implementation Order dated October 27, 2022 ("Order") at Docket No. M-2012-2293611. This Pro Forma Supplement reflects the updated formula for calculation of the Company's Distribution System Improvement Charge ("DSIC"), consistent with the Order. Upon Commission approval of this Pro Forma Supplement, Duquesne Light will file a corresponding tariff supplement, including DSIC calculations, as part of its quarterly DSIC update, and will implement the tariff changes effective January 1, 2023.

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

Respectfully Submitted,

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

Michael Zimmerman
Senior Counsel, Regulatory

Cc: Enclosures
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 Consumer Advocate
Patrick Cicero
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
pcicero@paoca.org

Office of Small Business Advocate
NazAarah Sabree
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
ra-sba@pa.gov
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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: XXXXXXXX XX, XXXX

EFFECTIVE: XXXXXXXX X, XXXX

Issued in compliance with the
Commission Order entered October 27, 2022, at Docket No. M-2012-2293611.

NOTICE

THIS TARIFF SUPPLEMENT REVISES LANGUAGE WITHIN AN EXISTING RIDER

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGE

Rider No. 22 – Distribution System Improvement Charge (“DSIC”) First Revised Page No. 139
Cancelling Original Page No. 139

Language in Rider No. 22 – Distribution System Improvement Charge (“DSIC”) has been revised to incorporate accumulated deferred income tax (ADIT) and state income tax deductions into the DSIC calculation in compliance with the Commission’s Order entered October 27, 2022, at Docket No. M-2012-2293611.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 22 – DISTRIBUTION SYSTEM IMPROVEMENT CHARGE – (Continued)

(Applicable to All Rates)

COMPUTATION OF THE DSIC – (Continued)

APPLICATION OF DSIC – (Continued)

The DSIC shall be applied on a bills rendered basis at the effective date of each change.

To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected revenue for distribution service (including all applicable clauses and riders) for the quarterly period during which the charge will be collected, exclusive of the STAS.

FORMULA

The formula for calculation of the DSIC is as follows:

$$\text{DSIC} = \left\{ \frac{\text{DSI} * \text{PTRR} + \text{STFT}}{\text{PQR}} + \frac{\text{Dep} + \text{e}}{\text{PQR}} \right\} * (1 / (1 - T)) \quad \text{(C)}$$

WHERE:

DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation and associated accumulated deferred income taxes pertaining to property-related book/tax depreciation timing differences resulting from the use of accelerated depreciation per Internal Revenue Code, 26 U.S. Code § 168. (C)

PTRR = Pre-tax return rate applicable to DSIC-eligible property.

STFT = (State Tax Flow Through) Pre-tax flow through calculated on book-tax timing differences between accelerated tax depreciation and book depreciation net of federal tax. (C)

Dep = Depreciation expense related to DSIC-eligible property.

e = Amount calculated (+/-) under the annual reconciliation feature or Commission audit, as described below.

PQR = Projected quarterly revenues for distribution service (including all applicable clauses and riders) from ~~existing applicable~~ customers plus netted revenue from any customers which will be acquired or lost by the beginning of the applicable service period. (C)

Revenue shall be based upon the summation of projected revenues for the applicable three-month period.

T = Pennsylvania Gross Receipts Tax ("GRT") rate in effect during the billing month, expressed in decimal form.

Minimum bills shall not be reduced by reason of the DSIC. DSIC charges shall not be a part of the monthly rate schedule minimum nor be subject to any credits or discounts.

The State Tax Adjustment Surcharge ("STAS") included in this Tariff is applied to charges under the DSIC.

(C) – Indicates Change

ISSUED: XXXXXXXX XX, XXXX

EFFECTIVE: XXXXXXXX X, XXXX



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(For List of Communities Served, see Pages No. 4 and 5)

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STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 22 – DISTRIBUTION SYSTEM IMPROVEMENT CHARGE – (Continued)****(Applicable to All Rates)****COMPUTATION OF THE DSIC – (Continued)****APPLICATION OF DSIC – (Continued)**

The DSIC shall be applied on a bills rendered basis at the effective date of each change.

To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected revenue for distribution service (including all applicable clauses and riders) for the quarterly period during which the charge will be collected, exclusive of the STAS.

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WHERE:

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PTRR = Pre-tax return rate applicable to DSIC-eligible property.

STFT = (State Tax Flow Through) Pre-tax flow through calculated on book-tax timing differences between accelerated tax depreciation and book depreciation net of federal tax. (C)

Dep = Depreciation expense related to DSIC-eligible property.

e = Amount calculated (+/-) under the annual reconciliation feature or Commission audit, as described below.

PQR = Projected quarterly revenues for distribution service (including all applicable clauses and riders) from applicable customers. (C)

Revenue shall be based upon the summation of projected revenues for the applicable three-month period.

T = Pennsylvania Gross Receipts Tax ("GRT") rate in effect during the billing month, expressed in decimal form.

Minimum bills shall not be reduced by reason of the DSIC. DSIC charges shall not be a part of the monthly rate schedule minimum nor be subject to any credits or discounts.

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