



**Michael Zimmerman**  
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January 30, 2023

**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's Annual Reconciliation Statement – January 1, 2022 through December 31, 2022, for Rider No. 22 – Distribution System Improvement Charge**  
**Docket No. M-2023-\_\_\_\_\_**

Dear Secretary Chiavetta:

Enclosed for filing is Duquesne Light Company's Reconciliation of Revenue and Expenses for the period of January 1, 2022 through December 31, 2022, for Tariff-Electric, PA. P.U.C. No. 25, Rider No. 22 – Distribution System Improvement Charge ("DSIC").

Should you have any questions, please do not hesitate to contact me or David Ogden, Manager of Rate & Tariff Services, at 412-393-6343 or dogden@duqlight.com.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Michael Zimmerman", is written over a light blue circular stamp.

Michael Zimmerman  
Senior Counsel, Regulatory

Enclosure

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, 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  
NazAarah Sabree  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101  
[ra-sba@pa.gov](mailto:ra-sba@pa.gov)  
[tereswagne@pa.gov](mailto:tereswagne@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: January 30, 2023

Exhibit 1

Duquesne Light Company  
Rider 22 - Distribution System Improvement Charge  
Annual Reconciliation - January 1, 2022 through December 31, 2022

Summary of Reconciliation Period

1	Surcharge Revenue, Inc. GRT	\$397,865	Exh. 1, Page 2
2	Surcharge Revenue, Excl. GRT		\$374,391 Line 1 * 0.941
3	E-Factor Revenue, Inc. GRT	(\$489,141)	Exh. Page 4
4	E-Factor Revenue, Excl. GRT		(\$460,281) Line 3 * 0.941
5	Net DSIC Related Revenue, Excl. GRT		\$834,672 Line 2 - Line 4
6	Filed Current (DSIC) Revenue Requirement - Excl. GRT		\$1,155,499 Exh. 1, Page 2
7	Reconciliation Period (Over)/Under Collection		\$320,827 Line 6 - Line 5
8	Interest on (Over)/Under Collection		\$0 Exhibit 1, Page 5
9	Total Reconciliation Period (Over)/Under Collection		\$320,827 Line 7 + Line 8

Exhibit 1

Duquesne Light Company  
Rider 22 - Distribution System Improvement Charge  
Annual Reconciliation - January 1, 2022 through December 31, 2022

Summary of Revenue for the Reconciliation Period - January 2022 through December 2022

	<u>Jan-22</u> <u>(1)</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>Nov-22</u>	<u>Dec-22</u>	<u>Total</u>
1 Net Surcharge Revenue, Incl. GRT	\$864,500	(\$20,218)	(\$19,891)	(\$37,890)	(\$64,310)	(\$43,468)	(\$48,557)	(\$44,673)	(\$35,612)	(\$50,274)	(\$48,578)	(\$53,165)	\$397,865
2 Less E-Factor Revenue, Incl. GRT	(\$22,505)	(\$20,218)	(\$19,891)	(\$37,890)	(\$64,310)	(\$43,468)	(\$48,557)	(\$44,673)	(\$35,612)	(\$50,274)	(\$48,578)	(\$53,165)	(\$489,141)
3 DSIC Related Revenue	\$887,006	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$887,006
4 DSIC Related Revenue	\$887,006	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$887,006
5 Less PA Gross Receipts Tax	\$52,333	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,333
6 Net DSIC Related Revenue	\$834,672	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$834,672
7 Filed Current (DSIC) Revenue Requirement - Excl. GRT	\$1,155,499	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,155,499
8 (Over)/Under Collection	\$320,827	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$320,827
9 Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Total (Over)/Under Collection	\$320,827	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$320,827

(1) January 2022 reflects an under collection as a result of the Company's reversal of unbilled revenue.

Exhibit 1

Duquesne Light Company  
Rider 22 - Distribution System Improvement Charge  
Annual Reconciliation - January 1, 2022 through December 31, 2022

Revenue Requirement and Actual Revenues

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Total
1 Filed Distribution Revenue, including GRT	\$53,948,964	\$51,349,902	\$51,459,022	\$45,511,449	\$52,074,446	\$59,657,164	\$70,331,778	\$66,071,193	\$54,005,709	\$48,836,479	\$49,496,103	\$55,991,718	\$658,733,928
2 Filed DSIC Rate (Including GRT) - Excluding E-Factor (1) (2)	2.28%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
3 Calculated DSIC Revenue Requirement (Including GRT) - Excluding E-Factor	\$1,227,948	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,227,948
4 Gross Receipts Tax Factor	0.941	0.941	0.941	0.941	0.941	0.941	0.941	0.941	0.941	0.941	0.941	0.941	
5 Calculated DSIC Revenue Requirement (Excluding GRT)	\$1,155,499	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,155,499
6 Actual DSIC Revenue Billed (Excluding GRT)	\$834,672	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$834,672
7 Net (Over)/Under Collection	\$320,827	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$320,827
8 Interest on (Over)/Under Collection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Net (Over)/Under Collection, Including Interest	\$320,827	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$320,827

(1) Q1 DSIC rate was capped at 5%. When netted with the negative e-factor rate, the filed DSIC rate does not exceed 5%.

(2) As part of the Company's distribution rate case at Docket No. R-2021-3024750, the Company received Commission approval to roll its Distribution System Improvement Charge ("DSIC") and the associated plant additions into base rates. Consistent with Duquesne Light's Tariff No. 25, Rider No. 22, page 140, beginning January 15, 2022, the DSIC c-factor rate was set to zero. It remained at zero throughout calendar year 2022.

Exhibit 1

Duquesne Light Company  
Rider 22 - Distribution System Improvement Charge  
Annual Reconciliation - January 1, 2022 through December 31, 2022

Calculation of E-Factor Revenue

	<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>Nov-22</u>	<u>Dec-22</u>	<u>Total</u>
<b>A. Calculated E-Factor Revenue</b>													
1 Total Distribution Revenue													
2 including surcharges	\$56,263,221	\$53,711,165	\$52,847,383	\$47,738,872	\$50,442,585	\$63,530,979	\$72,027,481	\$65,283,802	\$52,294,865	\$50,570,993	\$51,593,216	\$58,391,078	
3 E-Factor DSIC % Inc. GRT	-0.04%	-0.04%	-0.04%	-0.09%	-0.09%	-0.09%	-0.07%	-0.07%	-0.07%	-0.09%	-0.09%	-0.09%	
4 E-Factor Revenue, Inc. GRT	(\$22,505)	(\$21,484)	(\$21,139)	(\$42,965)	(\$45,398)	(\$57,178)	(\$50,419)	(\$45,699)	(\$36,606)	(\$45,514)	(\$46,434)	(\$52,552)	(\$487,894)
5 E-Factor Revenue, Excl. GRT	(\$21,177)	(\$20,217)	(\$19,892)	(\$40,430)	(\$42,720)	(\$53,804)	(\$47,445)	(\$43,002)	(\$34,447)	(\$42,829)	(\$43,694)	(\$49,451)	(\$459,108)
<b>B. Accounting Adjustments (1)</b>													
6 DSIC E-Factor Adjustment, Inc. GRT	\$0	\$1,267	\$1,248	\$5,075	(\$18,912)	\$13,710	\$1,862	\$1,025	\$995	(\$4,760)	(\$2,144)	(\$613)	(\$1,247)
<b>C. E-Factor Revenue</b>													
7 E-Factor Revenue, Inc. GRT	(\$22,505)	(\$20,218)	(\$19,891)	(\$37,890)	(\$64,310)	(\$43,468)	(\$48,557)	(\$44,673)	(\$35,612)	(\$50,274)	(\$48,578)	(\$53,165)	(\$489,141)
8 E-Factor Revenue, Excl. GRT	(\$21,177)	(\$19,025)	(\$18,717)	(\$35,655)	(\$60,516)	(\$40,904)	(\$45,692)	(\$42,038)	(\$33,511)	(\$47,308)	(\$45,712)	(\$50,028)	(\$460,281)

(1) Monthly accounting adjustments reconcile calculated revenue and revenue as recorded on the Company's books. These adjustments are included in order to reflect zero e-factor revenue in current period activity.

Exhibit 1

Duquesne Light Company  
Rider 22 - Distribution System Improvement Charge  
Annual Reconciliation - January 1, 2022 through December 31, 2022

Calculation of Interest

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Total
1 Actual Surcharge Revenue, Excl. GRT	\$813,495	(\$19,025)	(\$18,717)	(\$35,655)	(\$60,516)	(\$40,904)	(\$45,692)	(\$42,038)	(\$33,511)	(\$47,308)	(\$45,712)	(\$50,028)	\$374,391
2 Less E-Factor Revenue, Excl. GRT	(\$21,177)	(\$19,025)	(\$18,717)	(\$35,655)	(\$60,516)	(\$40,904)	(\$45,692)	(\$42,038)	(\$33,511)	(\$47,308)	(\$45,712)	(\$50,028)	(\$460,281)
3 Net Surcharge Related Revenue	\$834,672	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$834,672
4 Calculated Current (DSIC) Revenue Requirement - Excl. GRT	\$1,155,499	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,155,499
5 (Over)/Under Collection	\$320,827	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$320,827
6 Interest Rate (1)	4.25%	4.25%	4.50%	4.75%	4.75%	5.25%	5.50%	5.75%	5.50%	5.75%	6.25%	6.50%	
7 Interest Weight	21/12	20/12	19/12	18/12	17/12	16/12	15/12	14/12	13/12	12/12	11/12	10/12	
8 Interest (2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Total (Over)/Under Collection	\$320,827	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$320,827

(1) Interest calculated at the residential mortgage lending rate as specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law.

(2) Per Duquesne Light's Tariff No. 25, Rider No. 22, page 140, the Company is not permitted to accrue interest on under collections.