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March 21, 2023

VIA ELECTRONIC FILING

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

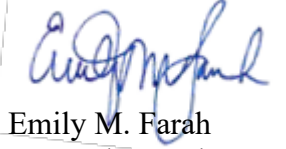
**Re: Duquesne Light Company – Rider No. 22 Distribution System Improvement Charge
Supplement No. 58 to Tariff Electric – PA. P.U.C. No. 25
Docket No. – M-2023-_____**

Dear Secretary Chiavetta:

Enclosed for filing, please find an original copy of Supplement No. 58 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 April 1, 2023. Seven Schedules comprising supporting documentation are also enclosed.

Should you have any questions, please do not hesitate to contact me or David Ogden, Manager of Rates and Tariff Services, at dogden@duqlight.com or 412-393-6268.

Respectfully Submitted,


Emily M. Farah
Counsel, Regulatory

Enclosure

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):

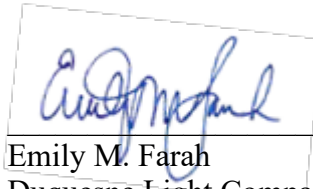
ELECTRONIC MAILING

Bureau of Investigation & Enforcement
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Emily M. Farah
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Dated: March 21, 2023

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 Ward

Dated: March 21, 2023



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: March 21, 2023

EFFECTIVE: April 1, 2023

Issued in compliance with
Commission Order entered September 15, 2016, at Docket No. P-2016-2540046.

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

**Sixteenth Revised Page No. 137
Cancelling Fifteenth 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 (0.08%) to 0.05% for the period April 1, 2023, through June 30, 2023.

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 0.05% 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
April 1, 2023 through June 30, 2023

Line No.		Total	
1	Applicable Plant	60,803,459	Schedule 2, Line 2, Column E
	Less:		
2	Accumulated Depreciation	297,857	Schedule 2, Line 3, Column E
3	Accumulated Deferred Income Tax	307,848	Schedule 2, Line 4, Column E
	DSI = Distribution System Improvement Projects		
4	Net of Accumulated Depreciation, Retirements and ADIT	60,197,754	Line 1 - Line 2 - Line 3
5	PTRR = Pre-tax return rate applicable to DSIC-eligible property	2.27%	Schedule 3, Line 5, Column F
6	Pre-Tax Return	1,364,894	Line 4 * Line 5
7	Dep = Depreciation Expense	239,993	Schedule 2, Line 6, Column C through E
8	STFT = State Tax Flow Through	(98,174)	Schedule 2, Line 7, Column C through E
9	E = Experienced Net (Over)/Under Collections	68,762	Note 2
10	Net Amount to be Recovered, including (Over)/Under Collections (w/o GRT)	<u>68,762</u>	Line 6 + Line 7 + Line 8 + Line 9 or Note 4
11	Net Amount to be Recovered, including (Over)/Under Collections (w/ GRT)	<u>73,073</u>	Line 10 * Note 1
12	PQR = Projected Quarterly Distribution Revenue	<u>161,929,422</u>	Schedule 2, Line 8, Columns G through I
13	DSIC = Distribution System Improvement Charge Rate % of Billed Distribution Revenues (w/ GRT)	0.05%	Line 11 / Line 12 or Note 3

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

Note 2:
E-factor component based on \$275,047 under collection balance at December 31, 2022, as detailed on Schedule 6. Under collection will be recouped over the one-year period commencing on April 1, 2023 in the amount of \$275,047/4.

Note 3:
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)

Note 4:
Due to earnings that exceeded the allowable rate of return of 9.45%, as defined on Schedule 3, Footnote 2, the net amount to be recovered is reflective of Line 9, Experienced Net (Over)/Under Collections.

Duquesne Light Company
Schedule 2 - Computation of Cumulative Distribution System Improvement Charge by Month
April 1, 2023 through June 30, 2023

Line No.		(A) Oct-22	(B) Nov-22	(C) Dec-22	(D) Jan-23	(E) Feb-23	(F) Mar-23	(G) Apr-23	(H) May-23	(I) Jun-23	(J) Jul-23	(K) Aug-23	(L) Sep-23	
1	Incremental Plant Additions	\$ 14,252,044	\$ 10,284,405	\$ 9,082,568	\$ 8,047,685	\$ 19,136,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Cumulative Plant	14,252,044	24,536,449	33,619,017	41,666,702	60,803,459	60,803,459	60,803,459	60,803,459	60,803,459	60,803,459	60,803,459	60,803,459	
	Less:													
3	Accumulated Depreciation	15,433	57,864	121,731	195,517	297,857	-	-	-	-	-	-	-	
4	Accumulated Deferred Income Taxes	56,578	113,156	239,186	273,517	307,848	-	-	-	-	-	-	-	
5	DSI = Distribution System Improvement Projects Net of Accumulated Depreciation, Retirements and ADIT	\$ 14,180,033	\$ 24,365,429	\$ 33,258,100	\$ 41,197,668	\$ 60,197,754	\$ 60,803,459	\$ 60,803,459	\$ 60,803,459	\$ 60,803,459	\$ 60,803,459	\$ 60,803,459	\$ 60,803,459	Line 2 - Line 3 - Line 4
6	Dep = Depreciation Expense	15,433	42,431	63,868	73,785	102,340	-	-	-	-	-	-	-	
7	State Tax Flow Through Expense	(29,574)	(29,574)	(65,877)	(16,149)	(16,149)								
8	Projected 2023 Distribution Revenues							\$ 47,220,355	\$ 53,541,897	\$ 61,167,171				

Duquesne Light Company
Schedule 3 - Computation of Cumulative Distribution System Improvement Charge Pre-Tax Rate of Return
April 1, 2023 through June 30, 2023

	(A)	(B)	(C)	(D)	(E)	(F)
Line No.	Description	Capitalized Ratio (1)	Embedded Cost	Rate of Return	Tax Multiplier (3)	Pre-Tax Rate of Return (PTRR) (1)
1	Long-Term Debt	46.55%	4.39% (1)	2.04%	-	2.04%
2	Preferred	0.00%	0.00% (1)	0.00%	1.39086	0.00%
3	Common Equity (2)	53.45%	9.45% (2)	5.05%	1.39086	7.02%
4	Total	<u>100.00%</u>		<u>7.10%</u>		<u>9.07%</u>
5				Annual PTRR / 4 Quarters =		2.27%

(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 Third Quarter 2022 Quarterly Earnings Report Summary, Docket No. M-2022-3037661.

(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 8.99% and the Fed. Tax rate is 21%
 $1/[(1 - 8.99\%) \times (1 - 21\%)] = 1.39086$

Duquesne Light Company
Schedule 4 - Calculation of Capital Structure and Related Ratios
As of February 28, 2023

<u>Line No.</u>		Total Company Actual Amount Outstanding (1)	Ratios (2)
1	Total Debt (Sch. 5., Col. 1)	\$ 1,512,142,129	46.55%
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	746,143,079	
9	Unappropriated undistributed sub earnings	-	
10	Accumulated other comp income	<u>1,539,668</u>	
11	Total Common Equity	<u>1,736,109,268</u>	<u>53.45%</u>
12	Total Capital	<u><u>\$ 3,248,251,397</u></u>	<u><u>100.00%</u></u>

Duquesne Light Company
Schedule 5 - Cost of Debt and Preferred Stock as Adjusted
As of February 28, 2023

		[1]	[2]	[3]	[4]	[5]
Line No	Description	Amount Outstanding	Percent to Total	Effective Interest Rate	Annual Interest Cost	Average Weighted Cost Rate
1	1st Mortgage Bond 4.76% due 2/3/42	\$ 200,000,000	13.11%	4.81%	\$ 9,620,000	0.63%
2	1st Mortgage Bond 4.97% due 11/14/43	\$ 160,000,000	10.49%	5.01%	\$ 8,016,000	0.53%
3	1st Mortgage Bond 5.02% due 2/4/44	\$ 45,000,000	2.95%	5.06%	\$ 2,277,000	0.15%
4	1st Mortgage Bond 5.12% due 2/4/54	\$ 85,000,000	5.57%	5.16%	\$ 4,386,000	0.29%
5	1st Mortgage Bond 3.78% due 3/2/45	\$ 100,000,000	6.56%	3.81%	\$ 3,810,000	0.25%
6	1st Mortgage Bond 3.93% due 3/2/55	\$ 200,000,000	13.11%	3.95%	\$ 7,900,000	0.52%
7	1st Mortgage Bond 3.93% due 7/15/45	\$ 160,000,000	10.49%	3.96%	\$ 6,336,000	0.42%
8	1st Mortgage Bond 3.82% due 10/3/47	\$ 60,000,000	3.93%	3.86%	\$ 2,316,000	0.15%
9	1st Mortgage Bond 3.89% due 2/1/48	\$ 60,000,000	3.93%	3.93%	\$ 2,358,000	0.15%
10	1st Mortgage Bond 4.04% due 2/1/58	\$ 125,000,000	8.20%	4.07%	\$ 5,087,500	0.33%
11	1st Mortgage Bond 3.11% due 5/5/50	\$ 200,000,000	13.11%	3.14%	\$ 6,280,000	0.41%
12	1st Mortgage Bond 4.59% due 10/3/52	\$ 130,000,000	8.52%	4.63%	\$ 6,019,000	0.39%
13	Sub-Total	1,525,000,000	100.00%		64,405,500	4.22%
14	Amortization of loss on reacquired debt	(12,857,871)			2,004,972	
15	Amortization of gain on reacquired debt	-			-	
16	Net Long-Term Debt	<u>\$ 1,512,142,129</u>			<u>\$ 66,410,472</u>	<u>4.39%</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, 2022

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
10	Balance at YE December 31, 2021, Excl, GRT	(\$506,062)	
11	E-Factor Revenue - January 2022 - December 2022, Excl. GRT	(\$460,281)	Line 4
12	Prior Period Balance at December 31, 2022	(\$45,780)	Line 10 - Line 11
13	Reconciliation Period (Over)/ Under Collection - Jan 22 - Dec 22	\$320,827	Line 9
14	E-Factor Balance at YE December 31, 2022	\$275,047	Line 12 + Line 13

(1) Line 1 through Line 9 tie to the 2022 DSIC annual 1307e reconciliation filing at Docket No. M-2023-3037967

(2) Line 10 ties to the Q2 2022 DSIC quarterly filing at Docket No. M-2022-3031495

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	$\begin{aligned} S &= (A) + (D) + \\ &+ (G) + (J) + (M) + \\ &\quad (P) \end{aligned}$	$\begin{aligned} T &= (B) + (E) + \\ &+ (H) + (K) + (N) + \\ &\quad (Q) \end{aligned}$	$\begin{aligned} U &= (C) + (F) + \\ &+ (I) + (L) + (O) + \\ &\quad (R) \end{aligned}$	$V = U / \# \text{ months}$	$W = V * \text{Schedule 3, Line 2, Column E}$
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