



Emily Farah
Counsel, Regulatory

411 Seventh Avenue
Mail Drop 15-7
Pittsburgh, PA 15219

Tel: 412-393-6431
efarah@duqlight.com

March 31, 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 – Default Service Plan IX Compliance Filing
Supplement No. 60 to Tariff Electric – PA. P.U.C. No. 25
Docket No. M-2023-_____**

Dear Secretary Chiavetta:

Enclosed please find Supplement No. 60 to Duquesne Light Company's ("Duquesne Light" or the "Company") Tariff No. 25. Supplement No. 60 is filed in compliance with the Public Utility Commission's ("Commission") Order issued January 14, 2021, at Docket No. P-2020-3019522 and has an effective date of June 1, 2023.

Supplement No. 60 modifies the Fixed Retail Administrative Charge ("FRA") contained in Rider No. 9 – Day-Ahead Hourly Price Service, which applies to customers taking default hourly price service. The FRA consists of the sum of administrative charges for the suppliers providing hourly price service (as determined by a competitive solicitation process) and for the Company to administer this service.

Included with this filing are public and **CONFIDENTIAL** versions of the supporting statements. The **CONFIDENTIAL** versions include competitive auction results. The Company respectfully requests that the **CONFIDENTIAL** versions be excluded from the public file.

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

Respectfully,

A handwritten signature in blue ink, appearing to read "Emily M. Farah".

Emily M. Farah
Duquesne Light Company
Counsel, Regulatory

Enclosures

cc: Certificate of Service (non-confidential version)



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 31, 2023

EFFECTIVE: June 1, 2023

Issued in compliance with the
Commission Order entered January 14, 2021, at Docket No. P-2020-3019522.

NOTICE

THIS TARIFF SUPPLEMENT INCREASES A RATE WITHIN AN EXISTING RIDER

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

INCREASE

Rider No. 9 – Day-Ahead Hourly Price Service

**Sixth Revised Page No. 108
Cancelling Fifth Revised Page No. 108**

The Fixed Retail Administrative Charge ("FRA") has increased from \$5.19 MWH to \$11.45 MWH for the Application Period June 1, 2023, through May 31, 2024.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 9 – DAY-AHEAD HOURLY PRICE SERVICE – (Continued)

(Applicable to Rates GS/GM, GMH, GL, GLH, L and HVPS and Generating Station Service)

MONTHLY CHARGES – (Continued)

PJM Ancillary Service Charges and Other PJM Charges – (Continued)

- PJM_S**= PJM Surcharge is a pass-through of the charges incurred by the Company for grid management and administrative costs associated with membership and operation in PJM. These are the charges incurred by the Company under PJM Schedules 9 and 10 to provide hourly price service.
- R_D** = Reactive supply service charge in \$/MW-day to serve the customer’s load as calculated under the PJM Tariff Schedule 2.
- B_D** = Blackstart service charge in \$/MW-day to serve the customer’s load as calculated under the PJM Tariff Schedule 6A.

Fixed Retail Administrative Charge

FRA = The Fixed Retail Administrative Charge in \$ per MWH. The Fixed Retail Administrative Charge consists of the sum of administrative charges for the suppliers providing hourly price service (as determined by a competitive solicitation process) and for the Company to obtain supply and administer this service. Default service supply-related costs shall include the cost of preparing the company’s default service plan filing and working capital costs associated with default service supply. The Company will recover these costs over the default service plan period as defined in the Commission’s order at Docket No. R-2021-3024750.

The supplier charges shall be based on the winning bids in the Company’s most recent solicitation for supply of hourly price default service.

The Company’s administrative charges shall be based on an amortization of the costs incurred by the Company to acquire generation supply from any source for the Medium (≥ 200 kW) Customer Class and Large C&I Customer Class during the most recent twelve-month (12-month) period ended May 31st (as determined by amortizing such costs over a 12-month period) plus the amortization of the cost of administering the hourly price service over the duration of the default service plan, including any unbundled costs of preparing the Company’s default service plan filing and working capital costs associated with default service supply.

This charge shall also include the Company’s costs associated with any Commission approved solar contracts and its administration, if applicable, in \$ per MWh. The proceeds of any solar energy, capacity, ancillary services and solar AECs that are acquired and in excess of those allocated to default service suppliers, and sold into the market, will be netted against solar contract costs.

| Application Period | FRA \$/MWH |
|-----------------------------------|------------|
| June 1, 2021 through May 31, 2022 | \$3.60 |
| June 1, 2022 through May 31, 2023 | \$5.19 |
| June 1, 2023 through May 31, 2024 | \$11.45 |
| June 1, 2024 through May 31, 2025 | \$X.XX |

(I)

Exhibit 1

Duquesne Light Company
Rider No. 9 - Day Ahead Hourly Price Service (HPS) Fixed Retail Administrative Charge (FRA)
Proposed HPS FRA Effective June 1, 2023

Annual HPS FRA Adjustment - February 1, 2022 through January 31, 2023

| | | | |
|----|---|--------------------|-------------------|
| 1 | HPS FRA Revenue, Excl. GRT | \$1,428,458 | Exh. 1, Page 2 |
| 2 | E-Factor Revenue, Excl. GRT | \$29,257 | Exh. 1, Page 2 |
| 3 | <u>Net Revenue, Excl. GRT</u> | <u>\$1,399,201</u> | Line 1 - Line 2 |
| 4 | <u>HPS Expense</u> | <u>\$1,338,937</u> | Exh. 1, Page 2 |
| 5 | <u>Reconciliation Period (Over)/Under Collection</u> | <u>(\$60,264)</u> | Line 4 - Line 3 |
| 6 | <u>Interest</u> | <u>(\$4,187)</u> | Exh. 1, Page 3 |
| 7 | <u>Total Reconciliation Period (Over)/Under Collection</u> | <u>(\$64,451)</u> | Line 5 + Line 6 |
| 8 | Net (Over)/Under Collection at January 2022 | \$54,621 | Exh. 1, Page 4 |
| 9 | <u>E-Factor Revenue - February 2022 - January 2023, Excl. GRT</u> | <u>\$29,257</u> | Line 2 |
| 10 | <u>(Over)/Under E-Factor Recovery at January 31, 2023</u> | <u>\$25,364</u> | Line 8 - Line 9 |
| 11 | Reconciliation Period (Over)/Under Collection - Feb 2022 - Jan 2023 | (\$64,451) | Line 7 |
| 12 | <u>E-Factor Balance at January 31, 2023</u> | <u>(\$39,086)</u> | Line 10 + Line 11 |

Exhibit 1

**Duquesne Light Company
Rider No. 9 - Day Ahead Hourly Price Service (HPS) Fixed Retail Administrative Charge (FRA)
Proposed HPS FRA Effective June 1, 2023**

Annual Reconciliation of Revenue and Expense - Current Period

| | <u>Feb 2022</u> | <u>Mar 2022</u> | <u>Apr 2022</u> | <u>May 2022</u> | <u>Jun 2022</u> | <u>Jul 2022</u> | <u>Aug 2022</u> | <u>Sep 2022</u> | <u>Oct 2022</u> | <u>Nov 2022</u> | <u>Dec 2022</u> | <u>Jan 2023</u> | <u>Total</u> |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| Revenue | | | | | | | | | | | | | |
| 1 Actual HPS FRA Revenue (1) | \$89,175 | \$76,773 | \$63,641 | \$163,311 | \$105,683 | \$164,335 | \$160,825 | \$155,407 | \$120,965 | \$112,239 | \$103,932 | \$112,172 | \$1,428,458 |
| 2 E-Factor Revenue | (\$2,725) | (\$2,417) | (\$1,945) | (\$5,240) | \$5,775 | \$6,335 | \$6,198 | \$5,990 | \$4,632 | \$4,326 | \$4,005 | \$4,324 | \$29,257 |
| 3 Net Revenue | \$91,900 | \$79,190 | \$65,586 | \$168,551 | \$99,908 | \$158,000 | \$154,628 | \$149,417 | \$116,333 | \$107,913 | \$99,927 | \$107,848 | \$1,399,201 |
| 4 Less PA Gross Receipts Tax (GRT) at 5.9% (2) | | | | | | | | | | | | | \$0 |
| 5 Net Calendar Month Revenue | \$91,900 | \$79,190 | \$65,586 | \$168,551 | \$99,908 | \$158,000 | \$154,628 | \$149,417 | \$116,333 | \$107,913 | \$99,927 | \$107,848 | \$1,399,201 |
| Expense | | | | | | | | | | | | | |
| 6 Supply Expense (1) | \$58,239 | \$56,865 | \$78,794 | \$90,357 | \$143,790 | \$142,604 | \$123,153 | \$108,609 | \$92,111 | \$91,367 | \$97,364 | \$92,012 | \$1,175,266 |
| 7 Filing Preparation and Approval Process (3) | \$1,238 | \$1,238 | \$1,238 | \$1,238 | \$1,072 | \$1,072 | \$1,072 | \$1,072 | \$1,072 | \$1,072 | \$1,072 | \$1,072 | \$13,525 |
| 8 Working Capital for Default Service Supply (3) | \$9,469 | \$9,469 | \$9,469 | \$9,469 | \$8,805 | \$8,805 | \$8,805 | \$8,805 | \$8,805 | \$8,805 | \$8,805 | \$8,805 | \$108,320 |
| 9 Administrative Expense (4) | \$729 | \$33,037 | \$729 | \$729 | \$729 | \$729 | \$729 | \$729 | \$729 | \$1,104 | \$729 | \$729 | \$41,433 |
| 10 Net Metering Expense (5) | \$0 | \$0 | \$0 | \$0 | \$18 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$18 |
| 11 Internal Administrative Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$376 | \$376 |
| 12 Total Expense | \$69,676 | \$100,609 | \$90,231 | \$101,793 | \$154,414 | \$153,210 | \$133,760 | \$119,215 | \$102,717 | \$102,348 | \$107,970 | \$102,994 | \$1,338,937 |
| 13 (Over)/Under Collection | (\$22,224) | \$21,419 | \$24,645 | (\$66,758) | \$54,506 | (\$4,790) | (\$20,868) | (\$30,202) | (\$13,616) | (\$5,565) | \$8,043 | (\$4,854) | (\$60,264) |

(1) Retail revenue excludes Company Use facilities. Supply invoice amount excludes expense associated with Company Use facilities.

(2) The FRA \$/MWH excludes GRT. FRA as a component of Rider No. 9, is adjusted for GRT in the calculation of the Rider 9 energy and capacity charges.

(3) Reflects the unbundling provisions of the Joint Petition for Approval of Non-Unanimous Settlement that was adopted as part of the Commission order entered December 22, 2016 at Docket No. P-2016-2543140. The unbundled expenses will be fixed and reconciled only for differences between projected and actual consumption. Appendix C of the Joint Petition for Approval of Non-Unanimous Settlement reflects, by customer class, the allocated fixed dollar amounts for filing preparation and working capital for default service supply. This has been updated as part of the Commission rate case order entered on December 20, 2018 at Docket No. R-2018-3000124 per page 19, paragraph 44. Effective June 2021, the unbundling provisions were updated consistent with Exhibit DBO-5 that was adopted as part of the final order dated 1/14/2021 at Docket No. P-2020-3019522. Effective June 2022, the unbundling provisions were updated in the Company's most recent rate case, Exhibit DBO-1R that was adopted as part of the final order dated December 16, 2021 at Docket No. R-2021-3024750.

(4) Administrative fees to conduct the request for proposal for rates effective June 1, 2022.

(5) Reflects the supply component of the net metering compensation paid to customer-generators.

Exhibit 1

**Duquesne Light Company
Rider No. 9 - Day Ahead Hourly Price Service (HPS) Fixed Retail Administrative Charge (FRA)
Proposed HPS FRA Effective June 1, 2023**

Annual HPS FRA Adjustment - Interest Calculation on (Over)/Under Collection

| | <u>Feb 2022</u> | <u>Mar 2022</u> | <u>Apr 2022</u> | <u>May 2022</u> | <u>Jun 2022</u> | <u>Jul 2022</u> | <u>Aug 2022</u> | <u>Sep 2022</u> | <u>Oct 2022</u> | <u>Nov 2022</u> | <u>Dec 2022</u> | <u>Jan 2023</u> | <u>Total</u> |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| 1 (Over)/Under Collection | (\$22,224) | \$21,419 | \$24,645 | (\$66,758) | \$54,506 | (\$4,790) | (\$20,868) | (\$30,202) | (\$13,616) | (\$5,565) | \$8,043 | (\$4,854) | (\$60,264) |
| 2 Interest Rate (1) | 3.25% | 3.50% | 3.50% | 4.00% | 4.75% | 5.50% | 5.50% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | |
| 3 Interest Weight | 22/12 | 21/12 | 20/12 | 19/12 | 18/12 | 17/12 | 16/12 | 15/12 | 14/12 | 13/12 | 12/12 | 11/12 | |
| 4 Interest | (\$1,324) | \$1,312 | \$1,438 | (\$4,228) | \$3,884 | (\$373) | (\$1,530) | (\$2,265) | (\$953) | (\$362) | \$483 | (\$267) | (\$4,187) |

1/ Interest rate per Section 54 Pa. Code 54.190(c).

Exhibit 1

**Duquesne Light Company
Rider No. 9 - Day Ahead Hourly Price Service (HPS) Fixed Retail Administrative Charge (FRA)
Proposed HPS FRA Effective June 1, 2023**

Annual HPS FRA Adjustment - Reconciliation of E-Factor Revenue

| | | | |
|---------------------------------|----------------------|---|---|
| <u>Filed April 2018</u> | | | |
| Effective June 2018 to May 2019 | | | |
| 1 | | Prior Period Total (Over)/Under E-Factor Recovery | \$0 |
| 2 | Feb 2017 to Jan 2018 | Current Period E-Factor Revenue (excl. GRT) | \$0 |
| 3 | | (Over)/Under E-Factor Recovery | <u>\$0</u> Line 1 - Line 2 |
| 4 | Feb 2017 to Jan 2018 | Current Period (Over)/Under Recovery | \$29,031 |
| 5 | | Interest | \$1,980 |
| 6 | | Total | <u>\$31,011</u> Line 4 + Line 5 |
| 7 | | Net (Over)/Under Collection | <u>\$31,011</u> Line 3 + Line 6 |
| <u>Filed April 2019</u> | | | |
| Effective June 2019 to May 2020 | | | |
| 8 | | Prior Period Total (Over)/Under E-Factor Recovery | \$31,011 |
| 9 | Feb 2018 to Jan 2019 | Current Period E-Factor Revenue (excl. GRT) | \$20,616 |
| 10 | | (Over)/Under E-Factor Recovery | <u>\$10,395</u> Line 8 - Line 9 |
| 11 | Feb 2018 to Jan 2019 | Current Period (Over)/Under Recovery | \$21,605 |
| 12 | | Interest | \$1,874 |
| 13 | | Total | <u>\$23,479</u> Line 11 + Line 12 |
| 14 | | Net (Over)/Under Collection | <u>\$33,874</u> Line 10 + Line 13 |
| <u>Filed April 2020</u> | | | |
| Effective June 2020 to May 2021 | | | |
| 15 | | Prior Period Total (Over)/Under E-Factor Recovery | \$33,874 |
| 16 | Feb 2019 to Jan 2020 | Current Period E-Factor Revenue (excl. GRT) | \$33,691 |
| 17 | | (Over)/Under E-Factor Recovery | <u>\$183</u> Line 15 - Line 16 |
| 18 | Feb 2019 to Jan 2020 | Current Period (Over)/Under Recovery | (\$2,889) |
| 19 | | Interest | \$588 |
| 20 | | Total | <u>(\$2,300)</u> Line 18 + Line 19 |
| 21 | | Prior Period Adjustment | (\$35,011) See Note 1 |
| 22 | | Net (Over)/Under Collection | <u>(\$37,129)</u> Line 17 + Line 20 + Line 21 |
| <u>Filed April 2021</u> | | | |
| Effective June 2021 to May 2022 | | | |
| 23 | | Prior Period Total (Over)/Under E-Factor Recovery | (\$37,129) |
| 24 | Feb 2020 to Jan 2021 | Current Period E-Factor Revenue (excl. GRT) | (\$14,450) |
| 25 | | (Over)/Under E-Factor Recovery | <u>(\$22,679)</u> Line 23 - Line 24 |
| 26 | Feb 2020 to Jan 2021 | Current Period (Over)/Under Recovery | (\$5,944) |
| 27 | | Interest | (\$412) |
| 28 | | Total | <u>(\$6,356)</u> Line 26 + Line 27 |
| 29 | | Net (Over)/Under Collection | <u>(\$29,034)</u> Line 25 + Line 28 |
| <u>Filed April 2022</u> | | | |
| Effective June 2022 to May 2023 | | | |
| 30 | | Prior Period Total (Over)/Under E-Factor Recovery | (\$29,034) |
| 31 | Feb 2021 to Jan 2022 | Current Period E-Factor Revenue (excl. GRT) | (\$35,714) |
| 32 | | (Over)/Under E-Factor Recovery | <u>\$6,680</u> Line 30 - Line 31 |
| 33 | Feb 2021 to Jan 2022 | Current Period (Over)/Under Recovery | \$40,917 |
| 34 | | Interest | \$2,729 |
| 35 | | Total | <u>\$43,646</u> Line 33 + Line 34 |
| 36 | | Prior Period Adjustment | \$4,295 See Note 2 |
| 37 | | Net (Over)/Under Collection | <u>\$54,621</u> Sum Line 32 to Line 36 |
| <u>Filed April 2023</u> | | | |
| Effective June 2023 to May 2024 | | | |
| 38 | | Prior Period Total (Over)/Under E-Factor Recovery | \$54,621 |
| 39 | Feb 2022 to Jan 2023 | Current Period E-Factor Revenue (excl. GRT) | \$29,257 |
| 40 | | (Over)/Under E-Factor Recovery | <u>\$25,364</u> Line 38 - Line 39 |
| 41 | Feb 2022 to Jan 2023 | Current Period (Over)/Under Recovery | (\$60,264) |
| 42 | | Interest | (\$4,187) |
| 43 | | Total | <u>(\$64,451)</u> Line 41 + Line 42 |
| 44 | | Net (Over)/Under Collection | <u>(\$39,086)</u> Line 40 + Line 43 |

- 1/ Prior period adjustment reflects an over-collection of \$31,047 plus \$3,964 of calculated interest. The over-collection will be refunded over the one-year period commencing on June 1, 2020. See Exhibit 1, page 5 for the detailed calculation of this adjustment.
- 2/ Reflects the recovery of under stated administrative expenses that were identified during a PA PUC audit. These expenses were considered out of scope from an audit perspective, but the Company acknowledged within data response 7-DSS that it would reflect the HPS – Rider No. 9 adjustment in a future rate filing.

CONFIDENTIAL

ATTACHMENT A

**Duquesne Light Company
Rider No. 9 - Day Ahead Hourly Price Service (HPS) Fixed Retail Administrative Charge (FRA)
Proposed HPS FRA Effective June 1, 2023**

Summary of RFP Results

**CONFIDENTIAL
REDACTION**

ATTACHMENT A

**Duquesne Light Company
Rider No. 9 - Day Ahead Hourly Price Service (HPS) Fixed Retail Administrative Charge (FRA)
Proposed HPS FRA Effective June 1, 2023**

Rate Design for HPS FRA

| | | | | |
|----|--|-------------|---------------------|---|
| 1 | HPS FRA Bid Price | | \$11.00 /MWh | Weighted bid price - Att. A, Page 1 |
| 2 | Outside Services | \$41,058 | | Outside services to conduct RFPs |
| 3 | Forecast POLR Sales (MWh) | 267,717 | | Forecast POLR sales (MWh) June 1, 2023 through May 31, 2024 |
| 4 | Administrative Adder (per MWh) | | \$0.15 /MWh | Line 2 / Line 3 |
| 5 | Filing Preparation and Approval Process Expense | \$12,858 | | Updated as part of the Commission rate case order entered on December 16, 2021 at Docket No. R-2021-3024750 per page 27, paragraph 66. The amounts are further supported in Exhibit DBO-1R that was filed as part of rebuttal testimony (Statement No. 16R, page 22, lines 3-13). |
| 6 | Working Capital for Default Service Supply Expense | \$105,665 | | |
| 7 | Total Large C&I Unbundling Expense | \$118,523 | | |
| 8 | Forecast POLR Sales (MWh) | 267,717 | | |
| 9 | Unbundling Adder (per MWh) | | \$0.44 /MWh | Line 7 / Line 8 |
| 10 | Solar Contract Cost | \$3,373 | | Refer to footnote 1. |
| 11 | Forecast POLR Sales (MWh) | 267,717 | | |
| 12 | Solar Contract Rate (per MWh) | | \$0.01 | |
| 13 | E-factor (Over)/Under Collection | \$25,364 | | Prior Period - Exh. 1, Page 4 |
| | <u>Reconciliation</u> | | | |
| 14 | (Over)/Under Collection | (\$60,264) | | Exh. 1, Page 2 |
| 15 | Interest on (Over)/Under Collection | (\$4,187) | | Exh. 1, Page 3 |
| 16 | Total (Over)/Under Collection | (\$64,451) | | Line 14 + Line 15 |
| 17 | Total E Factor (Over)/Under Reconciliation | (\$39,086) | | Line 13 + Line 16 |
| 18 | Forecast POLR Sales (MWh) | 267,717 | | Forecast POLR sales (MWh) June 1, 2023 through May 31, 2024 |
| 19 | E-Factor Rate (per MWh) | | (\$0.15) /MWh | Line 17 / Line 18 |
| 20 | HPS FRA (\$/MWh) | | \$11.45 /MWh | Line 1 + Line 4 + Line 9 + Line 12 + Line 19 |
| 21 | Forecast POLR Sales (MWh) | 267,717 | | Forecast POLR sales (MWh) June 1, 2023 through May 31, 2024 |
| 22 | Projected RFP Revenue | \$3,065,357 | | Line 20 * Line 21 |

(1) In accordance with the Company's Default Service Plan IX Compliance Filing (Solar Power Purchase Agreement dated April 1, 2022 at Docket P-2020-3019522), the Company proposed to recover its third-party costs to prepare and implement the Solar PPA from hourly price service customers over the remaining term of DSP IX (i.e. June 1, 2023 through May 31, 2025). The Company's retail tariff includes the language necessary to recover the Solar PPA costs.

ATTACHMENT A

**Duquesne Light Company
Rider No. 9 - Day Ahead Hourly Price Service (HPS) Fixed Retail Administrative Charge (FRA)
Proposed HPS FRA Effective June 1, 2023**

Summary of Current Tariff Rates and Proposed Tariff Rates

| <u>Rate Schedule</u> | <u>Units</u> | <u>Rate</u> | Current Tariff Effective <u>6/1/2022</u> | Proposed Tariff Effective <u>6/1/2023</u> |
|------------------------|--------------|-------------|---|--|
| GL GLH L HVPS | | | | |
| All MWh | MWh | \$/MWh | \$5.19 | \$11.45 |