



**Emily M. Farah**  
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June 21, 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 – Rider No. 22 Distribution System Improvement Charge  
Supplement No. 63 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. 63 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 July 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](mailto:dogden@duqlight.com) or 412-393-6268.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Emily M. Farah", is enclosed in a rectangular box.

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):

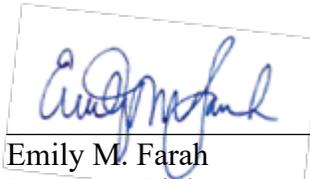
**ELECTRONIC MAILING**

Bureau of Investigation & Enforcement  
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)

Office of Consumer Advocate  
Patrick Cicero  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923  
[ra-oca@paoca.org](mailto:ra-oca@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  
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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).



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Scott Ward

Dated: June 21, 2023

**Duquesne Light Company**  
**Schedule 1 - Computation of Cumulative Distribution System Improvement Charge**  
**July 1, 2023 through September 30, 2023**

<u>Line No.</u>		<u>Total</u>	
1	Applicable Plant	87,755,957	Schedule 2, Line 2, Column H
	Less:		
2	Accumulated Depreciation	788,310	Schedule 2, Line 3, Column H
3	Accumulated Deferred Income Tax	442,186	Schedule 2, Line 4, Column H
	DSI = Distribution System Improvement Projects		
4	Net of Accumulated Depreciation, Retirements and ADIT	86,525,461	Line 1 - Line 2 - Line 3
5	PTRR = Pre-tax return rate applicable to DSIC-eligible property	2.28%	Schedule 3, Line 5, Column F
6	Pre-Tax Return	1,974,230	Line 4 * Line 5
7	Dep = Depreciation Expense	491,811	Schedule 2, Line 6, Column F through H
8	STFT = State Tax Flow Through	(63,190)	Schedule 2, Line 7, Column F through H
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>2,471,612</u>	Line 6 + Line 7 + Line 8 + Line 9
11	Net Amount to be Recovered, including (Over)/Under Collections (w/ GRT)	<u>2,626,581</u>	Line 10 * Note 1
12	PQR = Projected Quarterly Distribution Revenue	<u>192,756,238</u>	Schedule 2, Line 8, Columns J through L
13	DSIC = Distribution System Improvement Charge Rate % of Billed Distribution Revenues (w/ GRT)	1.36%	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)

**Duquesne Light Company**  
**Schedule 2 - Computation of Cumulative Distribution System Improvement Charge by Month**  
**July 1, 2023 through September 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	\$ 10,114,256	\$ 11,777,319	\$ 5,060,923	\$ -	\$ -	\$ -	
2	Cumulative Plant	14,252,044	24,536,449	33,619,017	41,666,702	60,803,459	70,917,715	82,695,034	87,755,957	87,755,957	87,755,957	87,755,957	
	Less:												
3	Accumulated Depreciation	15,433	57,864	121,731	195,517	297,857	438,941	604,328	788,310	-	-	-	
4	Accumulated Deferred Income Taxes	56,578	113,156	239,186	273,517	307,848	352,627	397,406	442,186	-	-	-	
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	\$ 70,126,147	\$ 81,693,300	\$ 86,525,461	\$ 87,755,957	\$ 87,755,957	\$ 87,755,957	Line 2 - Line 3 - Line 4
6	Dep = Depreciation Expense	15,433	42,431	63,868	73,785	102,340	141,738	165,698	184,375	-	-	-	
7	State Tax Flow Through Expense	(29,574)	(29,574)	(65,877)	(16,149)	(16,149)	(21,063)	(21,063)	(21,063)				
8	Projected 2023 Distribution Revenues									\$ 70,195,150	\$ 67,086,969	\$ 55,474,118	

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

Line No.	(A) Description	(B) Capitalized Ratio (1)	(C) Embedded Cost	(D) Rate of Return	(E) Tax Multiplier (3)	(F) Pre-Tax Rate of Return (PTRR) (1)
1	Long-Term Debt	46.70%	4.38% (1)	2.05%	-	2.05%
2	Preferred	0.00%	0.00% (1)	0.00%	1.39086	0.00%
3	Common Equity (2)	53.30%	9.55% (2)	5.09%	1.39086	7.08%
4	Total	<u>100.00%</u>		<u>7.14%</u>		<u>9.13%</u>
5				Annual PTRR / 4 Quarters =		2.28%

(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 Fourth Quarter 2022 Quarterly Earnings Report Summary, Docket No. M-2023-3040145.

(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 May 31, 2023**

<u>Line No.</u>		<u>Total Company Actual Amount Outstanding</u> (1)	<u>Ratios</u> (2)
1	Total Debt (Sch. 5., Col. 1)	\$ 1,512,543,028	46.70%
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	736,255,312	
9	Unappropriated undistributed sub earnings	-	
10	Accumulated other comp income	<u>1,481,231</u>	
11	Total Common Equity	<u>1,726,163,064</u>	<u>53.30%</u>
12	Total Capital	<u><u>\$ 3,238,706,092</u></u>	<u><u>100.00%</u></u>

**Duquesne Light Company**  
**Schedule 5 - Cost of Debt and Preferred Stock as Adjusted**  
**As of May 31, 2023**

Line No	Description	[ 1 ] Amount Outstanding	[ 2 ] Percent to Total	[ 3 ] Effective Interest Rate	[ 4 ] Annual Interest Cost	[ 5 ] 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	(12,456,972)			1,898,968	
15	Amortization of gain on reacquired debt	-			-	
16	Net Long-Term Debt	<u>\$ 1,512,543,028</u>			<u>\$ 66,304,468</u>	<u>4.38%</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	<u>Total Reconciliation Period (Over)/Under Collection</u>		<u>\$320,827</u> 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	<u>E-Factor Balance at YE December 31, 2022</u>	<u>\$275,047</u>	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

**Duquesne Light Company**  
**Schedule 7 - Accumulated Deferred Income Tax and State Tax Flow Through**  
**July 1, 2023 through September 30, 2023**

Line No.	Station Equipment			Poles and Towers			Overhead Conductors			Underground Conduit			Underground Conductors			Transformers			TOTAL				
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S) = (A) + (D) + (G) + (J) + (M) + (P)	(T) = (B) + (E) + (H) + (K) + (N) + (Q)	(U) = (C) + (F) + (I) + (L) + (O) + (R)	(V) = (U) / # months	(W) = (V) * Schedule 3, Line 2, Column E
	<b>FERC Acct 362</b>			<b>FERC Acct 364</b>			<b>FERC Acct 365</b>			<b>FERC Acct 366</b>			<b>FERC Acct 367</b>			<b>FERC Acct 368</b>							
	Composite Rate			Composite Rate			Composite Rate			Composite Rate			Composite Rate			Composite Rate							
	2.12%			2.12%			2.65%			1.40%			2.72%			3.45%							
	Additions	ADIT	STFT	Additions	ADIT	STFT	Additions	ADIT	STFT	Additions	ADIT	STFT	Additions	ADIT	STFT	Additions	ADIT	STFT	Additions	ADIT	STFT	Monthly STFT	STFT GROSS-UP
10	Sep-22	0	0	0	0		0	0		0	0		0	0		0	0		0	0	0	0	0
11	Oct-22	720,632	3,065	2,209,357	7,926		9,029,615	21,593		157,813	728		940,787	17,421		1,193,841	5,845		14,252,044	56,578	0	(21,263)	(29,574)
12	Nov-22	572,281	6,130	1,151,877	15,853		576,651	43,186		138,196	1,456		6,419,847	34,841		1,425,553	11,690		10,284,405	113,156	0	(21,263)	(29,574)
13	Dec-22	1,712,978	22,367	(8,406)	(16,459)		631,940	69,610	(26,160)	100,747	2,965	(1,114)	1,631,201	64,719	(24,322)	2,402,733	35,731	(13,428)	9,082,568	239,186	(89,890)	(47,364)	(65,877)
14	Jan-23	764,559	25,899	3,451,481	51,715		(6,101,589)	76,966		288,041	3,490		9,090,898	76,231		554,294	39,216		8,047,685	273,517	0	(11,611)	(16,149)
15	Feb-23	1,869,562	29,431	4,703,819	59,635		1,847,762	84,323		(1)	4,015		9,700,756	87,742		1,014,859	42,702		19,136,757	307,848	0	(11,611)	(16,149)
16	Mar-23	234,371	33,411	3,346,663	70,815		3,923,276	95,936		90,953	4,585		921,181	100,468		1,597,812	47,413		10,114,256	352,627	0	(15,144)	(21,063)
17	Apr-23	538,811	37,392	2,037,074	81,995		5,463,919	107,550		(770)	5,154		2,004,691	113,193		1,733,594	52,123		11,777,320	397,406	0	(15,144)	(21,063)
18	May-23	180,496	41,372	1,654,214	93,175		1,698,423	119,163		(10,502)	5,723		319,503	125,919		1,218,789	56,834		5,060,923	442,186	0	(15,144)	(21,063)
19	Jun-23	0	45,353	0	104,355		0	130,777		0	6,292		0	138,644		0	61,545		0	486,965	0	(15,144)	(21,063)
20	Jul-23	0	49,333	0	115,535		0	142,390		0	6,861		0	151,370		0	66,255		0	531,744	0	(15,144)	(21,063)
21	Aug-23	0	53,313	0	126,715		0	154,004		0	7,430		0	164,095		0	70,966		0	576,523	0	(15,144)	(21,063)
22	Sep-23	0	57,294	0	137,895		0	165,617		0	7,999		0	176,821		0	75,677		0	621,303	0	(15,144)	(21,063)
23	Oct-23	0	61,274	0	149,075		0	177,231		0	8,568		0	189,546		0	80,388		0	666,082	0	(15,144)	(21,063)
24	Nov-23	0	65,255	0	160,255		0	188,844		0	9,137		0	202,272		0	85,098		0	710,861	0	(15,144)	(21,063)
25	Dec-23	0	69,235	(15,851)	171,435	(43,167)	0	200,458	(44,252)	0	9,706	(2,280)	0	214,997	(50,823)	0	89,809	(18,289)	0	755,640	(174,662)	(15,144)	(21,063)



# 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: June 21, 2023

EFFECTIVE: July 1, 2023

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

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# 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**

**Seventeenth Revised Page No. 137  
Cancelling Sixteenth Revised Page No. 137**

The Distribution System Improvement Charge has been adjusted as required by the provisions of the Rider.

The monthly charge applicable to all rates has increased from 0.05% to 1.36% for the period July 1, 2023, through September 30, 2023.

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**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 1.36% 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.