

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held August 24, 2023

Commissioners Present:

Gladys Brown Dutrieuille, Chairman
Stephen M. DeFrank, Vice Chairman
Ralph V. Yanora
Kathryn L. Zerfuss
John F. Coleman, Jr.

Securities Certificate of Duquesne Light Company
with respect to the issuance of debt in an aggregate
principal amount not to exceed \$400 million

Docket No.:
S-2023-3041782

ORDER

BY THE COMMISSION:

On July 18, 2023, Duquesne Light Company (Duquesne or the Company) filed for registration pursuant to Chapter 19 of the Public Utility Code, 66 Pa. C.S. §§ 1901-1904, the above-captioned securities certificate for the issuance of long-term debt in an aggregate principal amount not to exceed \$400 million. On August 1, 2023, the Company voluntarily extended the statutory consideration period until August 25, 2023.

Duquesne is a subsidiary of Duquesne Light Holdings, Inc., which is a wholly owned subsidiary of DQE Holdings LLC. Duquesne is a jurisdictional public utility engaged in the distribution of electric service over a service territory of 817 square miles primarily within Allegheny and Beaver Counties. Duquesne delivers electricity to approximately 600,000 customers, of which nearly 90% are residential.

Via the instant securities certificate, the Company proposes to issue securities in the form of First Mortgage Bonds (FMBs), unsecured notes, bank borrowings, and/or similar securities, not to exceed \$400 million through December 31, 2025. The instant securities certificate will replace and cancel an existing securities certificate registered by the Commission under Docket No. S-2021-3028991, which was for the issuance of debt in an amount not to exceed \$400 million through December 31, 2023. Duquesne currently has \$270 million remaining available under the existing certificate, which the Company claims is insufficient for near term needs.

Duquesne proposes to issue and sell the new debt in one or more series from time to time on terms determined by market conditions at the time of the sale. The exact type of debt to be issued will be determined at the time of issuance after comparing market rates, issuance costs, and other factors. Duquesne expects to issue \$150 million in the form of FMBs in 2024, and up to \$250 million of additional FMBs in 2025.

Over the period of 2023-2025, Duquesne expects to spend approximately \$1.4 billion on capital expenditures related to the Company's Long-term Infrastructure Improvement Plan, and electric transmission and distribution line investments required to address system capacity, reliability, and asset management needs. A portion of these capital expenditures would be financed by debt from this securities certificate. Duquesne states that the proposed debt issuances may also be used to refinance outstanding debt and for general corporate purposes.

Duquesne's corporate credit rating is BBB+ by S&P's rating service and A3 by Moody's, which is investment grade. The Company's capital structure consists of approximately 46.9% long-term debt and 53.1% common equity.

Compliance checks found that the Company is current with its annual, quarterly, and Security Planning and Readiness report filing requirements and has no outstanding fines or assessments.

Having reviewed the instant filing, we have determined that Duquesne's proposal for the issuance of up to \$400 million of debt is necessary or proper for the present and probable future capital needs of the utility; **THEREFORE,**

IT IS ORDERED:

1. That the securities certificate of Duquesne Light Company with respect to the issuance of long-term debt in an aggregate principal amount not to exceed \$400 million is hereby registered.

2. That within 60 days of any issuance of debt Duquesne Light Company shall notify the Commission of such issuance, along with a summary of the type of debt, interest rate, maturity, and call provisions.

3. That the registration of the debt securities will end on December 31, 2025.

4. That upon receipt of the final filing under Ordering Paragraph 2, above, this case shall be marked closed.

5. That the remaining balance of the securities certificate registered at Docket No. S-2021-3028991 is canceled.

6. Consistent with Section 1903(b) of the Public Utility Code, 66 Pa. C.S. § 1903(b), the registration of the subject securities certificate does not represent

Commission approval of the proposed projects for rate recovery pursuant to 66 Pa. C.S.
§§ 1301-1328.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is written in a cursive style with a large initial "R".

Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: August 24, 2023

ORDER ENTERED: August 24, 2023