



Tishekia E. Williams
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January 30, 2024

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's Annual Reconciliation Statement – January 1, 2023 through December 31, 2023, for Rider No. 22 – Distribution System Improvement Charge
Docket No. M-2024-_____

Dear Secretary Chiavetta:

Enclosed for filing is Duquesne Light Company's Reconciliation of Revenue and Expenses for the period of January 1, 2023 through December 31, 2023, 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 "Tishekia E. Williams", with a stylized flourish at the end.

Tishekia E. Williams
Managing Director, Ext. Affairs & 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):

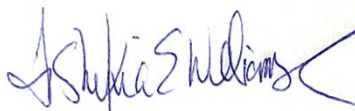
ELECTRONIC MAILING

Bureau of Investigation & Enforcement
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Dated: January 30, 2024

Exhibit 1

Duquesne Light Company
Rider 22 - Distribution System Improvement Charge
Annual Reconciliation - January 1, 2023 through December 31, 2023

Summary of Reconciliation Period

| | | | |
|---|--|-------------|-------------------|
| 1 | Surcharge Revenue, Inc. GRT | \$8,002,703 | Exh. 1, Page 2 |
| 2 | Surcharge Revenue, Excl. GRT | \$7,530,543 | Line 1 * 0.941 |
| 3 | E-Factor Revenue, Inc. GRT | \$146,015 | Exh. Page 4 |
| 4 | E-Factor Revenue, Excl. GRT | \$137,400 | Line 3 * 0.941 |
| 5 | Net DSIC Related Revenue, Excl. GRT | \$7,393,143 | Line 2 - Line 4 |
| 6 | Filed Current (DSIC) Revenue Requirement - Excl. GRT | \$6,600,067 | Exh. 1, Page 2 |
| 7 | Reconciliation Period (Over)/Under Collection | (\$793,076) | Line 6 - Line 5 |
| 8 | Interest on (Over)/Under Collection | (\$56,730) | Exhibit 1, Page 5 |
| 9 | Total Reconciliation Period (Over)/Under Collection | (\$849,806) | Line 7 + Line 8 |

Exhibit 1

**Duquesne Light Company
Rider 22 - Distribution System Improvement Charge
Annual Reconciliation - January 1, 2023 through December 31, 2023**

Summary of Revenue for the Reconciliation Period - January 2023 through December 2023

| | <u>Jan-23</u> | <u>Feb-23</u> | <u>Mar-23</u> | <u>Apr-23</u> | <u>May-23</u> | <u>Jun-23</u> | <u>Jul-23</u> | <u>Aug-23</u> | <u>Sep-23</u> | <u>Oct-23</u> | <u>Nov-23</u> | <u>Dec-23</u> | <u>Total</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|--------------------|-------------------|-----------------|--------------------|--------------------|-----------------|--------------------|
| 1 Net Surcharge Revenue, Incl. GRT | (\$36,082) | (\$41,530) | (\$41,938) | \$46,545 | \$31,427 | \$29,006 | \$1,279,508 | \$965,730 | \$743,874 | \$1,777,957 | \$1,646,261 | \$1,601,944 | \$8,002,703 |
| 2 Less E-Factor Revenue, Incl. GRT | (\$36,082) | (\$41,530) | (\$41,938) | \$46,545 | \$31,427 | \$29,006 | \$29,245 | \$26,509 | \$22,289 | \$25,884 | \$26,659 | \$28,000 | \$146,015 |
| 3 DSIC Related Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,250,263 | \$939,221 | \$721,585 | \$1,752,072 | \$1,619,602 | \$1,573,944 | \$7,856,688 |
| 4 DSIC Related Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,250,263 | \$939,221 | \$721,585 | \$1,752,072 | \$1,619,602 | \$1,573,944 | \$7,856,688 |
| 5 Less PA Gross Receipts Tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$73,766 | \$55,414 | \$42,574 | \$103,372 | \$95,557 | \$92,863 | \$463,545 |
| 6 Net DSIC Related Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,176,498 | \$883,807 | \$679,012 | \$1,648,700 | \$1,524,045 | \$1,481,081 | \$7,393,143 |
| 7 Filed Current (DSIC) Revenue Requirement - Excl. GRT | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$871,908 | \$833,301 | \$689,055 | \$1,344,562 | \$1,350,698 | \$1,510,543 | \$6,600,067 |
| 8 (Over)/Under Collection | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$304,590) | (\$50,506) | \$10,043 | (\$304,138) | (\$173,347) | \$29,461 | (\$793,076) |
| 9 Interest | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$23,796) | (\$3,830) | \$707 | (\$20,529) | (\$11,123) | \$1,841 | (\$56,730) |
| 10 Total (Over)/Under Collection | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$328,386) | (\$54,336) | \$10,751 | (\$324,667) | (\$184,470) | \$31,303 | (\$849,806) |

Exhibit 1

**Duquesne Light Company
Rider 22 - Distribution System Improvement Charge
Annual Reconciliation - January 1, 2023 through December 31, 2023**

Revenue Requirement and Actual Revenues

| | <u>Jan-23</u> | <u>Feb-23</u> | <u>Mar-23</u> | <u>Apr-23</u> | <u>May-23</u> | <u>Jun-23</u> | <u>Jul-23</u> | <u>Aug-23</u> | <u>Sep-23</u> | <u>Oct-23</u> | <u>Nov-23</u> | <u>Dec-23</u> | <u>Total</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1 Filed Distribution Revenue, including GRT | \$58,873,124 | \$52,861,483 | \$52,512,012 | \$47,220,355 | \$53,541,897 | \$61,167,171 | \$70,195,150 | \$67,086,969 | \$55,474,118 | \$50,849,306 | \$51,081,347 | \$57,126,435 | \$677,989,368 |
| 2 Filed DSIC Rate (Including GRT) - Excluding E-Factor (1) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.32% | 1.32% | 1.32% | 2.81% | 2.81% | 2.81% | |
| 3 Calculated DSIC Revenue Requirement (Including GRT) - Excluding E-Factor | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$926,576 | \$885,548 | \$732,258 | \$1,428,865 | \$1,435,386 | \$1,605,253 | \$7,013,886 |
| 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) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$871,908 | \$833,301 | \$689,055 | \$1,344,562 | \$1,350,698 | \$1,510,543 | \$6,600,067 |
| 6 Actual DSIC Revenue Billed (Excluding GRT) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,176,498 | \$883,807 | \$679,012 | \$1,648,700 | \$1,524,045 | \$1,481,081 | \$7,393,143 |
| 7 Net (Over)/Under Collection | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$304,590) | (\$50,506) | \$10,043 | (\$304,138) | (\$173,347) | \$29,461 | (\$793,076) |
| 8 Interest on (Over)/Under Collection | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$23,796) | (\$3,830) | \$707 | (\$20,529) | (\$11,123) | \$1,841 | (\$56,730) |
| 9 Net (Over)/Under Collection, Including Interest | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$328,386) | (\$54,336) | \$10,751 | (\$324,667) | (\$184,470) | \$31,303 | (\$849,806) |

(1) 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 through the second quarter of 2023.

Exhibit 1

**Duquesne Light Company
Rider 22 - Distribution System Improvement Charge
Annual Reconciliation - January 1, 2023 through December 31, 2023**

Calculation of E-Factor Revenue

| | <u>Jan-23</u> | <u>Feb-23</u> | <u>Mar-23</u> | <u>Apr-23</u> | <u>May-23</u> | <u>Jun-23</u> | <u>Jul-23</u> | <u>Aug-23</u> | <u>Sep-23</u> | <u>Oct-23</u> | <u>Nov-23</u> | <u>Dec-23</u> | <u>Total</u> |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| A. Calculated E-Factor Revenue | | | | | | | | | | | | | |
| 1 Total Distribution Revenue | | | | | | | | | | | | | |
| 2 including surcharges | \$55,341,815 | \$51,042,403 | \$53,341,228 | \$49,216,448 | \$52,314,728 | \$57,040,516 | \$73,113,524 | \$66,273,261 | \$55,722,298 | \$51,768,942 | \$53,318,174 | \$56,000,289 | |
| 3 E-Factor DSIC % Inc. GRT | -0.08% | -0.08% | -0.08% | 0.05% | 0.05% | 0.05% | 0.04% | 0.04% | 0.04% | 0.05% | 0.05% | 0.05% | |
| 4 E-Factor Revenue, Inc. GRT | (\$44,273) | (\$40,834) | (\$42,673) | \$24,608 | \$26,157 | \$28,520 | \$29,245 | \$26,509 | \$22,289 | \$25,884 | \$26,659 | \$28,000 | \$110,093 |
| 5 E-Factor Revenue, Excl. GRT | (\$41,661) | (\$38,425) | (\$40,155) | \$23,156 | \$24,614 | \$26,838 | \$27,520 | \$24,945 | \$20,974 | \$24,357 | \$25,086 | \$26,348 | \$103,597 |
| B. Accounting Adjustments (1) | | | | | | | | | | | | | |
| 6 DSIC E-Factor Adjustment, Inc. GRT | \$8,191 | (\$696) | \$735 | \$21,937 | \$5,269 | \$486 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$35,922 |
| C. E-Factor Revenue | | | | | | | | | | | | | |
| 7 E-Factor Revenue, Inc. GRT | (\$36,082) | (\$41,530) | (\$41,938) | \$46,545 | \$31,427 | \$29,006 | \$29,245 | \$26,509 | \$22,289 | \$25,884 | \$26,659 | \$28,000 | \$146,015 |
| 8 E-Factor Revenue, Excl. GRT | (\$33,954) | (\$39,080) | (\$39,464) | \$43,799 | \$29,572 | \$27,295 | \$27,520 | \$24,945 | \$20,974 | \$24,357 | \$25,086 | \$26,348 | \$137,400 |

(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, 2023 through December 31, 2023**

Calculation of Interest

| | <u>Jan-23</u> | <u>Feb-23</u> | <u>Mar-23</u> | <u>Apr-23</u> | <u>May-23</u> | <u>Jun-23</u> | <u>Jul-23</u> | <u>Aug-23</u> | <u>Sep-23</u> | <u>Oct-23</u> | <u>Nov-23</u> | <u>Dec-23</u> | <u>Total</u> |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| 1 Actual Surcharge Revenue, Excl. GRT | (\$33,954) | (\$39,080) | (\$39,464) | \$43,799 | \$29,572 | \$27,295 | \$1,204,017 | \$908,752 | \$699,986 | \$1,673,057 | \$1,549,131 | \$1,507,430 | \$7,530,543 |
| 2 Less E-Factor Revenue, Excl. GRT | (\$33,954) | (\$39,080) | (\$39,464) | \$43,799 | \$29,572 | \$27,295 | \$27,520 | \$24,945 | \$20,974 | \$24,357 | \$25,086 | \$26,348 | \$137,400 |
| 3 Net Surcharge Related Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,176,498 | \$883,807 | \$679,012 | \$1,648,700 | \$1,524,045 | \$1,481,081 | \$7,393,143 |
| 4 Calculated Current (DSIC) Revenue Requirement - Excl. GRT | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$871,908 | \$833,301 | \$689,055 | \$1,344,562 | \$1,350,698 | \$1,510,543 | \$6,600,067 |
| 5 (Over)/Under Collection | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$304,590) | (\$50,506) | \$10,043 | (\$304,138) | (\$173,347) | \$29,461 | (\$793,076) |
| 6 Interest Rate (1) | 6.50% | 6.25% | 6.25% | 6.25% | 6.25% | 6.25% | 6.25% | 6.50% | 6.50% | 6.75% | 7.00% | 7.50% | |
| 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 | (\$23,796) | (\$3,830) | \$707 | (\$20,529) | (\$11,123) | \$1,841 | (\$56,730) |
| 9 Total (Over)/Under Collection | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$328,386) | (\$54,336) | \$10,751 | (\$324,667) | (\$184,470) | \$31,303 | (\$849,806) |

(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.