



**Shelly-Ann Maye**  
Senior Manager, Regulatory Claims

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

Tel: 412-393-6268  
smaye@duqlight.com

June 21, 2024

**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. 78 to Tariff Electric- PA. P.U.C. No. 25  
Docket No. M-2024-\_\_\_\_\_**

Enclosed for filing, please find an original copy of Supplement No. 78 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, 2024. Seven Schedules comprising supporting documentation are also enclosed.

Should you have any questions, please do not hesitate to contact David Ogden, Manager, Rates & Tariff Services, at (412) 393-6343 or [dogden@duqlight.com](mailto:dogden@duqlight.com).

Respectfully Submitted,

A handwritten signature in blue ink that reads "Smaye".

Shelly-Ann Maye  
Senior Manager, Regulatory Claims

Enclosure

cc: Certificate of Service (w/enclosures)

## 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):

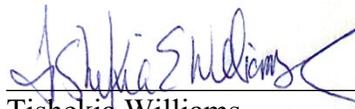
### ELECTRONIC MAILING

Bureau of Investigation & Enforcement  
Allison Kaster  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor West  
PO Box 3265  
Harrisburg, PA 17105-3265  
[akaster@pa.gov](mailto:akaster@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  
[bsidor@pa.gov](mailto:bsidor@pa.gov)



Tishekia Williams  
Duquesne Light Company  
411 Seventh Avenue, 15-7  
Pittsburgh, PA 15219  
Phone: 412-393-1541  
Email: [twilliams@duqlight.com](mailto:twilliams@duqlight.com)

Dated: June 21, 2024

**Duquesne Light Company**  
**Schedule 1 - Computation of Cumulative Distribution System Improvement Charge**  
**July 1, 2024 through September 30, 2024**

<u>Line No.</u>		<u>Total</u>	
1	Applicable Plant	272,867,196	Schedule 2, Line 2, Column T
	Less:		
2	Accumulated Depreciation	5,641,942	Schedule 2, Line 3, Column T
3	Accumulated Deferred Income Tax	2,573,635	Schedule 2, Line 4, Column T
	DSI = Distribution System Improvement Projects		
4	Net of Accumulated Depreciation, Retirements and ADIT	264,651,619	Line 1 - Line 2 - Line 3
5	PTRR = Pre-tax return rate applicable to DSIC-eligible property	2.33%	Schedule 3, Line 5, Column F
6	Pre-Tax Return	6,160,560	Line 4 * Line 5
7	Dep = Depreciation Expense	1,625,160	Schedule 2, Line 6, Column R through T
8	STFT = State Tax Flow Through	(265,984)	Schedule 2, Line 7, Column R through T
9	E = Experienced Net (Over)/Under Collections	(178,040)	Note 2
10	Net Amount to be Recovered, including (Over)/Under Collections (w/o GRT)	<u>7,341,696</u>	Line 6 + Line 7 + Line 8 + Line 9
11	Net Amount to be Recovered, including (Over)/Under Collections (w/ GRT)	<u>7,802,015</u>	Line 10 * Note 1
12	PQR = Projected Quarterly Distribution Revenue	<u>194,792,297</u>	Schedule 2, Line 8, Columns V through X
13	DSIC = Distribution System Improvement Charge Rate % of Billed Distribution Revenues (w/ GRT)	4.01%	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 (\$712,610) over collection balance at December 31, 2023, as detailed on Schedule 6. Over collection will be refunded over the one-year period commencing on April 1, 2024 in the amount of (\$712,160)/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, 2024 through September 30, 2024**

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	\$ 9,617,945	\$ 23,721,154	\$ 37,494,719	\$ 8,150,458	
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	97,373,902	121,095,056	158,589,775	166,740,233	
Less:													
3 Accumulated Depreciation	15,433	57,864	121,731	195,517	297,857	438,941	604,328	788,310	985,716	1,220,172	1,521,468	1,849,937	
4 Accumulated Deferred Income Taxes	56,578	113,156	239,186	273,517	307,848	352,627	397,406	442,186	543,264	644,343	745,422	938,605	
<hr/>													
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	\$ 95,844,922	\$ 119,230,541	\$ 156,322,885	\$ 163,951,691	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	199,379	234,746	302,022	361,651	
7 State Tax Flow Through Expense	(29,412)	(29,412)	(65,517)	(16,060)	(16,060)	(20,948)	(20,948)	(20,948)	(47,286)	(47,286)	(47,286)	(90,373)	
8 Projected 2023 Distribution Revenues													

**Duquesne Light Company**  
**Schedule 2 - Computation of Cumulative Distribution System Improvement Charge by Month**  
**July 1, 2024 through September 30, 2024**

Line No.	(M) Oct-23	(N) Nov-23	(O) Dec-23	(P) Jan-24	(Q) Feb-24	(R) Mar-24	(S) Apr-24	(T) May-24	(U) Jun-24	(V) Jul-24	(W) Aug-24	(X) Sep-24	
1	\$ 13,024,970	\$ 31,953,956	\$ 11,578,240	\$ 9,353,283	\$ 7,986,426	\$ 9,209,109	\$ 10,599,385	\$ 12,421,594	\$ -	\$ -	\$ -	\$ -	
2	179,765,203	211,719,159	223,297,399	232,650,682	240,637,108	249,846,217	260,445,602	272,867,196	272,867,196	272,867,196	272,867,196	272,867,196	
3	2,223,763	2,644,752	3,109,206	3,567,245	4,070,606	4,552,972	5,091,372	5,641,942	-	-	-	-	
4	1,131,787	1,324,970	1,606,719	1,789,149	1,971,580	2,172,265	2,372,950	2,573,635	-	-	-	-	
DSI = Distribution System Improvement Projects													
5	\$ 176,409,653	\$ 207,749,437	\$ 218,581,474	\$ 227,294,288	\$ 234,594,922	\$ 243,120,980	\$ 252,981,280	\$ 264,651,619	\$ 272,867,196	\$ 272,867,196	\$ 272,867,196	\$ 272,867,196	Line 2 - Line 3 - Line 4
6	373,826	421,090	467,188	490,899	508,136	526,110	546,705	552,345	-	-	-	-	
7	(90,373)	(90,373)	(131,805)	(80,597)	(80,597)	(88,661)	(88,661)	(88,661)					
8									\$ 71,607,006	\$ 67,340,908	\$ 55,844,382		

**Duquesne Light Company**  
**Schedule 3 - Computation of Cumulative Distribution System Improvement Charge Pre-Tax Rate of Return**  
**July 1, 2024 through September 30, 2024**

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	46.72%	4.47% (1)	2.09%	-	2.09%
2	Preferred	0.00%	0.00% (1)	0.00%	1.38326	0.00%
3	Common Equity (2)	53.28%	9.80% (2)	5.22%	1.38326	7.22%
4	Total	<u>100.00%</u>		<u>7.31%</u>		<u>9.31%</u>
5					Annual PTRR / 4 Quarters =	2.33%

(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 Year End 2023 Quarterly Earnings Report Summary, Docket No. M-2024-3048688.

(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 8.49% and the Fed. Tax rate is 21%  
 $1/[(1 - 8.49\%) \times (1 - 21\%)] = 1.38326$

**Duquesne Light Company**  
**Schedule 4 - Calculation of Capital Structure and Related Ratios**  
**As of May 31, 2024**

<u>Line No.</u>		<u>Total Company Actual Amount Outstanding</u> (1)	<u>Ratios</u> (2)
1	Total Debt (Sch. 5., Col. 1)	\$ 1,644,145,907	46.72%
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	885,561,914	
9	Unappropriated undistributed sub earnings	-	
10	Accumulated other comp income	<u>1,092,073</u>	
11	Total Common Equity	<u>1,875,080,508</u>	<u>53.28%</u>
12	Total Capital	<u><u>\$ 3,519,226,415</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, 2024**

		[ 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	12.08%	4.81%	\$ 9,620,000	0.58%
2	1st Mortgage Bond 4.97% due 11/14/43	\$ 160,000,000	9.67%	5.01%	\$ 8,016,000	0.48%
3	1st Mortgage Bond 5.02% due 2/4/44	\$ 45,000,000	2.72%	5.06%	\$ 2,277,000	0.14%
4	1st Mortgage Bond 5.12% due 2/4/54	\$ 85,000,000	5.14%	5.16%	\$ 4,386,000	0.27%
5	1st Mortgage Bond 3.78% due 3/2/45	\$ 100,000,000	6.04%	3.81%	\$ 3,810,000	0.23%
6	1st Mortgage Bond 3.93% due 3/2/55	\$ 200,000,000	12.08%	3.95%	\$ 7,900,000	0.48%
7	1st Mortgage Bond 3.93% due 7/15/45	\$ 160,000,000	9.67%	3.96%	\$ 6,336,000	0.38%
8	1st Mortgage Bond 3.82% due 10/3/47	\$ 60,000,000	3.63%	3.86%	\$ 2,316,000	0.14%
9	1st Mortgage Bond 3.89% due 2/1/48	\$ 60,000,000	3.63%	3.93%	\$ 2,358,000	0.14%
10	1st Mortgage Bond 4.04% due 2/1/58	\$ 125,000,000	7.55%	4.07%	\$ 5,087,500	0.31%
11	1st Mortgage Bond 3.11% due 5/5/50	\$ 200,000,000	12.08%	3.14%	\$ 6,280,000	0.38%
12	1st Mortgage Bond 4.59% due 10/3/52	\$ 130,000,000	7.85%	4.63%	\$ 6,019,000	0.36%
13	1st Mortgage Bond 5.67% due 3/12/54	\$ 80,000,000	4.83%	5.72%	\$ 4,576,000	0.28%
14	1st Mortgage Bond 5.77% due 3/12/64	\$ 50,000,000	3.02%	5.82%	\$ 2,910,000	0.18%
15	Sub-Total	1,655,000,000	100.00%		71,891,500	4.34%
16	Amortization of loss on reacquired debt	(10,854,093)			1,602,879	
17	Amortization of gain on reacquired debt	-			-	
18	Net Long-Term Debt	<u>\$ 1,644,145,907</u>			<u>\$ 73,494,379</u>	<u>4.47%</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, 2023**

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	<u>Total Reconciliation Period (Over)/Under Collection</u>		<u>(\$849,806) Line 7 + Line 8</u>
10	Balance at YE December 31, 2022, Excl, GRT		\$275,047
11	E-Factor Revenue - January 2023 - December 2023, Excl. GRT		\$137,400 Line 4
12	<u>Prior Period Balance at December 31, 2023</u>		<u>\$137,646 Line 10 - Line 11</u>
13	Reconciliation Period (Over)/ Under Collection - Jan 23 - Dec 23		(\$849,806) Line 9
14	<u>E-Factor Balance at YE December 31, 2023</u>		<u>(\$712,160) Line 12 + Line 13</u>

(1) Line 1 through Line 9 tie to the 2023 DSIC annual 1307e reconciliation filing at Docket No. M-2024-3045904

(2) Line 10 ties to the Q2 2023 DSIC quarterly filing at Docket No. M-2023-3039149

**Duquesne Light Company**  
**Schedule 7 - Accumulated Deferred Income Tax and State Tax Flow Through**  
**July 1, 2024 through September 30, 2024**

(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

Line No.

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	
<b>Station Equipment</b>			<b>Poles and Towers</b>			<b>Overhead Conductors</b>			<b>Underground Conduit</b>			<b>Underground Conductors</b>			<b>Transformers</b>			<b>TOTAL</b>
FERC Acct 362			FERC Acct 364			FERC Acct 365			FERC Acct 366			FERC Acct 367			FERC Acct 368			
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	Monthly STFT	STFT GROSS-UP
Sep-22	0	0		0	0		0	0		0	0		0	0		0	0	0	0	0
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
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
Dec-22	1,712,978	22,367	(8,406)	2,602,969	43,795	(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
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
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
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
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
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
Jun-23	2,685,489	48,241		3,936,849	112,645		(53,164)	157,840		261,667	6,976		1,809,096	153,446		978,009	64,116		9,617,945	543,264
Jul-23	562,386	55,110		3,559,680	132,115		5,809,360	196,516		285,595	8,230		12,057,924	180,974		1,446,210	71,399		23,721,155	644,343
Aug-23	364,895	61,978		2,538,639	151,585		27,429,952	235,193		189,305	9,483		5,508,087	208,502		1,463,842	78,681		37,494,720	745,422
Sep-23	1,439,859	82,425		2,540,345	193,297		1,580,378	284,095		200,221	12,816		1,176,496	272,452		1,213,158	93,519		8,150,458	938,605
Oct-23	1,056,315	102,871		3,424,836	235,009		1,453,125	332,997		876,072	16,150		4,636,782	336,403		1,577,841	108,357		13,024,970	1,131,787
Nov-23	5,407,611	123,318		6,622,316	276,720		2,961,845	381,900		73,426	19,483		14,996,413	400,353		1,892,144	123,195		31,953,955	1,324,970
Dec-23	1,685,421	156,725	(45,439)	1,946,275	333,399	(97,943)	1,848,475	444,930	(126,932)	34,429	23,084	(6,804)	5,075,377	503,065	(148,246)	988,162	145,517	(37,129)	11,578,240	1,606,719
Jan-24	1,344,092	175,125		1,868,794	374,880		1,505,811	491,271		44,600	25,800		3,336,017	563,165		1,253,970	158,909		9,353,283	1,789,149
Feb-24	1,859,150	193,524		2,056,296	416,361		2,226,920	537,611		1,804	28,517		923,740	623,265		918,517	172,301		7,986,427	1,971,580
Mar-24	2,477,881	214,789		1,974,731	460,953		2,130,921	573,988		97,130	49,119		950,531	686,771		1,577,916	186,646		9,209,109	2,172,265
Apr-24	1,987,841	236,054		1,643,760	505,546		2,155,218	610,364		795,540	69,721		3,022,820	750,276		994,207	200,990		10,599,385	2,372,950
May-24	1,665,806	257,318		2,755,215	550,139		(26,271,703)	646,740		28,771,338	90,323		4,480,451	813,781		1,020,488	215,334		12,421,595	2,573,635
Jun-24	0	278,583		0	594,732		0	683,116		0	110,925		0	877,286		0	229,678		0	2,774,320
Jul-24	0	299,848		0	639,324		0	719,493		0	131,527		0	940,792		0	244,022		0	2,975,005
Aug-24	0	321,112		0	683,917		0	755,869		0	152,129		0	1,004,297		0	258,366		0	3,175,690
Sep-24	0	342,377		0	728,510		0	792,245		0	172,731		0	1,067,802		0	272,711		0	3,376,375
Oct-24	0	363,641		0	773,102		0	828,622		0	193,333		0	1,131,308		0	287,055		0	3,577,060
Nov-24	0	384,906		0	817,695		0	864,998		0	213,935		0	1,194,813		0	301,399		0	3,777,745
Dec-24	0	406,171	(79,670)	0	862,288	(168,920)	0	901,374	(145,782)	0	234,536	(67,535)	0	1,258,318	(241,217)	0	315,743	(54,368)	0	3,978,430



# 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, 2024

EFFECTIVE: July 1, 2024

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

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# NOTICE

**THIS TARIFF SUPPLEMENT DECREASES A RATE WITHIN AN EXISTING RIDER**

**See Page Two**

**LIST OF MODIFICATIONS MADE BY THIS TARIFF**

**DECREASE**

**Rider No. 22 – Distribution System Improvement Charge**

**Twenty-Second Revised Page No. 137  
Cancelling Twenty-First 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 decreased from 4.18% to 4.01% for the period July 1, 2024, through September 30, 2024.

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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 4.01% will apply consistent with the Commission Order entered September 15, 2016, at Docket No. P-2016-2540046 approving the Distribution System Improvement Charge (“DSIC”).

**(D)****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.