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December 20, 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. 10 - State Tax Adjustment  
Supplement No. 86 to Tariff Electric – PA. P.U.C. No. 25  
Docket No. M-2024-\_\_\_\_\_**

Dear Secretary Chiavetta:

Enclosed for filing is Duquesne Light Company’s (“Company”) Supplement No. 86 to Tariff Electric – PA. P.U.C. No. 25 (“Supplement No. 86”), and supporting documentation, which amends Rider No. 10 – State Tax Adjustment, to become effective January 1, 2025.

Pursuant to the Commission Order issued December 1, 2006, at Docket No. R-00061346, the Company’s State Tax Adjustment Surcharge has two parts: Part 1 applies to the distribution component of customers’ bills, and Part 2 to all components of the bills. Herein, the Company proposes a new tax surcharge rate of (0.1278%) for Part 1, to be effective January 1, 2025. Part 2 of the Surcharge remains at 0.0000%.

Supplement No. 86 conforms to the pro forma tariff supplement set forth as Appendix A to the Joint Petition for Approval of Settlement filed at Docket No. R-2024-3046523 on August 16, 2024, with regard to the Corporate Net Income Tax adjustment (“CNIT”). The Joint Petition and all accompanying exhibits were approved by the Commission’s Opinion and Order entered on November 7, 2024.

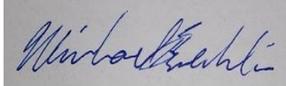
Supplement No. 86 reflects any known millage rate changes used in the Company’s abovementioned rate case filing, along with the reconciliation of STAS calendar year 2024 activity.

Included with this filing is a **CONFIDENTIAL** supporting statement. The **CONFIDENTIAL** supporting document is an excerpt from the Company’s 2023 PA tax return. The Company respectfully requests that the **CONFIDENTIAL** supporting document be excluded from the public file.

The Company is e-filing the public version and will use the Pennsylvania Public Utility Commission's SharePoint site to file the **CONFIDENTIAL** supporting document.

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

Respectfully Submitted,

A rectangular box containing a handwritten signature in blue ink, which appears to read "Michael Brechlin".

Michael Brechlin  
Assistant General Counsel,  
Regulatory

Enclosures

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 MAIL**

Bureau of Investigation & Enforcement Scott B. Granger Commonwealth Keystone Building 400 North Street, 2 <sup>nd</sup> Floor West PO Box 3265 Harrisburg, PA 17105-3265 <a href="mailto:sgranger@pa.gov">sgranger@pa.gov</a>	Office of Small Business Advocate Sharon E. Webb Steven C. Gray 555 Walnut Street, 1 <sup>st</sup> Floor Harrisburg, PA 17101 <a href="mailto:swebb@pa.gov">swebb@pa.gov</a> <a href="mailto:sgray@pa.gov">sgray@pa.gov</a>
Office of Consumer Advocate Lauren R. Myers 555 Walnut Street Forum Place, 5 <sup>th</sup> Floor Harrisburg, PA 17101-1923 <a href="mailto:lmyers@paoca.org">lmyers@paoca.org</a>	Bureau of Audits Pennsylvania Public Utility Commission Kelly Monaghan Commonwealth Keystone Building 400 North Street, 3 <sup>rd</sup> Floor East Harrisburg, PA 17120 <a href="mailto:kmonaghan@pa.gov">kmonaghan@pa.gov</a>

Date: December 20, 2024



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# 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: December 20, 2024

EFFECTIVE: January 1, 2025

Issued in compliance with Section B-1 of the  
Pennsylvania Public Utility Commission Order of March 10, 1970.

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# NOTICE

**THIS TARIFF SUPPLEMENT MAKES CHANGES TO THE LIST OF MODIFICATIONS AND TABLE OF CONTENTS AND DECREASES A RATE WITHIN AN EXISTING RIDER**

**See Page Two**

**LIST OF MODIFICATIONS MADE BY THIS TARIFF**

**CHANGES**

**List of Modifications**

**First Revised Pages No. 2A – 2G  
Cancelling Original Pages No. 2A – 2G**

**Original Pages No. 2H – 2J**

The List of Modifications pages number 2A through 2J have been removed from Tariff No. 25 as they are no longer needed.

**Table of Contents**

**Tenth Revised Page No. 3  
Cancelling Ninth Revised Page No. 3**

The Table of Contents has been updated to reflect the removal of the List of Modifications pages number 2A through 2J.

**DECREASE**

**Rider No. 10 – State Tax Adjustment**

**Eleventh Revised Page No. 112  
Cancelling Tenth Revised Page No. 112**

In compliance with Section B-1 of the Pennsylvania Public Utility Commission Order of March 10, 1970, the State Tax Adjustment (“STAS”) has been recalculated as follows:

Part 1 of the Surcharge has decreased from 0.0000% to (0.1278%).

Part 2 of the Surcharge remains at 0.0000%.

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(C) – Indicates Change

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**STANDARD CONTRACT RIDERS - (Continued)****RIDER NO. 10 - STATE TAX ADJUSTMENT****(Applicable to All Rates)**

In addition to the charges provided in this Tariff, a two-part surcharge will apply to all bills rendered by the Company, pursuant to the Pennsylvania Public Utility Commission authorization of March 10, 1970, to compensate the Company for new and increased taxes imposed by the General Assembly.

Part 1 of the surcharge, at a rate of (0.1278%) will include Capital Stock Tax, Corporate Net Income Tax, and Public Utility Realty Tax, which will be applied to the distribution charges of customer bills. (D)

Part 2 of the surcharge, at a rate of 0.0000% will include Gross Receipts Tax and will be applied to all portions of customer bills.

The Company will recompute the surcharge using the elements prescribed by the Commission's March 10, 1970, authorization:

1. Whenever any of the tax rates used in computing the surcharge is changed, in which case the recomputation shall take into account the changed tax rate.
2. Whenever the Company makes effective increased or decreased rates (other than net energy clause), in which case the recomputation shall take into account the adjustments prescribed by the Commission's March 10, 1970, authorization.
3. On December 22, and each year thereafter.

Every recomputation made pursuant to the above paragraph shall be submitted to the Commission within ten (10) days after the occurrence of the event or date which occasions such recomputation: and if the recomputed surcharge is less than the one then in effect the Company will, and if the recomputed surcharge is more than the one then in effect the Company may, accompany such recomputation with a Tariff or supplement to reflect such recomputed surcharge, the effective date of which, shall be ten (10) days after filing.

**DUQUESNE LIGHT COMPANY**  
**State Tax Adjustment Surcharge Computation**  
**Application Period: January 1, 2025 - December 31, 2025**

(Summary of Revenue Requirements Submitted in Compliance with Pennsylvania Public Utility Commission Order Dated March 10, 1970 Re: State Tax Adjustment Procedure and Order dated December 16, 1999 at R-00994930)

**Part I - Applicable to Distribution Charges on Customer Bills**

**1 Capital Stock and Franchise Tax**

Duquesne Light PA Corporate Tax Report	2023	\$1,643,602,415	
	Current Tax Millage Rate	0.00	
	Millage Recovery in Base Rates (1)	<u>0.00</u>	
			0.00
Increase in Capital Stock and Franchise Tax Liability			\$0

**2 Public Utility Realty Tax**

Taxable Value of T&D Property	2023	\$43,670,782	
	Current Tax Millage Rate	23.7970	
	Millage Recovery in Base Rates (1)	<u>27.1851</u>	
			(3,3881)
Decrease in PURTA Liability			(\$147,961)

**3 Corporate Net Income Tax (2)**

Duquesne Light PA Corporate Tax Report (3) (4)	2023	\$152,486,868	
	2025 Tax Rate (2)	7.99%	
	Tax Rate in Base Rates (1)	<u>7.99%</u>	
			0.00%
Increase in Corporate Net Income Tax Liability			\$0

**4 Reconciliation of Prior Period STAS**

Under-refund of Prior Period STAS (See page 3)			(\$770,760)
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**5 Total of Above Items**

(\$918,721)

**6 Gross-up for GRT**

Line 5 / 0.9410 (\$976,324)

**7 Projected Distribution Revenues for Application Period**

\$763,787,172

**8 Part I STAS Rate (Line 6 / 7)**

-0.1278%

(1) Millage/Tax rate used in Company's March 20, 2024 rate case filing docket No. R-2024-3046523.

(2) Pursuant to the November 15, 2024 STAS CNIT Decrease 2025 Secretarial Letter, effective January 1, 2025, the Corporate Net Income Tax (CNIT) will decrease from its current rate of 8.49% to 7.99% in accordance with Act 53 of 2022, which includes a nine-year phase down of the Pennsylvania Corporate Net Income Tax (CNIT). Subsequent annual reductions to the CNIT shall require similar filings.

(3) Pursuant to the Pennsylvania Public Utility Commission's State Tax Adjustment Surcharge (STAS) procedures [52 Pa Code § 69.51, et seq., the Company is computing the reduced corporate net income tax liability utilizing the most recently completed calendar year 2023 tax return that was filed in September 2024. The Company will reconcile to the final filed calendar year 2025 tax return once it is filed in September 2026, and will reflect the true up within the reconciliation of the STAS Rider for the STAS rate effective 1/1/2027. Subsequent annual reconciliation will then occur.

(4) See Exhibit A for an excerpt from the Company's most recent Corporate Net Income Tax filing.

**DUQUESNE LIGHT COMPANY**

**State Tax Adjustment Surcharge Computation**

**Application Period: January 1, 2025 - December 31, 2025**

(Summary of Revenue Requirements Submitted in Compliance with Pennsylvania Public Utility Commission Order Dated March 10, 1970 Re: State Tax Adjustment Procedure and Order dated December 16, 1999 at R-00994930)

**Part II - Applicable to All Charges on Customer Bills**

**1 Gross Receipts Tax Adjustment for PURTA Surcharge**

2025 Surcharge Millage Rate 0.00

Projected total revenues \$1,201,289,936

Increase in Gross Receipts Tax Liability \$0

**2 Total of Above Items 0**

**3 Gross-up for GRT Line 2 / 0.9410 0**

**4 Projected Total Revenues for Application Period \$1,201,289,936**

**5 Part II STAS Rate (Line 3 / 4) 0.0000%**

**DUQUESNE LIGHT COMPANY**  
**State Tax Adjustment Surcharge Computation**  
**Application Period: January 1, 2025 - December 31, 2025**

(Summary of Revenue Requirements Submitted in Compliance with Pennsylvania Public Utility Commission Order Dated March 10, 1970 Re: State Tax Adjustment Procedure and Order dated December 16, 1999 at R-00994930)

**Reconciliation of STAS Rider 01/01/2024 through 12/31/2024**

**1 Capital Stock and Franchise Tax**

Amount to be Refunded through STAS	0	
Amount Refunded through STAS	<u>0</u>	
Over/(Under) Refund		\$0

**2 PURTA Tax**

PURTA Assessment to be collected through STAS	(207,793)	
Amount Collected through STAS	<u>(206,592)</u>	
(Over)/Under Collection		(1,201)

**3 Corporate Net Income Tax (1)**

Net Income Tax to be collected through STAS	(2,104,953)	
Amount Collected through STAS	<u>(2,092,784)</u>	
(Over)/Under Collection		(12,169)

**4 Prior Period Reconciliation**

Prior period reconciliation to be collected through STAS	(41,360)	
Amount Collected through STAS	<u>(41,121)</u>	
(Over)/Under Collection		(239)

**Reconciliation of STAS Rider (Final Tax Return vs. Estimate)**

**5 Corporate Net Income Tax (2)**

Estimated PA Corporate 2023 Taxable Income Projection	76,771,827	
Final CAL2023 PA Corporate 2023 Taxable income (3)	<u>152,486,868</u>	
Change in Tax		(75,715,041)
State Income Tax in Rates	9.99%	
Effective State Income Tax for 2023	<u>8.99%</u>	
Change in Tax Rate		1.00%
Increase/(Decrease) in PA Corporate State Income Tax		(757,150)

**6 Total Over/(Under) Refund of STAS 1/01/2024 through 12/31/2024** **(\$770,760)**

(1) Per the December 21, 2023 submittal at Docket No. R-2023-3045101, page 1 of 3, footnote (3), the Company will plan to reconcile to the final filed calendar year 2024 tax return once it is filed in September 2025, and will reflect the true up within the reconciliation of the STAS Rider for the STAS rate effective January 1, 2026.  
(2) Consistent with the December 21, 2022 submittal at Docket No. R-2022-3037321, page 1 of 3, footnote (3), the Company is reconciling to the final filed calendar year 2023 tax return that was filed in September 2024.  
(3) See Exhibit A for an excerpt from the Company's most recent Corporate Net Income Tax filing.

**Exhibit A**  
**CONFIDENTIAL**

