

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
BUREAU OF AUDITS**



**REPORT ON
DUQUESNE LIGHT COMPANY**

**STATEMENTS OF
ENERGY EFFICIENCY AND CONSERVATION
FOR THE 12-MONTH PERIODS ENDED
MARCH 31, 2023, MARCH 31, 2022
AND MARCH 31, 2021**

**OCTOBER 6, 2025
DOCKET NO. D-2024-3051991**

**PA PUC BUREAU OF AUDITS
DOCKET NO. D-2024-3051991**

Table of Contents

	<u>Page</u>
BACKGROUND	1
FINANCIAL REVIEW	
Independent Auditor's Report	2
Energy Efficiency and Conservation (EEC) Over/(Under) Collections (Section 1307(e)) for the 12 months ended March 31, 2023	4
Energy Efficiency and Conservation (EEC) Over/(Under) Collections (Section 1307(e)) for the 12 months ended March 31, 2022	5
Energy Efficiency and Conservation (EEC) Over/(Under) Collections (Section 1307(e)) for the 12 months ended March 31, 2021	6
Notes to the Financial Statements	7

**PA PUC BUREAU OF AUDITS
DOCKET NO. D-2024-3051991**

Background

Duquesne Light Company (Duquesne or company) was formed in 1912 and is a wholly owned subsidiary of Duquesne Light Holdings, Inc. As an electric distribution company (EDC), Duquesne provides electric distribution, transmission, and provider of last resort services to roughly 600,000 customers in a certified service territory spanning 817 square miles, including the city of Pittsburgh and portions of Allegheny and Beaver counties in western Pennsylvania. According to Duquesne's annual reports filed with the Pennsylvania Public Utility Commission (PUC or Commission) for the calendar years 2023, 2022, and 2021, Duquesne's total electric revenues from customers were \$1,130,032,343; \$1,086,574,415; and \$932,322,906; respectively.

Act 129 of 2008 (Act) was signed into law on October 15, 2008. The Act created an energy efficiency and conservation program, codified at Sections 2806.1 and 2806.2 of the Pennsylvania Public Utility Code. The program required an EDC with at least 100,000 customers to adopt and implement an Energy Efficiency and Conservation (EE&C) Plan, approved by the Commission, to reduce energy demand and consumption within its service territory.

Duquesne's Phase I EE&C Plan was approved by the Commission on October 22, 2009 at Docket No. M-2009-2093217. In the tariff, the cost recovery mechanism was detailed under Rider 15 for Phase I and became effective December 1, 2009. Duquesne's Phase II EE&C Plan was approved on March 14, 2013 at Docket No. M-2012-2334399, with cost recovery rules detailed under Rider 15A effective June 1, 2013. Duquesne's Phase III EE&C Plan was approved on March 10, 2016, at Docket No. M-2015-2515375, and became effective under Rider 15A on June 1, 2016. Duquesne's Phase IV EE&C Plan was approved on March 25, 2021, at Docket No. M-2020-3020818, and became effective on June 1, 2021.



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
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Independent Auditor's Report to the Pennsylvania Public Utility Commission

Report on the Financial Statements

We have audited Duquesne Light Company's Statements of Energy Efficiency and Conservation Over/Under Collections for the 12-month periods ended March 31, 2023, March 31, 2022, and March 31, 2021.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether these statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in these statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of these statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of these statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of these statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Energy Efficiency and Conservation Statements, referred to above, present fairly, in all material respects, the Energy Efficiency and Conservation revenue and expenses of Duquesne Light Company for the years ending March 31, 2023, March 31, 2022, and March 31, 2021, in conformity with accounting principles generally accepted in the United States of America and the requirements of the Pennsylvania Public Utility Commission.

Report on Other Legal and Regulatory Requirements

The accompanying statements were prepared for the purpose of complying with the rules and regulations of the Pennsylvania Public Utility Commission and are not intended to be a complete presentation of Duquesne Light Company's revenue and expenses.

A handwritten signature in black ink, appearing to read 'C. Yother', with a horizontal line extending to the right.

Chris Yother, CPA
Director
Bureau of Audits
Harrisburg, PA
October 6, 2025

**PA PUC BUREAU OF AUDITS
DOCKET NO. D-2024-3051991**

**Energy Efficiency and Conservation¹ (EEC)
Over/(Under) Collections (Section 1307(e))
for the 12 months ended March 31, 2023²**

<u>Month</u>	<u>EEC Revenue</u> (1)	<u>EEC Expenses</u> (2)	<u>Over/(Under) Collections</u> (3) = (1) – (2)
April 2022	\$ 991,788	\$ 1,260,198	\$ (268,410)
May	1,325,438	2,209,029	(883,591)
June	1,695,910	2,217,603	(521,693)
July	2,388,709	1,828,977	559,733
August	2,015,839	2,310,931	(295,092)
September	1,583,170	1,623,874	(40,704)
October	1,674,088	1,320,644	353,444
November	1,669,511	3,003,305	(1,333,794)
December	2,056,995	2,557,065	(500,070)
January 2023	1,546,179	2,676,006	(1,129,827)
February	1,577,463	5,982,995	(4,405,532)
March	<u>1,607,450</u>	<u>1,386,730</u>	<u>220,720</u>
Total	<u>\$ 20,132,540</u>	<u>\$ 28,377,357</u>	<u>\$ (8,244,817)</u>

¹ As reported to the Commission at Docket No. M-2023-3040289. Arithmetic differences are due to rounding.

² Notes to the Financial Statements are an integral part of this report.

**PA PUC BUREAU OF AUDITS
DOCKET NO. D-2024-3051991**

**Energy Efficiency and Conservation³ (EEC)
Over/(Under) Collections (Section 1307(e))
for the 12 months ended March 31, 2022⁴**

<u>Month</u>	<u>EEC Revenue</u> (1)	<u>EEC Expenses</u> (2)	<u>Over/(Under) Collections</u> (3) = (1) – (2)
April 2021	\$ 1,343,052	\$ 1,226,312	\$ 116,740
May	1,653,928	1,332,112	321,817
June	1,771,089	1,564,276	206,813
July	1,642,606	986,402	656,203
August	1,698,158	858,002	840,156
September	1,398,265	1,139,519	258,746
October	1,286,765	664,585	622,180
November	1,422,312	1,263,664	158,648
December	1,371,481	1,963,709	(592,227)
January 2022	1,585,641	1,220,521	365,120
February	1,436,200	827,990	608,210
March	1,220,093	1,183,557	36,537
Total	<u>\$ 17,829,591</u>	<u>\$ 14,230,648</u>	<u>\$ 3,598,942</u>

³ As reported to the Commission at Docket No. M-2022-3032227. Arithmetic differences are due to rounding.

⁴ Notes to the Financial Statements are an integral part of this report.

**PA PUC BUREAU OF AUDITS
DOCKET NO. D-2024-3051991**

**Energy Efficiency and Conservation⁵ (EEC)
Over/(Under) Collections (Section 1307(e))
for the 12 months ended March 31, 2021⁶**

<u>Month</u>	<u>EEC Revenue</u> (1)	<u>EEC Expenses</u> (2)	<u>Over/(Under) Collections</u> (3) = (1) - (2)
April 2020	\$ 1,510,754	\$ 1,132,305	\$ 378,449
May	1,714,079	1,951,920	(237,841)
June	1,606,066	1,211,479	394,587
July	1,867,979	1,642,850	225,128
August	1,789,855	1,470,545	319,310
September	1,472,467	1,333,670	138,797
October	1,519,321	3,631,520	(2,112,200)
November	1,471,842	1,210,874	260,968
December	1,678,829	3,062,566	(1,383,737)
January 2021	1,800,244	348,660	1,451,583
February	1,556,294	1,243,091	313,203
March	1,508,785	1,073,662	435,123
Total	<u>\$ 19,496,513</u>	<u>\$ 19,313,142</u>	<u>\$ 183,372</u>

⁵ As reported to the Commission at Docket No. M-2021-3025644. Arithmetic differences are due to rounding

⁶ Notes to the Financial Statements are an integral part of this report.

**PA PUC BUREAU OF AUDITS
DOCKET NO. D-2024-3051991**

Notes to the Financial Statements

1 - Statements

The Statements of Energy Efficiency and Conservation Over/(Under) Collections presented in this report are condensed from the officially filed statements. The audit was conducted on Duquesne's officially filed 1307(e) statements submitted to the PUC in accordance with Section 1307(e)(1) of the Public Utility Code on May 1, 2023, April 29, 2022, and April 30, 2021. The statements are available on the PUC's website (<http://www.puc.pa.gov>) at Docket Nos. M-2023-3040289, M-2022-3032227, and M-2021-3025644.

2 - EEC Revenue

EEC Revenue is derived from application of the EEC rate to the applicable billing unit and excludes the E-Factor portion and Gross Receipts Tax. The applicable billing units include kilowatt-hours (kWh), kilowatt (kW) demand or a fixed charge per customer as indicated in Duquesne's tariff.

3 - EEC Expenses

EEC expenses are all the costs associated with implementing the company's EEC Plan in accordance with Act 129.

4 - Over/(Under) Collections

The Over/(Under) Collection is the difference between the EEC Revenue and EEC Expenses. The resulting amount represents the portion of EEC Revenue refundable to or EEC Expenses recoverable from customers through subsequent EEC rates. Differences arise for two primary reasons:

- Variations between the actual volumes billed to customers and the estimates used to determine the EEC rates; and,
- Variations between actual EEC Expenses and the estimates used to determine the EEC rates.