

Michael Brechlin
Assistant General Counsel, Regulatory

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



December 22, 2025

Via Electronic Filing

Mr. Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building,
2nd Floor 400 North Street
Harrisburg, PA 17120

**Re: Duquesne Light Company – Rider No. 10 – State Tax Adjustment
Supplement No. 98 to Tariff Electric – P.A. P.U.C. No. 25
Docket No. M-2025-_____**

Dear Secretary Homsher:

Enclosed for filing is Duquesne Light Company’s (“Company”) Supplement No. 98 to Tariff Electric – PA. P.U.C. No. 25 (“Supplement No. 98”), and supporting documentation, which amends Rider No. 10 – State Tax Adjustment, to become effective January 1, 2026.

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 (0.0964%) for Part 1, to be effective January 1, 2026. Part 2 of the Surcharge remains at 0.0000%.

This new surcharge rate reflects the change in the Pennsylvania Corporate Net Income Tax (“CNIT”) rate from its current rate of 7.99% to 7.49% effective January 1, 2026, pursuant to Act 53 of 2022. Consistent with the Commission’s Secretarial Letter issued on December 4, 2025, the supporting documentation herein demonstrates the calculation of the recomputed STAS at the reduced CNIT rate. Future annual STAS updates will include similar support to incorporate subsequent annual reductions to the CNIT rate under Act 53.

Included with this filing is a **CONFIDENTIAL** supporting statement. The **CONFIDENTIAL** supporting document is an excerpt from the Company’s 2024 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.

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

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Michael Brechlin". The signature is fluid and cursive, written in a professional style.

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, 2nd Floor West
PO Box 3265
Harrisburg, PA 17105-3265
sgranger@pa.gov

Office of Small Business Advocate
Rebecca Lyttle, Esquire
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
relyttle@pa.gov

Office of Consumer Advocate
Christy Appleby
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
cappleby@paoca.org
EFiling-Alternative@paoca.org

Bureau of Audits
Pennsylvania Public Utility Commission
Derek Vandevort
Commonwealth Keystone Building
400 North Street, 3rd Floor East
Harrisburg, PA 17120
devandevor@pa.gov

Date: December 22, 2025



Michael Brechlin
Duquesne Light Company
411 Seventh Avenue, 15-7
Pittsburgh, PA 15219
Phone: 412-393-6431
Email: mbrechlin@duqlight.com

VERIFICATION

I, David Ogden, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: December 22, 2025

David Ogden

David Ogden

Sr. Manager, Rates & Tariff Services



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 22, 2025

EFFECTIVE: January 1, 2026

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

NOTICE

THIS TARIFF SUPPLEMENT INCREASES A RATE WITHIN AN EXISTING RIDER

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

INCREASE

Rider No. 10 – State Tax Adjustment

**Twelfth Revised Page No. 112
Cancelling Eleventh 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 increased from (0.1278%) to (0.0964%).

Part 2 of the Surcharge remains at 0.0000%.

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 (0.0964%) 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. (I)

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, 2026 - December 31, 2026

(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	2024	\$1,728,320,458	
	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	2024	\$47,035,164	
	Current Tax Millage Rate	23.3189	
	Millage Recovery in Base Rates (1)	<u>27.1851</u>	
			(3.8662)
Decrease in PURTA Liability			(\$181,847)

3 Corporate Net Income Tax (2)

Duquesne Light PA Corporate Tax Report (3) (4)	2024	\$132,720,708	
	2026 Tax Rate (2)	7.49%	
	Tax Rate in Base Rates (1)	<u>7.99%</u>	
			-0.50%
Decrease in Corporate Net Income Tax Liability			(\$663,604)

4 Reconciliation of Prior Period STAS

Over-refund of Prior Period STAS (See page 3)		\$137,677
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5 Total of Above Items (\$707,774)

6 Gross-up for GRT Line 5 / 0.9410 (\$752,151)

7 Projected Distribution Revenues for Application Period \$780,027,756

8 Part I STAS Rate (Line 6 / 7) -0.0964%

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

(2) Pursuant to the December 4, 2025 STAS CNIT Decrease 2026 Secretarial Letter, effective January 1, 2026, the Corporate Net Income Tax (CNIT) will decrease from its current rate of 7.99% to 7.49% 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 2024 tax return that was filed in September 2025. The Company will reconcile to the final filed calendar year 2026 tax return once it is filed in September 2027, and will reflect the true up within the reconciliation of the STAS Rider for the STAS rate effective 1/1/2028. 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, 2026 - December 31, 2026

Page 2 of 3

(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

2026 Surcharge Millage Rate	0.00	
Projected total revenues	\$1,313,808,078	
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		\$1,313,808,078
5 Part II STAS Rate (Line 3 / 4)		<u>0.0000%</u>

DUQUESNE LIGHT COMPANY
State Tax Adjustment Surcharge Computation
Application Period: January 1, 2026 - December 31, 2026

(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 01/01/2025 through 12/31/2025

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	(147,961)	
Amount Collected through STAS	<u>(151,751)</u>	
(Over)/Under Collection		3,790

3 Corporate Net Income Tax (1)

Net Income Tax to be collected through STAS	0	
Amount Collected through STAS	<u>0</u>	
(Over)/Under Collection		0

4 Prior Period Reconciliation

Prior period reconciliation to be collected through STAS	(770,760)	
Amount Collected through STAS	<u>(790,505)</u>	
(Over)/Under Collection		19,744

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

5 Corporate Net Income Tax (2)

Estimated PA Corporate 2024 Taxable Income Projection	140,330,205	
Final CAL2024 PA Corporate 2024 Taxable income (3)	<u>132,720,708</u>	
Change in Tax		7,609,497
State Income Tax in Rates	9.99%	
Effective State Income Tax for 2024	<u>8.49%</u>	
Change in Tax Rate		1.50%
Increase/(Decrease) in PA Corporate State Income Tax		114,142

6 Total Over/(Under) Refund of STAS 1/01/2025 through 12/31/2025 **\$137,677**

(1) Per the December 21, 2024 submittal at Docket No. R-2024-3052641, page 1 of 3, footnote (3), the Company will plan to 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 January 1, 2027.
(2) Consistent with the December 21, 2023 submittal at Docket No. R-2023-3045101, page 1 of 3, footnote (3), the Company is reconciling to the final filed calendar year 2024 tax return that was filed in September 2025.
(3) See Exhibit A for an excerpt from the Company's most recent Corporate Net Income Tax filing.

Exhibit A
CONFIDENTIAL