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February 13, 2026

Via Electronic Filing

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Keystone Bldg. 2nd Floor W
400 N. Street
Harrisburg, PA 17120

**Re: Duquesne Light Company – Universal Services and Energy Conservation Plan for
2020-2025 Submitted in Compliance with 52 Pa. Code § 54.74
Docket No. M-2019-3008227**

Dear Secretary Homsher:

Enclosed for filing at the above-captioned docket, please find Duquesne Light Company's ("Duquesne Light" or "Company") Letter in Lieu of Petition. This Letter in Lieu of Petition is filed pursuant to the *Joint Petition of Duquesne Light, the Office of Consumer Advocate and the Coalition for Affordable Utility Service and Energy Efficiency for Approval of a Settlement* ("Settlement"), which was filed August 13, 2021, and approved in relevant part by the Pennsylvania Public Utility Commission ("Commission") by Order entered April 14, 2022. This filing is styled a Letter in Lieu of Petition because, as discussed further herein, the Company is not here proposing any modifications to its Universal Services and Energy Conservation Plan for 2020-2025 ("USECP").

Inter alia, the Settlement established projected budgets for the Company's USECP for calendar years 2020 through 2025. Paragraph 14 of the Settlement provides in part:

If the Company's USECP costs are expected to exceed the projected budget by greater than 10%, the Company will meet with the parties at least sixty (60) days in advance of the next year to: 1) explain the reasons for the projected cost increase; and 2) outline any programmatic cost containment measure(s) that modify the approved plan. The Company will allow the parties to submit feedback regarding the plans that the Company proposes to address the situation, however the Company retains the right to make final determinations regarding its USECP for Commission approval. After meeting with the parties, the Company will file a Petition with the Public Utility Commission: 1) explaining the reason for the cost increase; and 2) outlining programmatic cost containment measure(s), if any; and 3) making any



other such filings required by Commission Orders and regulations. All parties reserve their respective rights to respond to the Company's filing.

The Company's USECP, as filed, included a projected 2025 USECP budget of approximately \$39 million, excluding Smart Comfort carry-over. The Company projects its 2025 USECP costs will come to approximately \$55 million, which exceeds the corresponding as-filed budget by more than 10%.

The largest contributing factor for the projected increase in the Company's 2025 USECP costs are increased electric supply costs. Since the filing of the Settlement in August of 2021, electric supply costs have risen significantly, which has driven a corresponding increase in Duquesne Light's default supply rates. Under the Company's percent-of-income CAP structure, this results in a larger CAP deficiency. Additional contributing factors include increased CAP maximum amounts and higher administrative costs due to additional contributions to the Dollar Energy Fund.

The Company does not believe that the projected cost increases outlined above warrant programmatic cost containment changes to the USECP at this time. Any programmatic changes to materially reduce USECP costs would necessarily also reduce the extent and/or availability of benefits to participating customers. The Company believes that reducing USECP benefits to low-income customers would be inadvisable in light of current economic and inflationary pressures.

The Company does not here propose programmatic cost containment changes to the USECP for 2026 at this time. The Company plans to increase the residential CAP maximum tiers by \$100 effective no later than February 28, 2026. The Company reserves the right to propose changes to the USECP in the future as conditions warrant.

Consistent with the Settlement, the Company emailed parties on December 17, 2025, to: (1) explain the reasons for the projected cost increase; (2) outline the Company's intent to not seek programmatic cost containment measure(s) that modify the approved USECP; and (3) invite party feedback on the Company's planned response. Additionally, the Company offered to schedule a meeting to discuss the above.

The Office of Consumer Advocate ("OCA") and the Coalition for Affordable Utility Services and Energy Efficiency ("CAUSE-PA") have not indicated opposition to the filing of this Letter in Lieu of Petition consistent with Settlement paragraph 14, or the Company's decision to not here propose programmatic cost containment measure(s) that would modify the approved USECP.

Please do not hesitate to contact me should you have any questions.

Respectfully Submitted,



A rectangular box containing a handwritten signature in blue ink. The signature is cursive and appears to read "Michael Brechlin".

Michael Brechlin
Assistant General Counsel, Regulatory

Enclosures
Projected 2026 and 2027 Budgets
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
Commonwealth Keystone Building
400 North Street, 2nd Floor West
PO Box 3265
Harrisburg, PA 17105-3265
sgranger@pa.gov
carwright@pa.gov

Office of Small Business Advocate
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
ra-sba@pa.gov
swebb@pa.gov

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

Pennsylvania Utility Law Project
118 Locust Street
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Emarx@pautilitylawproject.org
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Pennsylvania Public Utility Commission
Bureau of Consumer Services
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Dated: February 13, 2026

2026

<u>Universal Service Program Costs:</u>	<u>Projected Budget</u>
CAP Customer Count	39,175
CAP Revenue Deficiency	50,736,775
CAP Frozen Arrearage	3,308,397
Recoverable PIPP Costs	84,827
CAP Administration Cost	2,114,388
Projected Universal Service Program Budget:	\$56,244,387

Smart Comfort	\$3,753,500
CARES	\$145,000
Hardship Fund	\$130,000
Projected Total Universal Service Program Budget	\$60,272,887

2027

<u>Universal Service Program Costs:</u>	<u>Projected Budget</u>
CAP Customer Count	40,386
CAP Revenue Deficiency	\$53,273,614
CAP Frozen Arrearage	\$3,410,668
Recoverable PIPP Costs	\$78,041
CAP Administration Cost	\$2,195,266
Projected Universal Service Program Budget:	\$58,957,588

Smart Comfort	\$3,753,500
CARES	\$145,000
Hardship Fund	\$130,000
Projected Total Universal Service Program Budget	\$62,986,088