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August 1, 2018

**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 Annual Smart Meter Deployment Update  
Docket No. – M-2009-2123948**

Dear Secretary Chiavetta:

Enclosed for filing, please find an original copy of Duquesne Light Company's Annual Update regarding its implementation of Advanced Metering Infrastructure.

Should you have any questions, please feel free to contact me at 412-393-6268.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'Michael Zimmerman', is written over a light blue horizontal line.

Michael Zimmerman  
Counsel, Regulatory

Enclosures

Cc: Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**DUQUESNE LIGHT COMPANY  
SMART METER PROCUREMENT AND INSTALLATION  
ANNUAL UPDATE**

**I. INTRODUCTION**

Act 129 of 2008 (“Act 129”) requires large electric distribution companies (“EDCs”) such as Duquesne Light Company (“Duquesne Light” or “Company”) to deploy smart meter technology.<sup>1</sup> On June 24, 2009, the Pennsylvania Public Utility Commission (“Commission”) entered its Smart Meter Procurement and Installation Implementation Order<sup>2</sup> (“SM Implementation Order”) which provided electric distribution companies (“EDCs”) with further guidance regarding the requirements for smart meter procurement and installation. Among other things, the SM Implementation Order provides that EDCs are required “to file a Smart Meter Progress report on an annual basis that will update the status of their installation plans, including the number of customers who received meters in the prior year, the estimated number of customers scheduled to receive meters in the coming year, and all costs associated with the meter plan incurred during the previous year.” This update is submitted in compliance with the Commission’s SM Implementation Order.

**II. BACKGROUND**

On June 29, 2012, Duquesne Light filed a Petition for Approval of its Final Smart Meter Procurement and Installation Plan (“2012 SMIP”). On December 7, 2012, Duquesne Light and

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<sup>1</sup> 66 Pa. C.S. § 2807(f).

<sup>2</sup> Smart Meter Procurement and Installation Order, Docket No. M-2009-2092655.

the Office of the Consumer Advocate filed an uncontested Joint Petition for Approval of Full Settlement (“Joint Petition”) in the 2012 SMIP. The Joint Petition proposed to resolve all issues related to the Company’s smart meter implementation including the deployment schedule and technology solutions.

On January 24, 2013, Administrative Law Judge Katrina Dunderdale issued an Initial Decision approving the Joint Petition. Subsequently, on May 6, 2013, the Pennsylvania Public Utility Commission (“Commission”) entered its Opinion and Order (“May 6 Order”) approving the Joint Petition.

On August 4, 2015, Duquesne Light filed a Petition for Approval to Modify its Smart Meter Procurement and Installation Plan (“2015 Amended Plan”).<sup>3</sup> Following evidentiary hearings on February 18, 2016, and June 30, 2016, Administrative Law Judge Katrina Dunderdale issued an Initial Decision approving in part and rejecting in part the 2015 Amended Plan.<sup>4</sup> On April 7, 2017, the Commission adopted the Initial Decision in its entirety.

### **III. ADVANCED METERING INFRASTRUCTURE DEPLOYMENT**

Duquesne Light continues to make significant progress in its deployment of Advanced Metering Infrastructure (“AMI”), and has deployed 580,100 meters through the end of June, 2018. As explained in the Company’s 2015 Amended Plan, Duquesne Light’s advanced metering infrastructure consists of four components: Local Area Network (“LAN”), Wide Area Network (“WAN”), Head End Collection Engine, and Itron Smart Meters. To deliver the required functionality outlined in Act 129 and the Smart Meter Implementation Order, the Company must

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<sup>3</sup> *Petition of Duquesne Light Company for Approval to Modify its Smart Meter Procurement and Installation Plan*, Docket No. P-2015-2497267.

<sup>4</sup> The Initial Decision denied approval for Duquesne Light to recover costs associated with implementation of an Automated Distribution Management System, and approved the remaining components of the 2015 Amended Plan.

build out the necessary infrastructure to enable bidirectional communication and interval usage data. Deployment of this infrastructure, discussed in further detail below, follows the schedule in the 2015 Amended Plan.

**A. Local Area Network (LAN)**

As indicated in its 2017 Annual Update, the Company has completed deployment of the Local Area Network (LAN), which delivers metering data from the meter to the Wide Area Network (discussed below). The LAN consists of Cell Relays and Subscriber units called Data Aggregations Points (“DAPs”). These DAPs transmit meter data via the subscriber units to the WAN as described above. The Company completed the DAP installation in June of 2017.

**B. Wide Area Network (WAN)**

As indicated in its 2017 Annual Update, the Company has completed the build-out of the system-wide WAN network. The WAN network design includes antennas at various field sites which receive data from the subscriber units, (radios) in the field. These subscriber units then transmit the data to radio and telecommunications equipment installed at the base of the tower, which is used to transport data back to the Company’s data center.

**C. Head End Collection Engine**

The Head End Collection Engine performs network management and coordinates data collection and operations of the Smart Meters. Duquesne Light completed deployment of this component in June of 2015.

**D. Meter Deployment and the Open Way Collection Engine**

The Company continues to install Itron Smart Meters with the Open Way Collection Engine solution. Through the end of June 2018, the Company has installed approximately 580,100 Smart Meters. Consistent with the 2015 Amended Plan, the Company is on schedule to

substantially complete residential Smart Meter deployment by end of year 2018, and commercial and industrial Smart Meter deployment by end of year 2019.

#### **IV. AMI COST**

On July 31, 2018, the Company filed its Smart Meter Charge Annual Reconciliation Statement for the period of July 1, 2017 through June 30, 2018 (“Reconciliation Period”). The reconciliation statement details cost incurred by the Company during the Reconciliation Period. A copy of that filing is attached.

Respectfully submitted,



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July 31, 2018

**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. 20 Smart Meter Charge  
Annual Reconciliation**

Dear Secretary Chiavetta:

Enclosed for filing, please find an original copy of the annual reconciliation of Duquesne Light Company's Smart Meter Charge Rider for the period July 1, 2017 through June 30, 2018.

Should you have any questions, please feel free to contact me or David Ogden, Manager of Rates and Tariff Services, at 412-393-6343.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Michael Zimmerman", is written over a light blue horizontal line.

Michael Zimmerman  
Counsel, Regulatory

Enclosures

Cc: Certificate of Service

Exhibit 1

Duquesne Light Company  
Rider 20 -Smart Meter Charge  
Annual Reconciliation - July 1, 2017 through June 30, 2018

Summary of Reconciliation Period

1	Surcharge Revenue, Inc. GRT	\$32,944,960	Exh. 1, Page 2
2	Surcharge Revenue, Excl. GRT		Line 1 * 0.941
		\$31,001,207	
3	E-Factor Revenue, Inc. GRT	\$868,605	Exh. 1, Page 2
4	E-Factor Revenue, Excl. GRT		Line 3 * 0.941
		\$817,357	
5	Net Smart Meter Related Revenue, Excl. GRT		Line 2 - Line 4
		\$30,183,850	
6	Smart Meter Related Expense		Exh. 1, Page 2
		\$28,986,310	
7	Reconciliation Period (Over)/Under Collection		Line 6 - Line 5
		(\$1,197,540)	
8	Interest on (Over)/Under Collection		Exh. 1, Page 2
		(\$103,793)	
9	Total Reconciliation Period (Over)/Under Collection		Line 7 + Line 8
		(\$1,301,334)	

Exhibit 1

Duquesne Light Company  
 Rider 20 - Smart Meter Charge  
 Annual Reconciliation - July 1, 2017 through June 30, 2018

TOTAL - SINGLE PHASE AND POLY PHASE METERS COMBINED

Statement of (Over)/Under Collections for the Reconciliation Period - July 2017 through June 2018

	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Total
1 Net Surcharge Revenue, Incl. GRT	\$3,186,966	\$3,071,113	\$2,301,014	\$2,801,310	\$3,205,990	\$3,196,821	\$1,964,366	\$2,643,151	\$2,706,005	\$2,466,424	\$2,936,955	\$2,464,845	\$32,944,960
2 Less E-Factor Revenue, Incl. GRT	\$278,678	\$280,008	\$280,900	\$281,864	\$282,085	\$282,684	(\$136,027)	(\$136,237)	(\$136,511)	(\$136,366)	(\$136,174)	(\$136,279)	\$868,605
3 Smart Meter Charge Related Revenue	\$2,908,288	\$2,791,105	\$2,020,113	\$2,519,446	\$2,923,904	\$2,914,137	\$2,100,393	\$2,779,388	\$2,842,516	\$2,602,810	\$3,073,129	\$2,601,125	\$32,076,355
4 Smart Meter Charge Related Revenue	\$2,908,288	\$2,791,105	\$2,020,113	\$2,519,446	\$2,923,904	\$2,914,137	\$2,100,393	\$2,779,388	\$2,842,516	\$2,602,810	\$3,073,129	\$2,601,125	\$32,076,355
5 Less PA Gross Receipts Tax	\$171,589	\$164,675	\$119,187	\$148,647	\$172,510	\$171,934	\$123,923	\$163,984	\$167,708	\$153,566	\$181,315	\$153,466	\$1,892,505
6 Net Smart Meter Charge Related Revenue	\$2,736,699	\$2,626,430	\$1,900,927	\$2,370,799	\$2,751,394	\$2,742,203	\$1,976,470	\$2,615,404	\$2,674,808	\$2,449,244	\$2,891,814	\$2,447,658	\$30,183,850
7 Expense	\$2,230,436	\$2,632,563	\$2,357,109	\$2,521,984	\$2,438,873	\$2,376,660	\$2,385,685	\$2,429,651	\$2,359,619	\$2,138,304	\$2,538,861	\$2,576,564	\$28,986,310
8 (Over)/Under Collection	(\$506,263)	\$6,133	\$456,182	\$151,185	(\$312,521)	(\$365,543)	\$409,215	(\$185,753)	(\$315,169)	(\$310,940)	(\$352,953)	\$128,905	(\$1,197,540)
9 Interest	(\$60,752)	\$705	\$50,180	\$15,874	(\$31,252)	(\$34,727)	\$36,829	(\$15,789)	(\$25,115)	(\$23,321)	(\$24,707)	\$8,379	(\$103,793)
10 Total (Over)/Under Collection	(\$567,015)	\$6,838	\$506,362	\$167,060	(\$343,773)	(\$400,269)	\$446,044	(\$201,542)	(\$340,404)	(\$334,261)	(\$377,660)	\$137,284	(\$1,301,334)



Exhibit 1

Duquesne Light Company  
Rider 20 - Smart Meter Charge  
Annual Reconciliation - July 1, 2017 through June 30, 2018

SINGLE PHASE METERS

Statement of (Over)/Under Collections for the Reconciliation Period - July 2017 through June 2018

	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Total
1 Net Surcharge Revenue, Incl. GRT	\$3,076,748	\$2,960,915	\$2,190,811	\$2,670,747	\$3,075,409	\$3,065,973	\$1,833,739	\$2,512,306	\$2,574,644	\$2,330,390	\$2,800,915	\$2,328,786	\$31,421,385
2 Less E-Factor Revenue, Incl. GRT	\$269,774	\$271,105	\$271,997	\$272,934	\$273,155	\$273,735	(\$127,794)	(\$127,990)	(\$128,232)	(\$128,112)	(\$127,899)	(\$128,004)	\$864,668
3 Smart Meter Charge Related Revenue	\$2,806,974	\$2,689,811	\$1,918,814	\$2,397,813	\$2,802,254	\$2,792,239	\$1,961,534	\$2,640,296	\$2,702,876	\$2,458,502	\$2,928,815	\$2,456,790	\$30,556,718
4 Smart Meter Charge Related Revenue	\$2,806,974	\$2,689,811	\$1,918,814	\$2,397,813	\$2,802,254	\$2,792,239	\$1,961,534	\$2,640,296	\$2,702,876	\$2,458,502	\$2,928,815	\$2,456,790	\$30,556,718
5 Less PA Gross Receipts Tax	\$165,611	\$158,699	\$113,210	\$141,471	\$165,333	\$164,742	\$115,730	\$155,777	\$159,470	\$145,052	\$172,800	\$144,951	\$1,802,846
6 Net Smart Meter Charge Related Revenue	\$2,641,363	\$2,531,112	\$1,805,604	\$2,256,342	\$2,636,921	\$2,627,497	\$1,845,803	\$2,484,519	\$2,543,406	\$2,313,451	\$2,756,015	\$2,311,840	\$28,753,871
7 Expense	\$2,140,063	\$2,527,754	\$2,262,526	\$2,412,543	\$2,332,490	\$2,272,543	\$2,274,831	\$2,317,198	\$2,249,599	\$2,028,750	\$2,414,671	\$2,451,041	\$27,684,010
8 (Over)/Under Collection	(\$501,300)	(\$3,357)	\$456,922	\$156,201	(\$304,431)	(\$354,953)	\$429,028	(\$167,311)	(\$293,807)	(\$284,701)	(\$341,343)	\$139,201	(\$1,069,861)
9 Interest	(\$60,156)	(\$386)	\$50,261	\$16,401	(\$30,443)	(\$33,721)	\$38,612	(\$14,222)	(\$23,505)	(\$21,353)	(\$23,894)	\$9,048	(\$93,356)
10 Total (Over)/Under Collection	(\$561,456)	(\$3,743)	\$507,183	\$172,602	(\$334,874)	(\$388,674)	\$467,640	(\$181,544)	(\$317,312)	(\$306,053)	(\$365,237)	\$148,249	(\$1,163,217)

Exhibit 1

Duquesne Light Company  
Rider 20 - Smart Meter Charge  
Annual Reconciliation - July 1, 2017 through June 30, 2018

POLY PHASE METERS

Statement of (Over)/Under Collections for the Reconciliation Period - July 2017 through June 2018

	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Total
1 Net Surcharge Revenue, Incl. GRT	\$110,218	\$110,198	\$110,203	\$130,563	\$130,581	\$130,848	\$130,626	\$130,845	\$131,361	\$136,034	\$136,040	\$136,059	\$1,523,574
2 Less E-Factor Revenue, Incl. GRT	\$8,905	\$8,903	\$8,903	\$8,929	\$8,931	\$8,949	(\$8,233)	(\$8,247)	(\$8,279)	(\$8,274)	(\$8,274)	(\$8,275)	\$3,337
3 Smart Meter Charge Related Revenue	\$101,314	\$101,295	\$101,299	\$121,633	\$121,650	\$121,899	\$138,859	\$139,092	\$139,640	\$144,308	\$144,314	\$144,334	\$1,519,637
4 Smart Meter Charge Related Revenue	\$101,314	\$101,295	\$101,299	\$121,633	\$121,650	\$121,899	\$138,859	\$139,092	\$139,640	\$144,308	\$144,314	\$144,334	\$1,519,637
5 Less PA Gross Receipts Tax	\$5,977	\$5,976	\$5,977	\$7,176	\$7,177	\$7,192	\$8,193	\$8,206	\$8,239	\$8,514	\$8,515	\$8,516	\$89,659
6 Net Smart Meter Charge Related Revenue	\$95,336	\$95,318	\$95,322	\$114,457	\$114,473	\$114,707	\$130,667	\$130,885	\$131,401	\$135,794	\$135,800	\$135,819	\$1,429,979
7 Expense	\$90,373	\$104,809	\$94,583	\$109,441	\$105,383	\$104,117	\$110,854	\$112,454	\$110,070	\$109,554	\$124,190	\$125,523	\$1,302,300
8 (Over)/Under Collection	(\$4,963)	\$9,490	(\$740)	(\$5,016)	(\$8,090)	(\$10,590)	(\$19,812)	(\$18,431)	(\$21,382)	(\$26,239)	(\$11,610)	(\$10,296)	(\$127,679)
9 Interest	(\$596)	\$1,091	(\$81)	(\$527)	(\$809)	(\$1,006)	(\$1,783)	(\$1,567)	(\$1,711)	(\$1,968)	(\$813)	(\$669)	(\$10,437)
10 Total (Over)/Under Collection	(\$5,559)	\$10,582	(\$821)	(\$5,542)	(\$8,899)	(\$11,596)	(\$21,596)	(\$19,998)	(\$23,092)	(\$28,207)	(\$12,423)	(\$10,965)	(\$138,116)

**Exhibit 1**  
**Duquesne Light Company**  
**Rider 20 - Smart Meter Charge**  
**Annual Reconciliation - July 1, 2017 through June 30, 2018**

**Summary of Surcharge Revenue**

	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Total</u>
<b>A. Net Surcharge Revenue by Meter Type, Incl. GRT</b>													
1 Single Phase	\$3,076,748	\$2,960,915	\$2,190,811	\$2,670,747	\$3,075,409	\$3,065,973	\$1,833,739	\$2,512,306	\$2,574,644	\$2,330,390	\$2,800,915	\$2,328,786	\$31,421,385
2 Poly-Phase	\$110,218	\$110,198	\$110,703	\$130,563	\$130,581	\$130,848	\$130,626	\$130,845	\$131,361	\$136,034	\$136,040	\$136,059	\$1,523,574
3 Total	\$3,186,966	\$3,071,113	\$2,301,514	\$2,801,310	\$3,205,990	\$3,196,821	\$1,964,366	\$2,643,151	\$2,706,005	\$2,466,424	\$2,936,955	\$2,464,845	\$32,944,960
<b>B. Net Surcharge Revenue by Meter Type, Excl. GRT</b>													
4 Single Phase	\$2,895,220	\$2,786,221	\$2,061,553	\$2,513,173	\$2,893,960	\$2,885,081	\$1,725,549	\$2,364,080	\$2,422,740	\$2,192,897	\$2,635,661	\$2,191,388	\$29,567,524
5 Poly-Phase	\$103,715	\$103,696	\$103,701	\$122,860	\$122,877	\$123,128	\$122,919	\$123,125	\$123,611	\$128,008	\$128,014	\$128,032	\$1,433,684
6 Total	\$2,998,935	\$2,889,917	\$2,165,254	\$2,636,033	\$3,016,836	\$3,008,209	\$1,848,468	\$2,487,205	\$2,546,351	\$2,320,905	\$2,763,675	\$2,319,419	\$31,001,207

Exhibit 1

Duquesne Light Company  
Rider 20 - Smart Meter Charge  
Annual Reconciliation - July 1, 2017 through June 30, 2018

Summary of Surcharge Related Expense

	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Total</u>
<b>A. Expense - Single Phase Meters</b>													
1 O&M Expense	\$384,405	\$771,923	\$506,585	\$634,509	\$554,434	\$494,484	\$566,625	\$608,996	\$541,461	\$282,991	\$668,964	\$705,313	\$6,720,689
2 Capitalized Component	\$1,755,659	\$1,755,832	\$1,755,941	\$1,778,034	\$1,778,056	\$1,778,059	\$1,708,205	\$1,708,201	\$1,708,139	\$1,745,759	\$1,745,707	\$1,745,728	\$20,963,321
3 Total	\$2,140,063	\$2,527,754	\$2,262,526	\$2,412,543	\$2,332,490	\$2,272,543	\$2,274,831	\$2,317,198	\$2,249,599	\$2,028,750	\$2,414,671	\$2,451,041	\$27,684,010
<b>B. Expense - Poly Phase Meters</b>													
4 O&M Expense	\$14,640	\$29,249	\$19,133	\$23,952	\$20,916	\$18,653	\$21,294	\$22,889	\$20,393	\$10,661	\$25,245	\$26,599	\$253,625
5 Capitalized Component	\$75,737	\$75,559	\$75,450	\$85,489	\$85,467	\$85,464	\$89,560	\$89,564	\$89,627	\$98,893	\$98,944	\$98,924	\$1,048,675
6 Total	\$90,377	\$104,809	\$94,583	\$109,441	\$106,383	\$104,117	\$110,854	\$112,454	\$110,020	\$109,554	\$124,190	\$125,523	\$1,302,300
<b>C. Expense - Total</b>													
7 O&M Expense	\$399,045	\$801,172	\$525,718	\$658,461	\$575,349	\$513,137	\$587,919	\$631,886	\$561,853	\$293,652	\$694,209	\$731,912	\$6,974,314
8 Capitalized Component	\$1,831,391	\$1,831,391	\$1,831,391	\$1,863,523	\$1,863,523	\$1,863,523	\$1,797,766	\$1,797,766	\$1,797,766	\$1,844,652	\$1,844,652	\$1,844,652	\$22,011,996
9 Total	\$2,230,436	\$2,632,563	\$2,357,109	\$2,521,984	\$2,438,873	\$2,376,660	\$2,385,685	\$2,429,651	\$2,359,619	\$2,138,304	\$2,538,861	\$2,576,564	\$28,986,310

**Exhibit 1**  
**Duquesne Light Company**  
**Rider 20 - Smart Meter Charge**  
**Annual Reconciliation - July 1, 2017 through June 30, 2018**

**Calculation of E-Factor Revenue**

	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Total</u>
<b>A. E-Factor Billing Units, Meter Count</b>													
1 Single Phase Meters	564,127	566,910	568,776	570,736	571,197	572,410	572,640	573,519	574,600	574,064	573,111	573,580	
2 Poly Phase Meters	21,485	21,481	21,482	21,545	21,548	21,592	21,520	21,556	21,641	21,627	21,628	21,631	
3 Total Meters	585,612	588,391	590,258	592,281	592,745	594,002	594,160	595,075	596,241	595,691	594,739	595,211	
<b>B. E-Factor Rate - Single</b>													
E-Factor Rate - Single	\$0.45	\$0.45	\$0.45	\$0.45	\$0.45	\$0.45	(\$0.21)	(\$0.21)	(\$0.21)	(\$0.21)	(\$0.21)	(\$0.21)	(\$0.21)
E-Factor Rate - Poly	\$0.39	\$0.39	\$0.39	\$0.39	\$0.39	\$0.39	(\$0.36)	(\$0.36)	(\$0.36)	(\$0.36)	(\$0.36)	(\$0.36)	(\$0.36)
Excl. GRT (1)													
<b>C. E-Factor Revenue, Excl. GRT</b>													
5 Single Phase Meters	\$253,857	\$255,110	\$255,949	\$256,831	\$257,039	\$257,585	(\$120,254)	(\$120,439)	(\$120,666)	(\$120,553)	(\$120,353)	(\$120,452)	\$813,652
6 Poly Phase Meters	\$8,379	\$8,378	\$8,378	\$8,403	\$8,404	\$8,421	(\$7,747)	(\$7,760)	(\$7,791)	(\$7,786)	(\$7,786)	(\$7,787)	\$3,705
7 Total Meters	\$262,236	\$263,487	\$264,327	\$265,234	\$265,442	\$266,005	(\$128,002)	(\$128,199)	(\$128,457)	(\$128,339)	(\$128,139)	(\$128,239)	\$817,357
<b>D. E-Factor Revenue, Incl. GRT</b>													
8 Single Phase Meters	\$269,774	\$271,105	\$271,997	\$272,934	\$273,155	\$273,735	(\$127,794)	(\$127,990)	(\$128,232)	(\$128,112)	(\$127,899)	(\$128,004)	\$864,668
9 Poly Phase Meters	\$8,905	\$8,903	\$8,903	\$8,929	\$8,931	\$8,949	(\$8,233)	(\$8,247)	(\$8,279)	(\$8,274)	(\$8,274)	(\$8,275)	\$3,937
10 Total Meters	\$278,678	\$280,008	\$280,900	\$281,864	\$282,085	\$282,684	(\$136,027)	(\$136,237)	(\$136,511)	(\$136,386)	(\$136,174)	(\$136,279)	\$868,605

1/ E-Factor rate changes January 1 each year.

Exhibit 1

Duquesne Light Company  
Rider 20 - Smart Meter Charge  
Annual Reconciliation - July 1, 2017 through June 30, 2018

Calculation of Interest

	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Total
<b>Single Phase Meter</b>													
1 Net Smart Meter Charge Related Revenue Excl GRt	\$2,641,363	\$2,531,112	\$1,805,604	\$2,256,342	\$2,636,921	\$2,627,497	\$1,845,803	\$2,484,519	\$2,543,406	\$2,313,451	\$2,756,015	\$2,311,840	\$28,753,871
2 Expense	\$2,140,063	\$2,527,754	\$2,262,526	\$2,412,543	\$2,332,490	\$2,272,543	\$2,274,831	\$2,317,198	\$2,249,599	\$2,028,750	\$2,414,671	\$2,451,041	\$27,684,010
3 (Over)/Under Collection	(\$501,300)	(\$3,357)	\$456,922	\$156,201	(\$304,431)	(\$354,953)	\$429,028	(\$167,321)	(\$293,807)	(\$284,701)	(\$341,343)	\$139,201	(\$1,069,861)
4 Interest Rate	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
5 Interest Weight	24/12	23/12	22/12	21/12	20/12	19/12	18 / 12	17 / 12	16 / 12	15 / 12	14 / 12	13 / 12	
6 Interest	(\$60,156)	(\$386)	\$50,261	\$16,401	(\$30,443)	(\$33,721)	\$38,612	(\$14,222)	(\$23,505)	(\$21,353)	(\$23,894)	\$9,048	(\$93,356)
7 Total (Over)/Under Collection	(\$561,456)	(\$3,743)	\$507,183	\$172,602	(\$334,874)	(\$388,674)	\$467,640	(\$181,544)	(\$317,312)	(\$306,053)	(\$365,237)	\$148,249	(\$1,163,217)
<b>Poly Phase Meter</b>													
8 Net Smart Meter Charge Related Revenue Excl GRt	\$95,336	\$95,318	\$95,323	\$114,457	\$114,473	\$114,709	\$130,667	\$130,885	\$131,401	\$135,794	\$135,800	\$135,819	\$1,429,979
9 Expense	\$90,373	\$104,809	\$94,583	\$109,441	\$106,383	\$104,117	\$110,854	\$112,454	\$110,020	\$109,554	\$124,190	\$125,523	\$1,302,300
10 (Over)/Under Collection	(\$4,963)	\$9,490	(\$740)	(\$5,016)	(\$8,090)	(\$10,590)	(\$19,812)	(\$18,431)	(\$21,382)	(\$26,239)	(\$11,610)	(\$10,296)	(\$127,679)
11 Interest Rate	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
12 Interest Weight	24/12	23/12	22/12	21/12	20/12	19/12	18 / 12	17 / 12	16 / 12	15 / 12	14 / 12	13 / 12	
13 Interest	(\$596)	\$1,091	(\$81)	(\$527)	(\$809)	(\$1,006)	(\$1,783)	(\$1,567)	(\$1,711)	(\$1,968)	(\$813)	(\$669)	(\$10,437)
14 Total (Over)/Under Collection	(\$5,559)	\$10,582	(\$821)	(\$5,542)	(\$8,899)	(\$11,596)	(\$21,596)	(\$19,998)	(\$23,092)	(\$28,207)	(\$12,423)	(\$10,965)	(\$138,116)

(1) Interest calculated at the legal rate of interest at 6%. June 30, 2019 is the mid point of the period January 1, 2019 to December 31, 2019 during which the over collection will be refunded.

**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).

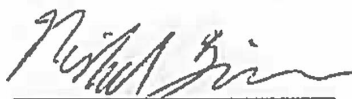
**FIRST CLASS MAIL**

Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
400 North Street, 2<sup>nd</sup> Floor West  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101

Pennsylvania Public Utility Commission  
UPARC  
Bureau of Audits  
3070 William Pitt Way  
Pittsburgh, PA 15238

Office of Small Business Advocate  
Suite 1102, Commerce Building  
200 North Street  
Harrisburg, PA 17101-1923



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412-393-6268  
[mzimmerman@duqlight.com](mailto:mzimmerman@duqlight.com)

**Date: July 31, 2018**

**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).

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Date: August 1, 2018