Duquesne Light Company

Docket No. R-2021-3024750

DLC Exhibit 1

Part 1 – General Information

Part II – Primary Statements of Rate Base & Operating Income

BOOK 1

Duquesne Light Company
Distribution Rate Case
Docket No. R-2021-3024750

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52 Pa. Code § 53.52(a)(1)

Q. The specific reasons for each change.

A. Please refer to Schedule A of DLC Exhibit 2 (Fully Projected Test Year)

52 Pa. Code § 53.52(a)(2)

Q. The total number of customers served by the utility.

A. Currently there are approximately 600,000 customers served by Duquesne.

52 Pa. Code § 53.52(a)(3)

Q. A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.

A. See Duquesne's Exhibit 2 (Fully Projected Future Test Year), Schedule D-5 D and DFR IV-A.

52 Pa. Code § 53.52(a)(4)

Q. The effect of the change on the utility's customers.

A. See Duquesne's Exhibit 2 (Fully Projected Future Test Year), Schedule D-5 D and DFR IV-A.

52 Pa. Code § 53.52(a)(5)

Q. The direct or indirect effect of the proposed change on the utility's revenue and expenses.

A. See Duquesne's Exhibit 2 (Fully Projected Future Test Year), Schedule D.

52 Pa. Code § 53.52(a)(6)

Q. The effect of the change on the service rendered by the utility

A. The Company is not proposing any changes to the service rendered by the utility.

52 Pa. Code § 53.52(a)(7)

Q. A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement about why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of a change seeking a general rate increase as defined in 66 Pa. C. S. & 1308 (relating to voluntary changes in rates).

A. Not applicable.

52 Pa. Code § 53.52(a)(8)

Q. Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa. C. S. & 1308.

A. Not applicable.

52 Pa. Code § 53.52(a)(9)

Q. Customer polls taken and other documents which indicate customer acceptance and desire for the proposed change. If the poll or other documents reveal discernible public opposition, an explanation of why the change is in the public interest shall be provided.

A. Please refer to DLC Exhibit 5, Statement No. 9, Direct Testimony of Jennifer Neiswonger.

52 Pa. Code § 53.52(a)(10)

Q. Plans the utility has for introducing or implementing the changes with respect to its ratepayers.

A. The Company proposes to publish in newspapers in general circulation in its service territory the notice of the rate filing. Additional publications may be made based on Commission order. Bill inserts describing changes proposed and ultimately approved will be provided to customers. Additionally, news releases, and other media outlets will be utilized to communicate with customers. Additionally, after the Commission acts on this filing, the Company will notify all customers in accordance with Commission requirements. The Company also plans to inform customers about approved rate changes in customer newsletters.

52 Pa. Code § 53.52(a)(11)

Q. FCC. FERC or Commission orders or rulings applicable to the filing.

A. None.

52 Pa. Code § 53.52(b)(1)

Q. The specific reasons for each Increase or decrease.

A. See Duquesne's Statement of Reasons in DLC Exhibit 2 (Fully Projected Future Test Year), Schedule A.

52 Pa. Code § 53.52(b)2

Q. The operating income statement of the utility for a 12-month period, the end of which may not be more than 120 days prior to the filing.

A. See Duquesne's DLC Exhibit 4 (Historic Test Year), Schedule B.

52 Pa. Code § 53.52(b)3

Q. A calculation of the number of customers, by tariff subdivision, whose bills will be increased.

A. See Duquesne's DLC Exhibit 2 (Fully Projected Future Test Year), Schedule D-5 D and DFR IV-A.

52 Pa. Code § 53.52(b)4

Q. A calculation of the total increases, in dollars, by tariff subdivision, projected to an annual basis.

A. See Duquesne's DLC Exhibit 2 (Fully Projected Future Test Year), Schedule D and DFR IV-A.

52 Pa. Code § 53.52(b)5

Q. A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.

A. See Duquesne's DLC Exhibit 2 (Fully Projected Future Test Year), Schedule D-5 D and DFR IV-A.

52 Pa. Code § 53.52(b)6

Q. A calculation of the total decreases, in dollars, by tariff subdivision, projected to an annual basis.

A. See Duquesne's DLC Exhibit 2 (Fully Projected Future Test Year), Schedule D-5 D and DFR IV-A.

52 Pa. Code § 53.52(c)1

Q. A statement showing the utility's calculation of the rate of return earned in the 12-month period referred to on subsection (b)(2), and the anticipated rate of return to be earned when the tariff, revision, or supplemental becomes effective. The rate base used in this calculation shall be supported by summaries of original cost for the rate of return calculation.

A. See Schedule C-1 of DLC Exhibit 2 (Fully Projected Future Test Year), DLC Exhibit 3 (Future Test Year) and DLC Exhibit 4 (Historic Test Year).

52 Pa. Code § 53.52(c)2

Q. A detailed balance sheet of the utility as of the close of the period referred to in subsection (b)(2).

A. See Schedule B-1 of Duquesne's DLC Exhibit 2 (Fully Projected Future Test Year), DLC Exhibit 3 (Future Test Year) and DLC Exhibit 4 (Historic Test Year).

52 Pa. Code § 53.52(c)3

Q. A summary, by detailed plant accounts, of the book value of the property of the utility at the date of the balance sheet required by paragraph (2).

A. See Schedule C-2 of Duquesne's DLC Exhibit 2 (Fully Projected Future Test Year), DLC Exhibit 3 (Future Test Year) and DLC Exhibit 4 (Historic Test Year) – DFR V-A-3.

52 Pa. Code § 53.52(c)4

Q. A statement showing the amount of the depreciation reserve, at the date of the balance sheet required by paragraph (2), applicable to the property, summarized as required by paragraph (3).

A. See Schedule C-2 of Duquesne's DLC Exhibit 2 (Fully Projected Future Test Year), DLC Exhibit 3 (Future Test Year) and DLC Exhibit 4 (Historic Test Year) – DFR V-A-3.

52 Pa. Code § 53.52(c) 5

Q. A statement of operating income, setting forth the operating revenues and expenses by detailed accounts for the 12-month period ending on the balance sheet required by paragraph (2).

A. See Schedule B of Duquesne's DLC Exhibit 2 (Fully Projected Future Test Year), DLC Exhibit 3 (Future Test Year) and DLC Exhibit 4 (Historic Test Year).

52 Pa. Code § 53.52(c) 6

Q. A brief description of a major change in the operating or financial condition of the utility occurring between the date of the balance sheet required by paragraph (2) and the date of transmittal of the tariff, revision or supplement. As used in this paragraph, a major change is one which materially alters the operating or financial condition of the utility from that reflected in paragraphs (1) - (5).

A. There have been no major changes in the operating and financial conditions of Duquesne between the date of the balance sheet and the date of this filing.

Q.1. Provide a summary discussion of the rate change request, including specific reasons for each increase or decrease. Also provide a breakdown, which identifies the revenue requirement value of the major items generating the requested rate change.

A.1. See Schedule A of DLC Exhibit 1, Part 1.

Sponsor: C. James Davis

Q.2. Identify the proposed witnesses for all statements and schedules of revenues, expenses, taxes, property, valuation and the like.

A.2. Please refer to DLC Exhibit 5, Statement 1 – Direct Testimony of C. James Davis

Q.3. Provide a single page summary table showing, at present and at proposed rates, together with references to the filing information, the following as claimed for the fully adjusted test year:

Revenues
Operating Expenses
Operating Income
Rate Base
Rate of Return (produced)

A.3. Attachment I-A-3 provides the requested information.

Total PA Jurisdiction
Year Ending December 31, 2022
(Thousands of Dollars)

	AT PRESENT RATES		AT PROPOSED RATES	
	Amount	DLC Exhibit 2 (Fully Projected Future) Reference	Amount	DLC Exhibit 2 (Fully Projected Future) Reference
Revenue	$ 568,382	Sch. D-1, Col. (1), line 5	$ 654,141	Sch. D-1, Col. (3), line 5
Operating Expenses	427,697	Sch. D-1, Col. (1), line 9	433,931	Sch. D-1, Col. (3), line 9
Operating Income	$ 140,685	Sch. D-1, Col. (1), line 10	$ 220,210	Sch. D-1, Col. (3), line 10
Rate Base	$ 2,276,464	Sch. C-1, Col. (2), line 1	$ 2,276,464	Sch. C-1, Col. (2), line 1
Rate of Return	5.356%	Sch. C-1, Col. (2), line 3	7.840%	Sch. C-1, Col. (2), line 5

Q.4. Whenever a major generating plant is placed in operating service or removed from operating service the utility shall separately indicate the effect of the plant addition or removal from service upon rate base, revenue, expense, tax, income and revenue requirement as it affects the test year.

A.4. This filing requirement is not applicable to Duquesne Light Company's current rate filing.

Sponsor: Jaime A. Bachota

Q.1. Provide a corporate history including the dates of original incorporation, subsequent mergers and acquisitions. Indicate all counties, cities and other governmental subdivisions to which service is provided, including service areas outside this Commonwealth, and the total number of customers or billed units in the areas served.

A.1.

Duquesne Light Company
Incorporation History and Conversion to a Limited Liability Company

The present Duquesne Light Company was formed on November 15, 1912 by the consolidation and merger of Duquesne Light Company, Oakmont and Verona Light, Heat and Power Company and Monongahela Light Company under Section 1 of the Act of May 3, 1909, P.L. 408. By the terms of this Act all of the rights, powers, franchises and property of the constituent companies became vested in the present Duquesne Light Company. Comm. vs. Citizens Light, Heat and Power Company of Penna., 41 C.C. 222.

Of the constituent companies, Duquesne Light Company was incorporated on August 5, 1903 under the Act of April 29, 1874, P.L. 73, and its supplement, the Act of May 8, 1889, P.L. 136, for the purpose of supplying light, heat and power by means of electricity to the City of Pittsburgh (Allegheny County), and by the terms of its charter was to have perpetual existence.

Oakmont and Verona Light, Heat and Power Company was incorporated on June 18, 1890, under the Act of April 29, 1874, and its supplement, the Act of May 8, 1889, for the purpose of supplying light, heat and power by means of electricity to the Borough of Oakmont (Allegheny County), and by the terms of its charter was to have existence for 999 years.

Monongahela Light Company was incorporated on April 4, 1902, under the Act of April 29, 1874, and its supplement, the Act of May 8, 1889, for the purpose of supplying light, heat and power by means of electricity within the districts lying east and west of the Monongahela and Youghiogheny Rivers in the County of Allegheny, Pennsylvania between a point on the said Monongahela River where the boundary line of the City of Pittsburgh intersects said river to a point where the boundary line of the County of Westmoreland intersects said river, and from the mouth of the Youghiogheny River to a point where the boundary line of said County of Westmoreland intersects the said Youghiogheny River, and more particularly bounded and described as follows, on the east by the Townships of Rostraver, Sewickley, North Huntingdon, Penn, Franklin and Burrell in the County of Westmoreland, on the north by the Allegheny River, on the west by the City of Pittsburgh and the Townships of Snowden and Baldwin in Allegheny County, and on the south by the Townships of Union and Carroll, in Washington County, Pennsylvania, and by the terms of its charter was to have perpetual existence.

Duquesne Light Company restated its Articles of Amendment last on June 30, 1999. The stated purposes for which the Company is incorporated under the Business Corporation Law of the Commonwealth of Pennsylvania are to engage in, and do any lawful act concerning, any of all lawful business for which corporations may be incorporated under said Business Corporation Law, including but not limited to:

A. The supply of light, heat and power to the public by any means;

B. The production, generation, manufacture, transmission, transportation, storage, distribution or furnishing of electricity, natural or artificial gas, steam or air conditioning, or any combination thereof to or for the public; and

C. Manufacturing, processing, owning, using and dealing in personal property of every class and description, engaging in research and development, the furnishing of services, and acquiring, owning, using and disposing of real property of every nature whatsoever.

In April 2017, Duquesne Light Company submitted an "Application of Duquesne Light Company for Approval to Convert from a Business Corporation to a Limited Liability Company", (Docket No. A-2017-2599375) to the Pennsylvania Public Utility Commission (PUC). The PUC approved this application in an Order dated August 31, 2017 and effective November 2017, Duquesne Light Company completed its conversion to a Limited Liability Company.

Duquesne Light Holdings, Inc. is the sole holder of Duquesne Light Company common stock (10 shares @$1 par value). Duquesne Light's subsidiaries are:

Duquesne Light Company and its Subsidiaries
Entity Type: Corporation
Registrations

Pennsylvania	Incorporation	11/25/1912

Duquesne Power Two, LLC* **100**%
Entity Type: Limited Liability Company
Registrations

Delaware	Incorporation	10/21/2003
Pennsylvania	Qualification	05/17/2004

Monongahela Light and Power Company (through October 2017) 100%**
Entity Type: Corporation
Registrations

Pennsylvania	Incorporation	04/28/1899

*Formerly Duquesne Power, Inc., a Delaware corporation, converted 12/08/2005.
**Pursuant to the PUC Order approving its Application of Duquesne Light Company for Approval to Convert from a Business Corporation to a Limited Liability Company, (Docket No. A-2017-2599375) in

November 2017, Duquesne Light Company transferred Monongahela Light and Power Company and its subsidiary, DataCom Information Systems, LLC to Duquesne Light Holdings, Inc. (parent).

The counties, cities and other government subdivisions, for which service is provided, please see the below. Total number of customer accounts is approximately 595,000.

LIST OF COMMUNITIES SERVED

The Company renders service in portions of Allegheny and Beaver Counties, Pennsylvania. Electric service is available in all localities where the Company has distribution facilities, including all or a portion of the following cities, boroughs and townships.

ALLEGHENY COUNTY

Cities and Boroughs

Aspinwall	Dormont	Jefferson	Rosslyn Farms
Avalon	Dravosburg	Leetsdale	Sewickley
Baldwin	Duquesne	Liberty	Sewickley Heights
Bell Acres	East McKeesport	Lincoln	Sewickley Hills
Bellevue	East Pittsburgh	McKeesport	Sharpsburg
Ben Avon	Edgewood	McKees Rocks	Swissvale
Ben Avon Heights	Edgeworth	Millvale	Thornburg
Bethel Park	Emsworth	Monroeville	Trafford
Blawnox	Etna	Mt. Oliver	Turtle Creek
Braddock	Forest Hills	Munhall	Verona
Braddock Hills	Fox Chapel	North Braddock	Versailles
Brentwood	Franklin Park	Oakmont	Wall
Carnegie	Glassport	Osborne	West Homestead
Castle Shannon	Glenfield	Pennsbury Village	West Mifflin
Chalfant	Green Tree	Pittsburgh	West View
Churchill	Haysville	Pleasant Hills	Whitaker
Clairton	Heidleberg	Plum	Whitehall
Coraopolis	Homestead	Port Vue	White Oak
Crafton	Ingram	Rankin	Wilkinsburg
			Wilmerding

Townships

Aleppo	Kilbuck	Ohio	Shaler
Baldwin	Leet	Penn Hills	Stowe
Collier	McCandless	Pine	Upper St. Clair
Crescent	Moon	Reserve	West Deer
Findlay	Mt. Lebanon	Richland	Wilkins
Hampton	Neville	Robinson	
Indiana	North Versailles	Ross	
Kennedy	O'Hara	Scott	

Sponsor: Jaime A. Bachota

LIST OF COMMUNITIES SERVED - (Continued)

BEAVER COUNTY

Cities and Boroughs

Aliquippa	East Rochester	Glasgow	Patterson Heights
Ambridge	Eastvale	Hookstown	Rochester
Baden	Economy	Industry	Shippingport
Beaver	Fallston	Midland	South Heights
Beaver Falls	Frankfort Springs	Monaca	West Mayfield
Bridgewater	Freedom	New Brighton	
Conway	Georgetown	Ohioville	

Townships

Brighton	Hanover	New Sewickley	Raccoon
Center	Harmony	Patterson	Rochester
Daugherty	Hopewell	Potter	Vanport
Greene	Independence	Pulaski	White

Q.2. Provide a description of the property of the utility and an explanation of the system's operation, and supply the following, using available projections if actual data is unavailable:

a. A schedule of generating capability showing for the test year, and for the two consecutive 12-month periods prior to the test year, net dependable capacity in KW by unit, plant capacity factor by unit, and total fuel consumption by type and cost for each unit, if available, or for each station, and operation and maintenance expenses by station.

b. A schedule showing for the test year and for the 12-month period immediately prior to the test year the scheduled and unscheduled outages—in excess of 48 hours—for each station, the equipment or unit involved, the date the outage occurred, duration of the outage, maintenance expenses incurred for each outage, if available, and amounts reimbursable from suppliers or insurance companies.

c. A schedule for each unit retired during the test year or subsequent to the end of the test year, which shows the unit's KW capacity, hours of operation during the test year, net output generated, cents/KWH of maintenance and fuel expenses, and date of retirement.

d. A schedule showing latest projections of capacity additions and retirements—costs and KW—and reserve capacity at the time of peak for at least 10 years beyond the test year, including the in-service dates—actual or expected—and AFDC cutoff dates—if different from in-service dates—for all new generating units coming on line during or subsequent to the test year, if claimed.

A.2. This filing requirement is not applicable to Duquesne Light Company's current rate filing.

Q.3. Provide an overall system map, including and labeling all generating plants, transmission substations—indicate voltage, transmission system lines—indicate voltage, and all interconnection points with other electric utilities, power pools, and other like systems.

A. Attachment DFR I-B-3 is considered Highly Confidential since it contains Critical Energy Infrastructure Information and is being provided to the Commission and will be provided to parties upon the execution of a Stipulated Protective Agreement and/or Protective Order.

Sponsor: Jaime A. Bachota

Q.1. Provide a schedule showing the test year rate base and rates of return at original cost less accrued depreciation under present rates and under proposed rates. Claims made on this schedule should be cross-referenced to appropriate supporting schedules.

A.1. Schedules C-1 and D-1 of DLC Exhibit 2 (Fully Projected Future Test Year) provide the requested information.

Sponsor: Jaime A. Bachota

Q.2. If the schedule provided in response to item 1, is based upon a future test year, provide a similar schedule which is based upon actual data for the 12-month period immediately prior to the test year.

A.2. Please refer to Schedules C-1 and D-1 for DLC Exhibit 3 (Future Test Year) and DLC Exhibit 4 (Historic Test Year).

Q.3. When a utility files a tariff stating a new rate based in whole or in part on the cost of construction, as defined in 66 Pa.C.S. § 1308(f) (relating to voluntary changes in rates), of an electric generating unit, the utility shall identify:

a) The total cost of the generating unit.

b) The following costs:

1) The cost and quantity of each category of major equipment, such as switchgear, pumps or diesel generators and the like.

2) The cost and quantity of each category of bulk materials, such as concrete, cable and structural steel and the like.

3) Manual labor.

4) Direct and indirect costs of architect/engineering services.

5) Direct and indirect costs of subcontracts or other contracts involving major components or systems such as turbines, generators, nuclear steam supply systems, major structures and the like.

6) Distributed costs.

c) A cost increase of $5 million or more, including AFUDC, over the original utility estimates provided under 66 Pa.C.S. § 515(a) (relating to construction cost of electric generating units) and its causes.

d) Compliance with subsections (a) and (b) will be identical in format and substance as that provided under 52 Pa. Code § 57.103 (relating to estimate of construction costs) for original cost estimates submitted under 66 Pa.C.S. § 515(a).

A.3. This filing requirement is not applicable to Duquesne Light Company's current rate filing.

Q.1. If a claim is made for plant held for future use, supply the following:

a. A description of the plant or land site and its cost and any accumulated depreciation.

b. The expected date of use for each item claimed.

c. An explanation as to why it is necessary to acquire each item in advance of its date of use.

d. The data when each item was acquired.

e. The date when each item was placed in plant held for future use.

A.1. Duquesne Light Company is not making a claim in measures of value in the fully projected future test year for plant held for future use. The Company is requesting authorization to record AFUDC on land acquired to provide future service in this proceeding. Please refer to the testimony of Jaime A. Bachota in DLC Exhibit 5, Statement No. 2.

Q.2. If a claim is made for construction work in progress, provide a supporting schedule which sets forth separately, revenue-producing and nonrevenue producing amounts, and include, for each category a summary of all work orders, amounts expended at the end of the test year and anticipated in-service dates. Indicate if the construction work in progress will result in insurance recoveries, reimbursements, or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion dates and estimated total amounts to be spent on each project.

A.2. Duquesne Light Company is not making a claim in the fully projected future test year for construction work in process.

Sponsor: Jaime A. Bachota

Q.3. If a claim is made for materials and supplies or fuel inventory provide a supporting schedule for each claim showing the latest actual 13 monthly balances and showing in the case of fuel inventory claims, the type of fuel, and location, as in station, and the quantity and price claimed.

A.3. The requested information for materials and supplies is provided in Attachment II-B-3. The claim for materials and supplies is based upon the actual 13 monthly balances in the Historic Test Year. There is no claim being made for fuel inventory.

DUQUESNE LIGHT COMPANY
Monthly Average of Plant Materials and Operating Supplies
As of December 31, 2022
(Thousands of Dollars)

Line No.	Description	Amount
1	Plant Materials and Operating Supplies (B-3, page 2)	$ 25,432
2	Stores expense undistributed (B-3, page 3)	-
3	Total materials and operating supplies	$ 25,432

DUQUESNE LIGHT COMPANY
Plant Materials and Operating Supplies
As of December 31, 2022
(Thousands of Dollars)

Line No.	Month	Amount
1	December 2021	$ 25,811
2	January 2022	25,747
3	February	25,686
4	March	25,622
5	April	25,559
6	May	25,495
7	June	25,432
8	July	25,369
9	August	25,305
10	September	25,242
11	October	25,178
12	November	25,115
13	December	25,050
14	Total Plant Materials and Operating Supplies	$ 330,611
15	Monthly Average	$ 25,432

DUQUESNE LIGHT COMPANY
Stores Expenses Undistributed
As of December 31, 2022
(Thousands of Dollars)

Line No.	Month	Amount
1	December 2021	$ -
2	January 2022	-
3	February	-
4	March	-
5	April	-
6	May	-
7	June	-
8	July	-
9	August	-
10	September	-
11	October	-
12	November	-
13	December	-
14	Total Plant Materials and Operating Supplies	$ -
15	Monthly Average	$ -

DUQUESNE LIGHT COMPANY
Monthly Average of Plant Materials and Operating Supplies
As of December 31, 2021
(Thousands of Dollars)

Line No.	Description	Amount
1	Plant Materials and Operating Supplies (B-3, page 5)	$ 28,010
2	Stores expense undistributed (B-3, page 6)	0
3	Total materials and operating supplies	$ 28,010

DUQUESNE LIGHT COMPANY
Plant Materials and Operating Supplies
As of December 31, 2021
(Thousands of Dollars)

Line No.	Month	Amount
1	December 2020	$ 34,246
2	January 2021	33,451
3	February	33,242
4	March	26,827
5	April	26,714
6	May	26,601
7	June	26,488
8	July	26,375
9	August	26,262
10	September	26,149
11	October	26,037
12	November	25,924
13	December	25,811
14	Total Plant Materials and Operating Supplies	$ 364,129
15	Monthly Average	$ 28,010

DUQUESNE LIGHT COMPANY
Stores Expenses Undistributed
As of December 31, 2021
(Thousands of Dollars)

Line No.	Month	Amount
1	December 2020	$ -
2	January 2021	2
3	February	-
4	March	-
5	April	-
6	May	-
7	June	-
8	July	-
9	August	-
10	September	-
11	October	-
12	November	-
13	December	-
14	Total Plant Materials and Operating Supplies	$ 2
15	Monthly Average	$ 0

DUQUESNE LIGHT COMPANY
Monthly Average of Plant Materials and Operating Supplies
As of December 31, 2020
(Thousands of Dollars)

Line No.	Description	Amount
1	Plant Materials and Operating Supplies (B-3, page 8)	$ 33,415
2	Stores expense undistributed (B-3, page 9)	0
3	Total materials and operating supplies	$ 33,415

DUQUESNE LIGHT COMPANY
Plant Materials and Operating Supplies
As of December 31, 2020
(Thousands of Dollars)

Line No.	Month		Amount
1	December 2019	$	31,879
2	January 2020		31,882
3	February		31,648
4	March		32,053
5	April		32,921
6	May		33,309
7	June		33,498
8	July		34,222
9	August		34,488
10	September		34,419
11	October		34,586
12	November		35,238
13	December		34,246
14	Total Plant Materials and Operating Supplies	$	434,390
15	Monthly Average	$	33,415

DUQUESNE LIGHT COMPANY
Stores Expenses Undistributed
As of December 31, 2020
(Thousands of Dollars)

Line No.	Month	Amount
1	December 2019	0
2	January 2020	0
3	February	4
4	March	-
5	April	-
6	May	2
7	June	-
8	July	-
9	August	-
10	September	-
11	October	-
12	November	-
13	December	-
14	Total Plant Materials and Operating Supplies	$ 6
15	Monthly Average	$ 0

Sponsor: James Milligan

Q.4. If a claim is made for cash working capital provide a supporting schedule setting forth the method and all detailed data utilized to determine the cash working capital requirement. If not provided in the support data, provide a lead-lag study of working capital, completed no more than 6 months prior to the rate increase filing.

A.4. Schedule C-4 of Exhibits 2 (Fully Projected Future Test Year), 3 (Future Test Year) and 4 (Historic Test Year) and the testimony of Robert O'Brien in DLC Statement Number 10 sets forth the method and detailed data utilized to determine the Company's claimed cash working capital requirements.

Sponsor: James Milligan

Q.5. If a claim is made for compensating bank balances, provide the following information:

a. Name and address of each bank
b. Types of accounts with each bank - checking, savings, escrow, other services, and the like.
c. Average daily balance in each account.
d. Amount and percentage requirements for compensating bank balance at each bank.
e. Average daily compensating bank balance at each bank.
f. Documents from each bank explaining compensating bank balance requirements.
g. Interest earned on each type of account.
h. A calculation showing the average daily float for each bank.

A.5. There are no claims for compensating bank balances.

Q.6. Explain in detail by statement or exhibit the appropriateness of additional claims or the use of a method not previously mentioned, in the claimed rate base.

A.6. An explanation of Duquesne Light Company's claim for any additional rate base items is set forth in Section C of DLC Exhibit 2 (Fully Projected Future Test Year).

Sponsor: Jaime A. Bachota

Q.1. Prepare a Statement of Income including:

a. The book, or budgeted, statement for the test year.

b. Adjustments to annualize and normalize under present rates, including an elimination of the effects on income of the energy cost rate and state tax adjustment surcharge.

c. The income statement under present rates after adjustment.

d. The adjustment for the revenue requested.

e. The income statement under requested rates after adjustment.

Each adjustment, including those relating to adjustment clauses, shall contain an explanation in sufficient clarifying detail to allow a reasonably informed person to understand the method and rationale of the adjustment.

A.1. The information requested in items a. through e. is set forth in Section D of DLC Exhibit 2 (Fully Projected Future Test Year).

Sponsor: Jaime A. Bachota

Q.2 If the schedule provided in item 1 is based upon budgeted data for a future test year, provide a similar schedule which is based upon actual data for the 12-month period immediately prior to the test year.

A.2. Please refer to Section D of DLC Exhibit 2 (Fully Projected Future Test Year) and DLC Exhibit 4 (Historic Test Year).

Sponsor: Jaime Bachota

Q.1. Provide a schedule showing all revenues and expenses for the test year and for the 12-month period immediately prior to the test year, together with an explanation for major variances between test year revenues and expenses and those for the previous 12-month period. Revenues and expenses shall be summarized by the major account categories listed below. If budgeted data for a future test year is not readily available by these categories, an analysis of the data for the 12-month period immediately prior to the future test year or for the most recent available calendar year may serve as the basis for ratably allocating the budgeted data into the account categories.

A.1. See Attachment II-D-1.

Duquesne Light Company
Operating Statements
For the 12 months ended Dec 31
(Thousands of Dollars)

		2021	2020	Difference
OPERATING REVENUES				
400				
	Electric Revenue:			
	Residential	$ 579,916	$ 592,017	$ (12,101)
	Commercial	256,580	238,479	18,101
	Industrial	44,467	47,459	(2,992)
	Public Street & Highway Lighting	11,671	11,613	58
	Sales for Resale	1,560	1,575	(15)
	Total Sales Revenue	$ 894,193	$ 891,143	$ 3,050
	Provision for Rate Refunds	22,784	22,678	106
	Total Sales Revenue - Net	$ 871,409	$ 868,465	$ 2,944
	Other Electric Revenue:			
	Forfeited Discounts	$ 3,750	$ 1,051	$ 2,699
	Miscellaneous Service Revenue	1,816	909	907
	Rent from Electric Property	11,968	11,416	552
	Other Electric Revenue	86,727	78,506	8,221
	Total Other Electric Revenue	$ 104,262	$ 91,882	$ 12,380
	Total Operating Revenue	$ 975,671	$ 960,347	$ 15,324
OPERATING EXPENSE				
401 - 402				
	Operation and Maintenance Expense			
	Power Production Expenses	$ 206,041	$ 204,370	$ 1,671
	Transmission Expenses	12,546	11,738	808
	Regional Market Expenses	-	-	-
	Distribution Expenses	56,294	56,186	108
	Customer Accounts Expense	20,976	24,994	(4,018)
	Customer Service & Informational Expenses	22,202	29,610	(7,408)
	Administrative and General Expenses	134,259	124,521	9,738
	Total Operation & Maint. Expense	$ 452,318	$ 451,419	$ 899
403 - 405				
	Depreciation Expense and Amortization of Electric Plant	$ 205,855	$ 185,201	$ 20,654
407	Regulatory Debits (Credits), net	$ -	$ -	$ -
408	Taxes Other Than Income Taxes	$ 61,851	$ 59,083	$ 2,768
	Total Operating Expenses prior to Federal and State Income Taxes	$ 720,024	$ 695,703	$ 24,321
	Operating Income Prior to Fed & State Income Taxes	$ 255,647	$ 264,644	$ (8,997)

Duquesne Light Company
Operating Statements
For the 12 months ended Dec 31
(Thousands of Dollars)

		2021	2020	Difference
FEDERAL AND STATE INCOME TAXES				
409.1	Federal Income Taxes	$ 34,523	$ 28,064	$ 6,459
	State Income Taxes	12,537	10,197	2,340
409.08 & 409.09				
	Deferred Federal Income Taxes - Net	-	-	-
	Deferred State Income Taxes - Net	-	-	-
410.1	Provision for Deferred Income Taxes	108,324	88,057	20,267
411.1	Provision for Deferred Income Taxes -Cr.	(110,696)	(89,986)	(20,710)
411.4	Investment Tax Credit Adjustment	-	-	-
	Total Federal & State Income Taxes	$ 44,688	$ 36,332	$ 8,356
	Operating Income After Federal & State Income Taxes	$ 210,959	$ 228,312	$ (17,353)
OTHER INCOME AND DEDUCTIONS				
Other Income				
417	Revenues from Non-Utility Operations	$ -	$ 415	$ (415)
418.1	Equity in Earnings of Subsidiary Companies	-	-	-
419	Interest & Dividend Income	-	138	(138)
419.1	Allowance for Other Funds Used During Construction	5,624	5,793	(169)
421.1	Gain on Disposition of Property	-	58	(58)
421	Other Misc. Non-Operating Income	-	(250)	250
	Total Other Income	$ 5,624	$ 6,154	(530)
Other Income Deductions				
421.2	Loss on Disposition of Property	$ -	$ (61)	$ 61
426	Miscellaneous	(3,832)	(5,639)	1,807
	Total Other Income Deductions	$ (3,832)	$ (5,700)	$ 1,868
Taxes Applicable to Other Income Deductions				
409.2	Federal Income Tax	$ (101)	$ (71)	$ (30)
409.2	State Income Tax	(40)	(28)	(12)
410.2	Provision for Deferred Income Taxes	1,129	788	341
411.2	Provision for Deferred Income Taxes-Cr.	(470)	(328)	(142)
	Total Taxes Applicable to Other Income Deduction	$ 518	$ 361	$ 157
	Income Before Interest Charges	$ 212,233	$ 228,405	$ (16,172)

Duquesne Light Company
Operating Statements
For the 12 months ended Dec 31
(Thousands of Dollars)

INTEREST CHARGES		2021	2020	Difference
427	Interest on Long-term Debt	57,987	55,795	2,192
428	Amortization of Debt Discount and Expense	-	446	(446)
428.1	Amortization of Loss on Reacquired Debt	2,399	2,034	365
430	Interest on Debt to Associated Companies	423	1,379	(956)
431	Other Interest Expense	893	2,380	(1,487)
432	Allowance for Borrowed Funds Used During Construction	(1,689)	(3,964)	2,275
	Net Interest Charges	60,012	58,070	1,942
	Net Income	$ 152,222	$ 170,335	$ (18,113)

Duquesne Light Company
Operating Statements
For the 12 months ended Dec 31
(Thousands of Dollars)

For the 12 Months Ended December 31, 2020 and December 31, 2021

Account 400

Residential Sales - ($12,101) - The overall decrease is primarily driven by lower throughput as residential customers begin working in the commercial office environment as social distancing guidelines begin to ease and the economy reopens post the COVID-19 pandemic. These decreases are being partially offset by increased DSIC revenues.

Commercial Sales - $18,101 - The overall increase is primarily driven by increased throughput as social distancing guidelines begin to ease and the economy reopens post the COVID-19 pandemic and increased DSIC revenues.

Industrial Sales - ($2,993) - The overall decrease is primarily driven by forecasted demand reductions with the Company's larger industrial customers. These decreases are being partially offset by increased DSIC revenues.

Other Electric Revenue - $12,380 - The overall increase is primarily driven by increased forfeited discounts associated with the Company's ability to collect late payment fees from our customers post COVID-19 pandemic as well as increased transmission revenues associated with the Company's FERC formula.

Accounts 401 - 402

Power Production Expense - $1,671 - The overall increase in the power production expense is primarily driven by higher projected capacity prices.

Customer Accounts Expense - ($4,018) - The overall decrease is driven by an assumed decrease in bad debt as social distancing guidelines begin to ease and the economy reopens post the COVID-19 pandemic allowing customers to pay down delinquent balances.

Customer Service & Informational Expenses - ($7,408) - The overall decrease is driven by normalization of electrical model costs which were deferred through Customer Service & Informational Expenses in the historic test year.

Administrative and General Expenses - $9,738 - The overall increase is primarily driven by headcount additions, annual wage increases and an increase in training costs as social distancing guidelines begin to ease and the economy reopens post the COVID-19 pandemic.

Duquesne Light Company
Operating Statements
For the 12 months ended Dec 31
(Thousands of Dollars)

For the 12 Month Periods Ended December 31, 2020 and December 31, 2021

Account 403 - 405

Depreciation Expense and Amortization of Electric Plant - $20,654 - The overall increase is primarily driven by capital additions in the twelve months ended December 31, 2021 and a full year of depreciation for capital additions placed in service in the twelve months ended December 31, 2020.

Account 408

Taxes Other Than Income Taxes - $2,768 - The overall increase is primarily attributable to increases in sales revenue discussed above.

Account 409 - 411

Total Federal & State Income Taxes - $8,356 - Income tax expense higher due to several factors including lower net state property deductions and cost of removal, net of the excess deferred income tax (EDIT) flow back partially offset by lower operating income.

Account 426

Miscellaneous - $1,807 - The overall decrease is primarily driven by increased donations in support of the community in the COVID-19 pandemic and increased costs associated with the Company's POLR program.

Account 427 - 432

Interest on Long-term Debt - $1,942 - The overall increase in interest on long term debt is primarily driven by a long-term debt issuance in the twelve months ended December 31, 2022 for which the proceeds are forecasted to be utilized for general corporate purposes.

Duquesne Light Company
Operating Statements
For the 12 months ended Dec 31
(Thousands of Dollars)

		2022	2021	Difference
OPERATING REVENUES				
400				
	Electric Revenue:			
	Residential	$ 581,661	$ 579,916	$ 1,745
	Commercial	269,889	256,580	13,310
	Industrial	44,291	44,467	(176)
	Public Street & Highway Lighting	11,810	11,671	139
	Sales for Resale	1,560	1,560	-
	Total Sales Revenue	$ 909,210	$ 894,193	$ 15,017
	Provision for Rate Refunds	23,240	22,784	456
	Total Sales Revenue - Net	$ 885,971	$ 871,409	$ 14,562
	Other Electric Revenue:			
	Forfeited Discounts	$ 3,916	$ 3,750	$ 166
	Miscellaneous Service Revenue	2,168	1,816	352
	Rent from Electric Property	12,106	11,968	138
	Other Electric Revenue	95,077	86,727	8,350
	Total Other Electric Revenue	$ 113,268	$ 104,262	$ 9,006
	Total Operating Revenue	$ 999,239	$ 975,671	$ 23,568
OPERATING EXPENSE				
401 - 402				
	Operation and Maintenance Expense			
	Power Production Expenses	$ 215,490	$ 206,041	$ 9,449
	Transmission Expenses	12,439	12,546	(107)
	Regional Market Expenses	-	-	-
	Distribution Expenses	55,023	56,294	(1,270)
	Customer Accounts Expense	21,277	20,976	301
	Customer Service & Informational Expenses	30,509	22,202	8,307
	Administrative and General Expenses	138,639	134,259	4,380
	Total Operation & Maint. Expense	$ 473,378	$ 452,318	$ 21,060
403 - 405				
	Depreciation Expense and Amortization of Electric Plant	$ 215,394	$ 205,855	$ 9,539
407	Regulatory Debits (Credits), net	$ -	$ -	$ -
408	Taxes Other Than Income Taxes	$ 64,589	$ 61,851	$ 2,738
	Total Operating Expenses prior to Federal and State Income Taxes	$ 753,361	$ 720,024	$ 33,337
	Operating Income Prior to Fed & State Income Taxes	$ 245,878	$ 255,647	$ (9,769)

Duquesne Light Company
Operating Statements
For the 12 months ended Dec 31
(Thousands of Dollars)

		2022	2021	Difference
FEDERAL AND STATE INCOME TAXES				
409.1	Federal Income Taxes	$ 34,417	$ 34,523	$ (106)
	State Income Taxes	12,498	12,537	(39)
409.08 & 409.09				
	Deferred Federal Income Taxes - Net	-	-	-
	Deferred State Income Taxes - Net	-	-	-
410.1	Provision for Deferred Income Taxes	107,991	108,324	(333)
411.1	Provision for Deferred Income Taxes -Cr.	(110,356)	(110,696)	340
411.4	Investment Tax Credit Adjustment	-	-	-
	Total Federal & State Income Taxes	$ 44,550	$ 44,688	$ (137)
	Operating Income After Federal & State Income Taxes	$ 201,327	$ 210,959	$ (9,632)
OTHER INCOME AND DEDUCTIONS				
Other Income				
417	Revenues from Non-Utility Operations	$ -	$ -	$ -
418.1	Equity in Earnings of Subsidiary Companies	-	-	-
419	Interest & Dividend Income	-	-	-
419.1	Allowance for Other Funds Used During Construction	6,904	5,624	1,280
421.1	Gain on Disposition of Property	-	-	-
421	Other Misc. Non-Operating Income	-	-	-
	Total Other Income	$ 6,904	$ 5,624	1,280
Other Income Deductions				
421.2	Loss on Disposition of Property	$ -	$ -	$ -
426	Miscellaneous	(3,919)	(3,832)	(86)
	Total Other Income Deductions	$ (3,919)	$ (3,832)	$ (86)
Taxes Applicable to Other Income Deductions				
409.2	Federal Income Tax	$ (169)	$ (101)	$ (67)
409.2	State Income Tax	(67)	(40)	(27)
410.2	Provision for Deferred Income Taxes	1,881	1,129	752
411.2	Provision for Deferred Income Taxes-Cr.	(783)	(470)	(313)
	Total Taxes Applicable to Other Income Deduction	$ 862	$ 518	$ 345
	Income Before Interest Charges	$ 203,450	$ 212,233	$ (8,783)

Duquesne Light Company
Operating Statements
For the 12 months ended Dec 31
(Thousands of Dollars)

INTEREST CHARGES		2022	2021	Difference
427	Interest on Long-term Debt	61,790	57,987	3,803
428	Amortization of Debt Discount and Expense	-	-	-
429	Amortization of Premium on Debt-Credit	2,439	2,399	40
430	Interest on Debt to Associated Companies	1,128	423	705
431	Other Interest Expense	904	893	11
432	Allowance for Borrowed Funds Used During Construction	(1,689)	(1,689)	-
	Net Interest Charges	64,571	60,012	4,559
	Net Income	$ 138,879	$ 152,222	$ (13,342)

Duquesne Light Company
Operating Statements
For the 12 months ended Dec 31
(Thousands of Dollars)

For the 12 Month Periods Ended December 31, 2021 and December 31, 2022

Account 400

Residential Sales - $1,745 - The overall increase is primarily driven by higher generation revenues as a result of higher capacity prices and increased DSIC revenues partially offset by lower throughput.

Commercial Sales - $13,310 - The overall increase is primarily driven by higher generation revenues as a result of higher capacity prices, increased DSIC revenues and slight throughput increases as the economy rebounds from COVID-19.

Other Electric Revenue - $8,350 - The overall increase is primarily driven by increases associated with the Company's FERC formula.

Accounts 401 - 402

Power Production Expense - $9,449 - The overall increase in the power production expense is primarily driven by higher projected capacity prices.

Distribution Expenses ($1,270) - The overall decrease is primarily driven a reduction in the Company's electrical model costs which have been primarily recorded in the HTY and FTY and normalized through Customer Service & Informational Expenses. Annual wage increases are partially offsetting this

Customer Service & Informational Expenses $8,307 - The overall increase is driven by normalization of electrical model costs which were deferred through Customer Service & Informational Expenses in the historic test year.

Administrative and General Expenses - $4,380 - The overall increase is primarily driven by annual wage increases, benefit cost inflation, incremental headcount to enhance the Company's cyber security program and additional costs in support of the Company's Electric Vehicle initiatives.

Duquesne Light Company
Operating Statements
For the 12 months ended Dec 31
(Thousands of Dollars)

For the 12 Months Ended December 31, 2021 and December 31, 2022

Account 403 - 405

Depreciation Expense and Amortization of Electric Plant - $9,539 - The overall increase is primarily due to capital additions in the twelve months ended December 31, 2022 and a full year of depreciation for capital additions placed in service in the twelve months ended December 31, 2021.

Account 408

Taxes Other Than Income Taxes - $2,738 - The overall increase is primarily attributable to increases in sales revenue discussed above.

Account 418 - 421

Other Income - $1,280 - The overall increase in Allowance for Other Funds Used During Construction is primarily due to increased CWIP balances.

Account 427 - 432

Interest on Long-Term Debt - $4,559 - The overall increase in interest on long term debt is primarily driven by a long-term debt issuance in the twelve months ended December 31, 2022 for which the proceeds are forecasted to be utilized for general corporate purposes.

Q.2 Provide a summary of test year adjustments which sets forth the effect of the adjustment upon the following: operating revenues, operating expenses, taxes other than income taxes, operating income before income taxes, State income tax, Federal income tax and income available for return. In addition, test year adjustments shall be presented on the basis of the major account categories set out at II-D-1.

A.2. Schedule D-3 of DLC Exhibit 2 (Fully Projected Future Test Year) provides a summary of test year adjustments claimed by Duquesne by major account categories.

Sponsor: Jaime A. Bachota

Q.3. List and explain all nonrecurring or extraordinary expenses incurred in the test year and all expenses included in the test year which do not occur yearly but are of a nature that they do occur over an extended period of years, for example, non-yearly maintenance programs, and the like.

A.3. Test year expenses that are non-recurring, extraordinary or do not occur yearly, but over an extended period of years, are explained and adjusted in Section D of DLC Exhibit 2 (Fully Projected Future Test Year).

Q.4. As a separate item, list extraordinary property losses related to property previously included in cost of service when the gain or loss on this property has occurred or is likely to occur in the future test year. The proposed ratemaking treatment of extraordinary gains and losses must also be disclosed. Sufficient supporting data must be provided.

A.4. In the fully projected future test year and the future test year, Duquesne Light Company does not anticipate incurring any extraordinary gains or losses related to property previously included in cost of service.

Q.5. Provide the amount of accumulated reserve for uncollectible accounts, method and rate of accrual, amounts accrued and amounts written off in each of the last 3 calendar years.

A.5. The provision for uncollectible accounts for any year is determined by reviewing the current reserve balance, the current receivable status, the projected annual revenue, the trends of receivables and write-offs, and the projected impact of collection initiatives on the quality of receivables.

Delinquent accounts receivable balances are separated into different categories. Each category of delinquent receivables is assigned a low and high reserve percentage. Considering the historical trends and future expectations, the accumulated reserve for uncollectible accounts is adjusted monthly to a balance that falls within the low and high reserve range.

Beginning with new distribution rates in April 2011, Duquesne Light Company began to recover customer assistance program expenses through a separate surcharge (Universal Service Surcharge). As such, the Company has bifurcated the reserve into customer and customer assistance program allowances within Attachment II-D-5 as amounts associated with these programs are not recovered through base distribution rates.

Attachment II-D-5 presents the accumulated provision for uncollectible amounts and the amounts written off for the years ended December 31, 2018, December 31, 2019 and December 31, 2020.

Duquesne Light Company
Accumulated Provision for Uncollectible Accounts
(Thousands of dollars)

	Customers 144.01	Customer Assistance Programs* 144.01	Total Customers 144.01	Misc. Receivables 144.09/144.10	Total
Balance December 31, 2017	13,647.65	4,971.46	18,619.11	293.01	18,912.12
Provision	22,649.87	(2,930.74)	19,719.13		19,719.13
Amounts Written Off	(13,257.65)	(8,439.05)	(21,696.70)		(21,696.70)
Balance December 31, 2018	23,039.87	(6,398.32)	16,641.55	293.01	16,934.56
Provision	15,680.04	847.77	16,527.81	-	16,527.81
Amounts Written Off	(8,798.87)	(6,895.28)	(15,694.14)	-	(15,694.14)
Balance December 31, 2019	29,921.04	(12,445.83)	17,475.22	293.01	17,768.23
Provision	24,044.48	45.64	24,090.12	-	24,090.12
Amounts Written Off	(3,273.17)	(8,892.92)	(12,166.09)	-	(12,166.09)
Balance December 31, 2020	50,692.35	(21,293.10)	29,399.25	293.01	29,692.26

*Prior to April 21, 2011, CAP related allowance was included within general distribution rates. Commencing April 21, 2011, such costs were included within the Universal Service Charge and thus are not included base distribution rates as discussed within DFR II-D-5.

Sponsor: Jaime A. Bachota

Q.6. Supply detailed calculations to support the total claim for rate case expense, including supporting data for outside service rendered. Provide the items comprising the estimated rate case expense claim for the current rate case.

A.6. The requested information is set forth in Schedule D-8 of DLC Exhibit 2 (Fully Projected Future Test Year).

Q.7. Submit schedules for the test year and for the 12-month period immediately prior to the test year showing by major components, if included in claimed test year expenses, the expenses incurred in each of the following expense categories.

a. Miscellaneous general expenses, including account 930
b. Outside service expenses.
c. Regulatory commission expenses.
d. Advertising expenses, including advertising engaged in by trade associations whenever the utility has claimed a contribution to the trade association as a ratemaking claim – provide explanation of types and purposes of such advertising.
e. Research and development expenses – provide a listing of major projects.
f. Charitable and civic contributions, by recipient and amount.

Explain major variances between the test year expenses and those expenses for the prior 12-month period.

A.7. See the following attachments for the requested data and an explanation of the major variances:

a. Attachment II-D-7a – Miscellaneous general expenses including account 930
b. Attachment II-D-7b Outside service expenses
c. Attachment II-D-7c Regulatory commission expenses
d. Attachment II-D-7d Advertising expenses
e. Attachment II-D-7e Research and development expenses
f. Attachment II-D-7f Charitable and civic contributions

Duquesne Light Company
Miscellaneous General Expenses - Account 930.2
For the Period
(Thousands of Dollars)

Line No.	Expense	1/1/2021 - 12/31/2021	1/1/2020 - 12/31/2020	Increase (Decrease)
1	Utilities (electricity, gas, water, etc)	996	1,532	(536)
2	Membership Dues	805	1,239	(434)
3	Other miscellaneous	5,415	8,329	(2,914)
4	**Total**	$ 7,216	$ 11,100	$ (3,884)

Note:
As the budget is not prepared by FERC account, the above information was determined based on an allocation to FERC account which was based on the same relationship to the total as the actual costs shown for the Historic Test Year.

Other Miscellaneous - Decreased costs are attributable to allocation of outside services between FERC account 930.2 and 923. See Attachment II-D7b for further discussion.

Line No.	Expense	1/1/2022- 12/31/2022	1/1/2021 - 12/31/2021	Increase (Decrease)
1	Utilities (electricity, gas, water, etc)	1,082	996	86
2	Membership Dues	875	805	69
3	Other miscellaneous	5,881	5,415	466
4	**Total**	$ 7,837	$ 7,216	$ 621

Note:
As the budget is not prepared by FERC account, the above information was determined based on an allocation to FERC account which was based on the same relationship to the total as the actual costs shown for the Historic Test Year.

Other Miscellaneous - Increased costs relate to the functional and technical upgrade associated with the Company's customer care and billing system.

Duquesne Light Company
Outside Service Expenses
For the Period
(Thousands of Dollars)

Line No.	Description/Purpose	1/1/2021 - 12/31/2021	1/1/2020 - 12/31/2020	Increase (Decrease)
1	Office of the CEO	$ 108	$ 101	$ 7
2	General Counsel, Rates and Regulatory Affairs	2,140	2,007	132
3	Office of the CFO	3,529	3,311	218
4	Information Technology	6,019	5,647	372
5	Customer Service	4,120	3,866	255
6	Human Resources	755	708	47
7	Operations	15,548	14,586	962
8	Total	$ 32,219	$ 30,226	$ 1,993

Note:
As the budget is not prepared by FERC account, the above information was determined based on an allocation to FERC account which was based on the same relationship to the total as the actual costs shown for the Historic Test Year.

Line No.	Description/Purpose	1/1/2022- 12/31/2022	1/1/2021 - 12/31/2021	Increase (Decrease)
1	Office of the CEO	$ 102	$ 108	$ (6)
2	General Counsel, Rates and Regulatory Affairs	2,017	2,140	(123)
3	Office of the CFO	3,326	3,529	(203)
4	Information Technology	5,673	6,019	(346)
5	Customer Service	3,884	4,120	(237)
6	Human Resources	712	755	(43)
7	Operations	14,655	15,548	(893)
8	Total	$ 30,369	$ 32,219	$ (1,850)

Note:
As the budget is not prepared by FERC account, the above information was determined based on an allocation to FERC account which was based on the same relationship to the total as the actual costs shown for the Historic Test Year.

Duquesne Light Company
Regulatory Commission Expenses
For the Period
(Thousands of Dollars)

Line No.	Description/Purpose	1/1/2021 - 12/31/2021	1/1/2020 - 12/31/2020	Increase (Decrease)
1	Distribution Rate Case	782	698	84
2	**Total**	**$ 782**	**$ 698**	**$ 84**

Line No.	Description/Purpose	1/1/2022- 12/31/2022	1/1/2021 - 12/31/2021	Increase (Decrease)
1	Distribution Rate Case	785	782	3
2	**Total**	**$ 785**	**$ 782**	**$ 3**

Duquesne Light Company
Advertising Expenses
For the Period
(Thousands of Dollars)

Line No.	Description/Purpose	1/1/2021 - 12/31/2021	1/1/2020 - 12/31/2020	Increase (Decrease)
1	Community Information advertising		$ 1,538	$ (1,538)
2	**Total**	**$ -**	**$ 1,538**	$ (1,538)

Note:
As the budget is not prepared by FERC account, the above information was determined based on an allocation to FERC account which was based on the same relationship to the total as the actual costs shown for the Historic Test Year.

This schedule reflects only the costs of outside advertising expenses.

Line No.	Description/Purpose	1/1/2022- 12/31/2022	1/1/2021 - 12/31/2021	Increase (Decrease)
1	Community Information advertising	$ -	$ -	$ -
2	**Total**	**$ -**	**$ -**	$ -

Note:
As the budget is not prepared by FERC account, the above information was determined based on an allocation to FERC account which was based on the same relationship to the total as the actual costs shown for the Historic Test Year.

This schedule reflects only the costs of outside advertising expenses.

Duquesne Light Company
Research and Development Expenses
Years Ended December 31, 2020, 2021 and 2022

Duquesne Light Company does not include research and development in the future test year, fully projected future test year or for the 12 month period immediately prior to the test year.

Duquesne Light Company
Charitable and Civic Contributions - Account 426
For the Period
(Thousands of Dollars)

Line No.	Description/Purpose	1/1/2021 - 12/31/2021	1/1/2020 - 12/31/2020	Increase (Decrease)
1	Donations	1,609	2,069	(460)
2	Miscellaneous	287	369	(81)
3	**Total**	**$ 1,896**	**$ 2,438**	**$ (542)**

Note:
Charitable and civic contributions are charged to "Other income and deductions", account 426 and not to operating expense

Line No.	Description/Purpose	1/1/2022- 12/31/2022	1/1/2021 - 12/31/2021	Increase (Decrease)
1	Donations	1,645	1,609	37
2	Miscellaneous	294	287	7
3	**Total**	**$ 1,939**	**$ 1,896**	**$ 43**

Note:
Charitable and civic contributions are charged to "Other income and deductions", account 426 and not to operating expense

Q.8. Provide an analysis by function of charges by affiliates, for the test year and the 12-month period immediately prior to the test year, for services rendered included in the operating expenses of the filing company. Explain the nature of the service and the basis on which charges or allocations are made, including a copy of applicable contract. Also, explain major variances between the charges for the test year and the corresponding charges for the prior 12-month period.

A.8. Please see Attachment DFR II-D-8.

Duquesne Light Company
Administrative Services Charged to Affiliates
Operating Expense
(Thousands of Dollars)

Duquesne Light Company ("DLC") provides various administrative and general services for its subsidiaries and affiliated companies. Attachment II-D-8a is a copy of this agreement.

Function	1/1/2020 - 12/31/2020	1/1/2021 - 12/31/2021	Variance
Accounting & Treasury	$ 1,374.4	$ 1,457.8	$ 83.4
Sr Management	914.2	969.6	55.5
Office of General Counsel	476.5	505.4	28.9
Technology	125.7	133.3	7.6
Human Resources	91.3	96.8	5.5
Operations	55.0	58.4	3.3
Customer Care	12.7	13.5	0.8
	$ 3,049.8	$ 3,234.8	$ 185.0
Allocations to DLC from parent	-	-	-
Allocations to DLC from affiliate	-	-	-
Net	$ 3,049.8	$ 3,234.8	$ 185.0

[1] The Office of General Counsel allocation is budgeted to decrease due to additional costs incurred in 2017 associated with affiliated Company legal proceedings.

Function	1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022	Variance
Accounting & Treasury	$ 1,457.8	$ 1,486.8	$ 29.0
Senior Management	969.6	988.9	19.3
Office of General Counsel	505.4	515.5	10.1
Technology	133.3	136.0	2.7
Human Resources	96.8	98.7	1.9
Operations	58.4	59.5	1.2
Customer Service	13.5	13.7	0.3
	$ 3,234.8	$ 3,299.2	$ 64.4
Allocations to DLC from parent	-	-	-
Allocations to DLC from affiliate	-	-	-
Net	$ 3,234.8	$ 3,299.2	$ 64.4

Duquesne Light Company
Purchased Power
Purchased Power Expense
(Thousands of Dollars)

Duquesne Light Company (DLC) no longer purchases a portion its electricity supply needs from Duquesne Power, LLC as Duquesne Power, LLC does not participate in POLR auction under its POLR VIII agreement.

Duquesne Light Company
Fiber Lease and Lit Services
Operating Expenses
(Thousands of Dollars)

The fiber optic network lease is an approved arrangement entered into between DLC and its DQE Communications affiliate. The network is used for voice and data communications between Company facilities, including supervision, protection and control of the distribution and substation systems. Attachment II-D-8b is a copy of this agreement. The fiber may be located on or within DLC poles, conduits, ducts and related property. In addition, pursuant to the terms of the Sonet Fiber Use Agreement entered into in 2006 between Duquesne Light and its DQE Communications affiliate, Duquesne Light replaced its outdated microwave network with access to a fiber optic ring that connects the operations control center with equipment at various locations throughout the service territory. Attachment II-D-8c is a copy of that agreement.

In addition, Duquesne Light maintains a Master Service Agreement with DQE Communications which provides the general terms and conditions and a framework within which Duquesne Light may from time to time purchase certain telecommunications and related infrastructure services from DQE Communications. Specifically the agreement relates to (i) Metro Ethernet & Internet Services; (ii) Colocation Services and (iii) Managed Services. See agreement maintained at Attachment II-D-8f.

Function	**1/1/2020 - 12/31/2020**	**1/1/2021 - 12/31/2021**	**Variance**
Communications	$ 3,992.8	$ 4,097.0	$ 104

Function	**1/1/2021 - 12/31/2021**	**1/1/2022 - 12/31/2022**	**Variance**
Communications	$ 4,097.0	$ 4,167.5	$ 71

Duquesne Light Company
Electronic Meter Reading
Operations Expense
(Thousands of Dollars)

Electronic meter reading services are no longer provided from Datacom Information Systems, LLC (an affiliate).

Historically, Datacom provided services related to electronic meter reading services and related services for all DLC's customers who currently, or in the future utilize electronic metering devices with Encoder Receiver Transmitters (ERT). The ERT meters number approximately 570,000. They are principally utilized by DLC's residential and small commercial customers. The services provided include (1) the use of network facilities, including Cell Control Units and Network Control Nodes, over which the meter reading data is transmitted and obtained; (2) maintenance, replacement, construction, and alteration of the network system as needed to provide and operate said meter reading services; (3) leases and licenses required in order to physically locate and operate the network devices throughout DLC's service territory; (4) such other services that are needed or beneficial and agreed to by the parties and the Commission.

Function	1/1/2020 - 12/31/2020	1/1/2021 - 12/31/2021	Variance
Metering Reading / AMR	$ -	$ -	$ -

Function	1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022	Variance
Metering Reading / AMR	$ -	$ -	$ -

Duquesne Light Company
Intercorporate Tax Payment Agreement

Duquesne Light Holdings, Inc. (DLH), the parent of DLC entered into an Intercorporate Tax Payment Agreement with its affiliated companies, effective January 1, 1992. The purpose of the Agreement was to provide for payments between the parent company and its affiliated companies with respect to each company's share of the consolidated income tax liability of the entire affiliated group. See DLC Exhibit 4, and Testimony of Matthew Simpson – Statement No. 7. Refer to attachment II-D-8d for a copy of this agreement.

Duquesne Light Company
Affiliated Interest Agreement
(Thousands of Dollars)

On January 17, 2010, DLC entered into a short-term affiliated interest agreement with its parent, Duquesne Light Holdings, Inc (DLH). This agreement provided DLC with the ability to borrow from DLH in the form of short-term intercompany loans in an amount not to exceed $200 million at any given point in time. In February 2021, the Pennsylvania Public Utility Commission approved DLC's application to amend the affiliated interest agreement requesting an increase of the maximum borrowing capacity of this short term intercompany borrowing facility from $200.0 million to $300.0 million. As of December 31, 2020, DLC had $10.0 million of intercompany loans outstanding. The specific terms of the affiliated interest agreement are included as Attachment II-D-8e.

Function	1/1/2020 - 12/31/2020	1/1/2021 - 12/31/2021	Variance
Intercompany Interest	$ 1,379	$ 1,128	$ (251.1)

Function	1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022	Variance
Intercompany Interest	$ 1,128	$ 423	$ (705.0)

Duquesne Light Company
Cash Pool Arrangement

Duquesne Light Holdings, Inc. (DLH), the parent company of DLC, established a Cash Pool in November 1997. The Cash Pool was established as a mechanism to concentrate excess funds and combine the cash of DLH and its subsidiaries to invest in short term investments. DLC does not participate within the Cash Pool Arrangement.

Emily M. Farah
Counsel, Regulatory

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

Tel: 412-393-6431
efarah@duqlight.com

February 21, 2020

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

Re: **Affiliated Interest Agreement between Duquesne Light Company and Its Affiliates Docket No. G-2018-3002809**

Dear Secretary Chiavetta,

Pursuant to the Secretarial Letter in the above-captioned matter dated January 22, 2020, enclosed please find the executed copy of Duquesne Light Company's Administrative Services Agreement ("ASA"). Signatures were obtained for all entities except DH Energy LP, which was dissolved on January 13, 2020. BrightR, Inc. was also dissolved in January 2020. Included with the executed ASA and labeled as "Updated Appendix B" is the most recent organizational chart, which removes DH Energy LP and BrightR, Inc. from the corporate organizational structure.

Please feel free to contact me with any questions, comments, or concerns.

Respectfully Submitted,

Emily M. Farah
Counsel, Regulatory

Enclosures

cc: Jeff McCracken (with enclosures, via email - jmccracken@pa.gov)

ADMINISTRATIVE SERVICES
AGREEMENT

THIS ADMINISTRATIVE SERVICES AGREEMENT (this "Agreement") is made as of June 18, 2018 by and among DUQUESNE LIGHT HOLDINGS, INC., a Pennsylvania corporation ("Parent"), DUQUESNE LIGHT COMPANY, a Pennsylvania limited liability corporation ("Duquesne"), and the affiliates of Parent and Duquesne named on the signatures pages hereto (each, an "Affiliate" and collectively, the "Affiliates").

WITNESSETH:

WHEREAS, Duquesne is a public utility providing electric service subject to regulation by the Pennsylvania Public Utility Commission (the "Commission" or "PUC");

WHEREAS, Parent, f/k/a DQE, Inc., pursuant to its articles of incorporation, has unlimited power to engage in any lawful act concerning any lawful business for which corporations may be incorporated under the Pennsylvania Business Corporation Law and was formed for the purpose of engaging in energy-related diversification opportunities which could arise from time to time in the marketplace;

WHEREAS, Duquesne companies desire, need and require from time to time the administrative, management and other services as described in **Appendix A**.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings herein contained, the parties hereto agree as follows:

1. DESCRIPTION OF SERVICES

Any affiliated members of the Parent may from time to time perform, on a regular or temporary basis administrative, management, and other services for one or more of the other companies. An exclusive list of services that may be provided is included within **Appendix A** to this Agreement. Those affiliates that receive services from, or provide services to, the Parent are listed within **Appendix B** to this Agreement. No service shall be performed in contravention of any applicable law, regulation, rule, order, judgment, or decision of any governmental entity.

2. PERSONNEL

In order to provide the services, the Parties will employ executive officers, accountants, financial advisors, technical advisers, attorneys, and other persons with the necessary qualifications. If necessary, the Parties may also arrange for the services of nonaffiliated experts, consultants and attorneys in connection with the performance of any of the services provided under this agreement.

3. ALLOCATION

In consideration of services rendered, the party receiving administrative services ("Receiving Party") under this Agreement agrees to reimburse the party providing such services ("Providing Party") the fully-loaded cost of such service, including charges for interest where appropriate. The allocation methodologies for directly charging and allocating costs between affiliates are detailed in **Appendix C**. Generally, the following allocation methods shall be used:

a) The Providing Party will allocate to any administrative services provided the direct costs associated with performing such services.

b) Direct labor costs of any employee of the Providing Party who provides identifiable services to the Receiving Party will be charged to the Receiving Party's operation based on such employee's total compensation, including salary and fringe benefits.

c) Other identifiable direct costs, including third party service fees and supplies, will be charged to the Receiving Party's operations at the actual cost incurred by the Providing Party.

d) All costs charged are subject to periodic review and adjustment, as appropriate.

The Providing Party shall directly assign costs when practicable. National Association of Regulatory Utility Commissioners (NARUC) Guidelines for Cost Allocation and Affiliate Transactions are followed to assign costs to the Receiving Party. If it is not practicable to directly assign costs for completed services, such costs shall be allocated based on such NARUC guidelines.

4. <u>PAYMENT FOR SERVICES</u>

A Receiving Party agrees to pay the Providing Party the actual cost of providing the services. In this regard, the Providing Party shall deliver monthly to the Receiving Party written documentation of the cost of providing services under this Agreement, which invoice shall be due and payable within 30 days after its receipt. When it is not reasonably possible or practical to determine actual costs, the Providing Party may substitute allocation factors for actual costs as set forth within Section 3 of this Agreement.

All such costs incurred by the Providing Party on behalf of the Receiving Party shall become the liability of the Receiving Party when incurred by the Providing Party, shall be determined in accordance with generally accepted accounting principles and shall be determined in accordance with the cost allocation procedures set forth within Section 3 of this Agreement; provided however that if a particular transaction is subject to regulation by the FERC or another federal regulatory agency, and the rules of these agencies require a pricing mechanism that is different than provided herein, the Parties will follow the rules required by the federal agency, as applicable.

5. INTEREST ON PAST DUE AMOUNTS

From and after the Effective Date (as hereinafter defined), in the event any amount payable under Section 4 of this Agreement is not paid by a Receiving Party when due, such unpaid amount shall bear interest, from the due date shown in the invoice therefor (or, if no such due date is shown, from the date that is 30 days after the Receiving Party receives such invoice), at a rate equal to the then-current average monthly rate of interest applicable to DQE Capital Corporation's cash pool arrangement.

6. AGENT STATUS OF PROVIDING PARTY

All services, materials, equipment, and supplies purchased by a Providing Party at the request of a Receiving Party shall be purchased by the Providing Party on behalf of and as agent for the Receiving Party. In that regard, the Receiving Party hereby appoints the Providing Party as its agent, and the Providing Party hereby agrees as such agent to negotiate, execute and enforce contracts (including purchase order contracts) providing for the purchase of services, materials, equipment and supplies.

Each such contract shall be made in the name of the Receiving Party and shall provide, among other things, that the Providing Party shall be the agent for the Receiving Party concerning the administration of the contract and that performance of the contract shall be for the account of, title to all property acquired thereunder shall vest in, and charges therefore shall be paid by, the Receiving Party.

7. JOINDER TO AGREEMENT

Any future subsidiary or other affiliate of Parent or Duquesne may elect to participate in this Agreement by executing a joinder or similar agreement indicating such entity's willingness to be bound by the terms of this Agreement. Duquesne Light Holdings will file an updated listing of subsidiaries with the PUC, as necessary and appropriate. Subject to PUC approval, new Duquesne Light subsidiaries that are added prior to the annual update will be subject to this Agreement.

8. SEVERAL OBLIGATIONS; NO RIGHTS TO BIND

The duties, obligations and liabilities of the parties under this Agreement are intended to be several and not joint or collective, and nothing in this Agreement shall ever be construed to create an association, joint venture, trust or partnership between the parties or to impose a trust or partnership duty, obligation or liability on or with regard to any of the parties. Each party shall be individually responsible for its own obligations as herein provided. No party shall be under the control of or shall be deemed to control the other party solely by virtue of this Agreement. No party shall have a right or power to bind another party without its express written consent, except as expressly provided in this Agreement.

9. WITHDRAWAL FROM AGREEMENT

Any party shall have the right at any time to withdraw from this Agreement by giving 90 days' prior written notice of withdrawal. In the event any Affiliate desires to withdraw from this Agreement, it shall send written notice of withdrawal to Parent and Duquesne. In the event Parent desires to withdraw from this Agreement, it shall send written notice of withdrawal to Duquesne. In the event Duquesne desires to withdraw from this Agreement, it shall send written notice of withdrawal. This Agreement automatically shall terminate upon the effective date of Duquesne's withdrawal from this Agreement.

10. NOTICES

Any notice required or permitted to be given to a party hereunder shall be in writing and shall be sent to such party at its address set forth below (or to such other address as such party may notify the other parties by notice given in accordance with the requirements of this Section 10):

If *to* Parent:

Duquesne Light Holdings, Inc.
411 Seventh Avenue
Pittsburgh, PA 15219
Attn: Chief Legal Officer

If to Duquesne:

Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219
Attn: Chief Legal Officer

If to any Affiliate:

c/o Duquesne Light Holdings, Inc.
411 Seventh Avenue
Pittsburgh, PA 15219
Attn: Chief Legal Officer

11. APPROVAL BY COMMISSION

This Agreement is subject to the approval of the Commission and shall be effective on the entry date of the Commission's order approving this Agreement or on such other date that this Agreement is deemed approved by the Commission (such date, the "Effective Date').

12. GOVERNING LAW

This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws principles.

13. COUNTERPARTS

This Agreement may be executed in two or more counterparts, and by the different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

IN WITNESS WHEREOF, the parties hereto have caused this Administrative Services Agreement to be duly executed by their duly authorized representatives of the date first written above.

DQE HOLDINGS, LLC

By:
Its: Steven E. Malnight - President & CEO

DUQUESNE LIGHT HOLDINGS, INC.

By:
Its: Steven E. Malnight - President & CEO

DUQUESNE ENERGY SOLUTIONS, LLC

By: Mark E. Kaplan
Its: Mark E. Kaplan - President

DES CORPORATE SERVICES, INC.

By:
Its: Steven E. Malnight - President

DQE SYNFUELS, LLC

By:
Its: Steven E. Malnight - President

DQE SYNFUELS, LP

By: Mark E. Kaplan
Its: Mark E. Kaplan - Treasurer
~~No officers~~

DH CANADA HOLDINGS, LLC

By: ____________________
Its: Steven E. Malnight - President

DH CANADA CORPORATION

By: ____________________
Its: Steven E. Malnight - President

DQE ENTERPRISES, INC.

By: ____________________
Its: Mark E. Kaplan - President

DQE CAPITAL CORPORATION

By: ____________________
Its: Mark E. Kaplan - President

DQE FINANCIAL LLC

By: ____________________
Its: Mark E. Kaplan - President

MARINER INVESTMENT STRATEGIES, LLC

By: ____________________
Its: Mark E. Kaplan - President

DUQUESNE FIBER COMPANY

By: ____________________
Its: Mark E. Kaplan - President

DQE SYSTEMS, LLC

By: [signature]
Its: Mark E. Kaplan - President

DUQUESNE BROADBAND, LLC

By: [signature]
Its: Mark E Kaplan - President
~~No officers~~

DQE COMMUNICATIONS, LLC

By: [signature]
Its: Jim Morozzi - President & CEO

NORTH SHORE AFFORDABLE HOUSING, LLC

By: [signature]
Its: Mark E. Kaplan, - President

MONTAUK SYNFUELS, LLC

By: [signature]
Its: Mark E. Kaplan, Manager

DUQUESNE POWER, LLC

By: [signature]
Its: Mark E. Kaplan - President

DUQUESNE LIGHT COMPANY

By: [signature]
Its: Steven E. Malnight - President & CEO

MONOGAHELA LIGHT & POWER COMPANY

By: Mark E. Kaplan
Its: Mark E. Kaplan - President

DATACOM INFORMATION SYSTEMS, LLC

By: Mark E. Kaplan
Its: Mark E. Kaplan - President

AQUASOURCE, LLC

By: Mark E. Kaplan
Its: Mark E. Kaplan - President

DUQUESNE LIGHT ENERGY, LLC

By: Mark E. Kaplan
Its: Mark E. Kaplan - President

DUQUESNE GENERATION, LLC

By: Mark E. Kaplan
Its: Mark E. Kaplan - President

DUQUESNE CONEMAUGH, LLC

By: Mark E. Kaplan
Its: Mark E. Kaplan President

DUQUESNE KEYSTONE, LLC

By: Mark E. Kaplan
Its: Mark E. Kaplan President

DH Energy, LP

By: ______________________
Its: No officers

The Efficiency Network, Inc.

By: ______________________
Its: Troy Geanopulos - CEO TEN

TEN Connected Solutions, Inc.

By: ______________________
Its: President Rob Campbell

BrightR, Inc.

By: ______________________
Its: President Rob Campbell

Appendix A

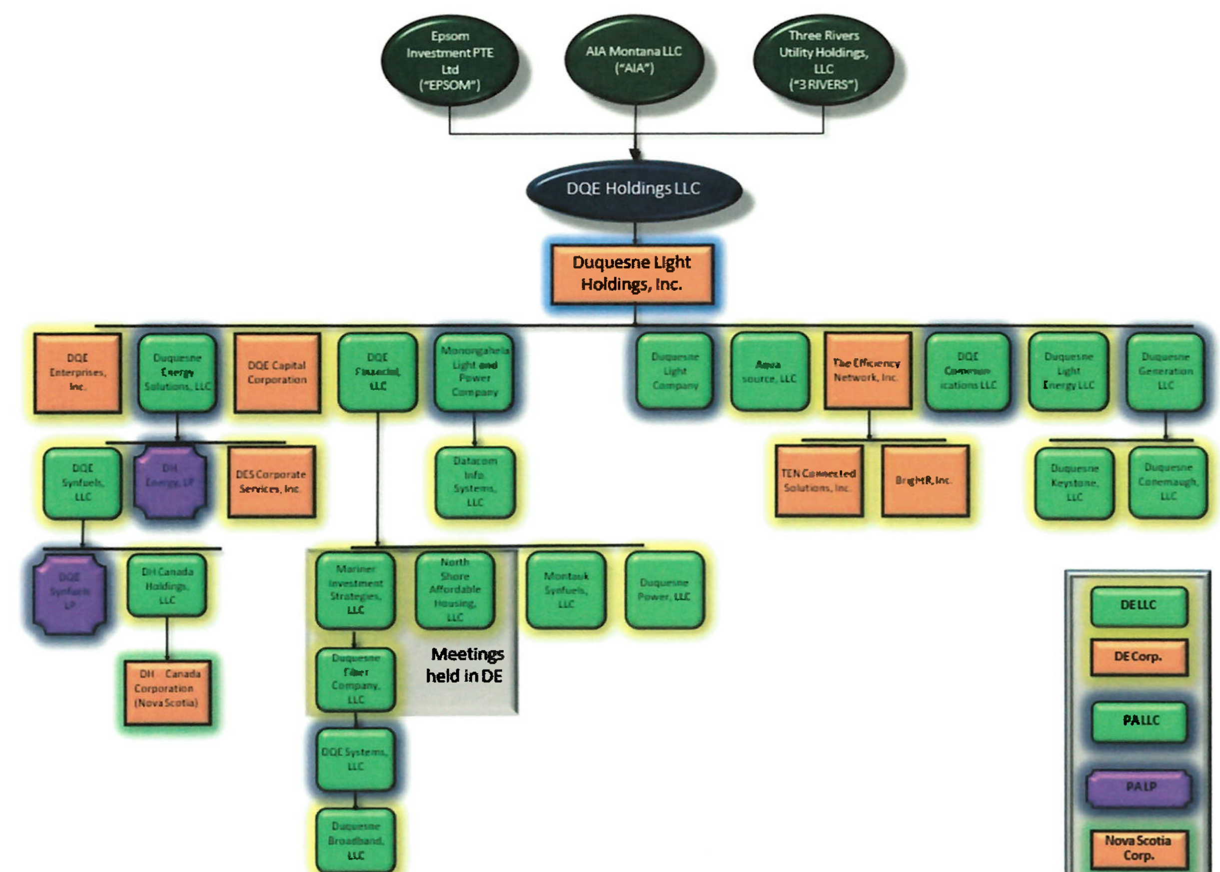
Description of Services

This Appendix provides a description of services provided under the Administrative Service Agreement dated June 18, 2018. Listed below are services provided. All services listed are allocated directly when possible. If direct allocation is not possible, the indirect allocation method that is used is listed.

Service	Description	Basis of Allocation
Alarm Monitoring Services	Provides alarm monitoring services for the Company.	The allocation for these services is based on the Average Asset allocation method.
Audit Services	Provide services including coordinating the examination of accounting records with the external auditors.	The allocation for these services is based on the Average Asset allocation method.
Compliance Services	Provide enterprise-wide compliance and consultation to the Company as well as to specific corporate projects on compliance matters.	The allocation for these services is based on the EBITDA allocation method.
Disbursement Services	Provides Company-wide disbursement processing functions.	The allocations for these services are allocated based on the Direct method.
Executive Services	Provide leadership and strategic services for the Company.	The allocation for these services is based on the EBITDA allocation method.
Finance / Accounting Services	Provide services including the setting accounting policies and practices, preparation and dissemination of consolidated financial results, research of new financial reporting requirements, maintenance of the general ledger system, management of the budget and forecasting process and preparation and review all external financial reporting.	The allocation for these services is based on the EBITDA allocation method.
Financial Planning & Analysis Services	Provide services related to the preparation and development of budgets and budgetary controls.	The allocation for these services is based on the EBITDA allocation method.
Human Resources	Provide services to manage and maintain employee policy and program development and oversight of all human resource initiatives.	The allocation for these services is based the Headcount allocation method.
Information Services	Provide services including, but not limited to, service and IT support, maintenance and support of existing corporate business applications, system implementation costs, report coordination, consultative support, and mail and printer/copier services.	The allocation for these services is based on the Average Asset allocation method.
Internal Audit Services	Provide audit plans and strategies for the Company for financial, compliance, information technology and operational audits. Additionally provide services related to control risk assessments and special investigations.	The allocation for these services is based on the EBITDA allocation method.

Legal Services	Provide the Company with legal services, including, but not limited to, general corporate matters and internal corporate maintenance, contract drafting and negotiation, litigation, liability and risk assessment, financing, state and federal regulatory compliance, state and federal regulatory support and rule interpretation and advice, bankruptcy and collection matters, union contracting and all other matters requiring legal services.	The allocation for these services is based on the EBITDA allocation method.
Materials	Provides the Company with non-inventory related materials, which are materials relating to the Company's office supplies that do not flow through inventory accounts.	The allocation for these materials is based on total materials per employee. The listing of materials is updated annually.
New Hire Background Services	Provide new hire background check processes.	The allocation for these charges are based on Headcount allocation.
Payroll Services	Provides Company-wide payroll processing functions.	The allocation for these charges are based on Headcount allocation.
Pension Administration Services	Provide services for the management and administration of all pension and savings plan assets for the Company. Services provided include, but are not limited to, the implementation of investment policies, monitoring of investment performance, and coordination of actuarial valuation reviews.	The allocation for these charges are based on Headcount allocation.
Rent Services	Provides office space at the headquarters building. For all employee time that is charged directly to a subsidiary, the Company allocates a portion of DLC rent expense to the associated subsidiary in connection with the direct charge. The annual rent expense is updated in accordance with changes in lease terms. Additionally, the number of employees per floor is updated annually with an employee by location listing.	The allocation for these services is based on total cost per employee per floor.
Safety & Workforce Development	Provides Company-wide safety and workforce development reporting and initiatives.	The allocation for these services is based on the EBITDA allocation method.
Tax Services	Provide services related to preparation of tax returns and other filings, consultation services, research of tax planning initiatives, coordination of audits, and various other tax related accounting functions.	The allocation for these services is based on the EBITDA allocation method.
Treasury Services	Provide services including, but not limited to, daily banking transactions, monitoring of cash holdings, monitoring of credit facilities, forecasting cash requirements, various reporting requirements, management of bank, investor and agency relationships, and management of insurance policies.	The allocation for these services is based on the Average Asset allocation method.

Appendix B



01/02/2020

Appendix C

The allocation factors described below will be used by the Accounting and Reporting department for apportioning project charges to DQE Holdings LLC and subsidiaries (the Company).

Allocation 1 – DIRECT COSTS

Project charges will be allocated to each benefited affiliate on the basis of the relation of its direct costs billed by the shared service to the total of all direct costs billed by the shared service. All affiliates may be included in this allocation.

Allocation 2 – NUMBER OF REGULAR EMPLOYEES

Project charges will be allocated to each benefited affiliate on the basis of the relation of its number of regular employees to the total number of all regular employees of the benefited affiliates. All affiliates may be included in this allocation. Part time, temporary and full time employees will record their time into the timekeeping system and their time will be allocated based on the employee's charge code that is selected. All contractor and subcontractors will be billed through invoices received and would be excluded from this calculation. Contractor and subcontractor time will be billed directly to the subsidiary. In the event that the contractor's time cannot be directly charged, the charges will be manually recorded through a monthly journal entry.

Allocation 3 – FIXED ALLOCATION

Project charges will be allocated to each benefited affiliate on the basis of fixed percentages on an individual project basis. All affiliates may be included in this allocation.

Allocation 4 – EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

Project charges will be allocated to each benefited affiliate on the basis of the relation of its total EBITDA to the sum of the total EBITDA of all benefited affiliates. All affiliates may be included in this allocation. On an annual basis, EBITDA balances of each company will be updated using 12/31 balances. This will be updated subsequent to the finalization of year-end financial statements. The total EBITDA will be reduced by the previous year's administration fee allocation per company and then the balance will be translated to the absolute value. Then, utilizing the absolute value, a percent of total EBITDA per company will be calculated. All discontinued operations will be removed from the overall calculation. Note: The 'administration fee allocation' refers to the entry made to reallocate costs to the relevant affiliate. It is the summary of all of the outlined allocation methods. Each month, the Company calculates all costs to be reallocated and records a manual journal entry (i.e. the administration fee allocation). This ensures all appropriate costs are recorded and invoiced at the subsidiary. When determining the EBITDA percentages, the impact of the previous year allocation from EBITDA is removed in order to neutralize the calculation.

Allocation 5 – AVERAGE ASSETS

Project charges will be allocated to each benefited affiliate on the basis of the relationship of its total average assets to the sum of the total average assets of all benefited affiliates. All affiliates may be included in this allocation. On an annual basis, the average asset calculation will be updated utilizing November balances. The current asset balances will be adjusted by removing cash, intercompany, goodwill, and investment in subsidiaries in order to calculate an adjusted asset balance per company. The previous 12 months (including November) will be used to determine an average asset balance per company. Then, utilizing the 12 month average asset balances, a percent of total average assets will be calculated per company. All discontinued operations will be removed from the overall calculation.

Allocation 6 – REVENUE

Project charges will be allocated to each benefited affiliate on the basis of the relationship of its total revenue to the sum of the total revenue of all benefited affiliates. All affiliates may be included in this allocation. On an annual basis, revenue balances per company will be updated utilizing November balances. A percent of total revenue per company will be calculated to determine to the percentage of allocation.

Allocation 7 – CAPITALIZATION

Project charges will be allocated to each benefited affiliate on the basis of the relationship of its capitalization (debt and equity) to the sum of the total capitalization of all benefited affiliates. All affiliates may be included in this allocation.

Allocation 8 – NUMBER OF TRANSACTIONS

Project charges will be allocated to each benefited affiliate on the basis of the relationship of the number of transactions to the affiliate to the sum of the total transactions of all benefited affiliates. All affiliates may be included in this allocation.

Allocation 9 - MASSACHUSETTS METHOD

The Massachusetts Method allocates costs based on the benefiting company's revenue, total assets, and payroll or labor relative to the totals for all companies benefiting from a service. All affiliates may be included in this allocation.

Allocation 10 – PENNSYLVANIA METHOD

The Pennsylvania Method allocates the costs of a service based on the relevant company's invested capital, operation and maintenance expenses, and number of employees relative to all other affiliates receiving the service at issue. All affiliates may be included in this allocation.

Direct Time Allocations - e-Time Procedures

The Company has identified certain shared service employees which are employees of DLC. These employees utilize the eTime process described below in order to directly allocate time to affiliates or charge projects requiring additional allocation. A listing of shared service cost centers is maintained by the accounting department and reviewed on a quarterly basis to ensure the proper allocation of time to affiliates.

eTime – eTime is an internet scheduling tool used by employees of the Company. eTime was established in order for employees to track and assign time based on the actual hours spent performing tasks for a particular project or affiliate.

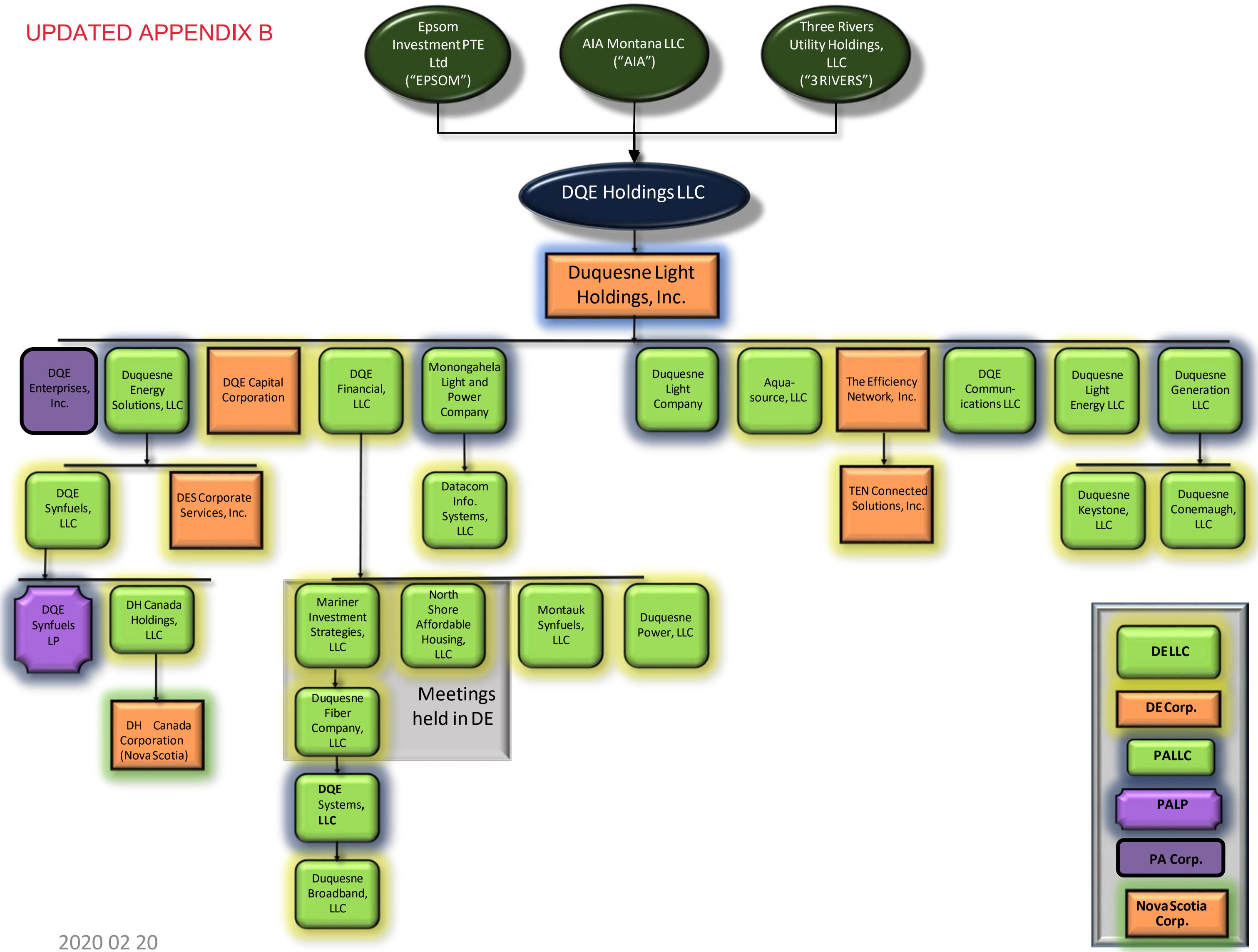
As described above, all shared service employees of the Company are considered DLC employees and are required to complete a timesheet or submit their time via eTime for each period whether they are paid hourly or receive a salary. Employees who utilize eTime must enter their time based on the activities that were performed during the pay period. A screen within eTime allows the employee to select certain projects and/or affiliates. Employees are required to select the entity or project to which their time should be charged. If an employee does not select an entity or project, eTime will not be submitted. An eTime file is then generated monthly with all allocations and a manual entry is recorded within the accounting department to transfer the labor charges to the appropriate affiliate.

Employees are encouraged to enter their time in one quarter hour increments. Employees are also encouraged to keep their timesheets updated on a regular basis, so that they do not have to enter an entire pay period of time on the last day of the pay period. It is best if they enter their time on a daily basis, when feasible, so that it is as accurate as possible. Employees may face disciplinary action for not adhering to the Company's policies regarding eTime.

Employees who fail to submit their eTime at the end of a pay-period receive an initial automated email reminding them to submit their time via eTime. If the employee does not submit their time after receiving the initial reminder, the employee is sent a second automated email communicating that they have committed a compliance violation for eTime non-submittal. This second email prompts the employee to immediately report their time. If the employee continues to delay, a notice is sent to the employees direct Supervisor for follow-up and possible disciplinary action. Multiple delays in eTime submissions are considered a performance issue and may warrant disciplinary action.

eTime allocations will be reviewed on an annual basis to ensure that shared service employees are properly allocating time to benefiting affiliates.

UPDATED APPENDIX B



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**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA. 17105-3265**

Public Meeting held February 26, 1998

Commissioners Present:

John M. Quain, Chairman
Robert K. Bloom, Vice Chairman
John Hanger
David W. Rolka
Nora Mead Brownell

Affiliated Interest Agreement Between Duquesne Light Company and DQE Communications, Inc.	Docket No. G-00970585

OPINION AND ORDER

BY THE COMMISSION:

On October 14, 1997, an Affiliated Interest Agreement ("Agreement") between Duquesne Light Company ("Duquesne") and DQE Communications, Inc. ("DQE Communications") was filed to become effective on November 13, 1997. The period for consideration of this Agreement was extended by the Commission to January 16, 1998. On January 14, 1998, the period for consideration of this Agreement was extended until further order of the Commission.

This is a Master Fiber Services Agreement which provides for the lease back by Duquesne from DQE of portions of the Fiber Optic Network and other fiber services for use in Duquesne's utility business.

Duquesne is a public utility subject to the Commission's jurisdiction and is a wholly-owned subsidiary of DQE, Inc. a Pennsylvania corporation. DQE Communications is a wholly-owned subsidiary of Duquesne Enterprises, a Pennsylvania corporation, which is also a wholly-owned subsidiary of DQE, Inc.

Duquesne currently owns, operates and maintains a fiber optic telecommunications network ("Fiber Optic Network") used in Duquesne's utility business to carry voice and data information and to supervise, protect and control Duquesne's distribution and substation system.

Two other affiliated interest agreements have been submitted by Duquesne and are interrelated and pertain to Duquesne's proposed sale of its Fiber Optic Network to DQE Communications and the lease by Duquesne of certain fiber services from DQE Communications for operation of its telecommunications network. These related agreements have been filed at Docket Nos. G-00970584 and G-00970586. Also related to this Agreement is an Application of Duquesne Light Company and DQE Communications, Inc. (Docket No. A-110150 F0016), for approval of the transfer by sale of a fiber optic network from Duquesne Light Company to DQE Communications, Inc., and for the lease of fiber services by Duquesne Light Company from DQE Communications, Inc.

The subject Agreement is filed in accordance with the requirements of Section 2102(b) of the Public Utility Code, 66 Pa. C.S. 2102(b).

We have examined the Agreement and have determined that it appears to be reasonable and consistent with the public interest; however, approval of the Agreement does not preclude us from investigating, during any formal proceeding, the reasonableness of charges incurred under the Agreement; **THEREFORE,**

IT IS ORDERED:

1. That the Affiliated Interest Agreement between Duquesne Light Company and DQE Communications, Inc. filed on October 14, 1997, be and hereby is, approved.

2. That acceptance does not preclude the Commission from investigating during any formal proceeding the reasonableness of charges incurred under the Agreement.

3. That a copy of this order be served on the Office of Consumer Advocate, the Office of Small Business Advocate, the Office of Trial Staff and parties to the Duquesne Restructuring Proceeding at Docket No. R-00974104, and made available to other interested parties.

4. That this Docket No. G-00970585 be marked closed.

BY THE COMMISSION

James J. McNulty

James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: February 26, 1998

ORDER ENTERED: FEB 26 1998

Original Source: Bill Roberts

MASTER FIBER SERVICES AGREEMENT

THIS AGREEMENT (the "Agreement") made this 26th day of September, 1997 (the "Effective Date"), by and between DUQUESNE LIGHT COMPANY, a Pennsylvania corporation ("Duquesne") and DQE COMMUNICATIONS, INC., a Pennsylvania corporation ("Company").

WHEREAS, Duquesne requires the use of a fiber optic telecommunications network (such network being hereinafter referred to as the "Telecommunications Network") and for this purpose desires that Company provide to Duquesne Fiber Services (as defined below); and

WHEREAS, Company currently owns and may acquire additional fiber optic cables ("Fiber") which comprise a portion of the Telecommunications Network, which Fiber may be located on or within Duquesne's poles, conduits, ducts and related property (hereinafter referred to collectively as "Facilities"); and

WHEREAS, Company is willing, to the extent it may lawfully do so and subject to the terms and conditions set forth, to provide to Duquesne Fiber Services; and

NOW, THEREFORE, in consideration of the mutual covenants, terms, conditions and obligations contained herein, and intending to be legally bound hereby, the parties agree as follows:

Article 1
FIBER SERVICES; RIGHTS OF WAY

a. ***Fiber Services***

As used herein, the term "Fiber Services" shall mean the provision of such capacity on Fiber (whether now owned by Company or to be acquired in the future) as Duquesne shall from time to time require, and shall include, without limitation: (i) specific strands of Fiber as set forth on Exhibit C and as requested by Duquesne, (ii) maintenance, replacement and repair of all Fiber used to provide Fiber Services and (iii) the construction and/or acquisition of additional Fiber and related facilities as and when needed to meet Duquesne's Fiber requirements.

Duquesne shall request from time to time the Fiber Services required; Company shall provide to Duquesne all the Fiber Services requested by Duquesne. Company covenants to use its best efforts to provide all Fiber Services required by Duquesne for the fulfillment of its electric service requirements. This Agreement contains the basic terms and conditions upon which Fiber Services shall be provided by Company to

Duquesne. Subject to such terms and conditions, when the parties agree on the location of additional Fiber to be used in the provision of Fiber Services, they will execute a completed Fiber Services Acknowledgment (substantially in the form of Exhibit A hereto).

b. ***Periodic Plan Reports***

Within 90 days of the end of its fiscal year, Duquesne shall provide Company with an annual plan setting forth in writing Duquesne's projected needs for additional Fiber Services in such year. Within 45 days of the end of the second fiscal quarter in each year, Duquesne shall provide Company with a written update of such annual plan, setting forth any changes therein and any new projected needs for additional Fiber Services. Duquesne shall also keep Company informed of any known Fiber Services needs which will arise beyond the then current fiscal year.

c. ***Franchise and Other Requirements***

Company covenants to Duquesne that it will obtain and maintain all of the necessary approvals, authorities, franchises, permits, consents and easements from federal, state and local authorities including, but not limited to, the Pennsylvania Public Utility Commission, relating to the construction and operation of the Telecommunications Network. Compliance with this Article shall not relieve Company of the obligation to obtain any necessary or additional rights-of-way from private property owners.

Article 2
INSTALLATION, OWNERSHIP, SERVICES AND MAINTENANCE

a. ***Installation, Ownership and Maintenance of Fiber***

Company shall be responsible for ensuring the proper maintenance and repair of all Fiber used in the provision of Fiber Services on a 24 hours a day, seven days a week basis (including good faith efforts to dispatch a repair crew within two hours of notice of a problem). Duquesne shall have the right to perform, or cause the performance of, the maintenance and repair of the Fiber (whether or not used in the provision of Fiber Services) and the provision of such other services, as set forth on Exhibit D-1, including all engineering, splicing, termination, patching and testing of Fiber at Company's expense. Company shall pay Duquesne a fee for such services in accordance with the terms set forth on Exhibit D-2.

Duquesne reserves to itself, its successors and assigns the exclusive right to maintain the Fiber used in the provision of Fiber Services and to operate its equipment in a manner to enable it to fulfill its electric service requirements. Company acknowledges that Duquesne's Fiber Services needs in connection with fulfilling its electric service requirements will always receive priority over the needs of Company.

The relevant strands of Fiber used in the provision of Fiber Services shall be tested by Duquesne in the manner specified in the attached Exhibit B to determine compliance with the specifications set forth in the attached Exhibit B. Company may have representatives present during such testing. Duquesne shall promptly deliver to Company a copy of the test results within two weeks after receipt of such test results. If the Fiber meets the specifications, it shall be deemed to be in service as of the date of the test and such in service date shall be the rent commencement date for the Fee for those strands. If the Fiber does not meet the specifications, Duquesne shall attempt to repair, or at its option replace, and retest the subject Fibers.

b. ***Change in Location of Fiber***

In the event that Company shall at any time be required by any entity having the legal authorization to compel such action, to transfer, rearrange or relocate any portion of the Fiber used in the provision of Fiber Services, Company may require such transfer, rearrangement or relocation at its own expense. Company shall use commercially reasonable efforts to transfer, rearrange or relocate such Fiber in such a manner as to avoid interruption in service to Duquesne or its customers. Company shall provide Duquesne with not less than one hundred eighty (180) days written notice prior to commencing any transfer, rearrangement or relocation of any portion of such Fiber, except in the event that earlier action is required by any entity having the legal authorization to compel such earlier action, in which event Company shall notify Duquesne promptly upon learning of the proposed action of such entity. Company shall advise Duquesne of the location of the relocated Fiber. Duquesne shall have the right to approve or disapprove any such new location for the relocated Fiber to the extent necessary to ensure its continued ability to fulfill its electric service requirements.

c. ***Use of Fiber***

Company acknowledges that Duquesne shall have unrestricted and exclusive use of all Fiber used in the provision of Fiber Services.

Article 3
DAMAGE; COSTS

Each party shall promptly and in writing inform the other party of any damage to Fiber used in the provision of Fiber Services of which such party is aware. If any such damage is the result of negligent or intentional acts of Duquesne or its agents or contractors Duquesne shall be responsible for the cost of repairing such damage; otherwise, Company shall be responsible for the cost of repairing such damage.

As used in this Agreement, the term "costs" shall include, without limitation, all labor costs, fringe benefits, pensions, taxes, supervision, transportation, clearing costs, equipment costs, costs associated with materials and supplies, and purchasing and warehousing costs, all as described in more detail on Exhibit D-2, all of which shall be billed on a time and materials basis.

Article 4
INTERRUPTIONS

Company shall not be liable to Duquesne or any third party for any interruption of Duquesne's service or for any interference with the operations of Duquesne arising out of any act or omission by Company or any person acting on behalf of Company (except for negligent or willful acts). Company shall use its commercially reasonable efforts to avoid any interference with Duquesne's Telecommunications Network or its operations. Company shall not be responsible for any incidental or consequential damages.

Article 5
FEES

Duquesne shall pay Company an annual fee for Fiber Services as follows:

Fees are due and payable quarterly in advance on the first day of each calendar quarter. Fees for Fiber Services for which utilization began during a quarter will be calculated on a pro-rated basis in accordance with the number of days of use and reflected in the next quarterly bill.

With respect to Fiber which exists at the date of this Agreement, the annual fee charged for strands of Fiber providing service to Duquesne (and the maintenance thereof) shall be $111 for each mile of each fiber strand used in each cable. This fee has been negotiated on an individual basis specifically with, and shall apply specifically to, Duquesne.

With respect to Fiber which is acquired or constructed at the request of Duquesne, the annual fee charged for strands of such Fiber providing service to Duquesne (and the maintenance thereof) shall be an amount no more than the annualized cost of construction and maintenance which Duquesne would have incurred had Duquesne carried out such construction and maintenance for its own account, prorated for each strand of Fiber providing service to Duquesne. The calculation of this fee shall be based on, but not limited to, such factors as construction costs, maintenance costs and depreciation. Company shall have the right to review, but not participate in, Duquesne's calculation. If there is a dispute regarding the accuracy of such calculation which cannot be resolved by good faith negotiations between Duquesne and Company within 30 days, such dispute shall be submitted to a mutually agreeable, nationally recognized, independent accounting firm with offices in Pittsburgh, who shall be instructed to make a final determination within 30 days of being appointed. Such determination shall be binding on Duquesne and Company. Notwithstanding the foregoing, if Company has no Fiber available to provide services to Duquesne due to such Fiber's being committed to third parties and Company must therefore acquire or construct additional Fiber to meet Duquesne's electric service requirements, the annual fee charged for such strands of Fiber providing service to Duquesne (and the maintenance thereof) shall be the lesser of (i) the amount set forth in the immediately preceding paragraph and (ii) the amount calculated pursuant to the first sentence of this paragraph.

Article 6
TERM

This Agreement shall become effective upon the later to occur of (i) approval by the Pennsylvania Public Utility Commission of this Agreement and the transactions contemplated herein and (ii) approval by the Pennsylvania Public Utility Commission of the Asset Purchase Agreement between Duquesne and Company of even date herewith and the transactions contemplated therein, and, if not earlier terminated in accordance with the provisions hereof, shall continue in effect until December 31, 2017. Notwithstanding the foregoing, this Agreement shall not be effective until approved by Duquesne's Board of Directors. In consideration for the mutual promises contained herein, this Agreement shall automatically be extended for additional ten (10) year terms unless either party has delivered written notice no later than five (5) years prior to the date of termination of the initial term or any additional term.

Notwithstanding the foregoing paragraph, Duquesne shall at all times have the right, upon 12 months' written notice, to terminate this Agreement (and/or any related Fiber Services Acknowledgment) with respect to some or all of the Fiber Services if such Fiber Services are no longer necessary for Duquesne to fulfill its electric service requirements.

Article 7
BILLING

All amounts due Company under this Agreement shall be paid by Duquesne within 45 days of the date set forth on the invoice ("Payment Date") from Company along with a detailed accounting of such amounts.

Article 8
EVENTS OF DEFAULT

The following shall constitute an event of default under this Agreement:

1. The failure of a party to pay a sum of money owed to the other party on or before the date on which such payment is due, and the continuance of such failure for ten (10) days after written notice.

2. Any material breach of any term of this Agreement, other than the payment of money, and the failure of the breaching party to cure such breach within thirty (30) days after written notice, provided that if the breach by its nature is not capable of being cured within thirty (30) days, then an event of default shall not occur if within such thirty (30) days the party commences curing the breach and thereafter diligently and continuously pursues such cure to completion. Failure to pay monies owed shall never be deemed a breach not capable of being cured within thirty (30) days.

3. Any change in control of Company. A "change in control" shall be deemed to have occurred if (i) at any time Company is no longer a DQE Affiliate (defined below), (ii) Company enters into an agreement providing for the merger or consolidation of Company with or into another person other than a DQE Affiliate, (iii) Company enters into an agreement providing for the sale of all or substantially all of Company's assets to any person or entity other than a DQE Affiliate, (iv) Company enters into an agreement providing for the transfer of title in the Fiber to any person or entity other than a DQE Affiliate or (v) Company assigns its rights, duties or obligations under this Agreement to any person or entity other than a DQE Affiliate.

As used herein, the term "DQE Affiliate" shall mean any person or entity, the majority of the voting securities of which are owned by DQE, Inc. or any of its wholly-owned direct or indirect subsidiaries.

Upon the occurrence of a change in control, Duquesne shall have the right, in its sole discretion, to acquire all right, title and interest in some or all of the Fiber for an amount equal to the depreciated book value of such Fiber, pursuant to documentation reasonably acceptable to Duquesne.

Upon the occurrence of any event of default (including without limitation a change in control), the non-breaching party may exercise any and all remedies available at law or equity, including but not limited to termination of the Agreement. Such remedies are not intended to be exclusive and a party may pursue multiple remedies.

Article 9
TERMINATION

a. In the event that (i) any federal, state or local authority takes any action that preempts or otherwise invalidates any material provision of this Agreement or revokes the approvals, authorities, franchises, consents or easements necessary for Duquesne to operate the Telecommunications Network or (ii) a court of competent jurisdiction issues an order preventing Duquesne from operating the Telecommunications Network, either party shall have the option, to terminate this Agreement, provided that if the action or order affects less than all of the Fiber used in the provision of Fiber Services the Agreement shall only be terminated with respect to the affected Fiber, unless Duquesne determines in its sole discretion that the remaining Fibers could not be utilized economically in its business, in which event Duquesne may elect to terminate the entire Agreement.

b. In the event that this Agreement is terminated, (i) Duquesne shall pay to Company any and all sums then due and owing within 30 days thereof, and (ii) each party shall return all documents, work papers and other materials of the other party relating to the transactions contemplated hereby (or copies thereof), whether obtained before or after the execution hereof, to the party furnishing the same or each party shall destroy such material at the request of the furnishing party, except that each party may keep one copy of such items for its records.

c. Upon termination of this Agreement for any reason (including without limitation pursuant to Article 6), Duquesne shall have the right to purchase some or all of the Fiber (whether or not used in the provision of Fiber Services) for an amount equal to the depreciated book value thereof.

Article 10
WAIVER OF COMPLIANCE

Any failure to exercise or delay in exercising any right, power, privilege or remedy herein contained, or any failure or delay at any time to require the other party's performance of any obligation under this Agreement, shall not affect the right to subsequently exercise that right, power, privilege or remedy or to require performance of that obligation. A waiver of any of the provisions of this Agreement shall not be deemed, nor shall constitute, a waiver of any other provision, nor shall any waiver constitute a continuing waiver. A waiver shall not be binding unless executed in writing and delivered to the other party.

Article 11
ASSIGNMENT

This Agreement shall not be sublet, assigned, transferred, pledged or otherwise encumbered by either party without the prior written consent of the other. Notwithstanding the foregoing, Company agrees that Duquesne may sublet Fiber used in the provision of Fiber Services in accordance with the agreements listed on Schedule 11 hereto.

Article 12
QUIET ENJOYMENT

Company shall not take any action that would prohibit Duquesne from peaceably and quietly holding and using any and all Fiber used in the provision of Fiber Services for the entire term of the Agreement.

Article 13
REPRESENTATIONS AND WARRANTIES

a. Duquesne represents and warrants to Company that Duquesne has full power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement is a valid and binding agreement of Duquesne enforceable in accordance with its terms.

b. Company represents and warrants to Duquesne that Company has full power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement is a valid and binding agreement of Company enforceable in accordance with its terms.

Article 14
MEMORANDA OF AGREEMENT

If required, Company and Duquesne shall prepare a Memorandum of Agreement outlining the general terms of this Agreement. Subject to the limitations contained in Article 17 contained in this Agreement, the Memorandum shall be suitable for submission to the regulatory agencies with jurisdiction over such agreements and, if Duquesne and Company agree, for other recording purposes. Any and all costs associated with such recording shall be paid by Company.

Article 15
THIRD-PARTY BENEFICIARIES

This Agreement shall not confer any rights or remedies upon any person other than the parties hereto and their respective successors and permitted assigns provided.

Article 16
NOTICE

Any notice from one party to the other under this Agreement shall be written notice effective upon receipt sent by the United States mail, certified mail, with return receipt requested and postage prepaid, or by facsimile transmission followed by written notice as set forth above.

Notice to Duquesne shall be addressed as follows:

Duquesne Light Company
2101 Beaver Avenue
M-GSU
Pittsburgh, PA 15233
Attn: Richard A. Nickel
Assistant General Manager
Fax: (412) 393-8869

and notice to Company shall be addressed as follows:

DQE Communications, Inc.
One NorthShore Center
12 Federal Street
Pittsburgh, PA 15212
Attn: Anthony J. Villiotti
Treasurer
Fax: (412) 231-2140

Each party may change its address for purposes of notice requirements at any time by written notice to the other party given in accordance with this Article 16.

Article 17
PAYMENTS

All payments due to Company hereunder shall be paid by check, wire transfer or by such other means and/or to such other accounts as Company may designate from time to time.

Article 18
CONFIDENTIALITY

Except as may be required by law (as provided for below), both parties agree to hold and maintain any information (in written or any tangible form) each discloses to the other ("Confidential Information") with the same degree of confidentiality with which each party treats its own confidential information and in no case less than a reasonable degree of confidentiality. Information materially relating to or arising under this Agreement, including all terms and exhibits of this Agreement, shall be deemed to be "Confidential Information" for purposes of this Agreement. If a party or any of its representatives becomes legally compelled to disclose any Confidential Information, the receiving party shall provide the disclosing party with prompt notice of such requirement and shall cooperate with the disclosing party in seeking to obtain a protective order or other arrangement pursuant to which the confidentiality of the Confidential Information is preserved. Any legally compelled disclosure shall not change the status of the disclosed information as Confidential Information. The provisions of this Article shall bind the parties throughout the term of this Agreement, including extensions, and shall survive for a period of five (5) years thereafter. The term Confidential Information shall not include information that: (a) was publicly known at the time of disclosure, (b) becomes publicly known through no fault of the recipient, (c) was in recipient's possession free of any obligation of confidence at the time of the owner's disclosure to recipient, (d) is developed by recipient independently of and without reference to any of owner's Confidential Information or other information that owner disclosed in confidence to any third party, (e) is rightfully obtained by recipient from third parties authorized to make such disclosure without restriction, or (f) is identified by owner as no longer confidential or proprietary.

Article 19
FORCE MAJEURE

Whenever a period of time is provided for in this Agreement for either party to do or perform any act or obligation, neither party shall be liable for any delays or inability to perform due to causes beyond the reasonable control of said party such as but not limited to war, riot, insurrection, rebellion, strike, lockout, unavoidable casualty, or injury or damage to personnel, material or equipment, fire, flood, storm, earthquake, tornado or any act of God provided that said time period shall be extended for only the actual amount of time said party is so delayed. For purposes of this Article, acts or omissions shall not be deemed "beyond the reasonable control of a party" if committed, omitted or caused by a party to this Agreement, or its employees, officers, agents or affiliates, or by any corporation or other business entity that holds a controlling interest in said party, whether held directly or indirectly. In addition, the inability to perform for financial reasons shall not be deemed an act or omission "beyond the reasonable control of a party" and shall not be deemed force majeure.

Article 20
DISCLOSURE

Each party will promptly inform the other of any fact or omission that would make any representations, warranty or disclosure made herein materially untrue or misleading or which constitutes a material breach of any covenant contained herein.

Article 21
SEVERABILITY

In the event that any term or provision of this Agreement is declared to be illegal, invalid or unconstitutional, then that provision shall be deemed to be deleted from this Agreement and have no force or effect and this Agreement shall thereafter continue in full force and effect, as modified.

Article 22
HEADINGS

The headings contained in this Agreement are included for convenience of reference only and shall in no way affect the construction or interpretation of any of the terms or provisions of this Agreement.

Article 23
GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the substantive laws of the Commonwealth of Pennsylvania, without reference to its conflicts of laws principles. Any litigation shall be filed and pursued in either state or federal court in Pittsburgh, Pennsylvania.

Article 24
ENTIRE AGREEMENT AND AMENDMENT

This Agreement contains the entire agreement between the parties with respect to the subject matter and supersedes any and all prior oral or written agreements. This Agreement may not be modified or amended except in writing and signed by both parties.

Article 25
EXECUTION IN COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original instrument, and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

DUQUESNE LIGHT COMPANY

By: G R Brandenberger
Name: G. R. Brandenberger
Title: VP Customer Operations

DQE COMMUNICATIONS, INC.

By: James D Mitchell
Name: JAMES D. MITCHELL
Title: PRESIDENT

DLR/chca019(1997)
09/09/97 3:07 PM

SCHEDULE 11

Permitted Subleases of Fiber

NONE.

EXHIBIT A

FIBER SERVICES ACKNOWLEDGMENT
LEASE NUMBER

This Fiber Services Acknowledgment (this "Acknowledgment") is made to the Master Fiber Services Agreement between Duquesne Light Company ("Duquesne") and DQE Communications, Inc., ("Company") dated ______________,1997. Capitalized terms used in this Acknowledgment have the same meaning as such terms in the Master Fiber Services Agreement unless otherwise indicated.

This Acknowledgment is entered into as of ________________________, 1997.

1. Location (demarcation points): The Fiber used in the provision of Fiber Services to Duquesne under this Acknowledgment will be between (pole, manhole, facility), located on (street name), near (street name), in (City, Twp. Borough) and (pole, manhole, facility), located on (street name), near (street name), in (City, Twp. Borough).

2. Length: The cable sheath length distance between the above two demarcation points is: __________ miles.

3. Number of strands of Fiber: The specific number of strands of Fiber so used will be _______, (__).

4. Fiber miles (for billing purposes): _________________ Fiber miles, (item #2 times item #3).

5. Work required to provide connection to Duquesne's Telecommunications Network:

____
____
____

6. The terms and conditions set forth in the Master Fiber Services Agreement shall govern.

7. Approvals:

DQE Communications, Inc.	Duquesne Light Company
Name: ______________________	Name: ______________________
Title: ______________________	Title: ______________________
Date: ______________________	Date: ______________________

EXHIBIT B

ACCEPTANCE TEST PLAN AND SPECIFICATIONS

FIBER ACCEPTANCE TESTING PROCEDURES

Duquesne will conduct the following tests as part of its Acceptance Testing Plan:

1. Non-destructive Attenuation Tests (End-to-End)
2. Optical Time Domain Reflectometer Tests (OTDR)

Fiber acceptance testing will be performed to ensure that the Telecommunications System will operate within the parameters of the Specifications set forth below.

More specifically, fiber acceptance testing will include the following:

1. Continuity/Uniformity Tests:

All fibers shall be tested bi-directionally at 1310 nm or 1550 nm, as applicable, with an OTDR; the subsequent traces shall be inspected for end-to-end continuity and for uniform attenuation. These traces will be stored on diskette and will be compatible with Laser Precision PC-OTDR software.

2. Optical Length:

The OTDR will be used to determine the end-to-end optical length of the cable where possible.

3. Splice Loss:

Splice loss will be measured bi-directionally with an OTDR using the Splice Loss Average method. The average acceptance splice loss shall be the measurement for splice loss set forth below.

4. End-to-End Loss:

Using a light source and a power meter, the bi-directional, connector-to-connector attenuation will be measured for each fiber at 1310 nm and 1550 nm, as applicable. The acceptance average attenuation per kilometer shall be the attenuation set forth below.

FIBER ACCEPTANCE SPECIFICATIONS

I. Design Criteria

Duquesne will endeavor to keep the number of splices in a span to a minimum.

II. Optical Fiber Specifications

Company will meet the optical specifications as detailed below for all cable:

A. Optical Fiber Specifications - Singlemode Fiber (if applicable)

Parameter	Specification	Units
Maximum attenuation, 1310nm (A1)	0.50	dB/km
Maximum attenuation, 1550nm (A2)	0.40	dB/km
Cladding diameter	125 ±3	um
Cutoff Wavelength	1250 ±100	nm
Zero dispersion wavelength	1310 ±12	nm
Maximum dispersion (1285-1330nm)	3.5	ps/(nm km)

III. Splice Loss

Splice loss on cables will average less than or equal to 0.3 db for all splices made under this Agreement. The 0.3 dB splice average will only apply to splices between cables of identical physical and optical properties (i.e. core and cladding dimensions, refractive index and optical loss characteristics).

IV. End-To-End Attenuation Acceptance Criteria

The cable system will be tested at both wavelengths specified for each cable type as specified below unless otherwise stated in this Agreement:
Singlemode fiber - 1310 nm. and 1550 nm.
The end-to-end attenuation acceptance criteria will be based on the following formula:
Maximum acceptable end-to-end attenuation =

$$(A \times L)+(0.3 \times N_{sp})+C$$

where:
A = Max. attenuation at each wavelength (A1 and A2) as specified in section II above.
L = Optical length of the cable in kilometers (km).
N_{sp} = Number of fiber splices in the cable system.

C = Connector/pigtail loss. The attenuation contribution of each pigtail with associated connector is considered to be 1.3 dB, comprised of 1.0 db connector loss and 0.3 dB splice loss (pigtail to OSP cable splice).

Therefore, C = 1.3 dB if the span is connectorized on one end and 2.6 db if the span is connectorized on both ends.

The parameters above are guaranteed unless otherwise specified.

In the event that the fiber measured attenuation values change after the cable is installed, and is degraded by 2 dB or greater than specified above, Company will ensure corrective maintenance is performed to attempt to restore the fiber to its original specified attenuation values.

EXHIBIT C — Fibers Required By Duquesne Light

Cable Name	Project Title	Drawing Series	Length (Feet)	Cable Size	Fibers Required	Fibermiles Utilized
AESFO1	AES-ST JOE/MM	3176	1,131	6	2	0.43
ARSFO1	ARSENAL TO BLAWNOX	3286	46,881	24	0	0.00
ARSFO1	ARSENAL TO BLAWNOX	3286	2,979	48	0	0.00
BKSVLFO1	CRANE-BANKSVIL	9817	4,248	24	0	0.00
BVFO1	BV TO J&L MIDLAND	3061	17,157	6	2	6.50
BVFO15	RELAY HOUSE TO ERF	3208	2,541	16	6	2.89
CCFO1	SCC-OXFORD VIA WOODS RUN	3261	27,546	10	8	41.74
CCFO2	SCC-NARROWS RUN	3154	63,695	10	4	48.25
CCFO2	NRWS RN-JPIC	3154	28,416	24	2	10.76
CCFO2	JPIC-TRAV RUN	3154	51,931	24	10	98.35
CCFO2	TRAV RN-BV	3154	73,153	16	10	138.55
CCFO3	SCC-ALLEG CTR	3245	14,979	24	16	45.39
CCF04	SCC-PREBLE MM	3246	5,854	4	4	4.43
CLINTFO1	CLINTON FO 1	3271	26,883	24	18	91.65
COLFO1	COLLIER TO HOOKSTOWN GR	PA25	43,867	36	12	99.70
COLFO1	COLLIER TO HOOKSTOWN GR	3263	7,817	48	12	17.77
CORBRFO1	CORAPOLIS BRIDGE	TE0157	2,129	96	0	0.00
DRAV FO1	DRAVOSBURG TO WILSON	PA35	31,327	24	0	0.00
EEFO1	EE-RANKIN	3280	35,185	24	4	26.66
EDISFO1	EDISON TO 411 7TH	3301	62,395	24	4	47.27
EDISFO1	EDISON TO 411 7TH	3301	4,629	48	4	3.51
EDISFO2	EDISON TO HAMPTON TWP	3300	24,123	24	0	0.00
FINDFO1	FINDLAY TO MIDFIELD	3212	12,759	24	14	33.83
FINDFO2	FINDLAY TO MIDFIELD	3212	13,086	24	6	14.87
FINDFO3	FINDLAY TO MIDFIELD	3264	30,457	24	18	103.83
FINDFO4	FINDLAY TO MIDFIELD	3270	44,497	24	16	134.84
HKSFO1	HKSTWN GRADE TO THORN RUN	3278	22,333	24	6	25.38
HKSFO1	THORN RUN TO NARR RUN	3278	18,070	10	6	20.53
HULBRFO1	HULTON BRIDGE	TE0106	1,878	24	0	0.00
MONTFO1	MONTOUR-HKSTN GRADE	3266	29,798	16	8	45.15
OXFO1	OXFORD 4 TO 25	13529	420	144	22	1.75
OXFO2	OXF TO SMFLD & CARSON	3263/PA24	7,344	72	8	11.13

Cable Name	Project Title	Drawing Series	Length (Feet)	Cable Size	Fibers Required	Fibermiles Utilized
OXFO2	SMFLD & CARSON TO LANDMKS	3263	613	48	4	0.46
OXFO2	SMFLD & CARSON TO WARRING	PA25	4,610	48	4	3.49
OXFO2	WARRRINGTON TO COLLIER	PA25/3263	46,145	24	4	34.96
OXFO2	SMITHFIELD ST. BRIDGE	DDP25	2,346	72	0	0.00
OXFO2	SMITH. ST. TO OXFORD	3309	1,450	48	0	0.00
OXFO3	OXFORD 4 TO 25	13529	495	48	16	1.50
	FRNDSP AVE TO 4736 PENN	3275	1,173	24	0	0.00
OXFO5	OXFORD TO 2ND AVENUE	3309	4,889	36	4	3.70
OXFO5	2ND AVE TO EE VIA OAKLAND	3309	34,314	24	4	26.00
PKWAYFO1	PARKWAY XING-ATEN RD	3279	4,709	72	16	14.27
PCFO1	ROUTE 8 TO PINE CREEK	3304	22,179	24	0	0.00
PNYFKFO1	W MIF-PFK/MM	3149	48,593	4	2	18.41
RACCFO1	RACC-ST JOE MM	3112	21,520	6	2	8.15
RANFO1	RANK-DRAV/MM	3148	20,413	6	4	15.46
RANFO2	RANK-DRAV/SM-RANKIN BRID.	3285	5,246	96	4	3.97
RANFO2	RANK-DRAV/SM	3285	16,777	24	4	12.71
7THAVFO1	411 7TH TO OXF-SM	411FO	3,866	12	8	5.86
7THAVFO2	411 7TH TO OXF-MM	411FO	3,866	6	2	1.46
7THAVFO3	411 7TH TO OXF-SM	411FO	3,410	12	8	5.17
7THAVFO4	411 7TH TO OXF-MM	411FO	3,410	6	2	1.29
SPGRNFO1	JPIC TO RT 51	3281	6,912	36	8	10.47
SPGRNFO1	RT 51 TO STOOPS FERRY	3281	21,679	24	2	8.21
SPGRNFO2	SPRING RUN TO RACCOON	3288	72,685	24	6	82.60
SPGRNFO2	SPRING RUN TO RACCOON	3288	16,146	48	6	18.35
SPGRNFO2	SPRING RUN TO RACCOON	3288	705	72	6	0.80
SPGRNFO2	MAIN & PLEAS TO ST. JOE	3288	16,609	24	6	18.87
SPGRNFO2	ST. JOE TO ERF	3288	48,845	24	6	55.51
WILM FO1	SWISSVALE TO KEY COMM	3311	23,513	24	0	0.00
WILM FO1	KEY. COMM-WILM	3311	9,951	24	0	0.00

9/5/97

Fibermiles Utilized by Duquesne Light: 1,426.83

EXHIBIT D-1
SERVICES

One or more of the following services may be provided by Duquesne (or by a third party retained by Duquesne), at Duquesne's sole discretion. All costs shall be billed on a time and material basis as set forth in Exhibit D-2:

I. Outside Plant Engineering Services

A. Route Selection (if requested)
B. Field Surveys
C. Preparation of Permit (if required) and Construction Drawings
D. Preparation of Splice Prints (if required)
E. Preparation of Operating Drawings
F. Material Procurement
G. Field Support (as required)
H. Other Engineering activities as requested by Company

II. Project Management Services

A. Scheduling/Project Status Monitoring
B. Coordination of construction and engineering
C. Monitoring of Charges
D. Charge dispute resolution
E. Miscellaneous Project Management services that may be requested by Company

III. Procurement of Rights of Way

A. Procurement of construction permits required for Duquesne to perform work
B. Investigation and/or Procurement of private right of ways required
C. Procurement of licenses for attachments to non-Duquesne owned poles
D. Procurement of Licenses required to operate the system (if requested)
E. Miscellaneous rights of way activities that may be requested by Company.

IV. Overhead Fiber Installation

A. Installation of attachment hardware, messenger wire and guying as required.
B. Installation of rollers and ropes, pulling of fiber optic cable and lashing of the cable to the messenger in accordance with construction drawings provided and in accordance with Duquesne standards.
C. Tree trimming required to perform the installation
D. Miscellaneous activities required to perform the installation
E. Installation of attachment hardware to customers building and drilling of building wall (if requested by Company).

V. Underground Fiber Installation

A. Rodding and Roping of ductline
B. Removal of dead Duquesne cable if required to provide ductline capacity for fiber optic cable.
C. Pulling of fiber optic cable in accordance with Duquesne construction drawings and in accordance with Duquesne and industry accepted standards.
D. Racking cable in manholes, installing protective inner duct over cable exposed in manholes and tagging of cable in manholes. Tag to contain label identifying cable owner/designation.
E. Installation of cable in customer owned transformer vaults and drilling of vault walls (if requested by Company).
F. Miscellaneous activities that are associated with underground cable installation or that may be requested by Company.

VI. Pole Make-ready

A. Routine

1. Adjustment of Street Light location/power feed
2. Adjustment or Replacement of Duquesne secondary conductors
3. Adjustment of guying
4. Adjustment of Third Party of BT cables (if requested by owner)
5. Miscellaneous minor make-ready work

B. Major (must be preauthorized by Company)

1. Adjustment of primary (voltage greater than 460 volts) conductors or supports
2. Pole replacement
3. Other make-ready work not stated above

VII. Fiber Splicing (Overhead and Underground)

A. Test Cable upon receipt (unless waived by Company)
B. Install splice cases and splice fibers according to construction drawings and in accordance with Duquesne splicing procedures
C. Upon completion of splicing, perform end to end tests as follows:
   1. Provide OTDR traces measured from each end
   2. Provide end to end loss measurements (in each direction)

D. Install splice cases and splice fibers (ring cuts) to spur cables as requested
E. Miscellaneous fiber splicing activities as requested by Company

VIII. Maintenance (including Emergency Restoration)

A. Provide emergency restoration services as required

1. Provide test and troubleshooting support (OTDR analysis)

EXHIBIT D-2
RATES FOR SERVICES

All costs shall be billed on a time and materials basis.
For employees of Duquesne, Company will be charged:

1) Company will be charged the actual hours spent performing the service. Included in these hours are time required to travel to and from the location at which the service is performed, if that location is not the location that the employee normally reports to.

In the event of an emergency "callout," Company will be charged a minimum of 4 hours, regardless of the actual number of hours worked.

In the event that an employee, because of the service provided, is entitled to "rest table" under the terms of the Duquesne Bargaining Unit Agreement, Company will be charged the rest table hours as well.

2) A prorated supervision rate based upon the number of employees required to perform the service divided by the number of employees that the supervisor is responsible to supervise.

The actual hours spent will be multiplied by the direct hourly rate which the employee(s) performing the service is(are) paid. To this hourly rate a surcharge in accordance with Duquesne general accounting practices will be added for costs that are directly linked to hourly labor (Duquesne Fringe Benefits).

3) The cost of equipment/transportation required to perform the service. These costs will be the transportation and equipment charges normally incurred by Duquesne in accordance with Duquesne's standard accounting practices.

4) A 45% surcharge to direct labor, Duquesne Fringe Benefits and transportation charges for such costs as vacation time, holidays, sick time, convenience days, inclement weather time, training time, consumable tools, payroll and administration and union activities.

For Contractors Engaged by Duquesne, Company will be charged:

1) Company will be charged the actual hourly rate paid by Duquesne to a contractor for the performance of the service, including allocation of sales taxes if applicable. If, in the performance of a service, Duquesne negotiates a contract for a fixed fee for the performance of a portion of the service by a contractor, Duquesne will charge Company the fixed fee.

2) Company will be charged for Duquesne inspectors required to supervise the contractor as well as Duquesne's administrative charges in regards to the contractor in accordance with the actual hours spent by Duquesne employees on the contractor related task. Billing for Duquesne's actual hours will be as specified above.

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY
PLEASE REFER
TO OUR FILE

June 2, 2006

G-00061167

GARY A JACK
DUQUESNE LIGHT COMPANY
411 SEVENTH AVE
MAIL DROP 8-2
PITTSBURGH PA 15219

Re: Affiliated Interest Agreement between Duquesne Light Company and DQE Communications LLC

Dear Mr. Jack:

On April 6, 2006, Duquesne Light Company ("Duquesne") and DQE Communications LLC ("DQEC") filed an Affiliated Interest Agreement. This agreement was filed in accordance with the requirements of Section 2102(b) of the Public Utility Code, 66 Pa. C.S. §2102(b). On April 13, 2006, the Commission extended the period for consideration of this Agreement until further order of the Commission.

The Agreement relates to the lease of a fiber optic communications system (Sonet Fiber Use Agreement) between Duquesne and DQEC.

Upon review of the company's filing, it does not appear that this filing is unreasonable or contrary to the public interest. Therefore, this filing is hereby approved. However, approval of this filing does not constitute a determination that such filing is consistent with the public interest and that the associated costs or expenses are reasonable or prudent for the purposes of determining just and reasonable rates. Furthermore, the Commission's approval is contingent upon the possibility that subsequent audits, reviews, and inquiry, in any Commission proceeding, may be conducted, pursuant to 66 Pa. C.S. §§ 2102, *et seq.*

In addition, this approval will apply only to the agreement(s), service(s), matters, and parties specifically and clearly defined under this instant filing, as well as under any associated and previously filed filings.

Sincerely,

James J. McNulty
Secretary

cc: Kerry Klinefelter, FUS
Kathleen Aunkst, Secretary's Bureau

April 6, 2006

VIA OVERNIGHT MAIL

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

Re: Application of Duquesne Light Company for approval of Affiliated Interest Agreements between Duquesne Light Company and DQE Communications, LLC

Dear Secretary McNulty:

Enclosed for filing are one original and four copies of the Affiliated Interest Application and related documents of Duquesne Light Company requesting approval for it to enter into a Sonet Fiber Use Agreement with DQE Communications LLC. Should you have any questions, please do not hesitate to contact me.

Sincerely yours,

Gary A. Jack

Enclosures

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Duquesne Light	:	
Company for approval of Affiliated	:	
Interest Agreement between	:	Docket No. _____________
Duquesne Light Company and	:	
DQE Communications, LLC	:	

Affiliated Interest Application
(66 Pa. C. S. Section 2102)

Duquesne Light Company ("Duquesne") requests approval pursuant to Section 2102 of the Public Utility Code, 66 Pa. C. S. §2102, of the Sonet Fiber Use Agreement between Duquesne and its affiliate, DQE Communications, LLC ("DQEC"), and sets forth the following in support thereof:

1. The name and address of the Applicant is:

   Duquesne Light Company
   411 Seventh Avenue
   Pittsburgh, PA 15219

2. The name and address of the Applicant's attorney are:

   Gary Jack, Esq.
   Assistant General Counsel
   411 Seventh Avenue, Mail Drop 8-2
   Pittsburgh, PA 15219
   Phone: 412-393-3662
   Fax: 412-393-5602
   E-mail: gjack@duqlight.com

3. Duquesne is a duly incorporated Pennsylvania public utility engaged in the distribution of electric service to the public, primarily within Allegheny and Beaver Counties, Pennsylvania, in an area of approximately 800 square miles. The Company's corporate headquarters is located at 411 Seventh Avenue, Pittsburgh, PA 15219.

4. DQE Communications, LLC ("DQEC") is a Pennsylvania limited liability company organized for the purpose of fiber optic telecommunications network services.

5. Applicants are affiliated with each other. Duquesne is a first tier subsidiary of Duquesne Light Holdings, Inc. DQEC is a first tier subsidiary of DQE Systems, Inc., which is a first tier unregulated subsidiary of Duquesne Light Holdings, Inc.

6. Pursuant to the terms of the Sonet Fiber Use Agreement, attached as Exhibit A, Duquesne seeks to improve its internal communications with its substations by replacing the existing microwave and copper communications plant serving its protective relay system with a fiber optic communications system ("Sonet Network") by leasing certain portions of DQEC's fiber optic network in Allegheny, Beaver and Washington counties.

7. The salient terms of the Sonet Fiber Use Agreement are as follows:

    a. The Agreement facilitates improved internal communications with Duquesne substations by replacing the existing microwave and copper communications plant serving its protective relay system with a fiber optic communications system leased from DQEC. Two single mode fiber optic strands configured in a point-to-point mode will be leased;
    b. The Agreement provides that the Sonet Network constructed by DQEC for Duquesne will consist of two fiber rings, diversely routed between all Sonet equipment locations;
    c. The Agreement provides fair, reasonable and non-discriminatory rates, and fair and reasonable terms and conditions for the uses and services authorized thereunder; and
    d. The Agreement provides for the continued safe and reliable operation of Duquesne's electric facilities and will not jeopardize the safety,

reliability or quality of electric service provided to Duquesne's customers.

e. The Agreement provides for lease payments for operation, use, maintenance and support for the needed communication facilities at the rate of $75,250 per month. That rate is fixed for a 15 year period. The term is for 15 years, with the possibility of extension(s). Any additional construction beyond the present facilities and build-outs to be constructed this year, shall be done by request and payment for services shall be at market based pricing.

8. The Agreement is reasonable and consistent with the public interest, and in furtherance of Duquesne's obligation to provide safe, adequate and reasonable service to its customers.

WHEREFORE, Duquesne respectfully requests the Commission to approve Duquesne entering into the Sonet Fiber Use Agreement with DQE Communications, LLC..

Duquesne Light Company

Dated: April ____, 2006

By: ______________________
Jeffrey A. Coward

____
Gary A. Jack
Assistant General Counsel
Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219
412-393-1541
gjack@duqlight.com

AFFIDAVIT

I, Jeffrey Coward, being duly sworn (affirmed) according to law, depose and say that I am authorized to make this affidavit on behalf of Duquesne Light Company, being the holder of the office of Director_with that Company, and that the facts above set forth are true and correct to the best of my knowledge, information and belief , and the Company expects to be able to prove the same at any hearing hereof.

____

Sworn and subscribed before me this _____ day of __________, 2006.

____

My Commission Expires

PENNSYLVANIA PUC

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE REFER TO OUR FILE

JUN - 8 2006

June 5, 2006

G-00051152

DUQUESNE LIGHT COMPANY
8th FLOOR MAIL DROP 8-2
411 SEVENTH AVENUE
PITTSBURGH PA 15219
ATTN MR RICHARD S HERSKOVITZ

Re: Affiliated Interest Agreement for an Intercorporate Tax Payment Agreement among Duquesne Light Company and its affiliated companies

Dear Mr. Herskovitz:

On December 1, 2005, Duquesne Light Company filed pursuant to Chapter 21 of the Pennsylvania Utility Code, 66 Pa. C.S. §2102, an Affiliated Interest Agreement requesting approval of an Intercorporate Income Tax Payment Agreement among the Duquesne Light Holdings, Inc. (Holding) affiliated companies covered by Holding's consolidated income tax filings.

Upon review of the filing, it does not appear that the arrangement is unreasonable and contrary to the public interest. Therefore, this filing is approved. However, approval of this filing does not constitute a determination that such a filing is consistent with public interest, and that the associated costs are reasonable or prudent for the purposes of determining just and reasonable rates. Furthermore, the Commission's approval is contingent upon the possibility that subsequent audits, reviews, and inquiry, in any Commission proceeding, may be conducted, pursuant to 66 Pa. C.S. §§ 2102, *et seq.*

In addition, this approval will apply only to the agreement(s), services(s), matters, and parties specifically and clearly defined under this instant filing as well as any associated and previously filed filings.

Sincerely,

James J. McNulty
James J. McNulty
Secretary

cc: Kerry Klinefelter, FUS
Kathleen Aunkst, Secretary's Bureau
David Huff, FUS

Duquesne Light
Our Energy... Your Power

Richard S. Herskovitz
Assistant General Counsel

411 Seventh Avenue
8th Floor
Pittsburgh, PA 15219

Tel 412-393-3662
Fax 412-393-5602
rherskovitz@duqlight.com

COPY

December 1, 2005

OVERNIGHT MAIL

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Application of Duquesne Light Company
For Approval of Affiliated Interest Agreement
Docket No. G-00051152

Dear Secretary McNulty:

Enclosed for filing on behalf of Duquesne Light Company ("Duquesne") are the original and three (3) copies of an Application for Approval Nunc Pro Tunc of an Affiliated Interest Agreement between Duquesne and its affiliated companies. Specifically, this Application, filed pursuant to 66 Pa. C.S. §2102 of the Public Utility Code, requests Commission approval of Duquesne's inclusion as a party in an Intercorporate Tax Payment Agreement.

Also, a fourth copy of this Application is enclosed to be date-stamped and returned to me in the self-addressed stamped envelope for my file.

Thank you.

Very truly yours,

RS Herskovitz

Richard S. Herskovitz

Enclosures

COPY

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Duquesne Light	:	
Company for approval of an	:	
Affiliated Interest Agreement	:	Docket No. ____________
Between Duquesne Light Company	:	
And Affiliated Companies	:	
(Tax Sharing Arrangement)	:	

Affiliated Interest Application
(66 Pa. C. S. Section 2102)

Duquesne Light Company ("Duquesne") requests approval Nunc Pro Tunc, pursuant to Section 2102 of the Public Utility Code ("Code"), 66 Pa. C. S. §2102, of its entering into a tax payment agreement with its affiliates, and sets forth the following in support thereof:

1. The name and address of the Applicant is:

   Duquesne Light Company
   411 Seventh Avenue
   Pittsburgh, PA 15219

2. The name and address of the Applicant's attorney are:

   Richard S. Herskovitz
   Assistant General Counsel
   411 Seventh Avenue, Mail Drop 8-2
   Pittsburgh, PA 15219
   Phone: 412-393-3662
   Fax: 412-393-5602
   E-mail: rherskovitz@duqlight.com

3. Duquesne is a duly incorporated Pennsylvania public utility engaged in the distribution of electric service to the public, primarily within Allegheny and Beaver Counties, Pennsylvania, in an area of approximately 800 square miles. Duquesne's corporate headquarters is located at 411 Seventh Avenue, Pittsburgh, PA 15219.

4. Duquesne Light Holdings, Inc. ("DLH"), formerly known as DQE, Inc. the parent company of Duquesne, entered into an Intercorporate Tax Payment Agreement ("Agreement") with its affiliated companies, effective January 1, 1992. The purpose of the Agreement was to provide for payments between the parent company and its affiliated companies with respect to each company's share of the consolidated income tax liability of the entire affiliated group. A complete and detailed description of the intent and operation of this tax sharing arrangement is set forth in the Agreement attached as Exhibit A.

5. Duquesne's inclusion in the Agreement is evidenced by the signature of Raymond H. Panza, former Duquesne Controller, on an undated counterpart signature page attached to the Agreement (page 7 of Exhibit A). This signature page has only recently been located by Duquesne.

6. In the Public Utility Commission's most recent Management Audit of Duquesne (field work commencing in August, 2004 and ending in March, 2005), the Auditors investigated whether Duquesne's inclusion in the Agreement had been approved by the Commission under the affiliated interest provisions of the Code. As stated in paragraph 5, neither Duquesne nor the Auditors were able to locate a counterpart signature page for Duquesne. Duquesne contended that its inclusion in the Agreement would have been authorized by the Company's Administrative Services Agreements ("ASA"), which was previously approved by the Commission. Although a final report of the audit has not yet been issued, the Auditors have indicated that, in their opinion, the ASA did not contain such an authorization.

7. Duquesne subsequently located the Duquesne Light Company counterpart signature page and is now filing for approval of its inclusion in the Agreement under the affiliate provisions of the Code, retroactive to January 1, 1992.

8. Inclusion by Duquesne in the tax sharing arrangement is appropriate for accounting purposes so as to allocate taxes among affiliates of a holding company according to taxable income.

WHEREFORE, Duquesne respectfully requests the Commission to approve Duquesne's inclusion as a party in the subject Intercorporate Tax Payment Agreement, retroactive to January 1, 1992.

Duquesne Light Company

Dated: December 1, 2005

By: Mark E. Kaplan

Mark E. Kaplan
Senior Vice President and
Chief Financial Officer

AFFIDAVIT

I, Mark E. Kaplan, being duly sworn (affirmed) according to law, depose and say that I am authorized to make this affidavit on behalf of Duquesne Light Company, being the holder of the office of Senior Vice President and Chief Financial Officer with that Company, and that the facts above set forth are true and correct to the best of my knowledge, information and belief, and the Company expects to be able to prove the same at any hearing hereof.

Mark E. Kaplan

Mark E. Kaplan

Sworn and subscribed before me this 1st day of December 2005.

Mary Jane Hammer

My Commission Expires Oct. 6, 2007

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Mary Jane Hammer, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires Oct. 6, 2007
Member, Pennsylvania Association of Notaries

Exhibit A

INTERCORPORATE TAX PAYMENT AGREEMENT

THIS INTERCORPORATE TAX PAYMENT AGREEMENT ("Agreement"), dated and effective as of January 1, 1992, among DQE, Inc. ("Parent Company"), and its Affiliated Companies (as defined by this agreement).

Recitals:

A. This Agreement is entered into by the Parent Company and each other member of the "affiliated group", as defined in Section 1504 of the Internal Revenue Code of 1986 as amended (the "Code"), of which the Parent Company is a member (each such other member being called an "Affiliate Company" and all such other members being called collectively the "Affiliated Companies") and which are includible in the Parent Company's consolidated annual federal Income Tax return. The "Parent Affiliated Group" means the affiliated group of which the Parent Company is the common parent company in any taxable year of the Parent Company.

B. The Parent Company and its Affiliated Companies wish to enter into an agreement to provide for payments to Parent Company by, or by Parent Company to, each of the Affiliated Companies with respect to federal Income Taxes, as that term is defined in Section 2.02 below.

C. The purpose of this Agreement is to provide for payments between the Parent Company and its Affiliated Companies with respect to the members' shares of the consolidated Income Tax liability of the Parent Affiliated Group (each such payment being called an "Intercorporate Tax Payment") and is not intended to affect any separate company financial statement accounting, the elected calculation of earnings and profits as determined under Code Section 1552 or any other tax or accounting issues.

D. Subject to the terms hereof, the general intent of this Agreement is to provide for (i) payment to the Parent Company, by each Affiliate Company which would have incurred a separate return Income Tax liability for any period (a "Tax Reporting Period") with respect to which the consolidated Income Tax liability of the Parent Affiliated Group is estimated, reported or finally determined, of the amount of Income Taxes which the respective Affiliate Company would have incurred on a separate-return basis and (ii) payment, by the Parent Company, to each Affiliate Company that generated on a separate-return basis a net operating loss or capital loss (each individually a "tax loss") or a tax credit which is not utilized by the respective Affiliate Company in such Tax Reporting Period but is determined under the terms of this Agreement to be applied against separate-return income or Income Tax liability of the Parent Company or another Affiliate Company, of an amount equal to the sum of (a) the product of each such tax loss so applied multiplied by the effective tax rate of Income Tax paid or payable by the Parent Company for such Tax Reporting Period on the consolidated income of the Parent Affiliated Group (such effective rate being determined before the application of tax credits) plus (b) the amount of tax credits so generated and applied.

NOW THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

INTERCORPORATE TAX PAYMENT

1.01. Payments by the Parent Company to Affiliated Companies. The amount of the reduction in the separate return Income Tax liability or the amount of the refunds or credits received by the Parent or any member of the Parent Affiliated Group from the use of a tax loss or tax credit attributable to an Affiliate Company (a "Loss Company") shall be remitted by the Parent Company to the Affiliate Company in cash on the respective due date of Income Taxes to which the Parent Company is subject, whether under Code Section 6655 with regard to estimated payments, Code Section 6151 with regard to payments required to accompany the consolidated federal Income Tax return of the Parent Affiliated Group or any later date of any actual payment of Income Taxes pursuant to administrative adjustment or unappealable final determination of a court of competent jurisdiction; provided, always, that such payment shall be conditioned on the Loss Affiliate Company continuing as a member of the Parent Affiliated Group for not less than 30 days after the respective due date and that any Loss Affiliate Company which ceases to be such a member within 30 days after the respective due date but has received an Intercorporate Tax Payment shall repay the Intercorporate Tax Payment to Parent on demand. In determining the amounts of the Loss Affiliate Company's separate return tax losses and tax credits and the amount of the Intercorporate Tax Payment, the tax losses and tax credits of the Loss Affiliate Company determined on a separate-return basis and available for application to the separate-return Income Tax liability of other members of the Parent Affiliated Group shall exclude (i) all tax losses and tax credits of the Loss Affiliate Company which were applied to its or another member's separate-return Income Tax Liability for any prior Tax Reporting Period and (ii) all tax losses and tax credits of the Loss Affiliate Company which may be applied to reduce the Loss Affiliate Company's separate return Income Tax liability for the current Tax Reporting Period. If for a Tax Reporting Period the total tax losses (or tax credits) of the Parent Company and all Loss Affiliate Companies, determined on a separate-return basis, exceed the total separate-return income (or Income Tax liability) of all members of the Parent Affiliated Group with positive, separate-return income or Income Tax liability (so that not all available tax losses or tax credits may be utilized in the Tax Reporting Period), then, subject to the SRLY rules and any other rules limiting for tax purposes the intercompany availability of tax losses or tax credits, the available tax losses and tax credits respectively of a Loss Affiliate Company shall be deemed to be applied intercompany in the amount equal to (i) the total of the tax losses and tax credits, respectively, which the members with positive net income and separate-return Income Tax liability can utilize times (ii) a fraction, the numerator of which is the tax losses (or tax credits, as the case may be) of the Loss Affiliate Company available and usable for such Tax Reporting Period and the denominator of which is the total of the available and usable tax losses (or tax credits, as the case may be) of all Loss Affiliate Companies. The Intercompany Tax Payment to a Loss Affiliate Company shall equal the sum of (a) the product of the amount of tax loss of the Loss Affiliate Company which is applied for the Tax Reporting Period to separate-return income of any other member multiplied by the effective rate of Income Taxes (determined before application of tax credits) paid or payable by the Parent Company on the consolidated federal Income Tax liability of the Parent Affiliated Group for that Tax Reporting Period plus (b) the amount of tax credits of the Loss Affiliate Company which are applied for the Tax Reporting Period to separate-return Income Tax liability of any other member. The amount of all items of tax losses and tax credits of the Parent Company and each Affiliate Company shall be determined under the terms of this Agreement. To the extent that this Agreement does not cover the treatment or timing of a particular item, the determination shall be made under the Code.

1.02. <u>Overpayments.</u> The portion of any overpayment of Income Taxes resulting in a refund which is attributable to a Loss Affiliate Company shall be remitted by the Parent Company to the Loss Affiliate Company upon receipt of the overpayment by the Parent Company, provided, always, that such Loss Affiliate Company is then a member of the Parent Affiliated Group and that any overpayment of Income Taxes which is treated by the Parent Company as a payment of consolidated Income Taxes for a succeeding Tax Reporting Period and which is attributable to a Loss Affiliate Company may be retained by the Parent Company, so long as such overpayment (or portion thereof) is credited as an Intercompany Tax Payment, pursuant to Section 1.03 below, of any actual separate return Income Tax liability of such Loss Affiliate Company for such succeeding Tax Reporting Period.

1.03. <u>Payments by Affiliated Companies to Parent Company.</u> The amount of the positive separate-return Income Tax liability of each Affiliate Company for the respective Tax Reporting Period shall be remitted by the Affiliate Company to the Parent Company in cash on the due date, of any actual or required payment of consolidated Income Taxes of the Parent Affiliated Group, whether such payment is due or made with respect to the estimated, reported or finally determined consolidated Income Tax liability of the Parent Affiliated Group.

ARTICLE II
TAX LIABILITY

2.01. Determination of Separate Return Tax Liability. For purposes of determining the separate return Income Tax liability of each Affiliate Company, the tax liability of each member shall be computed as if it had filed a separate Income Tax return for the taxable period. The separate return Income Tax liability shall be computed in a manner consistent with the provisions of Treasury Regulations Section 1.1552-1(a)(2)(ii) and as provided in Section 1.01 above. Any penalty or interest with respect to any underpayment of estimated or final consolidated Income Taxes of the Parent Affiliated Group shall be attributed to the respective member to which the adjustment of income, deduction or credit resulting in the penalty or interest is attributable, but if there are no such members, then to those Affiliate Companies with positive separate-return Income Tax Liability (as reported, adjusted or redetermined) for such Tax Reporting Period, ratably in proportion to their respective separate-return Income Tax liabilities. If any adjustment is made to the consolidated Income Tax liability of the Parent Affiliated Group for any year by amended return, by adjustment upon audit by the Internal Revenue Service conceded by the Parent Company, or by final nonappealable determination of a court of competent jurisdiction, the overpayment or deficiency for such year shall be allocated to those members or former members which had the items of income, deduction or credit to which the overpayment or deficiency is attributable. If due to disaffiliation of a former member or any other reason there is no Affiliate Company to which an Intercompany Tax Payment may be paid (or an overpayment paid or credited), such payment or credit shall be retained by the Parent Company.

2.02. Income Taxes. For purposes of this agreement the term "Income Taxes" shall mean federal income taxes, taxes on preference items, and any minimum tax or alternative minimum tax, imposed under the Code or any successor statute, together with any interest and penalties related thereto.

ARTICLE III
COVENANTS

3.01. Continuation of this Agreement. For so long as the Parent Company is permitted it shall continue to file consolidated federal Income Tax returns pursuant to Code Section 1501 for the

Parent Affiliated Group, and this Agreement shall continue in effect and be implemented and enforced in accordance with its terms. Except as otherwise expressly agreed by the Parent Company and all Affiliated Companies, any corporation which becomes an includible corporation in the Parent Affiliated Group shall be treated as a party to this Agreement, effective as of the first day the results of its operations for that day are included within the consolidated taxable income of the Parent Affiliated Group, upon (i) execution and delivery to the Parent Company of an addendum hereto agreeing to be bound and benefitted by the terms of this Agreement or (ii) the inclusion (constituting implied consent) of the results of its operations in any consolidated federal Income Tax return of the Parent Affiliated Group.

3.02. Decisions Affecting the Amount of the Intercorporate Tax Payments. In determining the amount of Intercorporate Tax Payments to be made under the terms of this Agreement, the Parent Company shall make decisions concerning tax matters, refunds or credits of the Parent Affiliated Group, which would affect (for purposes of determinations of Intercorporate Tax Payments) the separate Income Tax return liability, refunds or credits of the respective Affiliated Companies (including, without limitation, the making, not making, or revoking of elections, resolution of disputes in connection with audits of Income Tax returns, and defending or settling any Income Tax return or any matter related thereto) in a manner which minimizes the cumulative total consolidated Income Tax liability of the Parent Affiliated Group.

ARTICLE IV
MISCELLANEOUS

4.01. Amendments, Modifications and Supplements. Except as provided in Section 3.01 above regarding additional includible corporations, no amendment, modification or supplement relating hereto shall be effective unless in writing signed by or on behalf of the party to be charged therewith. This Agreement may be executed in one or more counterparts and with counterpart signature pages, all of which, taken together, shall constitute one and the same instrument. Furthermore, it is agreed that an Affiliate Company's execution of a counterpart signature page for attachment originally, or as an addendum hereto as provided in Section 3.01 above, shall be effective to bind all Affiliated Companies without reexecution by previously includible corporations.

4.02. Duration; Survival. All covenants and agreements contained herein shall continue in full force and effect from and after the hereof so long as the Parent Affiliated Group remains and so long as the Parent Affiliated Group continues in filing a federal consolidated Income Tax return.

4.03. <u>Governing Law.</u> This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Agreement as of the date first above written.

PARENT COMPANY
DQE, INC.

By: ____________________
Name: ____________________
Title: ____________________
Date of Execution: ____________________

[See attached counterpart signature pages]

**AFFILIATE COMPANY
COUNTERPART SIGNATURE PAGE
TO
INTERCORPORATE TAX PAYMENT AGREEMENT
AMONG
DQE, INC. AND ITS AFFILIATED COMPANIES
DATED JANUARY 1, 1992**

AFFILIATE COMPANY
DUQUESNE LIGHT COMPANY

By: ______________________
Name: ______________________
Title: ______________________
Date of Execution: ______________________

AFFILIATE COMPANY
COUNTERPART SIGNATURE PAGE
TO
INTERCORPORATE TAX PAYMENT AGREEMENT
AMONG
DQE, INC. AND ITS AFFILIATED COMPANIES
DATED JANUARY 1, 1992

AFFILIATE COMPANY
MONTAUK, INC.

By: James D. Wittefeil
Name: JAMES D. WITTEFEIL
Title: VICE PRESIDENT & TREASURER
Date of Execution: AUGUST 17, 1992

**AFFILIATE COMPANY
COUNTERPART SIGNATURE PAGE
TO
INTERCORPORATE TAX PAYMENT AGREEMENT
AMONG
DQE, INC. AND ITS AFFILIATED COMPANIES
DATED JANUARY 1, 1992**

AFFILIATE COMPANY
DUQUESNE ENTERPRISES, INC.

By: Fred Potter
Name: Frederick S. Potter
Title: President
Date of Execution: ______________________

AFFILIATE COMPANY
COUNTERPART SIGNATURE PAGE
TO
INTERCORPORATE TAX PAYMENT AGREEMENT
AMONG
DQE, INC. AND ITS AFFILIATED COMPANIES
DATED JANUARY 1, 1992

AFFILIATE COMPANY
MONONGAHELA LIGHT & POWER COMPANY

By: J O Ellenberger
Name:
Title:
Date of Execution:

**AFFILIATE COMPANY
COUNTERPART SIGNATURE PAGE
TO
INTERCORPORATE TAX PAYMENT AGREEMENT
AMONG
DQE, INC. AND ITS AFFILIATED COMPANIES
DATED JANUARY 1, 1992**

AFFILIATE COMPANY
PROPERTY VENTURES, LTD.

By: ______________________
Name: R. Donald Morris
Title: President
Date of Execution: 8/19/92

AFFILIATE COMPANY
COUNTERPART SIGNATURE PAGE
TO
INTERCORPORATE TAX PAYMENT AGREEMENT
AMONG
DQE, INC. AND ITS AFFILIATED COMPANIES
DATED JANUARY 1, 1992

AFFILIATE COMPANY
KEYSTONE ENERGY COMPANY

By: [signature]
Name: Frederick S. Potter
Title: President
Date of Execution:

AFFILIATE COMPANY
COUNTERPART SIGNATURE PAGE
TO
INTERCORPORATE TAX PAYMENT AGREEMENT
AMONG
DQE, INC. AND ITS AFFILIATED COMPANIES
DATED JANUARY 1, 1992

AFFILIATE COMPANY
BUSHTON, INC.

By:	James D. Mitchell
Name:	JAMES D. MITCHELL
Title:	PRESIDENT
Date of Execution:	AUGUST 17, 1992

AFFILIATE COMPANY
COUNTERPART SIGNATURE PAGE
TO
INTERCORPORATE TAX PAYMENT AGREEMENT
AMONG
DQE, INC. AND ITS AFFILIATED COMPANIES
DATED JANUARY 1, 1992

AFFILIATE COMPANY
ALLEGHENY DEVELOPMENT CORP.

By: [illegible]
Name: [illegible]
Title: President
Date of Execution: 8/19/92

AFFILIATE COMPANY
COUNTERPART SIGNATURE PAGE
TO
INTERCORPORATE TAX PAYMENT AGREEMENT
AMONG
DQE, INC. AND ITS AFFILIATED COMPANIES
DATED JANUARY 1, 1992

AFFILIATE COMPANY
DUQUESNE PROPERTIES, INC.

By: Donald Morie
Name:
Title: President
Date of Execution: 8/19/92

Request of Duquesne Light Company for Approval of an Amendment to its Affiliated Interest Arrangement with its Parent for Short Term Borrowing	:	Docket No. G-2009-2148505

Request for Approval of An Amendment to Affiliated Interest Agreement (66 Pa. C. S. Section 2102)

Duquesne Light Company ("DLC") requests the Pennsylvania Public Utility Commission's ("Commission") consent and approval pursuant to Section 2102 of the Public Utility Code ("Code"), 66 Pa. C. S. § 2102, to amend its existing Affiliated Interest Agreement with its parent company, Duquesne Light Holdings Inc. ("DLH"), by increasing the allowed amount of borrowings from $200 million to $300 million. The increased borrowing threshold will provide DLC with the capability and flexibility to finance necessary construction of facilities, greater flexibility for working capital and capital structure management, and otherwise fund and operate its business. DLC sets forth the following in support thereof:

1. DLC is a Pennsylvania limited liability company and an electric utility engaged in the supply (through its provider-of-last-resort service (POLR)), transmission and distribution of electric energy. DLC provides electric service to more than 600,000 customers in Pennsylvania's Allegheny and Beaver counties (including in the city of Pittsburgh), a territory of approximately 800 square miles. DLC's corporate headquarters is located at 411 Seventh Avenue, Pittsburgh, PA 15219.

2. DLH is the parent company of DLC, and DLC is DLH's principle subsidiary.

3. On December 16, 2009, DLC filed with this Commission a petition requesting authorization for DLH to be able to lend to its utility subsidiary, DLC, up to $200 million at any one time on commercially reasonable terms as dictated in the petition. By Secretarial Letter dated May 3, 2010 at Docket No. G-2009-2148505, the affiliated interest agreement was approved by operation of law pursuant to 66 Pa. C.S. § 2102(b)

4. Said authorization has been utilized by DLC since Commission approval of the arrangement. The credit facility has been helpful and beneficial to both the utility and its customers in providing short term borrowings to DLC for financing needs.

5. In order to provide necessary funding for construction, as well as finance and pay other obligations of DLC in normal course of operating its utility business, DLC desires to increase its ability to borrow, on a short term basis from time to time, from up to $200 million to up to $300 million at any given point in time from its parent, DLH, on market terms and conditions. This borrowing would be used in addition to normal equity contributions, retained earnings, long-term borrowings of DLC, and short-term borrowings from outside credit lenders utilized by DLC to operate its business. Borrowing is necessary to support construction and general corporate needs, and provide DLC greater flexibility in timing debt issuances in the capital markets to obtain more favorable terms and an overall lower cost of capital.

6. DLC also recommends an amendment of the interest rate of the Affiliated Interest Agreement from London Interbank Offered Rate (LIBOR) + 1.25% to LIBOR + 0.875% to align with DLC's Credit Agreement executed on October 31, 2019. All other specific terms of the loan will be unchanged. The amended, specific terms of the loan arrangement are attached as Exhibit A. DLC represents that these terms are commercially reasonable and reflect today's prevailing market conditions. Increasing the threshold as requesting in this filing will provide no preference or undue advantage to DLH or any other company in the DLH family.

7. Upon Commission approval, an amended Promissory Note will be executed between DLC and DLH in the form attached as Exhibit B.

8. The approval of this amendment is necessary and in the public interest, providing necessary financing for construction and operation of DLC's obligation to provide reliable and cost effective electric service to its customers.

WHEREFORE, DLC respectfully requests the Commission to approve this amendment to its short term borrowing arrangement with its parent, DLH, and to authorize borrowings up to $300 million from DLH to its utility subsidiary, DLC, and it to perform all necessary and incidental tasks thereto in carrying out said borrowing arrangement.

Duquesne Light Company

By: James H. Milligan

By Counsel:

Emily M. Farah, Esq.
Pa. I.D. No. 322559
Duquesne Light Co.
411 Seventh Ave., MD 15-7
Pittsburgh, PA 15219
412-393-6431
efarah@duqlight.com

Dated: October 27, 2020

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Request of Duquesne Light	:	
Company for Approval of an	:	
Amendment to its Affiliated Interest	:	Docket No. G-2009-2148505
Arrangement with its Parent for	:	
Short Term Borrowing	:	

VERIFICATION

I, James H. Milligan, Treasurer of Duquesne Light Company, hereby state that the facts above set forth are true and correct (or 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).

James H. Milligan

James H. Milligan

Dated: October 27, 2020

Attachment B

PROMISSORY NOTE

Amount:	Up to $300 Million	Date:	__________
Interest Rate:	LIBOR + 0.875%	Payment: Upon Demand	

Duquesne Light Company, a Pennsylvania Limited Liability Company (herein called the "Company", which term includes any successor entity), for value received, hereby promises to pay to Duquesne Light Holdings, Inc. (the "Lender"), the principal sum of its draws or loans from the Lender, in an amount not to exceed $300 million dollars ($300,000,000.) at any one time or, if less, the aggregate principal amount of advances outstanding on demand, plus interest due thereon.

This Promissory Note is payable ON DEMAND, and Company shall pay interest thereon on a quarterly basis on the unpaid principal amount of each such loan at the Market Rate of interest. The Market Rate of interest shall be the London Interbank Offered Rate (LIBOR) plus 0.875% per year. Interest payments shall be due and payable on the last day of each quarter for the amount accrued on a daily basis in such quarter. Also, on said last day of each quarter, the Market Rate shall be recalculated on a forward basis for the principal to be outstanding during the succeeding quarter. Notwithstanding such payment arrangements, all outstanding and unpaid principal and interest shall be due and payable upon Demand.

Payment of the principal of this Note and interest hereon shall be made, at the request and demand of the lender, upon presentation hereof at the office of the Company in Pittsburgh, Pennsylvania or at such other office or agency as may be designated for such purpose by the Company from time to time. Payment of the principal of and interest on this Note, as aforesaid, shall be payable in lawful money of the United States of America to the Lender in Pittsburgh, Pennsylvania in same day funds and may be paid or prepaid by the Company at any time and from time to time to reduce its outstanding balance.

The registered holder of this Note may demand payment of the principal hereof, in whole or in part, plus accrued interest by delivering to the Treasurer of the Company at the office of the Company in Pittsburgh, Pennsylvania a notice specifying the portion of such principal amount to be paid and the date of payment and then presenting this Note for payment at such office on the date specified for payment.

This Note is exchangeable for a like aggregate principal amount of Notes of like tenor upon surrender of this Note to be exchanged at the office of the Company in Pittsburgh, Pennsylvania. No service charge shall be made for any such exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The principal amount to be repaid by the Company may, at the Company's option, be offset by the amount of any obligations which are then owed by Lender to the

Company. This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

No recourse shall be had for the payment of the principal of or interest on this Note, or any part hereof, for any claim based thereon or otherwise in respect thereof, or of the indebtedness represented thereby against, and no personal liability whatsoever shall attach to, or be incurred by, any officer or director of such Company as such, past, present or future of the Company, whether by virtue of any constitutional provisions, statue or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Note is solely a Company obligation and that any such personal liability is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution and the issuance of this Note.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

DUQUESNE LIGHT COMPANY

By: ____________________________
James H. Milligan
Treasurer

DFR II-D-8f contains CONFIDENTIAL information and will be provided upon issuance of a Protective Order.

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE REFER TO OUR FILE

November 9, 2006

G-00051141

RICHARD S HERSKOVITZ
ASSISTANT GENERAL COUNSEL
411 SEVENTH AVENUE MAIL DROP 8-2
PITTSBURGH PA 15219

Affiliated interest agreement among Duquesne Light Company and its non-jurisdictional affiliates for participation in a cash pool arrangement

To Whom It May Concern:

This is to advise you that the Commission in Public Meeting on November 9, 2006 adopted an Order in the above entitled proceeding.

An Order has been enclosed for your records.

Very truly yours,

James J. McNulty
Secretary

encls
cert. mail
JF

NOV 13 2006

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265

NOV 13 2006

Public Meeting held November 9, 2006

Commissioners Present:

Wendell F. Holland, Chairman
James H. Cawley, Vice Chairman
Kim Pizzingrilli
Terrance J. Fitzpatrick

Affiliated interest agreement among Duquesne Light Company and its non-jurisdictional affiliates for participation in a cash pool arrangement.

Docket Number:

G-00051141

ORDER

BY THE COMMISSION:

On October 7, 2005, Duquesne Light Company (Duquesne Light) filed, pursuant to Chapter 21 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§2101, *et seq.*, an affiliated interest agreement for participation in a Cash Pool (the Pool) arrangement among its affiliates. By Secretarial Letter dated October 7, 2005, the Commission extended the 30-day statutory consideration period until further order of the Commission as provided in Chapter 21 of the Public Utility Code.

Background

Duquesne Light is a jurisdictional utility that provides electric distribution and transmission services primarily within Allegheny and Beaver counties. Duquesne

Light Holdings, Inc. (DLH) is an energy services holding company formed to serve as the holding company for Duquesne Light and to engage in other unregulated energy and energy-related businesses.

DLH, formerly DQE, Inc., originally established its Cash Pool in November of 1997 as a mechanism to concentrate and combine the excess funds of it and its affiliates for investing in short-term securities. The aggregation of these funds was designed to provide a more efficient means for managing the excess cash of the DLH subsidiaries. The applicants state that Duquesne Light became a member of the Pool in July of 2000.

In the most recent Management Audit conducted by the Commission, the Audit Staff discovered a number of arrangements or transactions that they felt were not covered by Commission approved affiliated interest agreements. One of these was the participation of Duquesne Light in the Cash Pool arrangement. Duquesne Light, however, contends that its participation in the Pool was authorized by the Commission under a previously approved Administrative Services Agreement (ASA). The Auditors in turn contend that the ASA did not contain authorization for Duquesne Light to participate in the Pool. In its Implementation Plan, which was acknowledged by the Commission at its Public Meeting of June 1, 2006, Duquesne Light accepted the recommendations in the report issued by PA Public Utility Commission Bureau of Audits including the requirement to file an affiliated interest agreement for Duquesne Light's participation in the Pool.

Even though Duquesne Light originally disputed the Auditors' conclusion regarding its participation in the Pool, the company agreed to file for approval of its membership and participation in the Pool under the affiliated provisions of the Code.

Subsequently, Duquesne Light exited the pool November 28, 2005, pending Commission approval of this affiliated interest application for participation in the Pool.

Subsequent to making its filing Duquesne Light responded to the Commission's requests for additional information.

The Cash Pool Agreement

The Cash Pool is used by DLH as a mechanism to concentrate excess funds and combine the cash of DLH and its subsidiaries to invest in short-term investments. The applicants state that by aggregating their funds DLH and its subsidiaries are able to invest in short-term securities previously not available to individual Pool participants. Additionally, the applicants aver that the Pool is a more efficient method of managing funds by reducing the administrative costs of the Pool participants and results in higher investment returns for the Pool participants.

Participants in the Cash Pool include DLH and all of the wholly-owned direct and indirect subsidiaries of DLH. DQE Capital Corporation acts as the Agent and is the current Pool administrator. The cash position of the Pool participants is determined by the Agent on a daily basis. The sources of these funds include normal operating receipts, external borrowings or contributions made by DLH. Pool participants, with the exception of DLH, can contribute to the Pool but cannot borrow from the Pool. DLH through the Agent is permitted to borrow from the Pool but does not contribute to the Pool. The Agent is permitted to borrow from the Pool to facilitate intercompany borrowing arrangements and operating requirements. There are no individual limits on the amounts that any individual participant can deposit into the Pool and DQE Capital Corporation borrowings from the Pool are only limited by the amount deposited into the Pool. Excess cash, the net of the amount contributed less borrowings by the Agent, will be invested by the Agent in approved investments that are consistent with the Duquesne Light Holdings Short Term Investment Policy[1].

DQE Capital Corporation, acting as the Agent, is the only Pool participant that may borrow from the Pool and its borrowing are only limited by the amount that is contributed by the other Pool members. The borrowings by the Agent are then lent to DLH as a demand loan. Borrowings made by that Agent from the Pool are at an internal short-term borrowing rate, typically the London Inter-Bank Offered Rate (LIBOR). The Agent then lends to DLH at an interest rate equal to the rate charged by external lenders on DLH's current revolving credit arrangement. The interest rate charged to DLH on its revolving credit facility, and therefore on its borrowings from the Pool, is LIBOR plus a margin based on DLH's current senior unsecured credit rating. The margin between the borrowing rate from the Pool and lending rate to DLH charged by the Agent is used by the Agent to cover the administrative costs of operating the Pool.

DLH may use the money for general corporate purposes or may advance funds to its subsidiaries on an as needed basis. These advances may be in the form of a capital contribution or a loan. Advances to Duquesne Light are done only in the form of a capital contribution.

Should a participant require its cash that is deposited in the Pool and there is insufficient cash to meet its withdrawal needs, the Agent would make a demand against DLH for repayment of all or a portion of its loan. If need be, DLH would access its available credit lines to obtain the cash needed to satisfy the Agent's demand.

[1] According to the Applicants, the Short Term Investment Policy of DLH is designed to provide a high degree of safety, liquidity and to a lesser extent yield. Permissible investments include but are not limited to: U.S. Treasury obligations, Commercial Paper, Certificates of Deposits, Bankers Acceptances and Money Market Funds.

Discussion

In reviewing Duquesne Light's participation in the Pool, the Commission raised the following concerns:

1. There is no formal agreement among participants of the Pool.
2. There is no borrowing or lending limits placed on any of the Pool participants.
3. DLH's ability to borrow money from the Pool through the Agent DQE Capital.
4. Capital arbitrage between regulated and unregulated entities.
5. Duquesne Light's risk versus benefits in participating in the Pool.

The company agreed that there is no formal agreement that is signed by the Pool participants. DLH does have, as required by FERC and filed with FERC, a written document that specifies the duties of the administrator and the participants. Duquesne Light also notes that each participant in the Pool has signed the ASA and that this agreement covers the provision of services provided by one affiliate to another. The company reiterates that each participant is aware of the operating procedures provided by the Cash Pool operating document.

In reviewing the Code, 66 Pa. C.S. §2102(a) states in part that:

If such contract is oral, a complete statement of the terms and conditions thereof shall be filed with the commission and subject to its approval.

Additionally, 66 Pa. C.S. §§2102(b) states in part that:

It shall be the duty of every public utility to file with the commission a verified copy of any such contract or arrangement, or a verified summary as described in subsection (a) of any unwritten contract or arrangement.

The Commission has determined that the Pool operating document that Duquesne Light filed with their application adequately describes the operation of the Pool. Therefore, the Commission will not require that a formalized signed contract for Duquesne Light to participate in the Pool.

Unlike other cash pools that the Commission has reviewed, the DLH Pool does not allow its Pool participants to borrow from the Pool nor does it have borrowing or contribution limits for individual participants. As noted above, DQE Capital, acting as the Agent, is the only Pool participant that may borrow from the Pool and its borrowing is only limited by the amount that is contributed into the Pool. In other intra-system money pool arrangements[2], pool participants may borrow from the pool and the pool administrator is prohibited from borrowing from the pool. Under this scenario, the pool administrator may contribute money to the pool whenever borrowings from the participants exceed contributions. This would be done by the pool administrator having access to externally available credit sources.

DLH's borrowing arrangement is dissimilar to what has been seen recently by the Commission in other cash pool arrangements. Our concern is that DLH borrowing through the Agent from the Pool lacks transparency in how these funds are being used and which entities, through DLH, may be borrowing money. Along with this lack of transparency, it may be that the regulated entity is helping to fund DLH's non-regulated operations. As Sharon Bonelli of Fitch Ratings notes "Cost benefits of pools reflect cost of capital arbitrage between regulated and unregulated subsidiaries; or simply put, money pools may provide an affiliate cross-subsidy."

[2] For example, see the Secretarial Letter regarding the First Energy Pennsylvania Utilities intra-system money poll at docket no. G-00020956.

There are a number of ring-fencing strategies suggested by Fitch that may help to insulate the public utility from the risks of its affiliates and parents when participating in a money pool arrangement. These are:

- Separate pools for regulated and unregulated subsidiaries
- Prohibit parent from borrowing from the pool, but permit the parent to lend to subsidiaries via the pool
- Restrict borrowing of unregulated subsidiary to the amount invested in the pool
- Restrict borrowings to a level commensurate with internal cash flow capability
- Require an annual 'clean down' period, where each participant has no outstanding borrowings from the pool for two consecutive weeks
- Prohibit funding of the pool with proceeds of external borrowings such as credit facilities and commercial paper

The Duquesne Pool tends not to follow these guidelines:

- The Duquesne cash pool mixes both regulated and unregulated subsidiaries. Duquesne Light would be the only regulated sub of DLH.
- DLH, the Parent Company, through DQE Capital, is the only entity borrowing from the pool. (In other money pools such as the one approved for the First Energy Utilities, the Agent could lend to the pool but could not borrow.)
- There appears not to be any limits on external borrowing funding the Pool. In fact, sources for cash to the pool includes: "external borrowings against lines of credit."

DLH counters some of these concerns by stating that Duquesne Light is the only regulated affiliate of DLH and that Duquesne Light does not borrow money to deposit in the Pool. Money borrowed by DLH from the Agent is charged interest at the same rate that the company would be charged for using its current revolving credit arrangement. Therefore, the money being borrowed by DLH is not at an interest rate lower than DLH could obtain from other external short term borrowing facilities. For these reasons, the company concludes that there is no cost of capital arbitrage taking place between regulated and unregulated DLH entities.

DLH also states that there is total transparency on how the cash is being used because borrowings can only be done by the Agent to DLH. They go on to explain that each DLH affiliates' funding requirements is established each year by the Board of Directors. If Duquesne Light requires cash in excess of its cash pool balance, it can access the capital markets, borrow under bank facilities or request equity from DLH. Since Pool participants other than Duquesne Light do not have access to the credit markets or bank facilities, they must request cash from DLH if their cash needs exceed their respective cash balances. These advances would be funded by DLH first from available cash on hand, second from available Pool funds and third from bank credit or capital markets.

DLH opines that having their subsidiaries borrow from them rather than directly from the Pool poses less default risk to Pool participants. Since Pool participants cannot borrow directly from the Pool, the other Pool participants are not at risk should the borrowing affiliate be unable to meet its financial obligations. Having DLH, who has access to lines of credit and the capital markets, assume the default risk makes contributing to the Pool less risky. In this way, Duquesne Light is not exposed to risk from the smaller unregulated companies that participate in the Pool.

In addition to having minimal risk in participating in the Pool, DLH states that Duquesne Light receives cost benefits by participating in the Pool. Administrative cost benefits are achieved by not having to maintain separate brokerage accounts, lower bank settlement costs through book entry with affiliates, reduced transaction costs and lower bank services fees. Also, the additional interest paid by DLH on money borrowed from the Agent is used to cover the administrative costs of the Pool.

Our analysis and conclusions differ somewhat from those provided by DLH. However, the Commission agrees that the Pool provides a cost benefit, and funds contributed to the Pool by Duquesne Light are not being used to subsidize its unregulated affiliates. The Commission also concludes that the use of borrowed funds by DLH lacks transparency, and these borrowed funds may be used to support its non-regulated affiliates.

In analyzing the Pool data from April 2005 through September 2005, the data shows that Duquesne Light was always a net contributor to the Pool and tended to be the largest contributor to the Pool. DQE Capital Corporation was always a borrower from the Pool and tended to borrow an amount that exceeded Duquesne Light's contributions. In light of this information, it is possible that capital arbitrage could be taking place. However, it is difficult to monitor the flow of these funds because what DLH does with funds borrowed from the Pool is not readily transparent by viewing Pool data.

Upon further investigation, the Commission found that money being borrowed by DLH from the Pool is being borrowed at a rate similar to its external short term credit facility. Therefore, capital arbitrage between the regulated entity, Duquesne Light, and the unregulated subsidiaries participating in the Pool, does not occur if participating affiliates have similar risk profiles. That is, DLH and its unregulated affiliates gain no short-term rate advantage by borrowing from the Pool versus borrowing externally. Having DLH borrow internally rather than externally benefits all Pool members by providing additional funds that are used by the Agent to pay the administrative costs of the Pool. Had these funds been borrowed externally, benefits would accrue to DLH's lenders rather than internally to the DLH subsidiaries.

The Commission does agree with the assessment that the Pool provides benefits to Duquesne Light. Cost sharing through a single Agent, DQE Capital Corporation, helps to reduce administrative and transaction costs which in turn benefits Duquesne Light. There appears to be no additional exposure to default risk whether a

DLH affiliate borrows directly from the Pool, or indirectly, as is currently being done. Duquesne Light exposure to an affiliates' financial non-performance would be comparable in either case.

Additionally, if a company is reliant upon its corporate parent as the sole source of short-term financing, the company is exposed to the liquidity risk of its parent. Having access to its own bank credit facilities, Duquesne Light is not dependent upon DLH as its sole source of short-term financing. This minimizes any short-term liquidity risk exposure of Duquesne Light should DLH or one of its unregulated affiliates experience liquidity problems.

DLH affiliates are involved in the purchase of electricity and are therefore subject to a great deal of financial risk due to price volatility in these markets. Since funds from the Pool may be lent to these affiliates through DLH, the Commission is obliged to monitor the financial health of these affiliates and will request quarterly financial reporting to monitor the financial health of the DLH affiliates involved in the purchase and supply of electricity.

Lastly, the Commission concludes that there is no additional exposure to default risk for Duquesne Light to participate in the Pool because, in general, Duquesne Light's overall operations and structure are not ring-fenced from DLH. Since minimal structural separation exists between Duquesne Light and DLH, Duquesne Light's participation in the Pool will not increase the risk to the utility. As noted by Standard & Poor's in their summary of Duquesne Light: "The ratings on electric utility Duquesne Light Co. reflect the consolidated credit profile of its parent, Duquesne Light Holdings Inc., and DLH's remaining riskier competitive businesses."

In summary, the Commission finds that:

- Pool participation by Duquesne Light provides some cost benefits and operating efficiencies to the company;
- Internal controls are in place so that funds borrowed by DLH are not being used to provide capital arbitrage between regulated and unregulated subsidiaries;
- Borrowing by DLH from the Pool does not provide adequate transparency in regards to the use of Pool funds.

Therefore, the Commission will approve Duquesne Light's participation in the Pool. However, we caution the company that in continuing its participation in the Pool, Duquesne Light and DLH and its unregulated affiliates must continue to follow the current guidelines presented in the body of this order. The Commission emphasizes that: 1) Duquesne Light must not provide funding to the Pool with externally borrowed funds; 2) DLH must continue to pay its external rate of interest on monies borrowed from the pool; and, 3) Duquesne Light should abide by all the guidelines as required by the DQE Capital Corporation Cash Pool operating agreement. Should the DQE Capital Corporation Cash Pool operating agreement change, Duquesne Light should notify the Commission of any change prior to implementing that change.

Additionally, as noted above, the use of the funds being borrowed by DLH is not readily transparent. Because of this lack of transparency, the Commission requests that on a quarterly basis DLH provide a summary detailing the use of borrowed funds.

The Commission has examined the Cash Pool arrangement and has determined that it appears to be reasonable and consistent with the public interest under Section 2102(b) of the Public Utility Code; however, approval of the Cash Pool arrangement does not preclude the Commission from investigating during any formal proceeding the reasonableness of any charges under this arrangement; **THEREFORE,**

IT IS ORDERED:

1. That the Affiliated Interest Agreement among Duquesne Light Company, Duquesne Light Holdings and its affiliates be, and hereby is, approved consistent with this Opinion and Order.

2. That acceptance does not preclude the Commission from investigating during any formal proceeding the reasonableness of any charges under the Agreement.

3. That Duquesne Light Company file with the Commission and provide to the Bureau of Fixed Utility Services a quarterly report that details the use of borrowed funds by Duquesne Light Holdings from the Cash Pool. Reports will be due 60 days following the end of each quarter beginning with the quarter ended December 31, 2006.

4. That Duquesne Light Company file with the Commission and provide to the Bureau of Fixed Utility Services quarterly financial reports including income statement, balance sheet and cash flow statement of the energy supply affiliates of Duquesne Light Holdings. Reports will be due 60 days following the end of each quarter beginning with the quarter ended December 31, 2006.

5. That the case be marked closed.

BY THE COMMISSION,

James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: November 9, 2006
ORDER ENTERED:

NOV 0 9 2006

Duquesne Light
Our Energy...Your Power

Richard S. Herskovitz
Assistant General Counsel

411 Seventh Avenue
8th Floor
Pittsburgh, PA 15219

Tel 412-393-3662
Fax 412-393-5602
rherskovitz@duqlight.com

October 7, 2005

VIA OVERNIGHT MAIL

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

Re: **Application of Duquesne Light Company**
For Approval of Affiliated Interest Arrangement
Docket No. _______________

Dear Secretary McNulty:

Enclosed for filing on behalf of Duquesne Light Company ("Duquesne") are the original and three (3) copies of an Application for Approval Nunc Pro Tunc of an Affiliated Interest Arrangement between Duquesne and its affiliates. Specifically, this Application, filed pursuant to 66 Pa. C.S. §2102 of the Public Utility Code, requests Commission approval of Duquesne's participation in a cash pool arrangement among its affiliates.

Please date stamp the fourth copy of this Application enclosed, and kindly return it to me in the self-addressed stamped envelope for my file.

Thank you.

Very truly yours,

RS Herskovitz

Richard S. Herskovitz

Enclosures

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Duquesne Light	:	
Company for approval of an	:	
Affiliated Interest Arrangement	:	Docket No. ____________
Between Duquesne Light Company	:	
And Affiliated Companies	:	
(Cash Pool Arrangement)	:	

Affiliated Interest Application
(66 Pa. C. S. Section 2102)

Duquesne Light Company ("Duquesne") requests approval Nunc Pro Tunc, pursuant to Section 2102 of the Public Utility Code ("Code"), 66 Pa. C. S. §2102, of its participation in a cash pool arrangement among its affiliates, and sets forth the following in support thereof:

1. The name and address of the Applicant is:

Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219

2. The name and address of the Applicant's attorney are:

Richard S. Herskovitz
Assistant General Counsel
411 Seventh Avenue, Mail Drop 8-2
Pittsburgh, PA 15219
Phone: 412-393-3662
Fax: 412-393-5602
E-mail: rherskovitz@duqlight.com

3. Duquesne is a duly incorporated Pennsylvania public utility engaged in the distribution of electric service to the public, primarily within Allegheny and Beaver Counties, Pennsylvania, in an area of approximately 800 square miles. Duquesne's corporate headquarters is located at 411 Seventh Avenue, Pittsburgh, PA 15219.

4. Duquesne Light Holdings, Inc. ("DLH"), formerly known as DQE, Inc. the parent company of Duquesne, established a Cash Pool ("Pool") in November, 1997. The Pool was established as a mechanism to concentrate excess funds and combine the cash of DLH and its subsidiaries to invest in short-term investments not previously available to Pool participants. The Pool is a more efficient method of managing the funds of the subsidiaries and will result in higher returns for investing members. A complete description of the operation of the Pool is attached as Exhibit A.

5. Members of the Pool are DLH and its wholly owned, direct or indirect, subsidiaries. Currently, DQE Capital Corporation, another subsidiary of DLH, acts as Agent for the members and administers the Pool. Duquesne became a member of the Pool in July, 2000.

6. In the Public Utility Commission's most recent Management Audit of Duquesne (field work commencing in August, 2004 and ending in March, 2005), the Auditors investigated whether Duquesne's participation in the Pool had been approved by the Commission under the affiliated interest provisions of the Code. Duquesne contended that its participation in the Pool was authorized by the Company's Administrative Services Agreements ("ASA"), which was previously approved by the Commission. Although a final report of the audit has not yet been issued, the Auditors have indicated that, in their opinion, the ASA did not contain such an authorization.

7. Although Duquesne disputed the Auditors' conclusion, the Company has agreed to file for approval of its membership and participation in the Pool under the affiliate provisions of the Code.[1]

[1] Exhibit A has been revised since the conclusion of the Management Audit only to reflect the current name of the Cash Pool and to indicate that DLH or one of its subsidiaries will act as agent for the participants and will administer the Pool. DQE Capital Corporation is the current Agent.

8. Membership and participation by Duquesne in the Pool is reasonable and in the public interest because it enhances investment returns and reduces the number and costs of investment transactions.

WHEREFORE, Duquesne respectfully requests the Commission to approve Duquesne's membership and participation in the subject Cash Pool arrangement, retroactive to July, 2000.

Duquesne Light Company

Dated: October 7, 2005

By: Mark E. Kaplan

Mark E. Kaplan
Senior Vice President and
Chief Financial Officer

AFFIDAVIT

I, Mark E. Kaplan, being duly sworn (affirmed) according to law, depose and say that I am authorized to make this affidavit on behalf of Duquesne Light Company, being the holder of the office of Senior Vice President and Chief Financial Officer with that Company, and that the facts above set forth are true and correct to the best of my knowledge, information and belief , and the Company expects to be able to prove the same at any hearing hereof.

Mark E. Kaplan

Mark E. Kaplan

Sworn and subscribed before me this 6th day of October, 2005.

Mary Jane Hammer

My Commission Expires Oct 6, 2007

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Mary Jane Hammer, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires Oct. 6, 2007
Member, Pennsylvania Association of Notaries

Exhibit A

Duquesne Light Holdings
CASH POOL

The Duquesne Light Holdings ("Holdings") Cash Pool ("Pool") is a mechanism to concentrate excess funds and combine the cash of Holdings and its subsidiaries to invest in short-term investments not previously available to Pool participants. The Pool is a more efficient method of managing the funds of the subsidiaries and will result in higher returns for participants.

Participants of the Pool include Holdings and its wholly owned, direct or indirect, subsidiaries. Holdings or one of its subsidiaries will act as Agent ("Agent") for the participants and will administer the Pool. DQE Capital Corporation is currently the Agent.

The cash position of the Pool participants will be determined by the Agent on a daily basis. The cash position of each participant will be reported on a regular basis by the Agent.

Each Pool participant will provide for the funding of its cash requirements through sources currently available. These sources include, but are not limited to, normal operating receipts, external borrowings against established lines of credit, sales of commercial paper, etc. or contributions by Holdings. However, the Agent is permitted to borrow from the Pool to facilitate intercompany borrowing arrangements and operating requirements. Due to the timing of receipt of funds and disbursement thereof, any excess cash will become part of, and will be invested through the Pool.

(Page 2)

When cash is available, it will be invested in the approved investments shown below. The approved investments are consistent with the Duquesne Light Holdings Short Term Investment Policy as in effect at the time to provide a high degree of safety, liquidity and, to a lesser extent, yield. The interest income resulting from the investments will be accrued and allocated to the participants in the Pool on a daily basis. Interest will be paid on the fifth day of the month following the monthly earnings period.

The following investments are permissible:

1) Direct or indirect obligations of the United States of America
2) Repurchase Agreements, Loan Participations, Commercial Paper, Certificates of Deposit, and Bankers Acceptances
3) Euro Time Deposits
4) Tax Exempt Notes, Commercial Paper or Bonds
5) Auction Rate Preferred Stock
6) Money Market Funds

Specific characteristics as to credit quality, maturities and investment limits are outlined in Duquesne Light Holdings Short Term Investment Policy and should be referred to when investing the Pool's cash.

The XRT Treasury Workstation software (XRT TWS), or its successor, will be used to account for the Pool transactions and to calculate and allocate internal and external expense/income.

A copy of the activity detail report reflecting transactions, balances and expense/income is attached.

Direct input to be provided by each of the participants is:

(1) Anticipated deposits for the current day;
(2) Wire transfers (outbound and inbound) for the current day;

(Page 3)

(3) Five (5) week cash forecast;
(4) Four (4) days notice for investments, acquisitions or other expenditures of a capital nature.

The Agent will provide the daily investment rate. The rate will be the composite external investment rate earned on such investments and will be used as the earnings rate within the Pool.

The software will calculate the daily balances for each participant as well as funds contributed and withdrawn. The interest accrual calculation for each participant's transactions is calculated as follows:

Day's balance x interest rate / 360 days = daily accrual

ATTACHMENTS:

(A) Participant Bank Account Flowchart
(B) Participant Inter-company Activity Detail Report

Sponsor: Jaime A. Bachota

Q.9. Prepare a detailed schedule for the test year showing types of social and service organization memberships paid for, the cost thereof, the accounting treatment and whether included in claimed test year expenses.

A.9. Attachment II-D-9 presents the social and service organization memberships to be paid for in the test years. Memberships paid for an annual period are accrued as prepaid expenses and amortized over the life of the membership period. Those memberships not included in claimed test year expenses are detailed on attachment II-D-9.

Duquesne Light Company
Social and Services Memberships
For the Period
(in thousands)

	12 Months Ending 12/31/2021	12 Months Ending 12/31/2022
Edison Electric Institute	$ 286	$ 295
Gartner	286	289
Energy Association of Pennsylvania	80	82
Electric Power Research Institute	72	74
Woods Mackenzie	69	73
Distribution Operations and Planning	65	65
SNL Financial Services	50	52
North American Transmission Forum	46	46
National Cyber Forensics Training Alliance	30	30
Sustainability Industry Memberships	30	30
Western Energy Insititute	29	29
Bloomberg Finance	26	26
Electricity Industry Center	25	25
Conference Board Membership	15	15
Distributed Energy Financial Group	15	15
Chartwell	13	13
PA Business Roundtable	12	12
PA Chamber of Business & Industry	12	12
Itron	12	12
Capital IQ	11	11
Smart Grid	10	10
Smart Electric Power Alliance	10	10
Utility Solid Waste Activities Group	10	10
Restore Program	10	10
Tristate Infrastructure Council	8	8
Spare Transformer Equipment Program	8	8
PICPA	7	7
Pittsburgh Technology Council	5	5
Riversweep Corporate Sponsorship	5	5
All Other	76	76
Total Social and Services Memberships	$ 1,330	$ 1,354
Social and Services Memberships Excluded in Claimed Test Year Expenses		
Ballast Research	125	125
PA Chamber of Business & Industry	5	5
PA Business Roundtable	3	3
Below the Line Expenses Recorded Above	$ 133	$ 133
Total Social and Services Memberships included in claimed test year expenses	$ 1,196	$ 1,220

Q.10. Provide the following payroll and employee benefit data – regular and overtime – separately for the test year and the 12-month period immediately prior to the test year:

a. The average and year-end number of employees and the unadjusted annual payroll expense and employee benefit expense associated with union personnel.
b. The average and year-end number of employees and the unadjusted annual payroll expense and employee benefit expense associated with nonunion personnel.
c. The average and year-end number of employees and the unadjusted annual payroll expense and employee benefit expense associated with management employees, if different than b.
d. A summary of the wage rate, salary and employee benefit changes granted or to be granted during the year.
e. The claimed test year payroll expense and employee benefit expense.
f. The percentage of payroll expense and employee benefit expense applicable to operation and maintenance expenses and the basis thereof.

A.10. Attachment DFR-II-D-10 provides the Company’s requested data.

	1/2020 - 12/2020 ($ 000's)	1/2021 - 12/2021 ($ 000's)	1/2022 - 12/2022 ($ 000's)
a. **Union Personnel**			
Average Number of Employees	820	833	818
Year-End Number of Employees	821	833	817
Payroll Costs			
Normal	$ 75,457	$ 78,766	$ 84,881
Overtime	$ 29,447	$ 22,825	$ 22,456
Benefit Costs	$ 26,917	$ 26,220	$ 27,112
b. **Non-Union Personnel**			
Average Number of Employees	753	805	820
Year-End Number of Employees	763	819	825
Payroll Costs			
Normal	$ 92,183	$ 98,511	$ 105,257
Overtime	$ 4,400	$ 3,411	$ 3,356
Benefit Costs	$ 28,949	$ 28,193	$ 29,118

Note: Benefit costs were allocated based on the normal wage costs because costs are basically the same for both union and non-union personnel.

Historical and future year benefits for union personnel include $7,241, $4,909 and $4,014 attributable to pension expenses respectively.

Historical and future year benefits for non-union personnel include $7,788, $5,279 and $4,311 attributable to pension expenses respectively.

c. **Same as b.**

d. **Wage Rate Changes**

Union

	1/2020 - 12/2020	1/2021 - 12/2021	1/2022 - 12/2022
Rate	3.0%	3.0%	2.75%
Annualized Impact	$ 2,264	$ 2,363	$ 2,334

Note: Union wage rate increases are effective October 1st of each year. The union contract expires 9/30/2023 and wage rate increases have been negotiated as of the date of this filing for 2021.

Non-Union

	1/2020 - 12/2020	1/2021 - 12/2021	1/2022 - 12/2022
Rate	3.0%	3.0%	2.75%
Annualized Impact	$ 2,765	$ 2,955	$ 2,895

Benefit Changes

Note: Benefits remain unchanged, other than the cost of providing them to employees.

e. **Claimed for Test Year (excluding any pro-forma adjustments)**

	1/2020 - 12/2020	1/2021 - 12/2021	1/2022 - 12/2022
Payroll Expense	$ 97,507	$ 103,866	$ 105,860
Benefit Expense	$ 22,813	$ 28,037	$ 32,470

Note: Historical and future years benefit expense includes $5,000, $18,500 and $5,000 attributable to pension expense respectively.

f. **Percent applicable to O&M**

	1/2020 - 12/2020	1/2021 - 12/2021	1/2022 - 12/2022
Payroll Expense	48.4%	51.0%	49.0%
Benefit Expense	40.8%	51.5%	57.7%

Note: The charge to expense is based on activities performed or expected to be performed during the applicable years.

Sponsor: Jaime A. Bachota

Q.11. Describe costs relative to leasing equipment, including computer rentals, and office space, including terms and conditions of the leases. State method for calculating monthly or annual payments.

A.11. Attachment II-D-11 provides the costs, terms and conditions of Duquesne Light's major leasing agreements as of December 31, 2020.

REDACTED

Duquesne Light Company
Annual Leasing Costs
(Thousands of dollars)

Lessor	Item Leased	Term	Expense for 12 Months Ending 12/31/2020	Method of Calculating Payment
411 Seventh Ave. Associates, L.P.	411 7th Ave	[redacted]	[redacted]	(a)
Buncher Associates	New Manchester	[redacted]	[redacted]	(b)
Expedient	Data Center lease	[redacted]	[redacted]	(b)
ComDoc	Copiers	[redacted]	[redacted]	(b)
Associated Pennsylvania Constructors	Harrisburg Office Space	[redacted]	[redacted]	(b)
City of Pittsburgh	Land for Substation (Oakland)	[redacted]	[redacted]	(b)
Mailfinance	Preble Avenue	[redacted]	[redacted]	(b)

(a) Rent agreement contains planned escalation of square footage charge; however, rent expense is recognized on a levelized basis.
(b) Monthly payment set in original lease.

Sponsor: Jaime A. Bachota

Q.12. Submit a statement of past and anticipated changes, since the previous rate case, in major accounting procedures, explain any differences between the basis or procedure used in allocations of revenues, expenses, depreciation and taxes in the current rate case and that used in the prior rate cases, and list all internal and independent audit reports for the most recent 2 year period.

A.12. Attachment II-D-12a provides a list of major accounting changes since Duquesne Light Company's last base rate case. Attachment II-D-12b provides a list of internal audits performed for Duquesne Light Company in 2019 and 2020. Attachment II-D-12c provides a list of third-party audits performed for Duquesne Light Company in 2019 and 2020.

Duquesne Light Company
Accounting Changes Since Duquesne Light Company's
Last Base Rate Case

2018:

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers," requiring entities to recognize revenue by applying a five-step model in accordance with the core principle to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company adopted this standard as of January 1, 2018 utilizing the full retrospective adoption method. Transition to the new revenue standard did not result in any material adjustments to historical balances and the Company expects the adoption of the new standard to have an immaterial impact to results of operations on an ongoing basis. In accordance with the new provisions of this standard, the Company has included enhanced quantitative and qualitative disclosures.

In November 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows: Restricted Cash," which requires the inclusion of restricted cash within total cash and cash equivalents when reconciling the beginning and ending period cash balances in the consolidated statements of cash flows. Transfers between cash and cash equivalents and restricted cash are no longer presented as cash flow activity. The Company retroactively adopted this standard as of January 1, 2018. The implementation of this ASU had no retroactive impact to cash flows from operating, investing or financing activities for the year ended December 31, 2017.

In March 2017, the FASB issued ASU No. 2017-07, "Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost," which requires the service cost component of net periodic benefit cost to be disaggregated from other components of net periodic benefit cost and presented in the same line on the consolidated statement of operations as other employee compensation costs arising from services rendered during the period. The other components of net periodic benefit costs are required to be presented separately outside of operating income. Additionally, only the service cost component is eligible for capitalization. The Company adopted this standard as of January 1, 2018. The presentation of the components of net periodic benefit costs on the consolidated statement of operations was applied retrospectively. The guidance that limits the capitalization to the service cost component of net periodic benefit costs was applied prospectively. The adoption of this standard resulted in an increase to operating income of $9.9 million, a decrease to investment and other income (loss) of $9.9 million and no change to net income on the Company's consolidated statement of operations for the year ended December 31, 2017.

2019:

In February 2016, the FASB issued ASU No. 2016-02, "Leases," which requires lessees to recognize a lease liability and a right-of-use asset for all leases, including operating leases, with a term greater than twelve months on the balance sheet. The Company adopted this standard as of January 1, 2019 utilizing the modified retrospective transition method. As most of the Company's leases do not provide an implicit rate, the Company took the portfolio approach of applying its incremental borrowing rate based on the information available at the adoption date to calculate the present value of lease payments over the lease term. The Company elected the package of practical expedients permitted under the transition guidance within the new standard, which allowed the Company (i) to not reassess whether any expired or existing contracts are or contain leases, (ii) to not reassess the lease classification for any expired or existing leases and (iii) to not reassess initial direct costs for any existing leases. The Company also elected the practical expedient to not evaluate land easements that existed or expired before the entity's adoption of this standard and the practical expedient to not separate lease and non-lease components, that is, to account for lease and non-lease components in a contract as a single lease component for all classes of underlying assets. Further, the Company made an accounting policy election to keep leases with an initial term of twelve months or less off of the balance sheets. The adoption of this standard resulted in the recognition of $34.9 million of operating lease right-of-use assets within other non-current assets, $5.0 million of current operating lease liabilities within other current liabilities and $29.9 million of operating lease liabilities within non-current liabilities on the balance sheet as of December 31, 2018. In accordance with the new provisions of this standard, the Company has included enhanced quantitative and qualitative disclosures in its notes to the financial statements.

In February 2018, the FASB issued ASU No. 2018-02, “Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income,” which allows for a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the 2017 Tax Cuts and Jobs Act (TCJA), eliminating any stranded tax effects associated with accumulated other comprehensive income. The Company adopted this standard as of January 1, 2019 and elected to present the change in the period of adoption. As a result, the Company recognized a $0.1 million cumulative effect adjustment for stranded tax effects from accumulated other comprehensive income to retained deficit.

2020:

In August 2018, the FASB issued ASU No. 2018-14, “Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20),” to improve the effectiveness of disclosures in the notes to the financial statements by facilitating clear communication of the information required by GAAP. The amendments modify the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. These changes will be effective for fiscal years ending after December 15, 2020. The Company adopted this standard as of January 1, 2020 utilizing the retrospective method of adoption.

Duquesne Light Company
Internal Audit Services
Reports Issued

Date Issued	Title

Year 2019

02/21/2019	Debt Issuance and Compliance Review
02/25/2019	DQE Communications – Revenue Recognition and Sales Commissions Review
02/27/2019	Cash Management and Reconciliation Review
02/27/2019	Inventory Cycle Count Review
02/27/2019	Safety, Health and Environmental Review
03/04/2019	Information Technology Change Management Report
03/08/2019	Customer Billing Review
03/08/2019	Mobile Security Review
05/06/2019	Medical Claims Payment Process Report
06/28/2019	Payment Processing Review
07/22/2019	Social Media Review
07/30/2019	Business Risk and Insurance Process Review
07/30/2019	Purchase of Receivables Review
09/17/2019	Accounts Payable Review
11/22/2019	Information Security Review – Penetration Testing
11/22/2019	Wesco Vendor Review
11/25/2019	IT Project Management Methodology Review
12/02/2019	Ethics Hotline and Compliance Training Process
12/04/2019	Logical Security Report

Year 2020

02/26/2020	Corporate Contributions Review
02/25/2020	IT Infrastructure Asset Management Process – Strategy and Governance
02/26/2020	Physical Security Review
03/02/2020	PJM Settlement and POLR Auction Review
04/29/2020	Storm Plan and Mutual Assistance Review
05/06/2020	Transportation Fuel Usage Review
08/14/2020	Business Travel and Expense Reimbursement Review
08/14/2020	Inventory Cycle Count Report

08/14/2020	Smart Meter Surcharge Review
08/14/2020	Random Drug Testing Review
10/30/2020	Software Licensing
12/07/2020	Data Management – Empyrean Application

Duquesne Light Company
Third-Party Audit Reports Issued

List of Third-Party Financial Statement Audit Reports/On-Going Audits

2019

Deloitte & Touche LLP

- Independent Auditors' Report of the Financial Statements of the DQE Holdings LLC and subsidiaries, Duquesne Light Holdings, Inc. and subsidiaries and Duquesne Light Company and subsidiaries as of and for the year ended December 31, 2019.
- Independent Auditors' Report of the Regulatory Financial Statements, included in FERC Form 1 of Duquesne Light Company as of and for the year ended December 31, 2019.

Baker Tilly Virchow Krause, LLP

- Independent Auditors' Report of the Financial Statements of the Duquesne Light Holdings, Inc. 401(k) Retirement Savings Plan and the Duquesne Light Company 401(k) Retirement Savings Plan for IBEW Represented Employees as of and for the year ended December 31, 2019.
- Independent Auditors' Report for the Financial Statements of the Duquesne Light Company Medical Benefits Plan for IBEW Represented Employees and Duquesne Light Holdings, Inc. Medical Benefits Plan as of and for the year ended December 31, 2019.
- Independent Auditors' Report on the Financial Statements of the Duquesne Light Company Defined Benefit Retirement Plan as of and for the year ended December 31, 2019.

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Deloitte & Touche LLP

- Independent Auditors' Report of the Financial Statements of the DQE Holdings LLC and subsidiaries, Duquesne Light Holdings, Inc. and subsidiaries and Duquesne Light Company and subsidiaries as of and for the year ended December 31, 2020.
- Independent Auditors' Report of the Regulatory Financial Statements, included in FERC Form 1 of Duquesne Light Company as of and for the year ended December 31, 2020.

Duquesne Light Company

Third-Party Audit Reports Issued

List of Third-Party Tax Audit Reports/On-Going Audits

- None

List of Third-Party Regulatory Audit Reports/On-Going Audits

<u>Pennsylvania Public Utility Commission</u>

- Bureau of Audit's audit of Management and Operations. (Issued on July 3, 2019)
- Bureau of Audit's Report on the Transmission Service Charge for the twelve month periods ended February 28, 2016 and February 2017. (Issued on April 16, 2020)
- Bureau of Audit's Report on the Default Service Supply Charge for the twelve month periods ended January 31, 2016 and January 31, 2017. (Issued on April 16, 2020)
- Bureau of Audit's Report on the Universal Service Charge for the twelve month periods ended October 31, 2015 and October 31, 2016. (Issued on April 16, 2020)
- Bureau of Audit's Report on the Smart Meter Charge for the twelve month periods ended June 30, 2015 and June 30, 2016. (Issued on March 12, 2020)
- Bureau of Audit's Report on the Energy Efficiency and Conservation Surcharge for the twelve month period ended May 31, 2015 and the ten month period ended March 31, 2016. (Issued on March 26, 2020)

- Bureau of Audit's Report on the Transmission Service Charge for the twelve month periods ended February 28, 2018, February 28, 2019 and February 29, 2020 (Audit on-going)
- Bureau of Audit's Report on the Default Service Supply Charge for the twelve month periods ended January 31, 2018, January 31, 2019 and January 31, 2020 (Audit on-going)

<u>North American Electric Reliability Corporation via ReliabilityFirst Corporation</u>

- None

Sponsor: Jaime A. Bachota

Q.13. Regardless of whether a claim for negative or positive net salvage is made, attach an exhibit showing gross salvage, cost of removal, third party reimbursements, if any, and net salvage for the test year and 4 previous years.

A.13. Attachment II-D-13 provides Duquesne Light Company’s claimed negative net salvage provision.

DUQUESNE LIGHT COMPANY
Negative Net Salvage
(Thousands of Dollars)

12 Months Ending	Cost of Removal	Gross Salvage	Cost of Gross Negative
December 31, 2018	$ 11,435	$ (5,676)	$ 5,759
December 31, 2019	13,476	(4,011)	9,465
December 31, 2020	13,670	(3,830)	9,840
December 31, 2021	17,087	(7,430)	9,657
December 31, 2022	15,174	(9,614)	5,560
Total for 5-year period ending December 31, 2022	$ 70,842	$ (30,561)	$ 40,281
		Five-year average	$ 8,056
		Negative Net Salvage Claim	$ 8,056

Sponsor: Matthew Simpson

Q.14. State the amount of debt interest utilized for test year income tax calculations, including the amount so utilized which has been allocated from the debt interest of an affiliate, and provide details of debt interest and allocation computations.

A.14. Duquesne Light Company does not utilize any debt interest, which has been allocated from the debt interest of an affiliate, in the computation of taxable income. In determining the interest expense deduction to be used in the income tax calculations for the test year, Duquesne Light has used the interest synchronization method that has been adopted by the Commission. The calculation of interest utilized for the income tax calculations is set forth on Schedule D-18 in DLC Exhibits 2 (Fully Projected Future Test Year), Exhibit 3 (Future Test Year) and Exhibit 4 (Historic Test Year).

Sponsor: Matthew Simpson

Q.15 Provide a schedule for the test year of Federal and Pennsylvania taxes other than income taxes, per books, pro forma at present rates, and pro forma at proposed rates, including the following categories:

a) Social security
b) Unemployment
c) Capital stock
d) Public utility
e) PUC assessment
f) Other property taxes
g) Any other appropriate categories

A.15. DFR II-D-15 Attachment provides a schedule of taxes other than income.

Duquesne Light Company
Schedule of taxes other than income
Future Test Year Ended December 31, 2021
($ in Thousands)

Line No	Description	[1] Total Amount per Budget (1)	[2] T&D Pro forma at present Rates (1)	[3] D only Pro forma at Present Rates (2)	[4] D only Pro forma at Proposed Rates (3)
1	Social Security	$ 6,995	$ 7,322	$ 6,051	$ 6,051
2	Federal Unemployment Tax	60	63	52	52
3	State Unemployment Tax	364	381	315	315
4	Public Utility	972	972	753	753
5	Other Property Taxes	635	635	492	492
6	Gross Receipts	52,175	49,501	27,326	30,599
7	Other	650	680	562	562
8	Totals	$ 61,849	$ 59,554	$ 35,551	$ 38,824
	Gross Receipts Proposd		$ 52,553	$ 30,599	

(1) - DLC Exhibit 3 (Future Test Year) D-20, column 5
(2) - Jurisdictional Separation Study Exhibit No 6
(3) - DLC Exhibit 3 (Future Test Year) D-1

Duquesne Light Company
Schedule of taxes other than income
Fully Projected Future Test Year Ended December 31, 2022
($ in Thousands)

Line No	Description	[1] Total Amount per Budget (1)	[2] T&D Pro forma at present Rates (1)	[3] D only Pro forma at Present Rates (2)	[4] D only Pro forma at Proposed Rates (3)
1	Social Security	$ 7,066	$ 7,235	$ 5,979	$ 5,979
2	Federal Unemployment Tax	61	63	52	52
3	State Unemployment Tax	368	377	312	312
4	Public Utility	999	999	769	769
5	Other Property Taxes	665	665	512	512
6	Gross Receipts	54,775	50,278	32,924	37,918
7	Other	655	671	554	554
8	Totals	$ 64,588	$ 60,288	$ 41,102	$ 46,096
	Gross Receipts Proposd		$ 54,769	$ 37,918	

(1) - DLC Exhibit 2 (Fully Projected Future Test Year) D-20, column 5
(2) - Jurisdictional Separation Study Exhibit No 6
(3) - DLC Exhibit 2 (Fully Projected Future Test Year) D-1

Sponsor: Matthew Simpson

Q.16. Submit a schedule showing the adjustments from taxable net income per books to taxable net income pro forma under existing rates and pro forma under proposed rates, together with an explanation of all normalizing adjustments. Submit detailed calculations supporting taxable income before State and Federal income taxes where the income tax is subject to allocation due to operations in another state or due to operation of other taxable utility or non-utility business, or by operating divisions or areas.

A.16. Detailed calculations supporting taxable income of Duquesne Light Company are shown on Schedule D-18 in DLC Exhibits 2 (Fully Projected Future Test Year), Exhibit 3 (Future Test Year) and Exhibit 4 (Historic Test Year).

Sponsor: Matthew Simpson

Q.17 Submit a schedule showing for the last 5 years the income tax refunds, plus interest—net of taxes, received from the Federal government due to prior years' claims.

A.17 The consolidated group has not received any federal income tax refunds for taxes paid during the prior 5 years. See DFR II-D-17 – Attachment for a schedule of tax refund received in 2017 associated with the tax year ending December 31, 2007.

DQE HOLDINGS LLC
IRS REFUND RECEIVED
PRIOR YEAR CLAIMS

Tax Year Ending	Year Received	Tax	Interest	Total	
12/31/2007	2017	5,787,281	372,014	6,159,295	[1]

[1] Federal income tax paid in 2007 refunded due to 2009 NOL carryback claim.
No other income tax refunds received from the Federal government in the last 5 years.

Sponsor: Matthew Simpson

Q.18 Furnish a breakdown of major items comprising prepaid and deferred income tax charges and other deferred income tax credits, reserves and associated reversals on liberalized depreciation.

A.18 DFR II-D-18 - Attachment provides a breakdown of the major items comprising prepaid and deferred income tax charges and other deferred income tax credits as reflected on the Company's balance sheet.

Duquesne Light Company **DFR II-D-18 - Attachment**
Accumulated Deferred Income Taxes

Line #	FERC Account 190	HTY 12/31/2020	FTY 12/31/2021	FPFTY 12/31/2022
1	Accrued Misc. Reserves Total	4,386,898	4,386,898	4,386,898
2	Payroll Deferral Total	2,143,558	2,143,558	2,143,558
3	Accrued Pensions Total	39,887,986	39,887,986	39,887,986
4	Accrued Sales and Use Tax Total	276,467	276,467	276,467
5	Bad Debt Reserve Amortization Total	8,578,719	8,578,719	8,578,719
6	Legal Accrual Total	293,392	293,392	293,392
7	Other Benefit Costs Total	8,412,445	8,412,445	8,412,445
8	Provision for Injuries and Damages Total	1,313,746	1,313,746	1,313,746
9	Reserve for Compensated Abscences Total	1,720,495	1,720,495	1,720,495
10	Reserve for HealthCare Total	404,489	404,489	404,489
11	Reserve for Legacy Issues Total	472,566	472,566	472,566
12	Reserve for Warwick Mine Liability Total	3,512,537	3,512,537	3,512,537
13	Vacation Pay Total	669,812	669,812	669,812
14	Deferred Credits	351,084	351,084	351,084
15	Other	4,373,275	4,373,275	4,373,275
16	Operating Lease Right of Use - Liability	7,131,904	7,131,904	7,131,904
17	FAS 109 Gross Up Total	25,425,390	20,014,908	15,983,550
18	FAS 109 Increment Total	62,575,792	49,259,766	39,337,974
19	Total Account 190 (Sum L1 - L16)	171,930,555	153,204,047	139,250,897
	FERC Account 282			
20	Normalized Property Total	(679,684,837)	(675,431,641)	(671,093,350)
	FERC Account 283			
21	Amortization of Loss on Reaquisition Total	(4,798,044)	(4,798,044)	(4,798,044)
22	Compensated Absences Total	(1,720,495)	(1,720,495)	(1,720,495)
23	Partnership Investments Total	(972,519)	(972,519)	(972,519)
24	Prepaid Pension Costs Total	(74,938,529)	(74,938,529)	(74,938,529)
25	Operating Lease Right of Use - Assets	(7,131,904)	(7,131,904)	(7,131,904)
26	Reg Assets Total	(9,375,123)	(9,375,123)	(9,375,123)
27	Total Account 283 (Sum L19 - L23)	(98,936,614)	(98,936,614)	(98,936,614)
28	Total Accumulated Deferred Income Taxes (L17 + L18 + L24)	(606,690,896)	(621,164,208)	(630,779,067)

Q.19. Explain how the Federal corporate graduated tax rates have been reflected for rate case purposes. If the Pennsylvania jurisdictional utility is part of a multi-corporate system, explain how the tax savings are allocated to each member of the system.

A.19. The Tax Cut and Jobs Act of 2017 (TCJA) reduced the corporate income tax rate from 35 percent to 21 percent and eliminated the graduated corporate rate schedule.

DQE Holdings LLC, the parent of the affiliated group, has chosen for book purposes and all other purposes to allocate consolidated Federal Income Tax among all companies based on net taxable income or loss and credits of each subsidiary on a separate return basis.

Q.20. Explain the treatment given to the cost of removal in the income tax calculation and the basis for such treatment.

A.20. Duquesne Light Company adheres to the treatment provided in section 1.167(a)-11(d)(3) of the IRS regulations related to ADR property which provides: “The cost of dismantling, demolishing, or removing an asset in the process of retirement from the vintage account shall be treated as an expense deductible in the year paid or incurred, and such costs shall not be subtracted from the depreciation reserve for the account.” This applies to ADR property acquired after December 31, 1970.

For consistency, Duquesne Light requested and was granted permission from the IRS to deduct as expense all removal costs applicable to property retired after December 31, 1971. This accounting change applied to all property retired after December 31, 1971, regardless of when it was acquired or the method of depreciation used to recover the expenditures. Duquesne Light has consistently followed this method of accounting on all income tax returns filed since 1972.

Sponsor: Matthew Simpson

Question:

Q.21 Show income tax loss/gain carryovers from previous years. Show loss/gain carryovers by years of origin and amounts remaining by years at the beginning of the test year.

A.21 Duquesne Light Company does not have any federal or state net operating loss carryovers.

Sponsor: Matthew Simpson

Q.22. State whether the company eliminates tax savings by the payment of actual interest on construction work in progress not in the rate base claim. If response is affirmative:

a) Set forth amount of construction claimed in this tax savings reduction, and explain the basis for this amount.
b) Explain the manner in which the debt portion of this construction is determined for purposes of the deferral calculations.
c) State the interest rate used to determine the tax savings reduction, and state whether State taxes are increased to reflect the construction interest elimination.
d) Provide details of calculation to determine tax savings reduction, and state whether State taxes are increased to reflect the construction interest elimination.

A.22. The Company does not.

Sponsor: Matthew Simpson

Q.23 Under section 1552 of the Internal Revenue Code (26 U.S.C.A. §1552) and 26 CFR 1.1552-1 (1983), if applicable, a parent company, in filing a consolidated income tax return for the group, must choose one of four options by which it must allocate total income tax liability of the group to the participating members to determine each member's tax liability to the Federal government (if this interrogatory is not applicable, so state):

a. State what option has been chosen by the group.
b. Provide, in summary form, the amount of tax liability that has been allocated to each of the participating members in the consolidated income tax return for the test year and the most recent 3 years for which data is available.
c. Provide a schedule, in summary form, of contributions, which were determined on the basis of separate tax return calculations, made by each of the participating members to the tax liability indicated in the consolidated group tax return. Provide total amounts of actual payments to the tax depository for the tax year, as computed on the basis of separate returns of members.
d. Provide the most recent annual income tax return for the group.
e. Provide details of the amount of the net operating losses of any member allocated to the income tax returns of each of the members of the consolidated group for the test year and the 3 most recent years for which data is available, together with a summary of the actual tax payments for those years.
f. Provide details of the amount of net negative income taxes, after all tax credits are accounted for, of any member allocated to the income tax return of each of the members of the consolidated group for the test year and the 3 most recent years for which data is available, together with a summary of the actual tax payments for those years.

A.23 Please see responses below:

a. Internal Revenue Code Section 1552 provides for an allocation of consolidated income tax for "earnings and profits" purposes only based on the Company's elected method. DQE Holdings LLC (DQE) made no election and therefore under the default method contained in the IRS Treasury Regulations, the tax liability is apportioned among the members of the group in accordance with the ratio which that portion of the consolidated taxable income attributable to each member of the group having taxable income bears to the consolidated taxable income. DQE has chosen for book purposes and all other purposes, to allocate consolidated Federal income tax among all companies based on net taxable income or loss and credits of each subsidiary on a separate return basis.

b. Attachment II-D-23 details the tax liability of each of the participating member in the consolidated federal income tax return filed for the last 3 years in 2017, 2018, and 2019.

c. DQE is the parent company of Duquesne Light Holdings, Inc. (DLH), which is a member of the consolidated group that includes Duquesne Light Company. DQE makes all necessary income tax payments to the Internal Revenue Service for the net tax liability that is due for the consolidated group. DLH collects from member companies that have a positive federal income tax allocation and pays member companies that have a negative federal income tax allocation. The amounts DLH receives from or pays each member company are the same amounts as detailed in attachment II-D-23.

d. The most recent federal income tax return filed by the consolidated group is tax year 2019. It will be made available for review electronically or at the offices of Post & Schell P.C., subject to the execution of a separate confidentiality agreement.

e. Attachment II-D-23 details actual payments made or that will be made to members of the consolidated group with a net operating loss.

f. Attachment II-D-23 details the actual payments made or that will be made to members of the consolidated group with a net negative income tax allocation after credits.

DQE Holdings, LLC and Subsidiaries
Allocation of Federal Income Taxes
Year Ended December 12/31/2017

EIN	COMPANY	Taxable Income	Tax @ 35%	Less Credits	Net Tax Due
20-5112757	DQE HOLDINGS, LLC	(1,540,791)	(539,277)		(539,277)
25-1598483	DUQUESNE LIGHT HOLDINGS, INC.	(67,767,579)	(23,718,653)	-	(23,718,653)
25-0451600	DUQUESNE LIGHT COMPANY	5,119,608	1,791,863		1,791,863
25-1111912	MONONGAHELA LIGHT AND POWER	800,268	280,094		280,094
51-0368321	DUQUESNE FIBER COMPANY	997,443	349,105		349,105
25-1876941	DES CORPORATE SERVICES, INC.	24,520	8,582		8,582
25-1541872	DQE ENTERPRISES, INC.	52,116	18,241		18,241
25-1837251	DQE CAPITAL CORPORATION	1,558	545		545
23-2869466	DQE SYSTEMS, INC.	10,213,947	3,574,881		3,574,881
	Subtotal: Consolidated Taxable Income/(Loss)	(52,098,910)	(18,234,619)	-	(18,234,619)
	Consolidating Adjustments:				
	Charitable Contributions	-			
	Dividends Received Deduction	(588)	(206)		(206)
	NOL Deduction		-		-
	Consolidated Taxable Income/(Loss)	(52,099,498)	-	-	-
	AMT Tax				-
	Low income housing recapture tax				-
	Consolidated Federal Tax Liability				-

DQE Holdings, LLC and Subsidiaries
Allocation of Federal Income Taxes
Year Ended December 12/31/2018

EIN	COMPANY	Taxable Income	Tax @ 21%	Less Credits	Net Tax Due
20-5112757	DQE HOLDINGS, LLC	(2,193,600)	(460,656)		(460,656)
25-1598483	DUQUESNE LIGHT HOLDINGS, INC.	(79,716,895)	(16,740,548)	-	(16,740,548)
25-0451600	DUQUESNE LIGHT COMPANY	93,301,906	19,593,400		19,593,400
25-1111912	MONONGAHELA LIGHT AND POWER	-	-		-
51-0368321	DUQUESNE FIBER COMPANY	-	-		-
25-1876941	DES CORPORATE SERVICES, INC.	(1,715)	(360)		(360)
25-1541872	DQE ENTERPRISES, INC.	115,886	24,336		24,336
25-1837251	DQE CAPITAL CORPORATION	77,481	16,271		16,271
23-2869466	DQE SYSTEMS, INC.	-	-		-
	Subtotal: Consolidated Taxable Income/(Loss)	11,583,063	2,432,443	-	2,432,443
	Consolidating Adjustments:				
	Charitable Contributions	-			
	Dividends Received Deduction	(210)			
	NOL Deduction	(11,582,853)	(2,432,399)		(2,432,399)
	Consolidated Taxable Income/(Loss)	-	-	-	-
	AMT Tax				-
	Low income housing recapture tax				-
	Consolidated Federal Tax Liability				-

DQE Holdings, LLC and Subsidiaries
Allocation of Federal Income Taxes
Year Ended December 12/31/2019

EIN	COMPANY	Taxable Income	Tax @ 21%	Less Credits	Net Tax Due
20-5112757	DQE HOLDINGS, LLC	(5,643,802)	(1,185,198)		(1,185,198)
25-1598483	DUQUESNE LIGHT HOLDINGS, INC.	(58,444,313)	(12,273,306)	-	(12,273,306)
25-0451600	DUQUESNE LIGHT COMPANY	153,692,805	32,275,489		32,275,489
25-1111912	MONONGAHELA LIGHT AND POWER	-	-		-
51-0368321	DUQUESNE FIBER COMPANY	-	-		-
25-1876941	DES CORPORATE SERVICES, INC.	-	-		-
25-1541872	DQE ENTERPRISES, INC.	142,528	29,931		29,931
25-1837251	DQE CAPITAL CORPORATION	(1,160)	(244)		(244)
23-2869466	DQE SYSTEMS, INC.	-	-		-
81-3028722	TEN CONNECTED SOLUTIONS, INC.	(32,749)	(6,877)		(6,877)
45-4618116	THE EFFICIENCY NETWORK, INC.	(2,018,778)	(423,943)		(423,943)
	Subtotal: Consolidated Taxable Income/(Loss)	87,694,531	18,415,852	-	18,415,852
	Consolidating Adjustments:				
	Charitable Contributions				
	Dividends Received Deduction	-			
	NOL Deduction	(87,694,531)	(18,415,852)		(18,415,852)
	Consolidated Taxable Income/(Loss)	-	-	-	-
	AMT Tax				-
	Low income housing recapture tax				-
	Consolidated Federal Tax Liability				-

Q.24 Provide detailed computations by vintage year showing State and Federal deferred income taxes resulting from the use of accelerated tax depreciation associated with post-1969 public utility property, ADR rates, and accelerated tax depreciation associated with post-1980 public utility property under the Accelerated Cost Recovery System (ACRS).

a) Reconcile and explain any differences in the base used to calculate State and Federal deferred income taxes.
b) State whether tax depreciation is based on all rate base items claimed as of the end of the test year, and whether it is the annual tax depreciation at the end of the test year.
c) Reconcile differences between the deferred tax balance, as shown as a reduction to rate base, and the deferred tax balance as shown on the balance sheet.

A.24 See Attachment DFR II-D-24 – Attachment which provides detailed computations for the fully projected future test year ended December 31, 2022 of federal deferred income taxes by vintage year resulting from the use of accelerated tax depreciation associated with post-1980 public utility property under the Accelerated Cost Recovery System (ACRS), post-1969 public utility property, and differences in tax depreciation related to using class lives under the ADR system versus tax depreciation using the guideline lives in effect prior to the ADR system of depreciation.

a) Duquesne Light Company does not provide for any state deferred income taxes associated with the use of accelerated tax depreciation on its distribution property. The Company does provide for state deferred income taxes for transmission property under the FERC full normalization method.
b) Tax depreciation is not based on all rate base items claimed as of the end of the test year. Certain assets that are included in rate base are fully depreciated for tax purposes. Additionally, there are basis differences between book cost and tax cost for which tax depreciation is not calculated. Tax depreciation claimed is the annual tax depreciation projected at the end of the fully projected future test year.
c) The reconciliation is not applicable since there are no differences between the deferred tax balance and the deferred tax balance as shown on the balance sheet.

DUQUESNE LIGHT COMPANY
Deferred Income Tax Calculation
Historical Test Period Ended Decemeber 31, 2022
PowerTax Year 2022
($ in Thousands)

Deferred Type: METHOD LIFE

Description	Accelerated Federal Tax Depreciation	S/L Using Tax Basis	Excess Depreciation	Rate	Deferred Federal Income Taxes
Vintage 1970 and Prior					
Distribution	16	0	16	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	49	837	(788)	37%	(291)
Subtotal-1970 and Prior	65	837	(772)		(291)
Vintage 1971					
Distribution	0	0	0	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	22	(21)	36%	(8)
Subtotal-1971 Vintage	0	22	(21)		(8)
Vintage 1972					
Distribution	0	0	0	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	6	411	(406)	37%	(150)
Subtotal-1972 Vintage	6	411	(406)		(150)
Vintage 1973					
Distribution	0	(0)	0	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	1	81	(80)	37%	(29)
Subtotal-1973 Vintage	1	80	(80)		(29)
Vintage 1974					
Distribution	0	0	(0)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	12	163	(151)	37%	(56)
Subtotal-1974 Vintage	12	163	(151)		(56)
Vintage 1975					
Distribution	77	196	(120)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	24	50	(25)	36%	(9)
Subtotal-1975 Vintage	101	246	(145)		(9)
Vintage 1976					
Distribution	0	7	(6)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	1	150	(149)	36%	(54)
Subtotal-1976 Vintage	1	157	(155)		(54)
Vintage 1977					
Distribution	5	10	(5)	0%	0
Smart Meters	0	0	0	0%	0
General	11	0	11	2%	0
Transmission	(3)	(1)	(2)	22%	(0)
Subtotal-1977 Vintage	13	9	5		(0)
Vintage 1978					
Distribution	31	43	(12)	0%	0

Smart Meters	0	0	0	0%	0
General	29	0	29	2%	1
Transmission	13	16	(4)	60%	(2)
Subtotal-1978 Vintage	72	59	13		(2)
Vintage 1979					
Distribution	168	0	168	0%	0
Smart Meters	0	0	0	0%	0
General	5	0	5	2%	0
Transmission	88	1,280	(1,192)	36%	(433)
Subtotal-1979 Vintage	261	1,280	(1,020)		(433)
Vintage 1980					
Distribution	5	3,460	(3,455)	0%	0
Smart Meters	0	0	0	0%	0
General	50	655	(605)	2%	(11)
Transmission	16	1,565	(1,549)	38%	(586)
Subtotal-1980 Vintage	71	5,680	(5,609)		(597)
Vintage 1981					
Distribution	1	400	(399)	44%	(176)
Smart Meters	0	0	0	0%	0
General	0	9	(9)	20%	(2)
Transmission	1	236	(234)	37%	(88)
Subtotal-1981 Vintage	2	644	(642)		(265)
Vintage 1982					
Distribution	1	947	(946)	43%	(409)
Smart Meters	0	0	0	0%	0
General	0	20	(20)	20%	(4)
Transmission	0	103	(103)	36%	(37)
Subtotal-1982 Vintage	1	1,070	(1,069)		(450)
Vintage 1983					
Distribution	1	547	(546)	43%	(232)
Smart Meters	0	0	0	0%	0
General	0	88	(88)	20%	(17)
Transmission	2	25	(23)	38%	(9)
Subtotal-1983 Vintage	3	660	(657)		(258)
Vintage 1984					
Distribution	2	480	(478)	42%	(199)
Smart Meters	0	0	0	0%	0
General	0	57	(57)	19%	(11)
Transmission	0	74	(74)	36%	(27)
Subtotal-1984 Vintage	2	611	(609)		(237)
Vintage 1985					
Distribution	1	584	(582)	40%	(236)
Smart Meters	0	0	0	0%	0
General	0	145	(145)	18%	(27)
Transmission	0	101	(101)	36%	(37)
Subtotal-1985 Vintage	1	829	(828)		(299)
Vintage 1986					
Distribution	2	724	(722)	39%	(280)
Smart Meters	0	0	0	0%	0
General	0	113	(113)	18%	(20)
Transmission	0	122	(122)	36%	(44)
Subtotal-1986 Vintage	2	960	(957)		(345)
Vintage 1987					
Distribution	3	417	(415)	38%	(159)
Smart Meters	0	0	0	0%	0
General	0	83	(83)	17%	(14)
Transmission	0	205	(205)	36%	(74)
Subtotal-1987 Vintage	3	705	(702)		(247)
Vintage 1988					

Distribution	3	615	(612)	34%	(206)
Smart Meters	0	0	0	0%	0
General	0	(19)	19	17%	3
Transmission	0	82	(82)	36%	(30)
Subtotal-1988 Vintage	3	678	(674)		(232)
Vintage 1989					
Distribution	3	741	(737)	35%	(259)
Smart Meters	0	0	0	0%	0
General	0	147	(147)	17%	(25)
Transmission	0	34	(34)	36%	(12)
Subtotal-1989 Vintage	3	922	(918)		(296)
Vintage 1990					
Distribution	5	670	(665)	35%	(234)
Smart Meters	0	0	0	0%	0
General	0	156	(156)	16%	(25)
Transmission	2	57	(55)	36%	(20)
Subtotal-1990 Vintage	6	882	(876)		(279)
Vintage 1991					
Distribution	29	675	(646)	36%	(230)
Smart Meters	0	0	0	0%	0
General	89	33	56	11%	6
Transmission	68	90	(21)	36%	(8)
Subtotal-1991 Vintage	186	798	(612)		(232)
Vintage 1992					
Distribution	35	749	(714)	35%	(253)
Smart Meters	0	0	0	0%	0
General	43	330	(287)	19%	(54)
Transmission	22	337	(315)	36%	(113)
Subtotal-1992 Vintage	99	1,416	(1,317)		(420)
Vintage 1993					
Distribution	27	528	(501)	36%	(183)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	(1)	100	(100)	36%	(36)
Subtotal-1993 Vintage	27	628	(601)		(219)
Vintage 1994					
Distribution	20	433	(414)	35%	(146)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	(5)	5	25%	1
Subtotal-1994 Vintage	20	428	(409)		(145)
Vintage 1995					
Distribution	38	406	(367)	36%	(132)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	2	41	(40)	36%	(14)
Subtotal-1995 Vintage	40	447	(407)		(146)
Vintage 1996					
Distribution	31	488	(457)	35%	(159)
Smart Meters	0	0	0	0%	0
General	173	157	16	17%	3
Transmission	23	212	(189)	35%	(66)
Subtotal-1996 Vintage	226	856	(630)		(223)
Vintage 1997					
Distribution	11	431	(420)	34%	(143)
Smart Meters	0	0	0	0%	0
General	(9)	0	(9)	18%	(2)

Transmission	1	1	(0)	36%	(0)
Subtotal-1997 Vintage	3	432	(429)		(145)
Vintage 1998					
Distribution	451	323	127	20%	25
Smart Meters	0	0	0	0%	0
General	52	66	(14)	18%	(2)
Transmission	(28)	(38)	10	36%	3
Subtotal-1998 Vintage	474	351	123		26
Vintage 1999					
Distribution	22	282	(260)	34%	(88)
Smart Meters	0	0	0	0%	0
General	(0)	(1)	0	-33%	(0)
Transmission	(5)	74	(79)	35%	(27)
Subtotal-1999 Vintage	17	356	(339)		(116)
Vintage 2000					
Distribution	5	426	(421)	32%	(133)
Smart Meters	0	0	0	0%	0
General	163	207	(44)	10%	(5)
Transmission	(4)	67	(72)	34%	(24)
Subtotal-2000 Vintage	164	700	(537)		(162)
Vintage 2001					
Distribution	16	644	(628)	31%	(197)
Smart Meters	0	0	0	0%	0
General	508	866	(357)	15%	(54)
Transmission	0	(24)	24	33%	8
Subtotal-2001 Vintage	525	1,486	(962)		(243)
Vintage 2002					
Distribution	546	598	(52)	34%	(18)
Smart Meters	0	0	0	0%	0
General	139	178	(39)	11%	(4)
Transmission	47	29	18	19%	3
Subtotal-2002 Vintage	732	805	(73)		(19)
Vintage 2003					
Distribution	1,162	691	471	21%	98
Smart Meters	0	0	0	0%	0
General	185	247	(62)	14%	(9)
Transmission	128	66	62	21%	13
Subtotal-2003 Vintage	1,475	1,004	471		103
Vintage 2004					
Distribution	1,345	940	404	21%	85
Smart Meters	0	0	0	0%	0
General	62	79	(18)	18%	(3)
Transmission	173	20	154	35%	54
Subtotal-2004 Vintage	1,580	1,039	540		135
Vintage 2005					
Distribution	2,555	1,231	1,324	21%	278
Smart Meters	0	0	0	0%	0
General	188	356	(168)	16%	(27)
Transmission	393	238	155	35%	54
Subtotal-2005 Vintage	3,136	1,825	1,311		305
Vintage 2006					
Distribution	11	2,003	(1,992)	35%	(697)
Smart Meters	0	0	0	0%	0
General	1,241	2,017	(776)	15%	(113)
Transmission	4	698	(694)	33%	(226)
Subtotal-2006 Vintage	1,257	4,719	(3,462)		(1,035)
Vintage 2007					
Distribution	1,027	544	483	21%	101
Smart Meters	0	0	0	0%	0

General	388	61	326	18%	58
Transmission	2,548	1,676	872	20%	171
Subtotal-2007 Vintage	3,963	2,281	1,682		330
Vintage 2008					
Distribution	1,456	1,167	289	22%	62
Smart Meters	0	0	0	0%	0
General	179	321	(142)	15%	(21)
Transmission	189	106	83	21%	17
Subtotal-2008 Vintage	1,824	1,593	231		58
Vintage 2009					
Distribution	2,313	1,722	591	21%	122
Smart Meters	0	0	0	0%	0
General	126	161	(34)	18%	(6)
Transmission	1,979	1,701	277	18%	49
Subtotal-2009 Vintage	4,419	3,584	834		165
Vintage 2010					
Distribution	2,884	3,268	(384)	43%	(164)
Smart Meters	0	0	0	0%	0
General	166	235	(68)	13%	(9)
Transmission	2,140	1,821	319	20%	64
Subtotal-2010 Vintage	5,190	5,323	(133)		(109)
Vintage 2011					
Distribution	308	1,432	(1,124)	34%	(384)
Smart Meters	0	0	0	0%	0
General	317	1,660	(1,343)	17%	(229)
Transmission	549	1,272	(723)	35%	(256)
Subtotal-2011 Vintage	1,175	4,364	(3,190)		(870)
Vintage 2012					
Distribution	1,931	2,119	(188)	39%	(74)
Smart Meters	0	0	0	0%	0
General	320	2,271	(1,951)	17%	(336)
Transmission	920	1,566	(646)	37%	(237)
Subtotal-2012 Vintage	3,170	5,956	(2,786)		(647)
Vintage 2013					
Distribution	1,929	1,722	207	25%	52
Smart Meters	0	0	0	0%	0
General	357	3,256	(2,899)	17%	(501)
Transmission	1,592	1,349	242	21%	51
Subtotal-2013 Vintage	3,877	6,327	(2,450)		(398)
Vintage 2014					
Distribution	819	896	(77)	10%	(8)
Smart Meters	0	21	(21)	31%	(7)
General	673	3,312	(2,639)	17%	(449)
Transmission	936	734	202	21%	42
Subtotal-2014 Vintage	2,428	4,964	(2,536)		(422)
Vintage 2015					
Distribution	971	1,063	(91)	-7%	7
Smart Meters	0	10,293	(10,293)	34%	(3,457)
General	221	2,343	(2,123)	17%	(370)
Transmission	849	719	130	21%	27
Subtotal-2015 Vintage	2,041	14,417	(12,377)		(3,793)
Vintage 2016					
Distribution	1,524	1,358	166	14%	24
Smart Meters	0	8,255	(8,255)	33%	(2,685)
General	891	3,743	(2,852)	17%	(496)
Transmission	2,855	2,466	389	21%	82
Subtotal-2016 Vintage	5,270	15,822	(10,552)		(3,075)
Vintage 2017					
Distribution	3,138	3,112	25	-128%	(33)

Smart Meters	839	1,376	(537)	33%	(176)
General	1,329	10,329	(9,000)	17%	(1,537)
Transmission	1,224	1,114	110	20%	22
Subtotal-2017 Vintage	6,530	15,931	(9,401)		(1,723)
Vintage 2018					
Distribution	4,890	(4,135)	9,025	6%	544
Smart Meters	2,782	879	1,903	21%	400
General	3,198	25,447	(22,249)	10%	(2,158)
Transmission	1,670	(984)	2,654	21%	557
Subtotal-2018 Vintage	12,539	21,207	(8,668)		(658)
Vintage 2019					
Distribution	4,819	2,013	2,807	21%	589
Smart Meters	898	206	693	21%	145
General	24,442	28,509	(4,067)	10%	(427)
Transmission	1,260	488	771	21%	162
Subtotal-2019 Vintage	31,420	31,216	204		470
Vintage 2020					
Distribution	5,710	2,156	3,554	21%	746
Smart Meters	1,232	167	1,064	21%	224
General	15,528	12,333	3,195	10%	335
Transmission	4,214	1,239	2,975	21%	625
Subtotal-2020 Vintage	26,684	15,896	10,788		1,930
Vintage 2021					
Distribution	9,246	3,260	5,986	21%	1,257
Smart Meters	1,598	130	1,468	21%	308
General	30,817	22,842	7,975	11%	837
Transmission	4,309	1,186	3,123	21%	656
Subtotal-2021 Vintage	45,970	27,419	18,551		3,058
Vintage 2022					
Distribution	3,664	1,228	2,436	21%	511
Smart Meters	999	65	934	21%	196
General	17,605	10,838	6,767	11%	711
Transmission	3,868	978	2,890	21%	607
Subtotal-2022 Vintage	26,135	13,110	13,026		2,025
Subtotals - METHOD LIFE					
Distribution	53,259	43,614	9,644	-10%	(931)
Smart Meters	8,347	21,392	(13,045)	39%	(5,052)
General	99,485	133,651	(34,166)	15%	(5,014)
Transmission	32,133	24,948	7,185	4%	268
ubtotal - Method Life	193,224	223,605	(30,381)		(10,728)
Deferred Type: POST 69 DDB/SL					
Vintage 1970 and Prior					
Distribution	23	2,516	(2,493)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
ubtotal-1970 and Prior	23	2,516	(2,493)		0
Vintage 1971					
Distribution	0	144	(144)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1971 Vintage	0	144	(144)		0
Vintage 1972					
Distribution	0	425	(425)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1972 Vintage	0	425	(425)		0

Vintage 1973					
Distribution	0	392	(392)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1973 Vintage	0	392	(392)		0
Vintage 1974					
Distribution	0	513	(513)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1974 Vintage	0	513	(513)		0
Vintage 1975					
Distribution	0	547	(547)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1975 Vintage	0	547	(547)		0
Vintage 1976					
Distribution	59	399	(341)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1976 Vintage	59	399	(341)		0
Vintage 1977					
Distribution	0	443	(443)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1977 Vintage	0	443	(443)		0
Vintage 1978					
Distribution	0	557	(557)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1978 Vintage	0	557	(557)		0
Vintage 1979					
Distribution	77	468	(391)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1979 Vintage	77	468	(391)		0
Vintage 1980					
Distribution	23	543	(520)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1980 Vintage	23	543	(520)		0
Subtotals - POST 69 DDB/SL					
Distribution	181	6,947	(6,767)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
:al - POST 69 DDB/SL	181	6,947	(6,767)		0
Deferred Type: LIFE VINT 1971-1977					
Vintage 1971					
Distribution	9	0	9	35%	3
Smart Meters	0	0	0	0%	0

General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1971 Vintage	9	0	9		3
Vintage 1972					
Distribution	15	0	15	35%	5
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1972 Vintage	15	0	15		5
Vintage 1973					
Distribution	17	0	17	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1973 Vintage	17	0	17		0
Vintage 1974					
Distribution	18	0	18	37%	7
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1974 Vintage	18	0	18		7
Vintage 1975					
Distribution	24	0	24	35%	8
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1975 Vintage	24	0	24		8
Vintage 1976					
Distribution	18	20	(1)	38%	(1)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1976 Vintage	18	20	(1)		(1)
Vintage 1977					
Distribution	13	0	13	35%	4
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1977 Vintage	13	0	13		4
Subtotals - LIFE VINT 1971-1977					
Distribution	115	20	95	29%	28
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
LIFE VINT 1971-1977	115	20	95		28
Deferred Type: Life Vint 1978					
Vintage 1978					
Distribution	15	0	15	22%	3
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
btotal - Life Vint 1978	15	0	15		3
Deferred Type: Life Vint 1979					
Vintage 1979					
Distribution	25	26	(0)	37%	(0)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0

btotal - Life Vint 1979	25	26	(0)		(0)
Deferred Type: Life Vint 1980					
Vintage 1980					
Distribution	7	8	(1)	35%	(0)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
btotal - Life Vint 1980	7	8	(1)		(0)
Deferred Type: 263A 481a					
Vintage 1997					
Distribution	0	104	(104)	35%	(36)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	1	(1)	35%	(0)
Subtotal-1997 Vintage	0	104	(104)		(36)
Vintage 1998					
Distribution	0	99	(99)	35%	(35)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1998 Vintage	0	99	(99)		(35)
Vintage 1999					
Distribution	0	33	(33)	35%	(11)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	8	(8)	36%	(3)
Subtotal-1999 Vintage	0	41	(41)		(14)
Vintage 2000					
Distribution	0	64	(64)	35%	(23)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	9	(9)	36%	(3)
Subtotal-2000 Vintage	0	74	(74)		(26)
Vintage 2001					
Distribution	0	82	(82)	35%	(29)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	(2)	2	36%	1
Subtotal-2001 Vintage	0	80	(80)		(28)
Vintage 2002					
Distribution	0	104	(104)	35%	(36)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	3	(3)	35%	(1)
Subtotal-2002 Vintage	0	107	(107)		(38)
Vintage 2003					
Distribution	0	117	(117)	35%	(41)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	14	(14)	36%	(5)
Subtotal-2003 Vintage	0	130	(130)		(46)
Vintage 2004					
Distribution	0	118	(118)	35%	(41)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	14	(14)	35%	(5)
Subtotal-2004 Vintage	0	131	(131)		(46)

Vintage 2005					
Distribution	0	250	(250)	35%	(88)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	40	(40)	35%	(14)
Subtotal-2005 Vintage	0	290	(290)		(102)
Vintage 2006					
Distribution	0	284	(284)	35%	(99)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	95	(95)	36%	(34)
Subtotal-2006 Vintage	0	379	(379)		(133)
Vintage 2007					
Distribution	0	91	(91)	35%	(32)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	176	(176)	36%	(62)
Subtotal-2007 Vintage	0	267	(267)		(94)
Vintage 2008					
Distribution	0	251	(251)	35%	(88)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	19	(19)	36%	(7)
Subtotal-2008 Vintage	0	271	(271)		(95)
Vintage 2009					
Distribution	0	255	(255)	35%	(89)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	176	(176)	35%	(62)
Subtotal-2009 Vintage	0	430	(430)		(152)
Vintage 2010					
Distribution	0	352	(352)	35%	(123)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	169	(169)	35%	(60)
Subtotal-2010 Vintage	0	522	(522)		(183)
Vintage 2011					
Distribution	0	330	(330)	35%	(115)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	170	(170)	36%	(60)
Subtotal-2011 Vintage	0	499	(499)		(176)
Vintage 2012					
Distribution	0	251	(251)	35%	(88)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	148	(148)	35%	(52)
Subtotal-2012 Vintage	0	399	(399)		(140)
Vintage 2013					
Distribution	0	224	(224)	35%	(79)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	125	(125)	35%	(44)
Subtotal-2013 Vintage	0	349	(349)		(123)
Vintage 2014					
Distribution	0	267	(267)	35%	(93)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	191	(191)	35%	(68)
Subtotal-2014 Vintage	0	458	(458)		(161)

Vintage 2015					
Distribution	0	159	(159)	35%	(56)
Smart Meters	0	149	(149)	35%	(52)
General	0	0	0	0%	0
Transmission	0	65	(65)	35%	(23)
Subtotal-2015 Vintage	0	373	(373)		(131)
Subtotals -263A 481a					
Distribution	0	3,434	(3,434)	35%	(1,202)
Smart Meters	0	149	(149)	35%	(52)
General	0	0	0	0%	0
Transmission	0	1,422	(1,422)	35%	(504)
Subtotal - 263A 481a	0	5,005	(5,005)		(1,758)
Deferred Type: 263A					
Vintage 2016					
Distribution	0	107	(107)	35%	(37)
Smart Meters	0	66	(66)	35%	(23)
General	0	0	0	0%	0
Transmission	0	135	(135)	35%	(48)
Subtotal-2016 Vintage	0	308	(308)		(108)
Vintage 2017					
Distribution	0	333	(333)	35%	(116)
Smart Meters	0	63	(63)	35%	(22)
General	0	66	(66)	18%	(12)
Transmission	0	69	(69)	35%	(24)
Subtotal-2017 Vintage	0	531	(531)		(175)
Vintage 2018					
Distribution	0	347	(347)	21%	(73)
Smart Meters	0	47	(47)	21%	(10)
General	0	77	(77)	10%	(8)
Transmission	0	62	(62)	21%	(13)
Subtotal-2018 Vintage	0	532	(532)		(104)
Vintage 2019					
Distribution	0	391	(391)	21%	(82)
Smart Meters	0	20	(20)	21%	(4)
General	0	207	(207)	11%	(22)
Transmission	0	34	(34)	21%	(7)
Subtotal-2019 Vintage	0	652	(652)		(115)
Vintage 2020					
Distribution	0	324	(324)	21%	(68)
Smart Meters	0	14	(14)	21%	(3)
General	0	47	(47)	10%	(5)
Transmission	0	99	(99)	21%	(21)
Subtotal-2020 Vintage	0	484	(484)		(97)
Vintage 2021					
Distribution	0	357	(357)	21%	(75)
Smart Meters	0	9	(9)	21%	(2)
General	0	66	(66)	10%	(7)
Transmission	0	79	(79)	21%	(17)
Subtotal-2021 Vintage	0	512	(512)		(101)
Vintage 2022					
Distribution	10,893	142	10,751	21%	2,258
Smart Meters	390	5	385	21%	81
General	498	28	470	10%	49
Transmission	5,972	75	5,896	21%	1,238
Subtotal-2022 Vintage	17,753	250	17,503		3,626
Subtotals - 263A					
Distribution	10,893	2,001	8,892	20%	1,806
Smart Meters	390	223	167	10%	17

General	498	491	7	-58%	(4)
Transmission	5,972	554	5,418	20%	1,108
Subtotal - 263A	17,753	3,269	14,484		2,927
Deferred Type: AFUDC Debt					
Vintage 1997					
Distribution	0	8	(8)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	1	(1)	36%	(0)
Subtotal-1997 Vintage	0	9	(9)		(0)
Vintage 1998					
Distribution	0	9	(9)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	(0)	36%	(0)
Subtotal-1998 Vintage	0	9	(9)		(0)
Vintage 1999					
Distribution	0	18	(18)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	2	(2)	36%	(1)
Subtotal-1999 Vintage	0	20	(20)		(1)
Vintage 2000					
Distribution	0	23	(23)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	8	(8)	36%	(3)
Subtotal-2000 Vintage	0	31	(31)		(3)
Vintage 2001					
Distribution	0	21	(21)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	(0)	36%	(0)
Subtotal-2001 Vintage	0	21	(21)		(0)
Vintage 2002					
Distribution	0	15	(15)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	1	(1)	36%	(0)
Subtotal-2002 Vintage	0	16	(16)		(0)
Vintage 2003					
Distribution	0	13	(13)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	2	(2)	36%	(1)
Subtotal-2003 Vintage	0	16	(16)		(1)
Vintage 2004					
Distribution	0	14	(14)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	1	(1)	36%	(0)
Subtotal-2004 Vintage	0	15	(15)		(0)
Vintage 2005					
Distribution	0	30	(30)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	4	(4)	36%	(1)
Subtotal-2005 Vintage	0	34	(34)		(1)

Vintage 2006					
Distribution	0	15	(15)	0%	0
Smart Meters	0	0	0	0%	0
General	0	14	(14)	2%	(0)
Transmission	0	6	(6)	36%	(2)
Subtotal-2006 Vintage	0	35	(35)		(3)
Vintage 2007					
Distribution	0	9	(9)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	(0)	2%	(0)
Transmission	0	2	(2)	36%	(1)
Subtotal-2007 Vintage	0	11	(11)		(1)
Vintage 2008					
Distribution	0	16	(16)	0%	0
Smart Meters	0	0	0	0%	0
General	0	(0)	0	2%	0
Transmission	0	2	(2)	35%	(1)
Subtotal-2008 Vintage	0	18	(18)		(1)
Vintage 2009					
Distribution	0	29	(29)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	(0)	2%	(0)
Transmission	0	5	(5)	35%	(2)
Subtotal-2009 Vintage	0	35	(35)		(2)
Vintage 2010					
Distribution	0	23	(23)	0%	0
Smart Meters	0	0	0	0%	0
General	0	1	(1)	2%	(0)
Transmission	0	1	(1)	36%	(0)
Subtotal-2010 Vintage	0	25	(25)		(0)
Vintage 2011					
Distribution	0	16	(16)	0%	0
Smart Meters	0	0	0	0%	0
General	0	1	(1)	2%	(0)
Transmission	0	16	(16)	36%	(6)
Subtotal-2011 Vintage	0	33	(33)		(6)
Vintage 2012					
Distribution	0	31	(31)	0%	0
Smart Meters	0	0	0	0%	0
General	0	7	(7)	2%	(0)
Transmission	0	32	(32)	35%	(11)
Subtotal-2012 Vintage	0	70	(70)		(11)
Vintage 2013					
Distribution	0	18	(18)	0%	0
Smart Meters	0	0	0	0%	0
General	0	(46)	46	2%	1
Transmission	0	(9)	9	35%	3
Subtotal-2013 Vintage	0	(36)	36		4
Vintage 2014					
Distribution	0	25	(25)	0%	0
Smart Meters	0	0	0	0%	0
General	0	68	(68)	2%	(1)
Transmission	0	(7)	7	35%	3
Subtotal-2014 Vintage	0	86	(86)		1
Vintage 2015					
Distribution	0	35	(35)	0%	0
Smart Meters	0	0	0	0%	0
General	0	3	(3)	3%	(0)
Transmission	0	5	(5)	35%	(2)
Subtotal-2015 Vintage	0	43	(43)		(2)

Vintage 2016					
Distribution	0	20	(20)	35%	(7)
Smart Meters	0	0	0	0%	0
General	0	3	(3)	18%	(0)
Transmission	0	7	(7)	35%	(2)
Subtotal-2016 Vintage	0	29	(29)		(10)
Vintage 2017					
Distribution	0	21	(21)	35%	(7)
Smart Meters	0	7	(7)	35%	(2)
General	0	58	(58)	18%	(10)
Transmission	0	5	(5)	35%	(2)
Subtotal-2017 Vintage	0	91	(91)		(22)
Vintage 2018					
Distribution	0	16	(16)	21%	(3)
Smart Meters	0	0	(0)	21%	(0)
General	0	269	(269)	11%	(28)
Transmission	0	12	(12)	21%	(3)
Subtotal-2018 Vintage	0	298	(298)		(34)
Vintage 2019					
Distribution	0	21	(21)	21%	(4)
Smart Meters	0	(0)	0	21%	0
General	0	507	(507)	11%	(53)
Transmission	0	7	(7)	21%	(1)
Subtotal-2019 Vintage	0	535	(535)		(59)
Vintage 2020					
Distribution	0	26	(26)	21%	(6)
Smart Meters	0	2	(2)	21%	(0)
General	0	78	(78)	10%	(8)
Transmission	0	14	(14)	21%	(3)
Subtotal-2020 Vintage	0	120	(120)		(17)
Vintage 2021					
Distribution	0	28	(28)	21%	(6)
Smart Meters	0	1	(1)	21%	(0)
General	0	215	(215)	11%	(23)
Transmission	0	8	(8)	21%	(2)
Subtotal-2021 Vintage	0	251	(251)		(30)
Vintage 2022					
Distribution	797	10	787	21%	165
Smart Meters	28	0	27	21%	6
General	866	102	765	11%	80
Transmission	506	6	499	21%	105
Subtotal-2022 Vintage	2,197	119	2,078		356
Subtotals - AFUDC Debt					
Distribution	797	512	285	46%	132
Smart Meters	28	10	18	16%	3
General	866	1,280	(414)	11%	(44)
Transmission	506	131	374	18%	66
ıbtotal - AFUDC Debt	2,197	1,933	264		157

Deferred Type: CAP OPEB Expense

Vintage 2008					
Distribution	0	84	(84)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	9	(9)	36%	(3)
Subtotal-2008 Vintage	0	93	(93)		(3)
Vintage 2009					
Distribution	0	53	(53)	0%	0
Smart Meters	0	0	0	0%	0

General	0	0	0	0%	0
Transmission	0	30	(30)	36%	(10)
Subtotal-2009 Vintage	0	83	(83)		(10)
Vintage 2010					
Distribution	0	59	(59)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	25	(25)	35%	(9)
Subtotal-2010 Vintage	0	84	(84)		(9)
Vintage 2011					
Distribution	0	61	(61)	0%	0
Smart Meters	0	0	0	0%	0
General	0	6	(6)	2%	(0)
Transmission	0	30	(30)	36%	(11)
Subtotal-2011 Vintage	0	97	(97)		(11)
Vintage 2012					
Distribution	0	43	(43)	0%	0
Smart Meters	0	0	0	0%	0

General	0	11	(11)	2%	(0)
Transmission	0	21	(21)	35%	(7)
Subtotal-2012 Vintage	0	74	(74)		(8)
Vintage 2013					
Distribution	0	39	(39)	0%	0
Smart Meters	0	0	0	0%	0
General	0	9	(9)	2%	(0)
Transmission	0	14	(14)	35%	(5)
Subtotal-2013 Vintage	0	62	(62)		(5)
Vintage 2014					
Distribution	0	53	(53)	0%	0
Smart Meters	0	0	0	0%	0
General	0	28	(28)	2%	(1)
Transmission	0	14	(14)	35%	(5)
Subtotal-2014 Vintage	0	96	(96)		(6)
Vintage 2015					
Distribution	0	38	(38)	0%	0
Smart Meters	0	0	0	0%	0
General	0	7	(7)	3%	(0)
Transmission	0	10	(10)	35%	(4)
Subtotal-2015 Vintage	0	55	(55)		(4)
Vintage 2016					
Distribution	0	24	(24)	35%	(8)
Smart Meters	0	0	0	0%	0
General	0	12	(12)	18%	(2)
Transmission	0	15	(15)	35%	(5)
Subtotal-2016 Vintage	0	51	(51)		(16)
Vintage 2017					
Distribution	0	7	(7)	35%	(3)
Smart Meters	0	0	0	0%	0
General	0	1	(1)	18%	(0)
Transmission	0	1	(1)	35%	(1)
Subtotal-2017 Vintage	0	10	(10)		(3)
Vintage 2018					
Distribution	0	6	(6)	21%	(1)
Smart Meters	0	1	(1)	21%	(0)
General	0	1	(1)	10%	(0)
Transmission	0	1	(1)	21%	(0)
Subtotal-2018 Vintage	0	8	(8)		(2)

Vintage 2019					
Distribution	0	1	(1)	21%	(0)
Smart Meters	0	0	(0)	21%	(0)
General	0	0	(0)	11%	(0)
Transmission	0	0	(0)	21%	(0)
Subtotal-2019 Vintage	0	1	(1)		(0)
Vintage 2020					
Distribution	0	5	(5)	21%	(1)
Smart Meters	0	0	(0)	21%	(0)
General	0	1	(1)	11%	(0)
Transmission	0	1	(1)	21%	(0)
Subtotal-2020 Vintage	0	7	(7)		(1)
Vintage 2021					
Distribution	0	9	(9)	21%	(2)
Smart Meters	0	0	(0)	21%	(0)
General	0	2	(2)	11%	(0)
Transmission	0	2	(2)	21%	(0)
Subtotal-2020 Vintage	0	12	(12)		(2)
Vintage 2022					
Distribution	260	3	257	21%	54
Smart Meters	9	0	9	21%	2
General	12	1	11	10%	1
Transmission	143	2	141	21%	30
Subtotal-2020 Vintage	424	6	418		87
Subtotals - CAP OPEB Expense					
Distribution	260	484	(224)	-17%	39
Smart Meters	9	1	8	21%	2
General	12	80	(68)	4%	(3)
Transmission	143	176	(33)	95%	(31)
CAP OPEB Expense	424	741	(318)		6
Deferred Type: CAP OPEB Payment					
Vintage 2008					
Distribution	0	(61)	61	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	(6)	6	36%	2
Subtotal-2008 Vintage	0	(68)	68		2
Vintage 2009					
Distribution	0	(39)	39	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	(22)	22	36%	8
Subtotal-2009 Vintage	0	(60)	60		8
Vintage 2010					
Distribution	0	(84)	84	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	(36)	36	35%	13
Subtotal-2010 Vintage	0	(120)	120		13

Vintage 2011					
Distribution	0	(66)	66	0%	0
Smart Meters	0	0	0	0%	0
General	0	(7)	7	2%	0
Transmission	0	(32)	32	36%	11
Subtotal-2011 Vintage	0	(104)	104		11
Vintage 2012					
Distribution	0	(42)	42	0%	0
Smart Meters	0	0	0	0%	0
General	0	(11)	11	2%	0
Transmission	0	(20)	20	35%	7
Subtotal-2012 Vintage	0	(73)	73		7
Vintage 2013					
Distribution	0	(43)	43	0%	0
Smart Meters	0	0	0	0%	0
General	0	(10)	10	2%	0
Transmission	0	(16)	16	35%	6
Subtotal-2013 Vintage	0	(69)	69		6
Vintage 2014					
Distribution	0	(30)	30	0%	0
Smart Meters	0	0	0	0%	0
General	0	(16)	16	2%	0
Transmission	0	(8)	8	35%	3
Subtotal-2014 Vintage	0	(54)	54		3
Vintage 2015					
Distribution	0	(48)	48	0%	0
Smart Meters	0	0	0	0%	0
General	0	(9)	9	3%	0
Transmission	0	(13)	13	35%	4
Subtotal-2015 Vintage	0	(70)	70		5
Vintage 2016					
Distribution	0	(25)	25	35%	9
Smart Meters	0	0	0	0%	0
General	0	(12)	12	18%	2
Transmission	0	(16)	16	35%	6
Subtotal-2016 Vintage	0	(54)	54		17
Vintage 2017					
Distribution	0	(60)	60	35%	21
Smart Meters	0	0	0	0%	0
General	0	(12)	12	18%	2
Transmission	0	(12)	12	35%	4
Subtotal-2017 Vintage	0	(84)	84		27
Vintage 2018					
Distribution	0	(42)	42	21%	9
Smart Meters	0	(6)	6	21%	1
General	0	(9)	9	10%	1
Transmission	0	(8)	8	21%	2
Subtotal-2018 Vintage	0	(65)	65		13
Vintage 2019					
Distribution	0	(44)	44	21%	9
Smart Meters	0	(2)	2	21%	0
General	0	(23)	23	10%	2
Transmission	0	(4)	4	21%	1
Subtotal-2019 Vintage	0	(74)	74		13
Vintage 2020					
Distribution	0	(29)	29	21%	6
Smart Meters	0	(1)	1	21%	0
General	0	(4)	4	11%	0
Transmission	0	(9)	9	21%	2

Subtotal-2020 Vintage	0	(43)	43		9
Vintage 2021					
Distribution	0	(38)	38	21%	8
Smart Meters	0	(1)	1	21%	0
General	0	(7)	7	10%	1
Transmission	0	(9)	9	21%	2
Subtotal-2021 Vintage	0	(55)	55		11
Vintage 2022					
Distribution	(1,167)	(15)	(1,152)	21%	(242)
Smart Meters	(42)	(1)	(41)	21%	(9)
General	(53)	(3)	(50)	10%	(5)
Transmission	(640)	(8)	(632)	21%	(133)
Subtotal-2022 Vintage	(1,902)	(27)	(1,876)		(389)
Subtotals - CAP OPEB Payment					
Distribution	(1,167)	(666)	(501)	36%	(180)
Smart Meters	(42)	(11)	(31)	21%	(7)
General	(53)	(124)	71	7%	5
Transmission	(640)	(218)	(422)	15%	(62)
CAP OPEB Payment	(1,902)	(1,020)	(883)		(244)
Deferred Type: CAP Pension Expense					
Vintage 2008					
Distribution	0	(20)	20	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	(2)	2	36%	1
Subtotal-2008 Vintage	0	(22)	22		1
Vintage 2009					
Distribution	0	12	(12)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	6	(6)	36%	(2)
Subtotal-2009 Vintage	0	18	(18)		(2)
Vintage 2010					
Distribution	0	188	(188)	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	80	(80)	35%	(28)
Subtotal-2010 Vintage	0	268	(268)		(28)
Vintage 2011					
Distribution	0	359	(359)	0%	0
Smart Meters	0	0	0	0%	0
General	0	38	(38)	2%	(1)
Transmission	0	174	(174)	36%	(62)
Subtotal-2011 Vintage	0	571	(571)		(63)
Vintage 2012					
Distribution	0	395	(395)	0%	0
Smart Meters	0	0	0	0%	0
General	0	102	(102)	2%	(2)
Transmission	0	191	(191)	35%	(68)
Subtotal-2012 Vintage	0	688	(688)		(70)
Vintage 2013					
Distribution	0	396	(396)	0%	0
Smart Meters	0	0	0	0%	0
General	0	95	(95)	2%	(2)
Transmission	0	148	(148)	35%	(53)
Subtotal-2013 Vintage	0	639	(639)		(55)
Vintage 2014					
Distribution	0	262	(262)	0%	0

Smart Meters	0	0	0	0%	0
General	0	140	(140)	2%	(3)
Transmission	0	71	(71)	35%	(25)
Subtotal-2014 Vintage	0	474	(474)		(28)
Vintage 2015					
Distribution	0	288	(288)	0%	0
Smart Meters	0	0	0	0%	0
General	0	54	(54)	3%	(1)
Transmission	0	76	(76)	35%	(27)
Subtotal-2015 Vintage	0	418	(418)		(28)
Vintage 2016					
Distribution	0	150	(150)	35%	(52)
Smart Meters	0	0	0	0%	0
General	0	73	(73)	18%	(13)
Transmission	0	95	(95)	35%	(33)
Subtotal-2016 Vintage	0	318	(318)		(99)
Vintage 2017					
Distribution	0	273	(273)	35%	(96)
Smart Meters	0	0	0	0%	0
General	0	54	(54)	18%	(10)
Transmission	0	57	(57)	35%	(20)
Subtotal-2017 Vintage	0	384	(384)		(125)
Vintage 2018					
Distribution	0	223	(223)	21%	(47)
Smart Meters	0	30	(30)	21%	(6)
General	0	49	(49)	10%	(5)
Transmission	0	40	(40)	21%	(8)
Subtotal-2018 Vintage	0	342	(342)		(67)
Vintage 2019					
Distribution	0	160	(160)	21%	(34)
Smart Meters	0	8	(8)	21%	(2)
General	0	85	(85)	11%	(9)
Transmission	0	14	(14)	21%	(3)
Subtotal-2019 Vintage	0	267	(267)		(47)
Vintage 2020					
Distribution	0	179	(179)	21%	(38)
Smart Meters	0	7	(7)	21%	(2)
General	0	26	(26)	10%	(3)
Transmission	0	55	(55)	21%	(11)
Subtotal-2020 Vintage	0	268	(268)		(53)
Vintage 2021					
Distribution	0	172	(172)	21%	(36)
Smart Meters	0	5	(5)	21%	(1)
General	0	32	(32)	11%	(3)
Transmission	0	38	(38)	21%	(8)
Subtotal-2021 Vintage	0	246	(246)		(48)
Vintage 2022					
Distribution	5,241	68	5,173	21%	1,086
Smart Meters	188	2	185	21%	39
General	239	13	226	11%	24
Transmission	2,873	36	2,837	21%	596
Subtotal-2022 Vintage	8,541	120	8,421		1,745
Subtotals - CAP Pension Expense					
Distribution	5,241	3,105	2,136	37%	784
Smart Meters	188	53	135	21%	28
General	239	762	(523)	5%	(28)
Transmission	2,873	1,079	1,795	14%	247
AP Pension Expense	8,541	4,999	3,542		1,031

Deferred Type: CAP Pension Payment

Vintage 2008					
Distribution	0	(247)	247	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	(26)	26	36%	9
Subtotal-2008 Vintage	0	(272)	272		9
Vintage 2009					
Distribution	0	(286)	286	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	(159)	159	36%	57
Subtotal-2009 Vintage	0	(445)	445		57
Vintage 2010					
Distribution	0	(894)	894	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	(382)	382	35%	135
Subtotal-2010 Vintage	0	(1,275)	1,275		135
Vintage 2011					
Distribution	0	(273)	273	0%	0
Smart Meters	0	0	0	0%	0
General	0	(29)	29	2%	1
Transmission	0	(132)	132	36%	47
Subtotal-2011 Vintage	0	(434)	434		48
Vintage 2012					
Distribution	0	(635)	635	0%	0
Smart Meters	0	0	0	0%	0
General	0	(165)	165	2%	3
Transmission	0	(306)	306	35%	109
Subtotal-2012 Vintage	0	(1,106)	1,106		112
Vintage 2013					
Distribution	0	(340)	340	0%	0
Smart Meters	0	0	0	0%	0
General	0	(82)	82	2%	2
Transmission	0	(127)	127	35%	45
Subtotal-2013 Vintage	0	(549)	549		47
Vintage 2014					
Distribution	0	(23)	23	0%	0
Smart Meters	0	0	0	0%	0
General	0	(13)	13	2%	0
Transmission	0	(6)	6	35%	2
Subtotal-2014 Vintage	0	(42)	42		3
Vintage 2015					
Distribution	0	0	0	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-2015 Vintage	0	0	0		0
Vintage 2016					
Distribution	0	(355)	355	35%	124
Smart Meters	0	0	0	0%	0
General	0	(174)	174	18%	31
Transmission	0	(224)	224	35%	79
Subtotal-2016 Vintage	0	(753)	753		234
Vintage 2017					
Distribution	0	(1,604)	1,604	35%	561
Smart Meters	0	0	0	0%	0
General	0	(318)	318	18%	56
Transmission	0	(334)	334	35%	118

Subtotal-2017 Vintage	0	(2,256)	2,256	736

Vintage 2018					
Distribution	0	(159)	159	21%	33
Smart Meters	0	(21)	21	21%	5
General	0	(35)	35	10%	4
Transmission	0	(28)	28	21%	6
Subtotal-2018 Vintage	0	(244)	244		48
Vintage 2019					
Distribution	0	(103)	103	21%	22
Smart Meters	0	(5)	5	21%	1
General	0	(55)	55	11%	6
Transmission	0	(9)	9	21%	2
Subtotal-2019 Vintage	0	(173)	173		30
Vintage 2020					
Distribution	0	(98)	98	21%	20
Smart Meters	0	(4)	4	21%	1
General	0	(14)	14	10%	1
Transmission	0	(30)	30	21%	6
Subtotal-2020 Vintage	0	(146)	146		29
Vintage 2021					
Distribution	0	(101)	101	21%	21
Smart Meters	0	(3)	3	21%	1
General	0	(19)	19	10%	2
Transmission	0	(22)	22	21%	5
Subtotal-2021 Vintage	0	(145)	145		29
Vintage 2022					
Distribution	(3,087)	(40)	(3,046)	21%	(640)
Smart Meters	(111)	(1)	(109)	21%	(23)
General	(141)	(8)	(133)	10%	(14)
Transmission	(1,692)	(21)	(1,671)	21%	(351)
Subtotal-2022 Vintage	(5,030)	(71)	(4,960)		(1,028)
Subtotals - CAP Pension Payment					
Distribution	(3,087)	(5,159)	2,072	7%	143
Smart Meters	(111)	(35)	(76)	21%	(16)
General	(141)	(910)	769	12%	92
Transmission	(1,692)	(1,807)	115	234%	270
AP Pension Payment	(5,030)	(7,911)	2,881		488

Deferred Type: Capitalized Interest

Vintage 1997					
Distribution	0	(6)	6	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	(1)	1	36%	0
Subtotal-1997 Vintage	0	(8)	8		0
Vintage 1998					
Distribution	0	(7)	7	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1998 Vintage	0	(7)	7		0
Vintage 1999					
Distribution	0	(17)	17	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	(2)	2	36%	1
Subtotal-1999 Vintage	0	(19)	19		1
Vintage 2000					
Distribution	0	(20)	20	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	(7)	7	36%	2
Subtotal-2000 Vintage	0	(27)	27		2
Vintage 2001					
Distribution	0	(22)	22	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	(0)	0	36%	0
Subtotal-2001 Vintage	0	(22)	22		0
Vintage 2002					
Distribution	0	(23)	23	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	(1)	1	36%	1
Subtotal-2002 Vintage	0	(24)	24		1
Vintage 2003					
Distribution	0	(23)	23	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	(4)	4	36%	1
Subtotal-2003 Vintage	0	(26)	26		1

Vintage 2004					
Distribution	0	(25)	25	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	(1)	1	36%	0
Subtotal-2004 Vintage	0	(26)	26		0
Vintage 2005					
Distribution	0	(50)	50	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	(7)	7	36%	2
Subtotal-2005 Vintage	0	(57)	57		2
Vintage 2006					
Distribution	0	(32)	32	0%	0
Smart Meters	0	0	0	0%	0
General	0	(28)	28	2%	1
Transmission	0	(15)	15	36%	5
Subtotal-2006 Vintage	0	(75)	75		6
Vintage 2007					
Distribution	0	(19)	19	0%	0
Smart Meters	0	0	0	0%	0
General	0	(0)	0	2%	0
Transmission	0	(11)	11	36%	4
Subtotal-2007 Vintage	0	(30)	30		4
Vintage 2008					
Distribution	0	(38)	38	0%	0
Smart Meters	0	0	0	0%	0
General	0	1	(1)	2%	(0)
Transmission	0	(9)	9	35%	3
Subtotal-2008 Vintage	0	(47)	47		3
Vintage 2009					
Distribution	0	(85)	85	0%	0
Smart Meters	0	0	0	0%	0
General	0	(1)	1	2%	0
Transmission	0	(15)	15	35%	5
Subtotal-2009 Vintage	0	(100)	100		5
Vintage 2010					
Distribution	0	(76)	76	0%	0
Smart Meters	0	0	0	0%	0
General	0	(3)	3	2%	0
Transmission	0	(3)	3	36%	1
Subtotal-2010 Vintage	0	(83)	83		1
Vintage 2011					
Distribution	0	(49)	49	0%	0
Smart Meters	0	0	0	0%	0
General	0	(6)	6	2%	0
Transmission	0	(46)	46	36%	16
Subtotal-2011 Vintage	0	(101)	101		16
Vintage 2012					
Distribution	0	(83)	83	0%	0
Smart Meters	0	0	0	0%	0
General	0	(20)	20	2%	0
Transmission	0	(86)	86	35%	31
Subtotal-2012 Vintage	0	(188)	188		31
Vintage 2013					
Distribution	0	(69)	69	0%	0
Smart Meters	0	0	0	0%	0
General	0	(23)	23	2%	0
Transmission	0	(23)	23	35%	8
Subtotal-2013 Vintage	0	(115)	115		9

Vintage 2014					
Distribution	0	(42)	42	0%	0
Smart Meters	0	0	0	0%	0
General	0	(31)	31	2%	1
Transmission	0	(32)	32	35%	11
Subtotal-2014 Vintage	0	(105)	105		12
Vintage 2015					
Distribution	0	(77)	77	0%	0
Smart Meters	0	0	0	0%	0
General	0	(4)	4	3%	0
Transmission	0	(11)	11	35%	4
Subtotal-2015 Vintage	0	(92)	92		4
Vintage 2016					
Distribution	0	(43)	43	35%	15
Smart Meters	0	0	0	0%	0
General	0	(4)	4	18%	1
Transmission	0	(16)	16	35%	6
Subtotal-2016 Vintage	0	(62)	62		21
Vintage 2017					
Distribution	0	(51)	51	35%	18
Smart Meters	0	(17)	17	35%	6
General	0	(143)	143	18%	25
Transmission	0	(12)	12	35%	4
Subtotal-2017 Vintage	0	(223)	223		53
Vintage 2018					
Distribution	0	(30)	30	21%	6
Smart Meters	0	(1)	1	21%	0
General	0	(511)	511	10%	54
Transmission	0	(23)	23	21%	5
Subtotal-2018 Vintage	0	(565)	565		65
Vintage 2019					
Distribution	0	(34)	34	21%	7
Smart Meters	0	1	(1)	21%	(0)
General	0	(788)	788	11%	83
Transmission	0	(11)	11	21%	2
Subtotal-2019 Vintage	0	(833)	833		92
Vintage 2020					
Distribution	0	(44)	44	21%	9
Smart Meters	0	(3)	3	21%	1
General	0	(143)	143	11%	15
Transmission	0	(22)	22	21%	5
Subtotal-2020 Vintage	0	(213)	213		30
Vintage 2021					
Distribution	0	(57)	57	21%	12
Smart Meters	0	(1)	1	21%	0
General	0	(402)	402	11%	42
Transmission	0	(16)	16	21%	3
Subtotal-2021 Vintage	0	(477)	477		58
Vintage 2022					
Distribution	(1,639)	(21)	(1,618)	21%	(340)
Smart Meters	(57)	(1)	(56)	21%	(12)
General	(1,629)	(191)	(1,439)	10%	(151)
Transmission	(1,057)	(13)	(1,044)	21%	(219)
Subtotal-2022 Vintage	(4,383)	(226)	(4,157)		(722)
Subtotals - Capitalized Interest					
Distribution	(1,639)	(1,042)	(597)	46%	(272)
Smart Meters	(57)	(22)	(35)	14%	(5)
General	(1,629)	(2,299)	670	11%	71
Transmission	(1,057)	(388)	(669)	14%	(97)

- Capitalized Interest	(4,383)	(3,752)	(631)		(303)

Deferred Type: Repair Disallowed Loss 481a

Vintage 2013					
Distribution	0	(282)	282	35%	99
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0

Transmission	0	(22)	22	35%	8
)isallowed Loss 481a	0	(304)	304		107
Deferred Type: South Georgia					
Vintage 2011					
Distribution	0	0	0	0%	0
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	12
Transmission	0	0	0	0%	1,098
total - South Georgia	0	0	0		1,110
Deferred Type: Tax UoP 481a					
Vintage 1991					
Distribution	0	223	(223)	35%	(78)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	51	(51)	36%	(18)
Subtotal-1991 Vintage	0	274	(274)		(96)
Vintage 1992					
Distribution	0	244	(244)	35%	(86)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	27	(27)	36%	(10)
Subtotal-1992 Vintage	0	271	(271)		(95)
Vintage 1993					
Distribution	0	154	(154)	35%	(54)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	19	(19)	36%	(7)
Subtotal-1993 Vintage	0	174	(174)		(61)
Vintage 1994					
Distribution	0	271	(271)	35%	(95)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1994 Vintage	0	271	(271)		(95)
Vintage 1995					
Distribution	0	165	(165)	35%	(58)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	11	(11)	36%	(4)
Subtotal-1995 Vintage	0	176	(176)		(62)
Vintage 1996					
Distribution	0	178	(178)	35%	(62)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	12	(12)	36%	(4)
Subtotal-1996 Vintage	0	189	(189)		(66)
Vintage 1997					
Distribution	0	202	(202)	35%	(71)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1997 Vintage	0	202	(202)		(71)
Vintage 1998					
Distribution	0	123	(123)	35%	(43)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-1998 Vintage	0	123	(123)		(43)

Vintage 1999					
Distribution	0	458	(458)	35%	(160)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	28	(28)	36%	(10)
Subtotal-1999 Vintage	0	486	(486)		(170)
Vintage 2000					
Distribution	0	452	(452)	35%	(158)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	32	(32)	36%	(12)
Subtotal-2000 Vintage	0	484	(484)		(170)
Vintage 2001					
Distribution	0	280	(280)	35%	(98)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	0	0	0%	0
Subtotal-2001 Vintage	0	280	(280)		(98)
Vintage 2002					
Distribution	0	268	(268)	35%	(94)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	9	(9)	35%	(3)
Subtotal-2002 Vintage	0	277	(277)		(97)
Vintage 2003					
Distribution	0	335	(335)	35%	(117)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	49	(49)	36%	(17)
Subtotal-2003 Vintage	0	384	(384)		(135)
Vintage 2004					
Distribution	0	371	(371)	35%	(130)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	22	(22)	35%	(8)
Subtotal-2004 Vintage	0	393	(393)		(138)
Vintage 2005					
Distribution	0	887	(887)	35%	(310)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	78	(78)	35%	(28)
Subtotal-2005 Vintage	0	965	(965)		(338)
Vintage 2006					
Distribution	0	634	(634)	35%	(222)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	101	(101)	36%	(36)
Subtotal-2006 Vintage	0	735	(735)		(258)
Vintage 2007					
Distribution	0	428	(428)	35%	(150)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	22	(22)	36%	(8)
Subtotal-2007 Vintage	0	450	(450)		(158)
Vintage 2008					
Distribution	0	409	(409)	35%	(143)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	100	(100)	36%	(36)

Subtotal-2008 Vintage	0	510	(510)		(179)
Vintage 2009					
Distribution	0	605	(605)	35%	(212)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	12	(12)	36%	(4)
Subtotal-2009 Vintage	0	617	(617)		(216)
Vintage 2010					
Distribution	0	821	(821)	35%	(287)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	60	(60)	35%	(21)
Subtotal-2010 Vintage	0	881	(881)		(309)
Subtotals - Tax UoP 481a					
Distribution	0	7,507	(7,507)	35%	(2,627)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	633	(633)	36%	(225)
btotal - Tax UoP 481a	0	8,140	(8,140)		(2,852)
Deferred Type: Tax UoP Repair					
Vintage 2011					
Distribution	0	1,034	(1,034)	35%	(362)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	36	(36)	36%	(13)
Subtotal-2011 Vintage	0	1,070	(1,070)		(375)
Vintage 2012					
Distribution	0	880	(880)	35%	(308)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	186	(186)	35%	(66)
Subtotal-2012 Vintage	0	1,066	(1,066)		(374)
Vintage 2013					
Distribution	0	1,572	(1,572)	35%	(550)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	87	(87)	35%	(31)
Subtotal-2013 Vintage	0	1,659	(1,659)		(581)
Vintage 2014					
Distribution	0	2,181	(2,181)	35%	(763)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	56	(56)	35%	(20)
Subtotal-2014 Vintage	0	2,237	(2,237)		(783)
Vintage 2015					
Distribution	0	1,239	(1,239)	35%	(434)
Smart Meters	0	0	0	0%	0
General	0	101	(101)	18%	(18)
Transmission	0	2	(2)	35%	(1)
Subtotal-2015 Vintage	0	1,342	(1,342)		(452)
Vintage 2016					
Distribution	0	1,461	(1,461)	35%	(511)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	129	(129)	35%	(46)
Subtotal-2016 Vintage	0	1,591	(1,591)		(557)
Vintage 2017					
Distribution	0	1,546	(1,546)	35%	(541)

Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	7	(7)	35%	(3)
Subtotal-2017 Vintage	0	1,553	(1,553)		(544)
Vintage 2018					
Distribution	0	2,192	(2,192)	21%	(460)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	12	(12)	21%	(3)
Subtotal-2018 Vintage	0	2,204	(2,204)		(463)
Vintage 2019					
Distribution	0	2,031	(2,031)	21%	(427)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	7	(7)	21%	(1)
Subtotal-2019 Vintage	0	2,038	(2,038)		(428)
Vintage 2020					
Distribution	0	1,930	(1,930)	21%	(405)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	28	(28)	21%	(6)
Subtotal-2020 Vintage	0	1,958	(1,958)		(411)
Vintage 2021					
Distribution	0	1,643	(1,643)	21%	(345)
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	0	27	(27)	21%	(6)
Subtotal-2021 Vintage	0	1,670	(1,670)		(351)
Vintage 2022					
Distribution	48,295	630	47,665	21%	10,010
Smart Meters	0	0	0	0%	0
General	0	0	0	0%	0
Transmission	1,840	23	1,817	21%	382
Subtotal-2022 Vintage	50,135	653	49,482		10,391
Subtotals - Tax UoP Repair					
Distribution	48,295	18,339	29,956	16%	4,903
Smart Meters	0	0	0	0%	0
General	0	101	(101)	18%	(18)
Transmission	1,840	601	1,239	15%	187
otal - Tax UoP Repair	50,135	19,040	31,095		5,073
TOTALS					
Distribution	113,194	78,847	34,347		2,724
Smart Meters	8,753	21,760	(13,007)		(5,081)
General	99,276	133,031	(33,755)		(4,932)
Transmission	40,078	27,107	12,970		2,002
TOTALS	261,301	260,745	555		(5,288)
TOTALS (with allocated General)					
Distribution	203,339	209,673	(6,334)		(6,401)
Transmission	57,962	51,072	6,890		1,113
TOTALS	261,301	260,745	555		(5,288)

Sponsor: Matthew Simpson

Q.25. Submit a schedule showing a breakdown of accumulated and unamortized investment tax credits, by vintage year and percentage rate, together with calculations supporting the amortized amount claimed as a reduction to pro forma income taxes. Provide details of methods used to write-off the unamortized balances.

A.25. Duquesne Light Company has no accumulated and unamortized investment tax credits in the test year. As such, there will be no investment tax credit amortization reflected on Schedule D-18 in DLC Exhibits 2 (Fully Projected Future Test Year), Exhibit 3 (Future Test Year) and Exhibit 4 (Historic Test Year).

Sponsor: Jaime Bachota

D.26. Explain in detail by statement or exhibit the appropriateness of claiming any additional items, not otherwise specifically explained and supported in the statement of operating income.

A.26. An explanation of Duquesne Light Company's claim for any additional operating income items is set forth in Section D of DLC Exhibit 2 (Fully Projected Future Test Year).

Q.27. If the utility's operations include non-jurisdictional activities, provide a schedule which demonstrates the manner in which rate base and operating income date have been adjusted to develop the jurisdictional test year claim.

A.27. Total system measures of value and components of operating income have been allocated between the Total Company and Pennsylvania PUC jurisdictions and the proposed revenue increase has been determined on a Pennsylvania PUC jurisdictional basis only. Please refer to Exhibit 5, Statement No. 15 – direct testimony of Howard Gorman and DLC Exhibit 6.

Q.1. Supply a copy of any budget utilized as a basis for any test year claim, and explain the utility's budgeting process.

A.1. Attachment DFR-II-E-1 is a summary of the operating budget utilized as the basis for the Duquesne Light Company's future test year claim. An explanation of the Company's budgeting process is contained in the Direct Testimony of Jaime A. Bachota.

DUQUESNE LIGHT COMPANY
STATEMENT OF INCOME
Operating Budget

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total 12 Mos. 12/31/2021
UTILITY OPERATING INCOME					
Operating Revenues (400)	$ 230,447,275	$ 228,498,991	$ 278,947,920	$ 237,776,693	$ 975,670,880
Operating Expenses					
Operation Expenses (401)	101,840,087	94,270,359	115,497,569	92,698,515	404,306,530
Maintenance Expenses (402)	12,093,528	11,194,621	13,715,356	11,007,965	48,011,470
Depreciation Expense (403)	50,348,046	50,905,500	51,780,423	52,821,031	205,855,000
Amort. & Depl. Of Utility Plant (404-405)	-	-	-	-	-
Regulatory Debits (Credits), net (407.3,407.4)	-	-	-	-	-
Taxes Other Than Income Taxes (408)	15,131,591	14,406,191	17,568,881	14,744,337	61,851,000
Income Taxes - Federal (409.1)	7,249,837	7,467,507	11,554,742	8,251,322	34,523,408
Income Taxes - Other (409.1)	2,632,693	2,711,737	4,195,968	2,996,370	12,536,768
Provision for Deferred Income Taxes, net (410.1,411.1)	(498,215)	(513,173)	(794,052)	(567,038)	(2,372,478)
Investment Tax Credit, net (411.7)	-	-	-	-	-
Total Utility Operating Expenses	188,797,567	180,442,741	213,518,888	181,952,502	764,711,698
Net Utility Operating Income	41,649,708	48,056,250	65,429,033	55,824,191	210,959,182
OTHER INCOME AND DEDUCTIONS					
Other Income					
Equity in Earnings of Subsidiary Companies (418.1)	-	-	-	-	-
Interest and Dividend Income (419)	-	-	-	-	-
Allowance for Other Funds Used During Construction (419.1)	867,548	1,261,799	1,661,856	1,832,969	5,624,172
Miscellaneous Nonoperating Income (421)	-	-	-	-	-
Gain on Disposition of Property (421.1)	-	-	-	-	-
Total Other Income	867,548	1,261,799	1,661,856	1,832,969	5,624,172
Other Income Deductions					
Loss on Disposition of Property (421.2)	-	-	-	-	-
Donations (426.1)	847,074	1,133,274	757,274	1,094,739	3,832,360
Penalties (426.3)	-	-	-	-	-
Exp. for Certain Civic, Political, & Related Activities (426.4)	-	-	-	-	-
Other Deductions (426.5)	-	-	-	-	-
Total Other Income Deductions	847,074	1,133,274	757,274	1,094,739	3,832,360
Taxes Applicable to Other Income and Deductions					
Income Taxes - Federal (409.2)	(21,274)	(21,912)	(33,906)	(24,212)	(101,304)
Income Taxes - Other (409.2)	(8,470)	(8,724)	(13,500)	(9,640)	(40,334)
Provision for Def. Inc. Taxes (410.2)	237,113	244,232	377,909	269,868	1,129,122
(Less) Provision for Def. Inc. Taxes (411.2)	(98,663)	(101,625)	(157,249)	(112,292)	(469,830)
Total Taxes on Other Inc. and Ded.	108,706	111,970	173,255	123,723	517,655
Net Other Income and Deductions	(88,232)	16,555	731,327	614,508	1,274,158
Interest Charges					
Interest on Long-Term Debt (427)	14,496,750	14,496,750	14,496,750	14,496,750	57,987,000
Amortization of Debt Disc. and Expense (428)	-	-	-	-	-
Amortization of Loss on Reaquired Debt (428.1)	764,866	435,726	555,723	642,440	2,398,755
Amortization of Premium on Debt - Credit (429)	-	-	-	-	-
Amortization of Gain on Reacquired Debt - Credit (429.1)	-	-	-	-	-
Interest on Debt to Assoc. Companies (430)	10,521	37,388	93,343	281,362	422,614
Other Interest Expense (431)	204,041	265,020	230,118	193,541	892,719
Allowance for Borrowed Funds Used During Construction-Cr. (432)	(422,333)	(422,333)	(422,333)	(422,333)	(1,689,332)
Net Interest Charges	15,053,845	14,812,551	14,953,600	15,191,760	60,011,756
Net Income	$ 26,507,631	$ 33,260,254	$ 51,206,759	$ 41,246,939	$ 152,221,584

DUQUESNE LIGHT COMPANY
STATEMENT OF INCOME
Operating Budget

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total 12 Mos. 12/31/2022
UTILITY OPERATING INCOME					
Operating Revenues (400)	$ 236,013,810	$ 234,018,465	$ 285,686,006	$ 243,520,273	$ 999,238,555
Operating Expenses					
Operation Expenses (401)	107,554,438	99,559,965	121,978,256	97,899,924	426,992,584
Maintenance Expenses (402)	11,683,944	10,815,482	13,250,844	10,635,147	46,385,416
Depreciation Expense (403)	52,681,096	53,264,381	54,179,847	55,268,676	215,394,000
Amort. & Depl. Of Utility Plant (404-405)	-	-	-	-	-
Regulatory Debits (Credits), net (407.3,407.4)	-	-	-	-	-
Taxes Other Than Income Taxes (408)	16,109,538	15,190,885	18,103,153	15,185,425	64,589,000
Income Taxes - Federal (409.1)	7,227,561	7,444,561	11,519,237	8,225,968	34,417,327
Income Taxes - Other (409.1)	2,624,603	2,703,404	4,183,075	2,987,163	12,498,246
Provision for Deferred Income Taxes, net (410.1,411.1)	(496,684)	(511,597)	(791,612)	(565,296)	(2,365,188)
Investment Tax Credit, net (411.7)	-	-	-	-	-
Total Utility Operating Expenses	197,384,496	188,467,082	222,422,800	189,637,006	797,911,384
Net Utility Operating Income	38,629,314	45,551,384	63,263,206	53,883,267	201,327,171
OTHER INCOME AND DEDUCTIONS					
Other Income					
Equity in Earnings of Subsidiary Companies (418.1)	-	-	-	-	-
Interest and Dividend Income (419)	-	-	-	-	-
Allowance for Other Funds Used During Construction (419.1)	1,064,962	1,548,926	2,040,019	2,250,070	6,903,977
Miscellaneous Nonoperating Income (421)	-	-	-	-	-
Gain on Disposition of Property (421.1)	-	-	-	-	-
Total Other Income	1,064,962	1,548,926	2,040,019	2,250,070	6,903,977
Other Income Deductions					
Loss on Disposition of Property (421.2)	-	-	-	-	-
Donations (426.1)	833,218	1,165,668	761,418	1,158,482	3,918,786
Penalties (426.3)	-	-	-	-	-
Exp. for Certain Civic, Political, & Related Activities (426.4)	-	-	-	-	-
Other Deductions (426.5)	-	-	-	-	-
Total Other Income Deductions	833,218	1,165,668	761,418	1,158,482	3,918,786
Taxes Applicable to Other Income and Deductions					
Income Taxes - Federal (409.2)	(35,442)	(36,506)	(56,488)	(40,338)	(168,774)
Income Taxes - Other (409.2)	(14,111)	(14,535)	(22,490)	(16,061)	(67,197)
Provision for Def. Inc. Taxes (410.2)	395,035	406,895	629,604	449,604	1,881,138
(Less) Provision for Def. Inc. Taxes (411.2)	(164,375)	(169,310)	(261,979)	(187,081)	(782,744)
Total Taxes on Other Inc. and Ded.	181,107	186,544	288,646	206,124	862,422
Net Other Income and Deductions	50,638	196,714	989,954	885,463	2,122,769
Interest Charges					
Interest on Long-Term Debt (427)	14,646,978	15,714,174	15,714,174	15,714,174	61,789,500
Amortization of Debt Disc. and Expense (428)	-	-	-	-	-
Amortization of Loss on Reaquired Debt (428.1)	777,669	443,020	565,025	653,194	2,438,909
Amortization of Premium on Debt - Credit (429)	-	-	-	-	-
Amortization of Gain on Reacquired Debt - Credit (429.1)	-	-	-	-	-
Interest on Debt to Assoc. Companies (430)	284,290	289,073	293,356	261,341	1,128,059
Other Interest Expense (431)	205,304	269,139	233,021	196,038	903,502
Allowance for Borrowed Funds Used During Construction-Cr. (432)	(422,333)	(422,333)	(422,333)	(422,333)	(1,689,332)
Net Interest Charges	15,491,908	16,293,074	16,383,243	16,402,413	64,570,638
Net Income	$ 23,188,044	$ 29,455,025	$ 47,869,917	$ 38,366,316	$ 138,879,301

Q.2. Supply summaries of the utility's projected operating and capital budgets for the 2 calendar years following the end of the test year.

A.2. Attachment DFR II-E-2a provides the Company's projected operating budget for 2021 and 2022. Attachment DFR II-E-2b provides the Company's capital budget for 2021 and 2022.

DUQUESNE LIGHT COMPANY

Projected Operating Budget (a)
For the Years Ended December 31,
(Thousands of Dollars)

	2021	2022
Operating Revenue	$ 975,671	$ 999,239
Operating expenses:		
Fuel and Purchased Power	206,041	215,490
Other Operating	246,277	257,888
Taxes Other than Income	61,851	64,589
Depreciation and Amortization	205,855	215,394
Income Tax Expense	44,688	44,550
Total Operating Expenses	764,712	797,911
Operating income	$ 210,959	$ 201,327
OTHER INCOME AND DEDUCTIONS		
Other Income/(Expense)	1,274	2,123
Interest Expense	60,012	64,571
Net Income	$ 152,222	$ 138,879
	-	-

DUQUESNE LIGHT COMPANY

Projected Capital Budget
For the Years Ended December 31,
($ Thousands)

Budget Category	2021		2022	
Restoration of Service	$	38,467	$	38,658
Customer Commitment		28,399		28,545
Programmatic Spend		86,116		82,244
Utility Support (Facilities, Vehicles, Meters)		28,444		21,781
Information Technology		42,597		38,304
Advanced Distribution Management System (ADMS)		8,882		4,167
LTIIP Specific Projects		25,703		40,487
Transmission Resiliency and Growth Capital		57,122		60,739
Additional Resiliency and Growth Capital		98,999		68,208
Total Less AFUDC		414,729		383,133
AFUDC		9,244		11,344
Total with AFUDC	$	423,972	$	394,477