

## STATEMENT OF REASONS

### Overview

- Duquesne Light Company (“Duquesne Light”) is responsible to provide adequate, efficient, safe and reliable electric service to its customers and must have the ability to raise capital to meet such requirements. The company is allowed to charge just and reasonable rates as established by the PA Public Utility Commission to provide it with a fair opportunity to recover its operating costs and earn a fair return on its investment. This is accomplished through a rate case process.

### Duquesne Light Company Costs

- Duquesne Light has controlled its operation and maintenance expenses by implementing major process improvements and creatively deploying cost saving measures. Nevertheless, the cost of providing electric distribution service has increased since the last distribution rate increase in January 2007. Significant cost increases have occurred in many areas, including fuel, health insurance, property insurance, vegetation management, transportation, labor and benefits. Under the Pension Protection Act of 2006 (“PPA”), higher funding levels are now required to be achieved in a shorter period of time in order to provide for future benefits and remain in compliance with the law. This shorter allowable period to remedy under-funded plans, when combined with recent significant drops in the stock market which have negatively impacted overall valuation, will require significant contributions to be made to the pension plan during the test year and subsequent years to meet PPA requirements.
- Duquesne Light is currently investing over \$270 million in 2010 in its electrical distribution and transmission system infrastructure to maintain and improve customer service and continued reliable service.

### Financial

- Duquesne Light’s financial condition will continue to decline in 2010 due to continued increases in capital expenditures for our infrastructure improvement program, increased operating expenses and pension contributions. On a pro forma basis for 2010 – 2011 test year, Duquesne Light anticipates an overall return on rate base of only 5.48 percent. These financial results do not provide a return that will permit the company to attract new capital on reasonable terms. Without substantial rate relief, Duquesne Light’s debt rating most likely would be downgraded, which would result in higher capital costs and would seriously jeopardize the company’s ability to complete its necessary infrastructure improvement program. Revenues at present rates simply do not provide sufficient funds for Duquesne Light to operate its business, abide by federal law requirements, and provide reliable electric service to its customers.

**Reliable Electric Service**

- Duquesne Light has exceeded the PUC reliability standard for customer average interruption duration (CAIDI) every year since it was established in 1999. The company also has consistently been ranked among the highest in the Commonwealth in other Commission reliability standards during the same time frame.
- Duquesne Light also has increased efficiency and reliability through the use of technology, such as automated meter reading systems and the automated control systems that continuously monitor remote switches that can re-route power during storms and other outages to quickly restore service to large blocks of customers.
- Duquesne Light has implemented performance based contracts with vegetation management contractors that reduced tree-related outages significantly and kept costs in control.

**Low Income Customer**

- Duquesne Light has various universal services programs available to payment-troubled customers, including the Customer Assistance program (CAP), Smart Comfort, the Customer Assistance & Referral Evaluation Service (CARES) program, Hardship Fund, and the Low-Income Home Energy Assistance Program (LIHEAP). The CAP program continues to grow dramatically in terms of customers served and benefits provided.

**Duquesne Light Company  
Before The Pennsylvania Public Utility Commission**

**Historic Test Year - 12 Months Ended March 31, 2010**

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**Balance Sheet**

[ 1 ]

Line No	Description/(Account No)	Recorded HTY 3-31-10
UTILITY PLANT		
1	Utility Plant (101-106, 108)	\$ 2,684,531
2	Other Utility Plant	-
3	Total Plant In Service	<u>2,684,531</u>
4	Construction Work In Progress (107)	125,346
5	Total Utility Plant	<u>2,809,877</u>
6	Accumulated Provision for Depreciation	(850,348)
7	Net Utility Plant	<u>1,959,529</u>
OTHER PROPERTY INVESTMENTS		
8	Non-utility Property (121)	1,438
9	Accumulated Depreciation on NUP (122)	(1,091)
10	Invest in Subsidiary Company (123.1)	7,325
11	Other Investments (124)	269
12	Other Special Funds (128)	1,169
13	Special Funds - Non Major Only (129)	10
14	Long Term Portion of Derivative Assets (175.1)	1,071
15	Total Other Property and Investments	<u>10,191</u>
CURRENT AND ACCRUED ASSETS		
16	Cash & Other Temporary Investments(131-136)	6,339
17	Customer Accounts Receivable (142)	129,846
18	Other Accounts Receivable (143)	4,986
19	Accum Provision for Uncollectible (144)	(20,585)
20	Accounts Receivable Assoc. Comp. (146)	710
21	Plant Materials & Supplies (154)	17,788
22	Prepayments (165)	30,764
23	Interest & Dividends Receivable (171)	1
24	Miscellaneous Current & Accrued Assets (174)	1,827
25	Derivative Instrument Assets (175)	1,134
26	(Less) Long Term Portion of Derivative Assets (175.1)	(1,071)
27	Total Current and Accrued Assets	<u>171,739</u>
DEFERRED DEBITS		
28	Unamortized Debt Expense (181)	2,458
29	Other Regulatory Assets (182.3)	520,798
30	Clearing Accounts (184)	-
31	Temporary Facilities(185)	-
32	Miscellaneous Deferred Debits (186)	(72)
33	Unamortized Loss on Reacquired Debt (189)	41,195
34	Accumulated Deferred Income Taxes (190)	164,215
35	Other Deferred Debits	-
36	Total Deferred Debits	<u>728,594</u>
37	TOTAL ASSETS AND OTHER DEBITS	<u>\$ 2,870,053</u>

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**Balance Sheet**

[ 1 ]

Line No	Description/(Account No)	Recorded HTY 3-31-10
<b>PROPRIETARY CAPITAL</b>		
1	Common Stock Issued (201)	\$ 0
2	Preferred Stock Issued (204)	107,935
3	Premium on Capital Stock (207)	137
4	Other Paid-in-Capital (208-211)	988,427
5	Capital Stock Expense (214)	(2,162)
6	Retained Earnings (215, 215.2, 216, 261.1)	92,796
7	Accum Other Comprehensive Income (219)	(10,587)
8	Total Proprietary Capital	<u>1,176,546</u>
<b>LONG TERM DEBT</b>		
9	Bonds (221)	300,000
10	Advances from Associated Companies (223)	-
11	Other Long-Term Debt (224)	142,175
12	Unamortized Premium on LTD (225)	-
13	Unamortized Discount on LTD (226)	(43)
14	Total Long-term Debt	<u>442,132</u>
<b>OTHER NON-CURRENT LIABILITIES</b>		
15	Obligations under Capital Leases (227)	5,376
16	Accum. Prov for Injuries & Damages (228.2)	55,412
17	Accum. Prov for Pensions & Benefits (228.3)	1,800
18	Accum. Miscellaneous Operating Prov (228.4)	31,328
19	Total non-Current Liabilities	<u>93,916</u>
<b>CURRENT &amp; ACCRUED LIABILITIES</b>		
20	Notes Payable (231)	10,000
21	Accounts Payable (232)	42,378
22	Notes Payable to Assoc. Companies (233)	100,000
23	Accounts Payable to Assoc. Cos (234)	58,688
24	Customer Deposits (235)	7,124
25	Taxes Accrued (236)	10,035
26	Interest Accrued (237)	10,152
27	Dividends Declared (238)	1,554
28	Tax Collections Payable (241)	1,658
29	Misc Current & Accrued Liabilities (242)	23,356
30	Derivative Instrument Liabilities (244)	33,338
31	Less: Long Term Portion of Derivative Inst. Liab. Hedge	(31,328)
32	Total Current & Accrued Liabilities	<u>266,955</u>
<b>OTHER DEFERRED CREDITS</b>		
33	Customer Advances for Construction (252)	13
34	Other Deferred Credits (253)	302,102
35	Other Regulatory Liabilities (254)	15,799
36	Deferred Investment Tax Credit (255)	1,633
37	Unamortized Gain on Reacquired Debt (257)	-
38	Accumulated Deferred Income Taxes (283)	203,307
39	Total Other Deferred Credits	<u>367,650</u>
40	Total Other Deferred Credits	<u>890,504</u>
41	<b>TOTAL LIABILITIES &amp; OTHER CREDITS</b>	<u><u>\$ 2,870,053</u></u>

Duquesne Light Company  
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Statement of Net Utility Operating Income

Line No	Description	[ 1 ] Acct No	[ 2 ] Recorded HTY 3-31-10	Reference
<b>Total Operating Revenues</b>				
1	Total Sales Revenues		\$ 811,573	B-3
2	Sales for Resale		1,288	B-3
3	Other Operating Revenues		<u>62,694</u>	B-3
4	Total Revenues	400	<u>875,555</u>	
<b>Total Operating Expenses</b>				
5	Operation & Maintenance Expenses	401,402	518,271	B-4
6	Depreciation Expense	404	78,020	
7	Other Amortization	405	2,771	
8	Amortization of Regulatory Assets	405	536	
9	Taxes Other Than Income Taxes	408.1	<u>53,378</u>	B-5
10	Total Operating Expenses		<u>652,976</u>	
11	Operating Income Before Income Taxes (OIBIT)		222,579	
Income Taxes:				
12	State	409.1	10,421	B-5
13	Federal	409.1	<u>36,286</u>	B-5
14	Total Income Taxes		<u>46,707</u>	
15	<b>Net Utility Operating Income</b>		<u><u>\$ 175,872</u></u>	

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**Statement of Operating Revenues**

[ 1 ]

Line No	Description	Recorded HTY 3-31-10
<b>Electric Operating Revenues</b>		
Sales of Electricity:		
1	Distribution Tariff Charges	\$ 393,040
2		
3	Generation Charges	367,001
4		
5	Transmission Charges	63,753
6		
7	CAP Revenue Credit	(12,221)
8	Total Sales to Ultimate Customers	811,573
9	Sales for Resale/Account 447	1,288
10		812,861
<b>Other Operating Revenues</b>		
Forfeited Discounts/Account 450:		
11	Late Payment Charges	3,657
12	Returned Check Charges	134
13	Total Account 450	3,791
14	Miscellaneous Service Revenues	1,350
15	Transmission PJM Credit	714
	Total Account 451	2,064
Rent from Electric Property/Account 454:		
16	Rent - Electric Property	9,446
17	Customer Work - Reimbursement	400
18	Customer Work - Reimbursement	185
	Total Account 454	10,031
19	Other Electric Revenues/Account 456:	
20	Customer Choice - EGS Transmission	41,937
21	Other Electric Revenues - Distribuion	222
22	Other Electric Revenues - Transmission	-
23	Transmission Revenues - AES/APS	498
23	Transmission Revenues - APS/Piney Fork	2,347
23	Non-Firm Transmission Service	288
23	Total Account 456	1,516
24	Total Account 456	46,808
25	<b>Total Other Operating Revenues</b>	62,694
26	<b>Total Operating Revenues</b>	\$ 875,555

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Operation and Maintenance Expenses

[ 1 ]

Line No	Description	Account No	Recorded HTY 3-31-10
<b>Purchased Power Expenses:</b>			
1	Purchased power	555	\$ 368,565
2	Other Power Supply Expense	556	-
3	Total Purchased Power Expenses		<u>368,565</u>
<b>Transmission Expense:</b>			
4	Operation Supervision & Engineering	560	388
5	Load Dispatching	561	(7)
6	Station Expenses	562	162
7	Overhead Line Expenses	563	107
8	Underground Line Expenses	564	140
9	Transmission of Electricity by Others	565	-
10	Miscellaneous Transmission Expenses	566	2,162
11	Rents	567	(608)
12	Maintenance Supervision & Engineering	568	148
13	Maintenance of Structures	569	948
14	Maintenance of Station Equipment	570	1,556
15	Overhead Lines	571	883
16	Underground Lines	572	2
17	Misc. Transmission Maint & Regional Market	572 & 575	10
18	Total Transmission Expenses		<u>5,891</u>
<b>Distribution Expense:</b>			
19	Operation Supervision & Engineering	580	1,315
20	Load Dispatching	581	767
21	Station Expenses	582	307
22	Overhead Line Expense	583	317
23	Underground Line Expense	584	408
24	Street Lighting & Signal Systems	585	-
25	Meter Expenses	586	1,341
26	Customer Installations Expense	587	29
27	Miscellaneous Expenses	588	5,975
28	Rents	589	-
29	Total Distribution Operation Expenses		<u>10,459</u>
30	Maintenance Supervision & Engineering	590	32
31	Maintenance of Structures	591	134
32	Maintenance of Station Equipment	592	2,354
33	Maintenance of OH lines	593	13,899
34	Maintenance of Underground lines	594	1,095
35	Maintenance of Line Transformers	595	72
36	Maintenance of Street Lighting & Signals	596	368
37	Maintenance of Meters	597	1,367
38	Maintenance of Miscellaneous Plant	598	242
39	Total Distribution Maintenance Expenses		<u>19,563</u>
40	Total Distribution Expenses		<u>30,022</u>

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**Operation and Maintenance Expenses**

[ 1 ]

Line No	Description	Account No	Recorded HTY 3-31-10
<b>Customer Accounting Expense:</b>			
41	Supervision	901	2,362
42	Customer Assistance	902	4,198
43	Records & Collections	903	14,234
44	Uncollectible Accounts	904	11,887
45	Miscellaneous Expenses	905	-
46	Total Customer Accounts Expense		32,681
<b>Customer Services Expense:</b>			
47	Customer Service-Supervision	907	-
48	Customer Service-Customer Assistance	908	2,844
49	Customer Service-Information and Instruction	909	-
50	Customer Service-Miscellaneous Service & Info	910	-
51	Total Customer Service & Informational Expenses		2,844
<b>Sales Expense:</b>			
52	Supervision	911	-
53	Demonstration and Selling Expenses	912	-
54	Advertising Expenses	913	-
55	Miscellaneous Sales Expenses	916	-
56	Total Sales Expense		-
<b>Administrative &amp; General Expenses:</b>			
57	Administrative and General Salaries	920	18,620
58	Office Supplies and Expenses	921	3,305
59	Administrative Expenses Transferred - Credit	922	-
60	Outside Services Employed	923	10,931
61	Property Insurance	924	4,980
62	Injuries and Damages	925	-
63	Employee Pensions and Benefits	926	20,767
64	Regulatory Commission Expenses	928	6,224
65	General Advertising Expenses	930.1	1,851
66	Miscellaneous General Expenses	930.2	-
67	Rents	931	3,324
68	Total Operation		70,002
69	Maintenance of General Plant	935	8,266
70	Total Administrative and General Expenses		78,268
71	<b>Total Operation &amp; Maintenance Expenses-</b>		<b>\$ 518,271</b>

**Duquesne Light Company**  
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**Matchett**

**Detail of Taxes**

[ 1 ]

Line No	Description	Reference	Recorded HTY 3-31-10
<b>Taxes Other Than Income Taxes</b>			
<b>Non-revenue related:</b>			
1	PA Real Estate Tax		\$ 386
2	Pennsylvania - PURTA		(79)
3	Capital Stock		2,409
4	Insurance Premiums		-
5	Miscellaneous Taxes		<u>(1,128)</u>
6	Subtotal	Sum L 1 to L 5	1,588
<b>Payroll Taxes</b>			
7	FICA		3,621
8	SUTA		32
9	FUTA		294
10	City of Pittsburgh		<u>264</u>
11	Subtotal	Sum L 7 to L 10	4,211
<b>Revenue Related:</b>			
State Gross Receipts:			
12	Pennsylvania		47,579
13	Total Taxes Other Than Income Taxes	L 6 + L 11 + L 12	<u>\$ 53,378</u>
<b>Income Taxes</b>			
14	State		\$ 10,421
15	Federal		<u>36,286</u>
16	Total Income Taxes	L 14 + L 15	<u>\$ 46,707</u>

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 Witness: Bordo/Moul  
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Composite Cost of Long-Term Debt

Line No	Description	[ 1 ] Amount Outstanding	[ 2 ] Percent to Total	[ 3 ] Effective Interest Rate	[ 4 ] Annual Interest Cost	[ 5 ] Average Weighted Cost Rate
1	6.70 % First Mortgage Bond, Due 4-15-12	\$ 200,000	45.23%	6.79%		3.07%
2	6.57% Series R due 02-15-14	100,000	22.62%	6.79%		1.54%
3	4.05% PCRBA ACIDA Series 1999B Due 9-1-11	47,925	10.84%	4.13%		0.45%
4	4.35% PCRBA ACIDA Series 1999A Due 12-1-13	50,000	11.31%	4.39%		0.50%
5	4.50% PCRBA BCIDA Series 1999D Due 11-1-29	44,250	10.01%	4.55%		0.46%
6						
7						
8						
9						
8						
9						
10	Sub-Total	442,175	100.00%		26,557	
11	Amortization of Gain on Reacquired Debt				(109)	
12	Amortization of Loss on Reacquired Debt				2,817	
13	Loss on Reacquired Debt	(41,195)				
14	Net Long-Term Debt	<u>\$ 400,980</u>			<u>\$ 29,265</u>	<u>7.30%</u>

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Composite Cost of Preferred Stock

Line No	Description	[ 1 ] Amount Outstanding	[ 2 ] Percent to Total	[ 3 ] Effective Cost Rate	[ 4 ] Annual Cost	[ 5 ] Weighted Cost Rate
1	3.75% Series	\$ 7,400	6.86%	3.77%		0.26%
2	4.10% Series	5,993	5.55%	4.12%		0.23%
3	4.15% Series	6,623	6.14%	4.16%		0.26%
4	4.20% Series	5,000	4.63%	4.23%		0.20%
5	6.50% Series	74,950	69.44%	6.67%		4.63%
6	\$2.10 Series	<u>7,970</u>	<u>7.38%</u>	4.19%		<u>0.31%</u>
7	Total Preferred Stock	<u>\$ 107,936</u>	<u>100.00%</u>			<u>5.89%</u>

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Capital Structure - Year End 3-31-10

Line No	Description	[ 1 ]	[ 2 ] March 31, 2010	[ 3 ] March 31, 2011
<b>Capitalization</b>				
1	Long-Term Debt		\$ 400,980	\$ 819,000
2	Preferred Stock		107,936	107,936
3	Common Equity		1,081,267	1,021,186
4	Total		<u>\$ 1,590,183</u>	<u>\$ 1,948,122</u>
<b>Capitalization Ratios</b>				
5	Long-Term Debt		25.22%	42.04%
6	Preferred Stock		6.79%	5.54%
7	Common Equity		67.99%	52.42%
8	Total		<u>100.00%</u>	<u>100.00%</u>

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Schedule B-9  
 Witness: O'Brien  
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Rate of Return

[ 1 ]                      [ 2 ]                      [ 3 ]                      [ 4 ]                      [ 5 ]

Line No	Description	Capitalization	Capitalization Ratio	Embedded Cost	Statement Reference	Return - Percent
<b><u>PRO FORMA FOR HTY</u></b>						
1	Long-Term Debt	\$ 819,000	42.04%	6.07%	FTY B-6	2.550%
2	Preferred Stock	107,936	5.54%	5.89%	FTY B-7	0.330%
3	Common Equity	<u>1,021,186</u>	<u>52.42%</u>	11.25%		<u>5.900%</u>
4	Total	<u>\$ 1,948,122</u>	<u>100.00%</u>			<u>8.780%</u>

**RECORDED FOR HTY**

5	Long-Term Debt	\$ 400,980	25.22%	7.30%	B-6	
6	Preferred Stock	107,936	6.79%	5.89%	B-7	
7	Common Equity	<u>1,081,267</u>	<u>67.99%</u>			
8	Total	<u>\$ 1,590,183</u>	<u>100.00%</u>			

Duquesne Light Company  
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Schedule C-1  
 Witness: Crowley  
 Exhibit No. (LAC-1)  
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Measures of Value and Rate of Return

Line No	Description	[ 1 ]	[ 2 ]	[ 3 ]
		HTY Ended 3-31-10		Reference
		Total Electric Utility	Total PA Jurisdiction (1)	
1	<b>Total Measure of Value/Rate Base - Net</b>	\$ 1,674,901	\$ 1,305,999	D-1, page 3
	<b>Pro Forma Return at Present rates</b>			
2	Amount	\$ 110,381	\$ 78,530	D-1, Page 2
3	Percent	6.590%	6.013%	
	<b>Pro Forma Return at Proposed Rates</b>			
4	Amount		\$ 114,667	D-1, Page 1
5	Percent		8.78%	

**Duquesne Light Company**  
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Schedule  
**Witness:** C-2  
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**Pro Forma Electric Plant in Service**

[ 1 ]

[ 2 ]

Line No	Description	Account No	Pro Forma HTY Ended 3/31/10
<b>Electric Plant in Service</b>			
Intangible Plant			
1	Organizations	301	100
2	Franchises & Consents	302	7
3	Software	303	20,425
4	Total Intangible Plant		<u>20,532</u>
Transmission Plant:			
5	Land and Land Rights	350	12,357
6	Structures and Improvements	352	8,997
7	Station Equipment	353	235,265
8	Towers and Fixtures	354	69,633
9	Poles and Fixtures	355	12,621
10	Overhead Conductors & Devices	356	77,953
11	Underground Conduit	357	62,237
12	Underground Conduit & Devices	358	42,398
13	Roads and Trails	359	-
14	Subtotal Transmission Plant		<u>521,461</u>
Distribution Plant:			
15	Land and Land Rights	360	11,084
16	Structures and Improvements	361	52,466
17	Station Equipment	362	359,843
18	Poles, Towers and Fixtures	364	315,751
19	Overhead Conductors and Devices	365	329,125
20	Underground Conduit	366	107,726
21	Underground Conductors and Devices	367	241,453
22	Line Transformers	368	258,763
23	OH & UND Services	369	86,637
24	Meters & Appurtences	370	100,567
25	Meter Communication Equipment	370.1	2,653
26	Street Lighting	373	35,330
27	Total Distribution Plant		<u>1,901,398</u>
General Plant:			
28	Land and Land Rights	389	5,890
29	Structures and Improvements (1)	390	104,188
30	Office Equipment & Equipment	391	11,492
31	Transportation Equipment	392	50,622
32	Stores Equipment	393	2,736
33	Tools, Shop and Garage Equipment	394	13,469
34	Laboratory Equipment	395	4,888
35	Power Operated Equipment	396	1,293
36	Communication Equipment	397	58,978
37	Miscellaneous Equipment	398	470
38	Total General Plant		<u>254,026</u>
39	<b>Total Electric Plant in Service - Accounts 101 &amp; 106</b>		<u>\$ 2,697,417</u>

**Duquesne Light Company**  
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**Schedule C-2**  
**Witness: Bordo/O'Brien**  
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**Pro Forma Plant Adjustment Summary**

Line #	Description	[ 1 ] Schedule	[ 2 ] HTY Ended 3/31/10 Recorded	[ 3 ] Adjustments	[ 4 ] Pro Forma HTY Ended 3/31/10
1	INTANGIBLE PLANT	Sch C-2, Page 3	\$ 20,100	\$ 432	\$ 20,532
2	PRODUCTION PLANT	Sch. C-2, Page 3	-	-	-
3	STORAGE PLANT	Sch. C-2, Page 3	-	-	-
4	TRANSMISSION PLANT	Sch. C-2, Page 3	517,723	3,738	521,461
5	DISTRIBUTION PLANT	Sch. C-2, Page 4	1,893,774	7,624	1,901,398
6	GENERAL PLANT	Sch C-2, Page 4	252,933	1,093	254,026
7	SUB-TOTAL PLANT-IN-SERVICE	Sum (L 1 to L 6)	2,684,530	12,887	2,697,417
8			-	-	-
9	COMPLETED CONSTRUCTION NOT CLASSIFIED	G/L a/c # 106	-	-	-
10	PLANT-IN-SERVICE	Sum (L 7 to L 9)	\$ 2,684,530	\$ 12,887	\$ 2,697,417

Duquesne Light Company  
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Schedule C-2  
 Witness: Bordo/O'Brien  
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Pro Forma HTY End 3-31-10 Plant Balances

Line #	Description	Account Number	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]
			Recorded Amount	Pro Forma Adjustment	HTY Balance	
Pro Forma - HTY Ended 3-31-10						
[ 2 ] + [ 3 ]						
<u>INTANGIBLE PLANT</u>						
1	Organization	301	\$ 100	\$ -	\$ 100	
2	Franchise & Consent	302	7	-	7	
3	Miscellaneous Intangible Plant	303	19,993	432	20,425	
4	TOTAL INTANGIBLE	Sum L 1 to L 3	20,100	432	20,532	
<u>PRODUCTION PLANT</u>						
5	Land and land rights	310	-	-	-	
6	Structures, Improvements	311	-	-	-	
7	Misc. Power Plan equipment	316	-	-	-	
8	TOTAL PRODUCTION PLANT	Sum L 5 to L 7	-	-	-	
<u>STORAGE PLANT</u>						
9	Land and land rights	340	-	-	-	
10	Structures, Improvements	341	-	-	-	
11	Misc Power Plant Equipment	346	-	-	-	
12	STORAGE EQUIPMENT	Sum L 9 to L 11	-	-	-	
13	TOTAL PRODUCTION PLANT	( L 8 + L 12 )	-	-	-	
<u>TRANSMISSION PLANT</u>						
14	Land and land rights	350	-	-	-	
15	Structures, Improvements	352	-	-	-	
16	Station Equipment	353	12,311	46	12,357	
17	Towers and Fixtures	354	8,932	65	8,997	
18	Poles and Fixtures	355	233,455	1,810	235,265	
19	Overhead Conductors & Devices	356	69,421	212	69,633	
20	Underground Conduit	357	12,482	139	12,621	
21	Underground Conductors & Devices	358	76,470	1,483	77,953	
22	Road and Trails	359	62,404	(167)	62,237	
23	Asset Retirement Costs	359 1	42,248	150	42,398	
24	Other Transmission Plant		-	-	-	
25	TOTAL TRANSMISSION PLANT	Sum L 14 to L 24	517,723	3,738	521,461	

**Duquesne Light Company**  
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**Schedule C-2**  
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**Pro Forma HTY End 3-31-10 Plant Balances**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]
		Account Number	Recorded Amount	Pro Forma Adjustment	HTY Balance [ 2 ] + [ 3 ]
<b>Pro Forma - HTY Ended 3-31-10</b>					
<b>DISTRIBUTION PLANT</b>					
26	Land and land rights	360	11,058	26	11,084
27	Structures, Improvements	361	52,389	77	52,466
28	Station Equipment	362	357,791	2,052	359,843
29	Storage Battery Equipment	363	-	-	-
30	Poles, Towers and Fixtures	364	315,048	703	315,751
31	Overhead Conductors and Devices	365	327,743	1,382	329,125
32	Underground Conduit	366	107,428	298	107,726
33	Underground Conductors and Devices	367	240,117	1,336	241,453
34	Line Transformers	368	257,594	1,169	258,763
35	Services	369	86,384	253	86,637
36	Meters	370	100,295	272	100,567
37	Meter Communications Equipment	370 1	2,653	-	2,653
38	Leased Property On Customers Premises	372	-	-	-
39	Street Lighting and Signaling Systems	373	35,274	56	35,330
40					
41	TOTAL DISTRIBUTION PLANT	Sum L 26 to L 40	1,893,774	7,624	1,901,398
<b>GENERAL PLANT</b>					
42	Land and land rights	389	5,892	(2)	5,890
43	Structures, Improvements	390	94,293	359	94,652
44	Leasehold Improvements	0	9,478	58	9,536
45	Office furniture	391 1	3,205	1,465	4,670
46	Office furniture - Post 1-1-05 -- Combined for FTY	391.1	1,373	(1,373)	-
47	Office equipment	391.2	(1)	1	-
48	Office equipment - Post 1-1-05 -- Combined for FTY	391.2	6,786	36	6,822
49	Transportation equipment	392	50,447	175	50,622
50	Store equipment	393	1,761	975	2,736
51	Store equipment - Post 1-1-05 -- Combined for FTY	393	974	(974)	-
52	Tools, shop and garage equipment	394	8,432	5,037	13,469
53	Tools, shop and garage equipment - Post 1-1-05 - FTY	394	4,995	(4,995)	-
54	Laboratory equipment	395	(296)	5,184	4,888
55	Laboratory equipment - Post 1-1-05 -- Combined FTY	395	5,165	(5,165)	-
56	Power operated equipment	396	1,285	8	1,293
57	Electric communications equipment	397	29,852	29,126	58,978
58	Electric communications equipment - Post 1-1-05 FTY	397	28,823	(28,823)	-
59	Miscellaneous equipment	398	435	35	470
60	Miscellaneous equipment - Combined for FTY	398	34	(34)	-
61	TOTAL GENERAL	Sum L 42 to L 60	252,933	1,093	254,026
62	SUB-TOTAL ( L 4 + L 13 + L 25 L 41 + L 61 )		2,684,530	12,887	2,697,417
63	Closed Plant Not Classified	106	-	-	-
64	TOTAL PLANT IN SERVICE	L 62 + L 63	\$ 2,684,530	\$ 12,887	\$ 2,697,417

Duquesne Light Company  
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Schedule C-2  
 Witness: Bordo/O'Brien  
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**Additions to Plant HTY Ended 3-31-10**

Line #	Description	Account Number	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]
			Plant Additions For HTY Ended 3-31-10			
			Recorded	Adjustments	Other	
<b>INTANGIBLE PLANT</b>						
1	Organization	301	\$ -	\$ -		
2	Franchise & Consent	302	-	-		
3	Miscellaneous Intangible Plant	303	11,573	432		
4	TOTAL INTANGIBLE	Sum L 1 to L 3	<u>11,573</u>	<u>432</u>		-
<b>PRODUCTION PLANT</b>						
5	Land and land rights	310	-	-		
6	Structures, Improvements	311	-	-		
7	Misc. Power Plan equipment	316	-	-		
8	TOTAL PRODUCTION PLANT	Sum L 5 to L 7	<u>-</u>	<u>-</u>		-
<b>STORAGE PLANT</b>						
9	Land and land rights	340	-	-		
10	Structures, Improvements	341	-	-		
11	Misc Power Plant Equipment	346	-	-		
12	STORAGE EQUIPMENT	Sum L 9 to L 11	<u>-</u>	<u>-</u>		-
13	TOTAL PRODUCTION PLANT	( L 8 + L 12 )	<u>-</u>	<u>-</u>		-
<b>TRANSMISSION PLANT</b>						
14	Land and land rights	350	463	46		
15	Structures, Improvements	352	1,336	65		
16	Station Equipment	353	34,216	1,810		
17	Towers and Fixtures	354	2,895	212		
18	Poles and Fixtures	355	1,905	139		
19	Overhead Conductors & Devices	356	29,064	1,483		
20	Underground Conduit	357	190	(167)		
21	Underground Conductors & Devices	358	97	150		
22	Road and Trails	359	-	-		
23	Asset Retirement Costs	359.1	-	-		
24	Other Transmission Plant		-	-		
25	TOTAL TRANSMISSION PLANT	Sum L 14 to L 24	<u>70,166</u>	<u>3,738</u>		-

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**Additions to Plant HTY Ended 3-31-10**

Line #	Description	Account Number	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]
			Plant Additions For HTY Ended 3-31-10			
			Recorded	Adjustments	Other	
<b>DISTRIBUTION PLANT</b>						
26	Land and land rights	360	69	26		
27	Structures, Improvements	361	928	77		
28	Station Equipment	362	39,617	2,052		
29	Storage Battery Equipment	363	-	-		
30	Poles, Towers and Fixtures	364	10,451	703		
31	Overhead Conductors and Devices	365	24,613	1,382		
32	Underground Conduit	366	3,775	298		
33	Underground Conductors and Devices	367	23,451	1,336		
34	Line Transformers	368	14,618	1,169		
35	Services	369	3,670	253		
36	Meters	370	2,938	272		
37	Meter Communications Equipment	370.1	16	-		
38	Leased Property On Customers Premises	372	-	-		
39	Street Lighting and Signaling Systems	373	778	56		
40						
41	<b>TOTAL DISTRIBUTION PLANT</b>	Sum L 26 to L 40	<u>124,924</u>	<u>7,624</u>	<u>-</u>	
<b>GENERAL PLANT</b>						
42	Land and land rights	389	(30)	(2)		
43	Structures, Improvements	390	4,587	359		
44	Leasehold Improvements	0	2,319	58		
45	Office furniture	391.1	9	1,465		
46	Office furniture - Post 1-1-05 -- Combined for FTY	391.1	-	(1,373)		
47	Office equipment	391.2	1,555	1		
48	Office equipment - Post 1-1-05 -- Combined for FTY	391.2	-	36		
49	Transportation equipment	392	3,674	175		
50	Store equipment	393	-	975		
51	Store equipment - Post 1-1-05 -- Combined for FTY	393	29	(974)		
52	Tools, shop and garage equipment	394	-	5,037		
53	Tools, shop and garage equipment - Post 1-1-05 - FTY	394	191	(4,995)		
54	Laboratory equipment	395	-	5,184		
55	Laboratory equipment - Post 1-1-05 -- Combined FTY	395	697	(5,165)		
56	Power operated equipment	396	202	8		
57	Electric communications equipment	397	-	29,126		
58	Electric communications equipment - Post 1-1-05 FTY	397	5,429	(28,823)		
59	Miscellaneous equipment	398	-	35		
60	Miscellaneous equipment - Combined for FTY	398	-	(34)		
61	<b>TOTAL GENERAL</b>	Sum L 42 to L 60	<u>18,662</u>	<u>1,093</u>	<u>-</u>	
62	<b>SUB-TOTAL</b> ( L 4 + L 13 + L 25 L 41 + L 61 )		225,325	12,887	-	
63	Closed Plant Not Classified	106				
64	<b>TOTAL PLANT IN SERVICE</b>	L 62 + L 63	<u>\$ 225,325</u>	<u>\$ 12,887</u>	<u>\$ -</u>	

**Duquesne Light Company**  
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**Retirements for HTY Ended 3-31-10**

		[ 1 ]	[ 2 ]	[ 3 ]
Line #	Description	Account Number	Retirements	
			Recorded	Adjustments
<u>INTANGIBLE PLANT</u>				
1	Organization	301	-	
2	Franchise & Consent	302	-	
3	Miscellaneous Intangible Plant	303	5,220	
4	TOTAL INTANGIBLE	Sum L 1 to L 3	5,220	-
<u>PRODUCTION PLANT</u>				
5	Land and land rights	310	-	
6	Structures, Improvements	311	-	
7	Misc. Power Plan equipment	316	-	
8	TOTAL PRODUCTION PLANT	Sum L 5 to L 7	-	-
<u>STORAGE PLANT</u>				
9	Land and land rights	340	-	
10	Structures, Improvements	341	-	
11	Misc Power Plant Equipment	346	-	
12	STORAGE EQUIPMENT	Sum L 9 to L 11	-	-
13	TOTAL PRODUCTION PLANT	( L 8 + L 12 )	-	-
<u>TRANSMISSION PLANT</u>				
14	Land and land rights	350	-	
15	Structures, Improvements	352	130	
16	Station Equipment	353	670	
17	Towers and Fixtures	354	780	
18	Poles and Fixtures	355	509	
19	Overhead Conductors & Devices	356	773	
20	Underground Conduit	357	-	
21	Underground Conductors & Devices	358	-	
22	Road and Trails	359	4	
23	Asset Retirement Costs	359.1	-	
24	Other Transmission Plant	0	-	
25	TOTAL TRANSMISSION PLANT	Sum L 14 to L 24	2,866	-

**Duquesne Light Company**  
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**Retirements for HTY Ended 3-31-10**

Line #	Description	Account Number	[ 1 ]	[ 2 ]	[ 3 ]
				Retirements Recorded	Adjustments
<b><u>DISTRIBUTION PLANT</u></b>					
26	Land and land rights	360		-	
27	Structures, Improvements	361		83	
28	Station Equipment	362		6,667	
29	Storage Battery Equipment	363		-	
30	Poles, Towers and Fixtures	364		711	
31	Overhead Conductors and Devices	365		3,397	
32	Underground Conduit	366		237	
33	Underground Conductors and Devices	367		2,819	
34	Line Transformers	368		3,345	
35	Services	369		148	
36	Meters	370		226	
37	Meter Communications Equipment	370 1		17,196	
38	Leased Property On Customers Premises	372		71	
39	Street Lighting and Signaling Systems				
40					
41	TOTAL DISTRIBUTION PLANT	Sum L 26 to L 40		<u>34,900</u>	<u>-</u>
<b><u>GENERAL PLANT</u></b>					
42	Land and land rights	389			
43	Structures, Improvements	390		207	
44	Leasehold Improvements	0		125	
45	Office furniture	391.1		581	
46	Office furniture - Post 1-1-05 -- Combined for FTY	391.1		-	
47	Office equipment	391.2		2,898	
48	Office equipment - Post 1-1-05 -- Combined for FTY	391 2		-	
49	Transportation equipment	392		-	
50	Store equipment	393		56	
51	Store equipment - Post 1-1-05 -- Combined for FTY	393		-	
52	Tools, shop and garage equipment	394		156	
53	Tools, shop and garage equipment - Post 1-1-05 - FTY	394		-	
54	Laboratory equipment	395		355	
55	Laboratory equipment - Post 1-1-05 -- Combined FTY	395		-	
56	Power operated equipment	396		-	
57	Electric communications equipment	397		3,669	
58	Electric communications equipment - Post 1-1-05 FTY	397		-	
59	Miscellaneous equipment	398		30	
60	Miscellaneous equipment - Combined for FTY	398		-	
61	TOTAL GENERAL	Sum L 42 to L 60		<u>8,077</u>	<u>-</u>
62	SUB-TOTAL ( L 4 + L 13 + L 25 L 41 + L 61 )			51,063	-
63	Closed Plant Not Classified	106			
64	TOTAL PLANT IN SERVICE	L 62 + L 63		<u>\$ 51,063</u>	<u>\$ -</u>

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Adjustments for HTY Ended 3-31-10

Line #	Description	[ 1 ] Account Number	[ 2 ] Pension Contribution Capitalized	[ 3 ] Reclass From Depre Study	[ 4 ] Reclass From Rate Adj	[ 5 ] Other	[ 6 ] TOTAL
A	Total Amount of Adjustment		\$ 12,887				
<u>INTANGIBLE PLANT</u>							
1	Organization	301	\$ -	\$ -	\$ -	\$ -	\$ -
2	Franchise & Consent	302	-	-	-	-	-
3	Miscellaneous Intangible Plant	303	432	-	-	-	432
4	Miscellaneous Intangible Plant	303	432	-	-	-	432
<u>PRODUCTION PLANT</u>							
5	Land and land rights	310	-	-	-	-	-
6	Structures, Improvements	311	-	-	-	-	-
7	Misc Power Plan equipment	316	-	-	-	-	-
8	Misc. Power Plan equipment	316	-	-	-	-	-
<u>STORAGE PLANT</u>							
9	Land and land rights	340	-	-	-	-	-
10	Structures, Improvements	341	-	-	-	-	-
11	Misc Power Plant Equipment	346	-	-	-	-	-
12	STORAGE EQUIPMENT	346	-	-	-	-	-
13	TOTAL PRODUCTION PLANT	0	-	-	-	-	-
<u>TRANSMISSION PLANT</u>							
14	Land and land rights	350	46	-	-	-	46
15	Structures, Improvements	352	65	-	-	-	65
16	Station Equipment	353	1,810	-	-	-	1,810
17	Towers and Fixtures	354	212	-	-	-	212
18	Poles and Fixtures	355	139	-	-	-	139
19	Overhead Conductors & Devices	356	1,483	-	-	-	1,483
20	Underground Conduit	357	(167)	-	-	-	(167)
21	Underground Conductors & Devices	358	150	-	-	-	150
22	Road and Trails	359	-	-	-	-	-
23	Asset Retirement Costs	359 1	-	-	-	-	-
24	Other Transmission Plant	0	-	-	-	-	-
25	TOTAL TRANSMISSION PLANT	Sum L 14 to L 24	3,738	-	-	-	3,738

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Adjustments for HTY Ended 3-31-10

Line #	Description	[1] Account Number	[2] Pension Contribution Capitalized	[3] Reclass From Depre Study	[4] Reclass From Rate Adj	[5] Other	[6] TOTAL
<b>DISTRIBUTION PLANT</b>							
26	Land and land rights	360	26	-	-	-	26
27	Structures, Improvements	361	77	-	-	-	77
28	Station Equipment	362	2,052	-	-	-	2,052
29	Storage Battery Equipment	363	-	-	-	-	-
30	Poles, Towers and Fixtures	364	703	-	-	-	703
31	Overhead Conductors and Devices	365	1,382	-	-	-	1,382
32	Underground Conduit	366	298	-	-	-	298
33	Underground Conductors and Devices	367	1,336	-	-	-	1,336
34	Line Transformers	368	1,169	-	-	-	1,169
35	Services	369	253	-	-	-	253
36	Meters	370	272	-	-	-	272
37	Meter Communications Equipment	370.1	-	-	-	-	-
38	Leased Property On Customers Premises	372	-	-	-	-	-
39	Street Lighting and Signaling Systems	373	56	-	-	-	56
40							
41	TOTAL DISTRIBUTION PLANT	Sum L 26 to L 40	7,624	-	-	-	7,624
<b>GENERAL PLANT</b>							
42	Land and land rights	389 0	(2)	-	-	-	(2)
43	Structures, Improvements	390 0	359	-	-	-	359
44	Leasehold Improvements	0 0	58	-	-	-	58
45	Office furniture	391.1	92	1,373	-	-	1,465
46	Office furniture - Post 1-1-05 -- Combined for FTY	391 1	-	(1,373)	-	-	(1,373)
47	Structures, Improvements	391.2	39	1	(39)	-	1
48	Leasehold Improvements	391.2	-	(3)	39	-	36
49	Office furniture	392 0	175	-	-	-	175
50	Office furniture - Post 1-1-05 -- Combined for FTY	393 0	-	974	1	-	975
51	Office equipment	393 0	1	(974)	(1)	-	(974)
52	Office equipment - Post 1-1-05 -- Combined for FTY	394 0	-	5,036	1	-	5,037
53	Transportation equipment	394 0	41	(5,035)	(1)	-	(4,995)
54	Store equipment	395 0	1	5,165	18	-	5,184
55	Store equipment - Post 1-1-05 -- Combined for FTY	395 0	18	(5,165)	(18)	-	(5,165)
56	Tools, shop and garage equipment	396 0	8	-	-	-	8
57	Tools, shop and garage equipment - Post 1-1-05 - FTY	397.0	166	28,823	137	-	29,126
58	Laboratory equipment	397.0	137	(28,823)	(137)	-	(28,823)
59	Laboratory equipment - Post 1-1-05 -- Combined FTY	398 0	-	35	-	-	35
60	Miscellaneous equipment - Combined for FTY	398 0	-	(34)	-	-	(34)
61	TOTAL GENERAL	Sum L 42 to L 60	1,093	-	-	-	1,093
62	SUB-TOTAL						
	( L 4 + L 13 + L 25 L 41 + L 61 )		12,887	-	-	-	12,887
63		106					
64	TOTAL PLANT IN SERVICE	L 62 + L 63	\$ 12,887	\$ -	\$ -	\$ -	\$ 12,887

Duquesne Light Company  
 Before The Pennsylvania Public Utility Commission  
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Adjustments for HTY Ended 3-31-10

Line #	Description	Factor Or Reference	Total Pension Contribution	Percent Capitalized	Amount Capitalized	[5] Composite Depreciation Rate	[6] Depreciation Expense & Accumulated Depreciation
<u>Pension Contribution</u>							
1	Pension Contribution - 2008		\$ 10,000	50 00%	\$ 5,000		
2	Pension Contribution - 2009		20,000	50 00%	10,000		
3	Pension Contribution - 2010 to 3-31-10		-	50 00%	-		
4							
5	Total Pension Contributions	Sum L 1 to L 4	<u>30,000</u>		<u>15,000</u>		
<u>FAS 87 Capitalized Pension Cost</u>							
6	FAS 87 - 2008				(800)		
7	FAS 87 - 2009				600		
8	FAS 87 - 2010 – One Quarter of 2010 Amount				2,313		
9							
10	Total FAS 87 Pension Capitalized	Sum L 6 to L 9			<u>2,113</u>		
<u>Depreciation Expense &amp; Accumulated Depreciation</u>							
11	Depreciaton Expense - Calendar Year 2008	L 1 - L 6			5,800	3 1512%	91
12	Depreciaton Expense - Calendar Year 2009	L 2 _ L 7			9,400	3 1512%	331
13	Depreciaton Expense - 2010 to 3-31-10	L 3 - L 8			(2,313)	3 1512%	443
14							
15	Net Addition to Plant	Sum L 11 to L 14			<u>\$ 12,887</u>		
16	Addition to Accumulated Depreciaton						<u>\$ 865</u>
<u>Annualized Test Year Depreciation Expense</u>							
17	Net Adjustment to Plant				<u>\$ 12,887</u>		
18	FTY Depreciation Rate					<u>3 1512%</u>	
19	Annualized Depreciation Expense						<u>\$ 406</u>

Duquesne Light Company  
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Accumulated Provision for Depreciation

Line No	Description	[ 1 ] Account No	[ 2 ] Pro Forma HTY Ended 3/31/10
<b>Electric Plant in Service</b>			
Intangible Plant			
1	Organizations	301	\$ -
2	Franchises & Consents	302	-
3	Software	303	5,717
4	Total Intangible Plant		<u>5,717</u>
Transmission Plant:			
5	Land and Land Rights	350	3
6	Structures and Improvements	352	4,336
7	Station Equipment	353	65,875
8	Towers and Fixtures	354	24,829
9	Poles and Fixtures	355	2,115
10	Overhead Conductors & Devices	356	21,519
11	Underground Conduit	357	17,905
12	Underground Conduit & Devices	358	12,405
13	Roads and Trails	359	(2)
14	Subtotal Transmission Plant		<u>148,985</u>
Distribution Plant:			
15	Land and Land Rights	360	2
16	Structures and Improvements	361	26,856
17	Station Equipment	362	95,889
18	Poles, Towers and Fixtures	364	124,939
19	Overhead Conductors and Devices	365	107,021
20	Underground Conduit	366	33,111
21	Underground Conductors and Devices	367	75,346
22	Line Transformers	368	66,839
23	OH & UND Services	369	31,955
24	Meters & Appurtences	370	44,102
25	Meter Communication Equipment	370.1	1,855
26	Street Lighting	373	22,693
27	Total Distribution Plant		<u>630,608</u>
General Plant:			
28	Land and Land Rights	389	-
29	Structures and Improvements (1)	390	32,178
30	Office Equipment & Equipment	391	(1,354)
31	Transportation Equipment	392	28,343
32	Stores Equipment	393	948
33	Tools, Shop and Garage Equipment	394	4,273
34	Laboratory Equipment	395	1,680
35	Power Operated Equipment	396	781
36	Communication Equipment	397	12,233
37	Miscellaneous Equipment	398	120
38	Total General Plant		<u>79,202</u>
39	<b>Total Accumulated Depreciation - Accounts 101 &amp; 106</b>		<u>\$ 864,512</u>

**Duquesne Light Company**  
**before The Pennsylvania Public Utility Commission**  
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**Summary of Accumulated Depreciation**

Line #	Description	[ 1 ] Account Number	[ 2 ] HTY Ended 3-31-10			[ 4 ] Pro Forma 03/31/10
			[ 2 ] Recorded 3/31/10	[ 3 ] Pro Forma Adjustments	[ 3 ]	
1	INTANGIBLE PLANT		\$ 5,688	\$ 29	\$ 5,717	
2	PRODUCTION PLANT				-	
3	STORAGE PLANT				-	
4	TRANSMISSION PLANT		148,830	155	148,985	
5	DISTRIBUTION PLANT		627,514	3,094	630,608	
6	GENERAL PLANT		79,699	(497)	79,202	
7					-	
8	ACCUMULATED DEPRECIATION	Sum L 1 to L 7	861,731	2,781	864,512	
9						
10	OTHER UTILITY PLANT				-	
11	TRANSPORTATION		-	-	-	
12	TOTAL ACCUMULATED DEPRECIATION	Sum L 9 to L 11	861,731	2,781	864,512	
13	ACCUMULATED AMORTIZATION		-	-	-	
14	TOTAL ACC DEPR & AMORTIZATION	L 12 + L 13	<u>\$ 861,731</u>	<u>\$ 2,781</u>	<u>\$ 864,512</u>	

**Duquesne Light Company**  
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Line #	Description	Account Number	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]
			HTY Ended 3-31-10			
			Recorded	Pro Forma Adjustments	Pro Forma [ 2 ] + [ 3 ]	
<b>INTANGIBLE PLANT</b>						
1	Organization	301	\$ -	\$ -	\$ -	
2	Franchise & Consent	302	-	-	-	
3	Miscellaneous Intangible Plant	303	5,688	29	5,717	
4	TOTAL INTANGIBLE	Sum L 1 to L 3	5,688	29	5,717	
<b>PRODUCTION PLANT</b>						
5	Land and land rights	310	-	-	-	
6	Structures, Improvements	311	-	-	-	
7	Misc. Power Plan equipment	316	-	-	-	
8	TOTAL PRODUCTION PLANT	Sum L 5 to L 7	-	-	-	
<b>STORAGE PLANT</b>						
9	Land and land rights	340	-	-	-	
10	Structures, Improvements	341	-	-	-	
11	Misc Power Plant Equipment	346	-	-	-	
12	STORAGE EQUIPMENT	Sum L 9 to L 11	-	-	-	
13	TOTAL PRODUCTION PLANT	( L 8 + L 12)	-	-	-	
<b>TRANSMISSION PLANT</b>						
14	Land and land rights	350	-	3	3	
15	Structures, Improvements	352	4,380	(44)	4,336	
16	Station Equipment	353	65,381	494	65,875	
17	Towers and Fixtures	354	25,264	(435)	24,829	
18	Poles and Fixtures	355	2,238	(123)	2,115	
19	Overhead Conductors & Devices	356	21,315	204	21,519	
20	Underground Conduit	357	17,929	(24)	17,905	
21	Underground Conductors & Devices	358	12,325	80	12,405	
22	Road and Trails	359	(2)	-	(2)	
23	Asset Retirement Costs	359.1	-	-	-	
24	Other Transmission Plant	0	-	-	-	
25	TOTAL TRANSMISSION PLANT	Sum L 14 to L 24	148,830	155	148,985	

**Duquesne Light Company**  
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**Accumulated Depreciation by FERC Account**

Line #	Description	Account Number	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]
			HTY Ended 3-31-10			
			Recorded	Pro Forma Adjustments	Pro Forma [ 2 ] + [ 3 ]	
<b><u>DISTRIBUTION PLANT</u></b>						
26	Land and land rights	360	-	2	2	
27	Structures, Improvements	361	26,858	(2)	26,856	
28	Station Equipment	362	95,039	850	95,889	
29	Storage Battery Equipment	363	-	-	-	
30	Poles, Towers and Fixtures	364	124,415	524	124,939	
31	Overhead Conductors and Devices	365	106,165	856	107,021	
32	Underground Conduit	366	33,388	(277)	33,111	
33	Underground Conductors and Devices	367	75,231	115	75,346	
34	Line Transformers	368	66,621	218	66,839	
35	Services	369	31,266	689	31,955	
36	Meters	370	44,320	(218)	44,102	
37	Meter Communications Equipment	370.1	1,350	505	1,855	
38	Leased Property On Customers Premises	372	-	-	-	
39	Street Lighting and Signaling Systems	373	22,861	(168)	22,693	
40			-	-	-	
41	<b>TOTAL DISTRIBUTION PLANT</b>	Sum L 26 to L 40	<u>627,514</u>	<u>3,094</u>	<u>630,608</u>	
<b><u>GENERAL PLANT</u></b>						
42	Land and land rights	389	-	-	-	
43	Structures, Improvements	390	26,913	214	27,127	
44	Leasehold Improvements	0	5,047	4	5,051	
45	Office furniture	391.1	792	1,986	2,778	
46	Office furniture - Post 1-1-05 -- Combined for F	391.1	137	(1,906)	(1,769)	
47	Office equipment	391.2	(4,530)	5,886	1,356	
48	Office equipment - Post 1-1-05 -- Combined for	391.2	2,944	(6,663)	(3,719)	
49	Transportation equipment	392	28,331	12	28,343	
50	Store equipment	393	823	505	1,328	
51	Store equipment - Post 1-1-05 -- Combined for I	393	125	(505)	(380)	
52	Tools, shop and garage equipment	394	3,694	2,705	6,399	
53	Tools, shop and garage equipment - Post 1-1-0	394	582	(2,708)	(2,126)	
54	Laboratory equipment	395	1,569	1,354	2,923	
55	Laboratory equipment - Post 1-1-05 -- Combine	395	13	(1,256)	(1,243)	
56	Power operated equipment	396	780	1	781	
57	Electric communications equipment	397	7,440	17,998	25,438	
58	Electric communications equipment - Post 1-1-0	397	4,918	(18,123)	(13,205)	
59	Miscellaneous equipment	398	114	116	230	
60	Miscellaneous equipment - Combined for FTY	398	7	(117)	(110)	
61	<b>TOTAL GENERAL</b>	Sum L 42 to L 60	<u>79,699</u>	<u>(497)</u>	<u>79,202</u>	
62	<b>SUB-TOTAL</b>	0	861,731	2,781	864,512	
	( L 4 + L 13 + L 25 L 41 + L 61 )	0				
63	Closed Plant Not Classified	106	-	-	-	
64	<b>TOTAL PLANT IN SERVICE</b>	L 62 + L 63	<u>\$ 861,731</u>	<u>\$ 2,781</u>	<u>\$ 864,512</u>	

**Duquesne Light Company**  
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**Cost of Removal HTY Ended 3-31-10**

Line #	Description	[1] Account Number	[2]	[3] Recorded HTY Ended 3/31/10
<u>INTANGIBLE PLANT</u>				
1	Organization	301		\$ -
2	Franchise & Consent	302		-
3	Miscellaneous Intangible Plant	303		-
4	TOTAL INTANGIBLE	Sum L 1 to L 3		-
<u>PRODUCTION PLANT</u>				
5	Land and land rights	310		
6	Structures, Improvements	311		
7	Misc. Power Plan equipment	316		
8	TOTAL PRODUCTION PLANT	Sum L 5 to L 7		-
<u>STORAGE PLANT</u>				
9	Land and land rights	340		
10	Structures, Improvements	341		
11	Misc Power Plant Equipment	346		
12	STORAGE EQUIPMENT	Sum L 9 to L 11		-
13	TOTAL PRODUCTION PLANT	( L 8 + L 12)		-
<u>TRANSMISSION PLANT</u>				
14	Land and land rights	350		
15	Structures, Improvements	352		-
16	Station Equipment	353		(44)
17	Towers and Fixtures	354		575
18	Poles and Fixtures	355		628
19	Overhead Conductors & Devices	356		459
20	Underground Conduit	357		-
21	Underground Conductors & Devices	358		-
22	Road and Trails	359		-
23	Asset Retirement Costs	359.1		-
24	Other Transmission Plant	0		-
25	TOTAL TRANSMISSION PLANT	Sum L 14 to L 24		1,618

**Duquesne Light Company**  
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**Cost of Removal HTY Ended 3-31-10**

Line #	Description	[ 1 ] Account Number	[ 2 ]	[ 3 ] Recorded HTY Ended 03/31/10
<b><u>DISTRIBUTION PLANT</u></b>				
26	Land and land rights	360		
27	Structures, Improvements	361		(2)
28	Station Equipment	362		(40)
29	Storage Battery Equipment	363		-
30	Poles, Towers and Fixtures	364		2,425
31	Overhead Conductors and Devices	365		746
32	Underground Conduit	366		108
33	Underground Conductors and Devices	367		1,385
34	Line Transformers	368		1,161
35	Services	369		2,358
36	Meters	370		9
37	Meter Communications Equipment	370 1		1
38	Leased Property On Customers Premises	372		-
39	Street Lighting and Signaling Systems	373		55
40				
41	TOTAL DISTRIBUTION PLANT	Sum L 26 to L 40		8,206
<b><u>GENERAL PLANT</u></b>				
42	Land and land rights	389		(4)
43	Structures, Improvements	390		43
44	Leasehold Improvements	0		-
45	Office furniture	391.1		-
46	Office furniture - Post 1-1-05 -- Combined for FTY	391.1		-
47	Office equipment	391.2		-
48	Office equipment - Post 1-1-05 -- Combined for FTY	391 2		-
49	Transportation equipment	392		-
50	Store equipment	393		-
51	Store equipment - Post 1-1-05 -- Combined for FTY	393		-
52	Tools, shop and garage equipment	394		-
53	Tools, shop and garage equipment - Post 1-1-05 - FTY	394		-
54	Laboratory equipment	395		-
55	Laboratory equipment - Post 1-1-05 -- Combined FTY	395		-
56	Power operated equipment	396		-
57	Electric communications equipment	397		1
58	Electric communications equipment - Post 1-1-05 FTY	397		10
59	Miscellaneous equipment	398		-
60	Miscellaneous equipment - Combined for FTY	398		-
61	TOTAL GENERAL	Sum L 42 to L 60		50
62	SUB-TOTAL ( L 4 + L 13 + L 25 L 41 + L 61 )			9,874
63	Closed Plant Not Classified	106		-
64	TOTAL PLANT IN SERVICE	L 62 + L 63		\$ 9,874

**DUQUESNE LIGHT COMPANY**  
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ACCUMULATED DEPRECIATION ADJUSTMENTS

Line #	Description	[ 1 ] Account Number	[ 2 ] Pension Contribution Capitalized	[ 3 ] Change in Accum Depre Per Study	[ 4 ] Total
A	Total Amount of Adjustment		\$ 865		
<u>INTANGIBLE PLANT</u>					
1	Organization	301	\$ -		\$ -
2	Franchise & Consent	302	-		-
3	Miscellaneous Intangible Plant	303	29		29
4	TOTAL INTANGIBLE	Sum L 1 to L 3	29	-	29
<u>PRODUCTION PLANT</u>					
5	Land and land rights	310	-		-
6	Structures, Improvements	311	-		-
7	Misc. Power Plan equipment	316	-		-
8	TOTAL PRODUCTION PLANT	Sum L 5 to L 7	-	-	-
<u>STORAGE PLANT</u>					
9	Land and land rights	340	-		-
10	Structures, Improvements	341	-		-
11	Misc Power Plant Equipment	346	-		-
12	STORAGE EQUIPMENT	Sum L 9 to L 11	-	-	-
13	TOTAL PRODUCTION PLANT	( L 8 + L 12)	-	-	-
<u>TRANSMISSION PLANT</u>					
14	Land and land rights	350	3	-	3
15	Structures, Improvements	352	4	(48)	(44)
16	Station Equipment	353	121	373	494
17	Towers and Fixtures	354	14	(449)	(435)
18	Poles and Fixtures	355	9	(132)	(123)
19	Overhead Conductors & Devices	356	100	104	204
20	Underground Conduit	357	(11)	(13)	(24)
21	Underground Conductors & Devices	358	10	70	80
22	Road and Trails	359	-	-	-
23	Asset Retirement Costs	359 1	-	-	-
24	Other Transmission Plant	0	-	-	-
25	TOTAL TRANSMISSION PLANT	Sum L 14 to L 24	250	(95)	155

**DUQUESNE LIGHT COMPANY**  
**HISTORIC TEST YEAR ENDED MARCH 31, 2010**  
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ACCUMULATED DEPRECIATION ADJUSTMENTS

Line #	Description	[ 1 ] Account Number	[ 2 ] Pension Contribution Capitalized	[ 3 ] Change in Accum Depre Per Study	[ 4 ] Total
<b>DISTRIBUTION PLANT</b>					
26	Land and land rights	360	2	-	2
27	Structures, Improvements	361	5	(7)	(2)
28	Station Equipment	362	138	712	850
29	Storage Battery Equipment	363	-	-	-
30	Poles, Towers and Fixtures	364	47	477	524
31	Overhead Conductors and Devices	365	93	763	856
32	Underground Conduit	366	20	(297)	(277)
33	Underground Conductors and Devices	367	90	25	115
34	Line Transformers	368	78	140	218
35	Services	369	17	672	689
36	Meters	370	18	(236)	(218)
37	Meter Communications Equipment	370 1	-	505	505
38	Leased Property On Customers Premises	372	-	-	-
39	Street Lighting and Signaling Systems	373	4	(172)	(168)
40					
41	TOTAL DISTRIBUTION PLANT	Sum L 26 to L 40	<u>512</u>	<u>2,582</u>	<u>3,094</u>
<b>GENERAL PLANT</b>					
42	Land and land rights	389		-	-
43	Structures, Improvements	390	-	190	190
44	Leasehold Improvements	0	24	-	24
45	Office furniture	391.1	4	1,980	1,984
46	Office furniture - Post 1-1-05 -- Combined for FTY	391.1	9	(1,906)	(1,897)
47	Office equipment	391.2	12	5,883	5,895
48	Office equipment - Post 1-1-05 -- Combined for FTY	391.2	-	(6,663)	(6,663)
49	Transportation equipment	392	3	-	3
50	Store equipment	393	1	505	506
51	Store equipment - Post 1-1-05 -- Combined for FTY	393		(505)	(505)
52	Tools, shop and garage equipment	394	1	2,705	2,706
53	Tools, shop and garage equipment - Post 1-1-05 - FTY	394	20	(2,711)	(2,691)
54	Laboratory equipment	395	-	1,354	1,354
55	Laboratory equipment - Post 1-1-05 -- Combined FTY	395		(1,257)	(1,257)
56	Power operated equipment	396		-	-
57	Electric communications equipment	397		17,987	17,987
58	Electric communications equipment - Post 1-1-05 FTY	397		(18,132)	(18,132)
59	Miscellaneous equipment	398		116	116
60	Miscellaneous equipment - Combined for FTY	398		(117)	(117)
61	TOTAL GENERAL	Sum L 42 to L 60	<u>74</u>	<u>(571)</u>	<u>(497)</u>
62	SUB-TOTAL ( L 4 + L 13 + L 25 L 41 + L 61 )		865	1,916	2,781
63	Closed Plant Not Classified	106			
64	TOTAL PLANT IN SERVICE	L 62 + L 63	<u>\$ 865</u>	<u>\$ 1,916</u>	<u>\$ 2,781</u>

**Duquesne Light Company**  
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**Working Capital**

Line No	Description	[ 1 ] Pro Forma HTY Ended 3/31/10	[ 2 ] Reference
1	Operation & Maintenance Expenses	\$ 36,760	C-4, P 2, L 11
2	Average Prepayments	3,493	C-4, P 11, L 19
3	Tax Expense	22,347	C-4, P 7, L 12
4	Interest Payments	(4,403)	C-4, P 8, L 9
5	Preferred Dividend Payments	<u>120</u>	C-4, P 9, L 9
6	Total Cash Working Capital Requirements	<u>\$ 58,317</u>	

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**Summary of Working Capital**

Line #	Description	Reference	[ 2 ] Test Year Expenses	[ 3 ] Factor	[ 4 ] Number of (Lead) / Lag Days [ 2 ] * [ 3 ]	[ 5 ] Totals
<b>WORKING CAPITAL REQUIREMENT</b>						
1	REVENUE LAG DAYS	Sch C-4, P 3				53.67
2	EXPENSE LAG DAYS					
3	Payroll	Sec D, Sch 7	\$ 46,928	11.10	\$ 520,873	
4	Pension Expense	Sec D, Sch 9	33,917	(43.3)	(1,468,584)	
5	Power Purchased for Resale	Sec D, Sch 2	370,619	35.00	12,971,665	
6	Other Expenses	L 23 - L 3 to L 5	77,525	38.01	2,946,736	
7	Total	Sum (L 3 to L 6)	<u>\$ 528,988</u>		<u>\$ 14,970,690</u>	
8	O & M Expense Lag Days	L7, [4] / [2]				28.30
9	Net (Lead) Lag Days	L 1 - L 8				25.37
10	Operating Expenses Per Day	L 7, [2] / 365				<u>\$ 1,449</u>
11	Working Capital for O & M Expense	L 9 * L 10				\$ 36,760
12	Average Prepayments	Sch C-4, Pg 11				3,493
13	Accrued Taxes	Sch C-4, Pg 7				22,347
14	Interest Payments	Sch C-4, Pg 8				(4,403)
15	Preferred Dividend Payments	Sch C-4, Pg 9				120
16	Total Working Capital Requirement	Sum (L 11 to L 15)				<u>\$ 58,317</u>
17	Pro Forma O & M Expense		\$ 537,943			
18	Less:					
	Power Purchased for Resale		-			
19	Uncollectible Expense - Present Rates		8,261			
20	Uncollectible Expense-on Rev Increase		694			
21	Other					
22	Sub-Total	Sum (L 18 to L 21)				<u>8,955</u>
23	Pro Forma Cash O&M Expense	L 17 - L22	<u>\$ 528,988</u>			

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

**Schedule**  
**Witness:** C-4  
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**Revenue Lag**

Line No.	Description	[ 1 ] Reference Or Factor	[ 2 ] — Accounts Receivable Balance End of Month	[ 3 ] Total Monthly Sales <small>Sch C-4, Pg 4</small>	[ 4 ] A/R Turnover [ 3 ] / [ 2 ]	[ 5 ] Days Lag 365 / [ 4 ]
1	Annual Number of Days					<u>365</u>
2	December, 2008		\$ 89,362			
3	January, 2009		96,204	80,706		
4	February		64,459	67,724		
5	March		88,540	67,785		
6	April		82,361	61,444		
7	May		81,119	66,200		
8	June		80,226	70,770		
9	July		81,456	71,035		
10	August		88,605	80,820		
11	September		84,101	60,491		
12	October		77,542	61,861		
13	November		74,593	60,271		
14	December, 2009		82,866	76,120		
15	Total	Sum L 2 to L 14	<u>\$1,071,434</u>			
16	Average A/R Balance	<u>13</u>				
17	Factor		<u>\$82,418</u>	<u>\$ 825,227</u>	<u>10.01</u>	<u>36.46</u>
18	Collection Days Lag (L 17 [ 5 ])					36.46
19	Billing Calculation and mailing days lag					2.00
20	Billing Lag (Mid-Point of Service Period)		365	/	12	*
					0.5	=
21	Total Revenue Lag Days	Sum L 18 to L 20				<u>53.67</u>

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
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**Schedule C-4**  
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**Revenue By Class of Service**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
		Revenue By Class of Service				
		Residential	Commercial	Industrial	Lighting	Sum [ 1 ] to [ 4 ]
1	January -- 2007	36,858	24,143	4,255	1,134	66,390
2	February	37,359	24,419	4,243	1,114	67,135
3	March	33,523	25,362	4,316	1,268	64,469
4	April	31,365	24,728	4,398	1,130	61,621
5	May	33,068	28,032	4,394	1,213	66,707
6	June	39,865	28,579	4,192	1,205	73,841
7	July	44,491	30,336	4,505	1,161	80,493
8	August	51,656	31,640	4,693	1,243	89,232
9	September	37,064	28,309	3,850	1,062	70,285
10	October	33,767	26,889	4,391	1,197	66,244
11	November	33,607	25,719	3,965	1,169	64,460
12	December	38,942	25,408	6,760	1,197	72,307
13	TOTAL	<u>\$ 451,565</u>	<u>\$ 323,564</u>	<u>\$ 53,962</u>	<u>\$ 14,093</u>	<u>\$ 843,184</u>
14	January -- 2008	41,264	27,632	4,495	1,250	74,641
15	February	40,692	27,239	5,201	1,230	74,362
16	March	37,823	26,740	5,359	1,304	71,226
17	April	29,216	25,077	4,378	1,245	59,916
18	May	30,752	26,997	4,502	1,339	63,590
19	June	44,148	32,866	4,762	1,223	82,999
20	July	50,017	33,577	4,851	1,305	89,750
21	August	44,210	32,180	4,930	1,027	82,347
22	September	36,297	28,868	4,500	1,482	71,147
23	October	33,634	26,501	4,729	1,356	66,220
24	November	37,580	47,443	5,250	1,180	91,453
25	December	44,141	26,943	4,632	1,330	77,046
26	TOTAL	<u>\$ 469,774</u>	<u>\$ 362,063</u>	<u>\$ 57,589</u>	<u>\$ 15,271</u>	<u>\$ 904,697</u>
27	January -- 2009	46,761	27,926	4,787	1,232	80,706
28	February	38,076	24,028	4,498	1,122	67,724
29	March	36,682	25,316	4,455	1,332	67,785
30	April	32,499	23,638	4,088	1,219	61,444
31	May	34,044	26,460	4,381	1,315	66,200
32	June	38,998	26,191	4,385	1,196	70,770
33	July	41,123	24,996	3,592	1,324	71,035
34	August	49,397	26,203	4,024	1,196	80,820
35	September	32,794	22,722	3,762	1,213	60,491
36	October	34,708	22,082	3,763	1,308	61,861
37	November	34,592	20,861	3,650	1,168	60,271
38	December	46,779	23,941	4,046	1,354	76,120
39	TOTAL	<u>\$ 466,453</u>	<u>\$ 294,364</u>	<u>\$ 49,431</u>	<u>\$ 14,979</u>	<u>\$ 825,227</u>

**Duquesne Light Company**  
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**Summary of Expense Lag Calculations**

Line No.	Description	[ 1 ] Reference Or Factor	[ 2 ] Amount	[ 3 ] (Lead) / Lag Days	[ 4 ] Weighted Dollar Value [ 2 ] * [ 3 ]	[ 5 ] (Lead) / Lag Days [ 4 ] / [ 2 ]
<b><u>PAYROLL</u></b>						
1	Union		\$ 25,660	14.00	\$ 359,240	
2	Paid Bi-Weekly with one week lag (14 days / 2 + 7 days)					
3	Non-Union		21,268	7.60	161,637	
4	Twice Monthly (365 days / 24 / 2)					
5	Payroll Lag	Sum L 1 to L 4	<u>\$ 46,928</u>		<u>\$ 520,877</u>	<u>11.10</u>
<b><u>PENSION EXPENSE</u></b>						
6	Payment # 1	15-Jan	\$ 9,600	(167.0)	\$ (1,603,200)	
7	Payment # 2	1-Apr	7,000	(91.0)	(637,000)	
8	Payment # 3	15-Apr	8,800	(77.0)	(677,600)	
9	Payment # 4	15-Jul	8,800	14.0	123,200	
10	Payment # 5	15-Oct	8,800	106.0	932,800	
11	Mid-point of Service Period	1-Jul				
12	Totals & (Lead) Lag Days	Sum L 6 to L 11	<u>43,000</u>		<u>(1,861,800)</u>	<u>(43.3)</u>
<b><u>PURCHASED ELECTRICITY</u></b>						
13	Contract Payment Lag		<u>\$ 370,619</u>	<u>35.00</u>	<u>\$ 12,971,665</u>	<u>35.00</u>
<b><u>OTHER O &amp; M EXPENSES</u></b>						
14	FEBRUARY 2010	Sch C-4, Pg 6	\$ 3,017		\$ 101,893	
15	NOVEMBER 2009	Sch C-4, Pg 6	2,916		111,186	
16	AUGUST 2009	Sch C-4, Pg 6	3,664		139,975	
17	MAY 2009	Sch C-4, Pg 6	4,529		183,796	
18	TOTAL	Sum L 14 to L 17	<u>14,125</u>		<u>536,849</u>	<u>38.01</u>

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
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**(\$ in Thousands)**

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**General Disbursements Lag**

Line #	Description	[ 1 ] Number of CDs	[ 2 ] Cash Disbursements	[ 3 ] Dollar-Days	[ 4 ] Expense Lag-Days [ 3 ] / [ 2 ]
<b><u>FEBRUARY 2010</u></b>					
1	Total Test Month Disbursements Used	5564	\$ 68,016	\$ 128,823	1.89
2	Total Test Month A/P Disbursement	618	\$ 3,893	\$ 133,876	34.39
3	Total Test Month Expense Disbursement	461	\$ 3,017	\$ 101,893	33.77
<b><u>NOVEMBER 2009</u></b>					
4	Total Test Month Disbursements Used	6725	\$ 103,781	\$ 614,768	5.92
5	Total Test Month A/P Disbursement	782	\$ 4,167	\$ 162,796	39.06
6	Total Test Month Expense Disbursement	561	\$ 2,916	\$ 111,186	38.14
<b><u>AUGUST 2009</u></b>					
7	Total Test Month Disbursements Used	7359	\$ 84,706	\$ 667,666	7.88
8	Total Test Month A/P Disbursement	911	\$ 5,755	\$ 241,619	41.99
9	Total Test Month Expense Disbursement	602	\$ 3,664	\$ 139,975	38.20
<b><u>MAY 2009</u></b>					
10	Total Test Month Disbursements Used	7207	\$ 71,216	\$ 842,757	11.83
11	Total Test Month A/P Disbursement	877	\$ 5,958	\$ 245,942	41.28
12	Total Test Month Expense Disbursement	619	\$ 4,529	\$ 183,796	40.58
<b><u>TOTAL FOUR TEST MONTHS</u></b>					
13	Total Test Month Disbursements Used	26855	\$ 327,719	\$ 2,254,014	6.88
14	Total Test Month A/P Disbursement	3188	\$ 19,773	\$ 784,232	39.66
15	Total Test Month Expense Disbursement	2243	\$ 14,125	\$ 536,849	38.01

**Duquesne Light Company**  
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**Schedule**  
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**Tax Expense Lag Days**

Line No.	Description	Reference Or Factor	[ 1 ] Pro Forma Proposed Rate Amount	[ 2 ] 12-Month Accrued Factor C-4, P 10	[ 3 ] Accrued Taxes [ 2 ] * [ 3 ]
1	FEDERAL INCOME TAX		\$ 75,585	16.17	\$ 1,222,207
2	STATE INCOME TAX		20,696	23.92	495,050
3	PURTA		(79)	114.67	(9,059)
4	PA CAPITAL STOCK TAX		2,409	23.92	57,623
5	PA LOCAL & USE TAX		(1,128)	17.67	(19,932)
6	PA PROPERTY TAX		386	54.17	20,910
7	PA COPRORATE LOAN TAX		268	130.67	35,020
8	GROSS RECEIPTS TAX		46,833	125.17	5,862,098
9	GRT - REVENUE INCREASE		3,936	125.17	492,669
10	Total	Sum L 1 to L 9			<u>\$ 8,156,585</u>
11	Days in Year				<u>365</u>
12	Average Daily Amount for Working Capital				<u>\$ 22,347</u>

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
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**Schedule**  
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**Interest Payments**

Line No.	Description	[ 1 ] Reference Or Factor	[ 2 ] # of Days	[ 3 ] # of Days	[ 4 ] Total
1	Measures of Value at March 31, 2010				\$ 1,674,900
2	Long-term Debt Ratio				42.04%
3	Embedded Cost of Long-term Debt				6.07%
4	Pro forma Interest Expense	L 1 * L 2 * L 3			<u>\$ 42,763</u>
5	Daily Amount	L 4 / L 5 [2]	365		\$ 117
6	Days to mid-point of interest payments			91.25	
7	Less: Revenue Lag Days			53.67	
8	Interest Payment lag days	L 7 - L 6			<u>(37.6)</u>
9	Total Interest for Working Capital	L 5 * L 8			<u>\$ (4,403)</u>

**Duquesne Light Company**  
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**Schedule**  
**Witness:**  
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**Preferred Stock Payments**

Line No.	Description	[ 1 ] Reference Or Factor	[ 2 ] # of Days	[ 3 ] # of Days	[ 4 ] Total
1	Measures of Value at March 31, 2010				\$ 1,674,900
2	Preferred Stock Ratio				5.54%
3	Embedded Cost of Preferred				5.89%
4	Pro forma Dividend Expense	L 1 * L 2 * L 3			<u>\$ 5,465</u>
5	Daily Amount	L 4 / L 5 [2]	365		\$ 15
6	Days to mid-point of Dividend payments			45.63	
7	Less: Revenue Lag Days			53.67	
8	Dividend Payment lag days	L 7 - L 6			<u>8.0</u>
9	Total Dividend for Working Capital	L 5 * L 8			<u>\$ 120</u>

DUQUESNE LIGHT COMPANY  
HISTORIC TEST YEAR ENDED MARCH 31, 2010  
(\$ in Thousands )

TAX EXPENSE LAG DAYS

Line #	Description	[1] Payment Dates	[2] Mid-Point of Service Period	[3] Lead (Lag) Payment Days [1] - [2]	[4] Payment Amount	[5] Weighted Lead (Lag) Dollars [3] * [4]	[6] Payment Lead (Lag) Days [5] / [4]	[7] Revenue (Lag) Days C-4, Pg3	[8] Net Payment Lead (Lag) Days [6] - [7]
1	<b>FEDERAL INCOME TAX</b>	<u>25%</u>			<u>\$ 75,585</u>				
2	First Payment	04/15/10	07/01/10	77.00	\$ 18,896	1,455,009			
3	Second Payment	06/15/10	07/01/10	16.00	18,896	302,339			
4	Third Payment	09/15/10	07/01/10	(76.00)	18,896	(1,436,112)			
5	Fourth Payment	12/15/10	07/01/10	(167.00)	18,896	(3,155,668)			
6	Total				<u>\$ 75,585</u>	<u>\$ (2,834,432)</u>	<u>(37.50)</u>	<u>53.67</u>	<u>16.17</u>
7	<b>STATE INCOME TAX</b>	<u>25%</u>			<u>\$ 20,696</u>				
8	First Payment	03/15/10	07/01/10	108.00	\$ 5,174	558,793			
9	Second Payment	06/15/10	07/01/10	16.00	5,174	82,784			
10	Third Payment	09/15/10	07/01/10	(76.00)	5,174	(393,225)			
11	Fourth Payment	12/15/10	07/01/10	(167.00)	5,174	(864,060)			
12	Total				<u>\$ 20,696</u>	<u>(615,708)</u>	<u>(29.75)</u>	<u>53.67</u>	<u>23.92</u>
13	<b>PURTA</b>				<u>\$ (79)</u>				
14	Payment	05/01/10	07/01/10	61.00	\$ (79)	(4,819)	61.00	53.67	114.67
15	<b>PA CAPITAL STOCK TAX</b>	<u>25%</u>			<u>\$ 2,409</u>				
16	First Payment	03/15/10	07/01/10	108.00	\$ 602	65,043			
17	Second Payment	06/15/10	07/01/10	16.00	602	9,636			
18	Third Payment	09/15/10	07/01/10	(76.00)	602	(45,771)			
19	Fourth Payment	12/15/10	07/01/10	(167.00)	602	(100,576)			
20	Total				<u>\$ 2,409</u>	<u>(71,668)</u>	<u>(29.75)</u>	<u>53.67</u>	<u>23.92</u>
21	<b>PA LOCAL &amp; USE TAX</b>				<u>\$ (1,128)</u>				
22	Payment	02/20/10	01/15/10	(36.00)	\$ (1,128)	40,608	(36.00)	53.67	17.67
23	<b>PA PROPERTY TAX</b>	<u>50%</u>			<u>\$ 386</u>				
24	First Payment	03/31/10	07/01/10	92.00	\$ 193	17,756			
25	Second Payment	09/30/10	07/01/10	(91.00)	193	(17,563)			
26	Total				<u>\$ 386</u>	<u>193</u>	<u>0.50</u>	<u>53.67</u>	<u>54.17</u>
27	<b>PA COPROPRATE LOAN TAX</b>				<u>\$ 268</u>				
28	Payment	04/15/10	07/01/10	77.00	\$ 268	20,636	77.00	53.67	130.67
29	<b>GROSS RECEIPTS TAX</b>	<u>90%</u>			<u>\$ 46,833</u>				
30	90% of Estimated GRT	03/15/10	07/01/10	108.00	\$ 42,150	4,552,176			
31									
32	Balance Based on Estimate	03/15/11	07/01/10	(257.00)	4,683	(1,203,610)			
33									
34	Total				<u>\$ 46,833</u>	<u>3,348,566</u>	<u>71.50</u>	<u>53.67</u>	<u>125.17</u>

DUQUESNE LIGHT COMPANY  
HISTORIC TEST YEAR ENDED MARCH 31, 2010  
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Witness: O'Brien  
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PREPAID EXPENSES

Line #	Description	[1] TOTAL	[2] Amortization	[3] PUC Assessments	[4] Prepaid Expenses	[5] Prepaid Hardware & Software	[6] Insurance Expense	[7] Insurance Property T & D	[8] Insurance Property All Risk	[9] Insurance Auto & Pollution	[10] Insurance Workers Compens	[11] Insurance Liability Misc	[12] Insurance D & O	[13] Insurance General	[14] Insurance Fiduciary	[15] Insurance Excess Gen	[16] Insurance Liability
1	December, 2008	4,689	\$ (4,275)	\$ 747	\$ 50	\$ 840	\$ 215	\$ 310	\$ 1,318	\$ 59	\$ 22	\$ 445	\$ 349	\$ 287	\$ 159	\$ 4,163	
2	January, 2009	4,608	(314)	623	231	997	59	138	322	24	8	105	135	101	57	2,122	
3	February	4,169	(673)	498	237	1,038	59	137	322	24	7	105	135	101	57	2,122	
4	March	3,657	(1,077)	374	180	1,050	118	138	323	24	8	105	135	101	57	2,121	
5	April	3,228	(1,451)	249	302	1,001	118	137	322	24	7	104	135	101	57	2,122	
6	May	2,844	(1,744)	125	304	1,029	118	138	322	24	8	105	135	101	57	2,122	
7	June	4,690	(2,253)	1,350	91	1,020	177	137	1,618	24	7	105	135	101	57	2,121	
8	July	4,071	(2,651)	1,238	113	891	177	138	1,618	24	8	105	135	101	57	2,117	
9	August	3,430	(3,051)	1,125	96	783	177	137	1,618	24	7	104	135	101	57	2,117	
10	September	3,010	(3,452)	1,012	71	900	177	138	1,617	24	8	105	135	101	57	2,117	
11	October	2,578	(3,854)	938	199	724	236	137	1,618	24	7	139	135	101	57	2,117	
12	November	2,458	(4,288)	810	79	902	236	172	1,618	27	8	167	154	107	65	2,401	
13	December, 2009	1,971	(4,485)	694	12	796	236	171	1,618	26	9	167	154	107	65	2,401	
14	TOTAL	\$ -	\$ 45,403	\$ (33,568)	\$ 9,783	\$ 1,965	\$ 11,971	\$ 2,103	\$ 2,028	\$ 14,254	\$ 352	\$ 114	\$ 1,861	\$ 2,007	\$ 1,511	\$ 859	\$ 30,163
15	Distribution Pct	Exp Factor	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100.0%	100.0%	100 0%	100 0%	100 0%	100 0%
16	Distribution Amt	L 14 * L 15	\$ 45,403	\$ (33,568)	\$ 9,783	\$ 1,965	\$ 11,971	\$ 2,103	\$ 2,028	\$ 14,254	\$ 352	\$ 114	\$ 1,861	\$ 2,007	\$ 1,511	\$ 859	\$ 30,163
17	Number of Months		13														
18	Monthly Average	L 16 / L 17	\$ (2,582)	\$ 753	\$ 151	\$ 921	\$ 162	\$ 156	\$ 1,096	\$ 27	\$ 9	\$ 143	\$ 154	\$ 116	\$ 66	\$ 2,320	
19	Rate Case Amount Sum Line 18		\$ 3,493														

**Duquesne Light Company**  
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 (\$ in Thousands)

**Schedule**  
**Witness:** C-5  
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**Plant Materials and Operating Supplies**

Line No	Description	[ 1 ]	[ 2 ]
		HTY Ended 3-31-10	
		Materials & Supplies	Stores Expenses
<b>Plant Materials &amp; Supplies</b>			
1	December, 2008	\$ 15,851	\$ -
2	January, 2009	15,883	12
3	February	15,635	-
4	March	15,840	-
5	April	16,144	-
6	May	16,144	-
7	June	16,387	-
8	July	16,590	-
9	August	16,562	-
10	September	17,107	-
11	October	17,083	-
12	November	17,254	-
13	December, 2009	16,962	-
14	Totals	\$ 213,442	\$ 12
15	13-Month Average	\$ 16,419	\$ 1
16	13-Month Net Average		\$ 16,420
<b>Amounts Assigned by Function:</b>			
17	Transmission Plant	37.0%	\$ 6,081
18	Distribution Plant	53.8%	8,830
19	General Plant	9.2%	1,509
20	Intangible Plant	0.0%	-
21	Construction Category	0.0%	-
22	Total	100.00%	16,420

**Duquesne Light Company**  
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 Witness: Matchett  
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**Accumulated Deferred Income Taxes**

<u>Line No</u>	<u>Description</u>	<u>[ 1 ] Reference</u>	<u>[ 2 ] Pro Forma HTY Ended 3/31/10</u>
<b><u>ACCUMULATED DEFERRED INCOME TAXES</u></b>			
1	Transmission Plant		\$ 34,259
2	Distribution Plant		169,932
3	General and Other Plant		24,137
4	CIAC Plant		(1,564)
5	Total		<u>\$ 226,764</u>

DUQUESNE LIGHT COMPANY  
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Witness: Bordo/O'Brien  
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CUSTOMER DEPOSITS

Line #	Description	Factor Or Reference	[ 1 ] Customer Deposits	[ 2 ] Interest On Customer Deposits
1	December, 2008		\$ (4,949)	
2	January, 2009		(5,085)	\$ 26
3	February		(5,233)	27
4	March		(5,315)	28
5	April		(5,624)	29
6	May		(5,815)	30
7	June		(6,030)	31
8	July		(6,225)	32
9	August		(6,307)	33
10	September		(6,574)	34
11	October		(6,681)	35
12	November		(6,877)	37
13	December, 2009		(6,989)	35
			_____	_____
14	Total		<u>\$ (77,704)</u>	<u>\$ 377</u>
15	Average Monthly Balance		<u>\$ (5,977)</u>	

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

**Schedule D-1**  
**Witness: Crowley**  
**Exhibit No. (LAC-3)**  
Page 1 of 3

**Jurisdictional Rate Base, Net Operating Income and Revenue Increase**

Table No 1  
Earned Rate of Return with Additional Proposed Revenues - PA Jurisdiction

Line No	Description	(1) ROR Before Additional Revenues	(2) Proposed Additional Revenues	(3) ROR With Additional Revenues
1	Total Electric Rate Base	\$ 1,305,999	\$ -	\$ 1,305,999
	Total Operating Revenues:			
2	Total Sales Revenues	\$ 367,233	\$ 66,425	\$ 433,658
3	Sales for Resale	-	-	-
4	Other Operating Revenues	15,192	-	15,192
5	Total Revenues	382,425	66,425	448,850
	Total Operating Expenses:			
6	Operation & Maintenance Expenses	147,961	781	148,743
7	Depreciation Expense	72,121	-	72,121
8	Amortization Expense	6,710	-	6,710
9	Taxes Other Than Income Taxes	26,640	3,879	30,519
10	Total Operating Expenses	253,432	4,660	258,092
11	Utility Operating Income Before Taxes	\$ 128,993	\$ 61,765	\$ 190,758
	Income Taxes:			
12	Federal	39,932	19,458	59,390
13	State	10,531	6,170	16,701
14	Total Income Taxes	50,463	25,628	76,091
15	Total Operating Expenses	303,895	30,288	334,183
16	Total Operating Income - \$	\$ 78,530	\$ 36,136	\$ 114,667
17	Earned Rate of Return - %	6.01%		8.78%

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

**Schedule D-1**  
**Witness: Crowley**  
**Exhibit No. (LAC-3)**  
**Page 2 of 3**

**Jurisdictional Rate Base, Net Operating Income and Revenue Increase**

Table No 2  
Determination of Jurisdictional Revenue Deficiency

Line No	Description	Reference	(1) Total Company	(2) Total PA Jurisdiction	(3) PA JSS Reference
1	Total Electric Rate Base	Table No 1	\$ 1,674,901	\$ 1,305,999	Table No 1
	Total Operating Revenues				
2	Total Sales Revenues	D-3	800,754	367,233	Table No 5
3	Sales for Resale/Other Transmission	D-3	1,288	-	Table No 5
4	Other Operating Revenues	D-3	62,492	15,192	Table No 5
5	Total Revenues		864,534	382,425	
	Total Operating Expenses				
6	Operation & Maintenance Expenses	D-4	537,151	147,961	Table No 6
7	Depreciation Expense	D-17	88,089	72,121	Table No 7
8	Amortization Expense	D-17	7,576	6,710	Table No 7
9	Taxes Other Than Income Taxes	D-16	52,703	26,640	Table No 8
10	Total Operating Expenses		685,519	253,432	
11	Utility Operating Income Before Taxes		179,015	128,993	
	Income Taxes:				
12	Federal	D-18	54,200	39,932	Table No 9
13	State	D-18	14,434	10,531	Table No 9
14	Total Income Taxes		68,634	50,463	
15	Total Operating Expenses		754,153	303,895	
16	Total Operating Income		\$ 110,381	\$ 78,530	
	Return Before Adjustments				
17	Earned Rate of Return - %			6.0130%	
18	Required Rate of Return - %	B-9		8.7800%	
19	Return at Required Rate of Return			\$ 114,667	
20	Income Deficiency - \$			36,136	
21	Revenue Deficiency - Tax Multiplier	D-18, Page 2		1.83817	
22	Revenue Deficiency-\$			\$ 66,425	

Duquesne Light Company  
 Before The Pennsylvania Public Utility Commission  
 Historic Test Year - 12 Months Ended March 31, 2010  
 (\$ in Thousands)

Schedule D-1  
 Witness: Crowley  
 Exhibit No. (LAC-3)  
 Page 3 of 3

Jurisdictional Rate Base, Net Operating Income and Revenue Increase

Table No 3  
 Electric Rate Base - Pennsylvania

Line No	Description	Reference	(1) Total Company	(2) Total PA Jurisdiction	(3) PA JSS Reference
1	Electric Plant in Service	C-2	\$ 2,697,417	\$ 2,141,161	Table No 1
2	Accumulated Provision for Depreciation	C-3	864,512	704,819	Table No 1
3	Net Electric Plant in Service		<u>1,832,905</u>	<u>1,436,343</u>	
Other Rate Base Items - Additions:					
4	Cash Working Capital	C-4	58,317	55,434	Table No 12
5	Materials & Supplies	C-5	16,420	10,159	Table No 1
6	Total Additions		<u>74,737</u>	<u>65,593</u>	
7	Total Rate Base Before Deductions		1,907,642	1,501,936	
Other Rate Base Items - Deductions:					
8	Customer Deposits - Account 235	B-1	(5,977)	(5,977)	Table No 1
9	Accumulated Deferred Income Taxes	C-6	(226,764)	(189,960)	Table No 1
10	Total Deductions		<u>(232,741)</u>	<u>(195,937)</u>	
11	Total Electric Rate Base		<u>\$ 1,674,901</u>	<u>\$ 1,305,999</u>	

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**  
**Adjusted Net Operating Income At Present Rates**

**Schedule**  
**Witness:**  
Page 1 of 1  
**D-2**  
**Bordo/O'Brien**

Line #	Description		[ 1 ]	[ 2 ]	[ 3 ]
			HTY Ended 3/31/10 Recorded	Adjustments D-3, Pgs 1 & 2 Increase (Decrease)	Pro Forma Adjusted Year Ended 3/31/10 [ 1 ] + [ 2 ]
1	<u>OPERATING REVENUES</u>				
2	Distribution Tariff Charges		\$ 393,040	\$ (25,807)	\$ 367,233
3	Generation Charges		367,001	2,330	369,331
4	Transmission Charges		63,753	437	64,190
5	Sales for Resale (Off System Sales)		1,288	-	1,288
6			-	-	-
7	CAP Revenue Credit		(12,221)	12,221	-
8	Late Payment Charges		3,657	-	3,657
9	Returned Check Charges		134	-	134
10	Miscellaneous Service Revenues		1,350	(202)	1,148
11	Transmission PJM Credit	447	714	-	714
12	Rent - Electric Property	450	9,446	-	9,446
13	Customer Work - Reimbursement	451	400	-	400
14	0	454	185	-	185
15	Other Electric Revenues - Transmissic	456	46,808	-	46,808
16	0		-	-	-
17	Total operating revenues	Sum L 1 to L 16	<u>875,555</u>	<u>(11,021)</u>	<u>864,534</u>
	<u>OPERATING EXPENSES</u>				
18	Power Production Expense		-	-	-
19	Cost of Purchased Power		368,565	2,054	370,619
20	Other Production Expense			-	-
21	Transmission		5,891	64	5,954
22	Distribution		30,022	305	30,326
23	Customer accounts	1.0300%	32,681	(9,039)	23,642
24	Customer service and information		2,844	3	2,847
25	Sales		-	-	-
26	Administrative and general	0.1461%	78,268	25,495	103,763
27	Depreciation		78,020	9,533	87,553
28	Amortization		2,771	4,805	7,576
29	Amortization of Regulatory Expense		536	-	536
30	Taxes other than income taxes	5.8392%	53,378	(675)	52,703
31			-	-	-
32	Total operating expenses	Sum L 18 to L 31	<u>652,975</u>	<u>32,544</u>	<u>685,519</u>
33	Net Operating Income - BIT	L 17 - L 32	<u>\$ 222,580</u>	<u>\$ (43,564)</u>	<u>179,015</u>
	<u>INCOME TAXES</u>				
34	State Income Taxes				14,434
35	Federal Income Taxes				54,200
36	Total Income Taxes	L 34 + L 35			<u>68,634</u>
37	Net Operating Income	L33 - L 36			<u>\$ 110,381</u>

Duquesne Light Company  
 Before The Pennsylvania Public Utility Commission  
 Historic Test Year - 12 Months Ended March 31, 2010  
 (\$ in Thousands)

Schedule D-3  
 Witness: O'Brien  
 Page 1 of 2

Adjustments to Net Operating Income

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
		As Recorded And Allocated	Revenues		Salaries & Wages	Rate Case Normalization	Benefits & Pensions	Uncollectible Expense	Energy Efficiency Program	SM Program		Total Proforma	
1	<u>OPERATING REVENUES</u>												
2	Distribution Tariff Charges	393,040	(25,807)										\$ 367,233
3	Generation Charges	367,001	2,330										369,331
4	Transmission Charges	63,753	437										64,190
5		-	-										-
6	Sales for Resale (Off System Sales)	1,288	-										1,288
7	CAP Revenue Credit	(12,221)	12,221										-
8	Late Payment Charges	3,657	-										3,657
9	Returned Check Charges	134	-										134
10	Miscellaneous Service Revenues	1,350	(202)										1,148
11	Transmission PJM Credit	714	-										714
12	Rent - Electric Property	9,446	-										9,446
13	Customer Work - Reimbursement	400	-										400
14		185	-										185
15	Other Electric Revenues - Transmission	46,808	-										46,808
16		-	-										-
17	Total operating revenues	Sum L 1 to L 16	875,555	(11,021)	-	-	-	-	-	-	-	-	864,534
	<u>OPERATING EXPENSES</u>												
18	Power Production Expense	-	-										-
19	Cost of Purchased Power	368,565	2,054										370,619
20	Other Production Expenses	-	-										-
21	Transmission	5,891	-		64								5,954
22	Distribution	30,022	-		305								30,326
23	Customer accounts	32,681	-		173			224	(9,813)				23,265
24	Customer service and information	2,844	-		3								2,847
25	Sales	-	-		-								-
26	Administrative and general	78,268	-		303		1,272	23,920					103,763
27	Depreciation	78,020	-		-								78,020
28	Amortization Net Salvage	2,771	-		-								2,771
29	Regulatory and Other Amortization	536	-		-								536
30	Taxes other than income taxes	53,378	-		-								53,378
31		-	-		-								-
32	Total operating expenses	Sum L 18 to L 31	652,975	2,054	-	847	1,272	23,920	224	(9,813)	-	-	671,479
33	Net operating margins Before Income Tax	L 17 - L 32	\$ 222,580	\$ (13,075)	\$ -	\$ (847)	\$ -	\$ (1,272)	\$ (23,920)	\$ (224)	\$ 9,813	\$ -	\$ 193,055

Duquesne Light Company  
 Before The Pennsylvania Public Utility Commission  
 Historic Test Year - 12 Months Ended March 31, 2010  
 (\$ in Thousands)

Schedule D-3  
 Witness: O'Brien  
 Page 2 of 2

**Adjustments to Net Operating Income**

Line #	Description	[ 13 ]	[ 14 ]	[ 15 ]	[ 16 ]	[ 17 ]	[ 18 ]	[ 19 ]	[ 20 ]	[ 21 ]	[ 22 ]	[ 23 ]	[ 24 ]
		From Page 1 Sub-total			Gross Receipts Tax Exp	FICA, FUI SUI Exp	Pro Forma Depre Adj		Interest on Cust Dep				
34	<u>OPERATING REVENUES</u>												\$ -
35	Distribution Tariff Charges	367,233											367,233
36	Generation Charges	369,331											369,331
37	Transmission Charges	64,190											64,190
38	0	-											-
39	Sales for Resale (Off System Sales)	1,288											1,288
40	CAP Revenue Credit	-											-
41	Late Payment Charges	3,657											3,657
42	Returned Check Charges	134											134
43	Miscellaneous Service Revenues	1,148											1,148
44	Transmission PJM Credit	714											714
45	Rent - Electric Property	9,446											9,446
46	Customer Work - Reimbursement	400											400
47	0	185											185
48	Other Electric Revenues - Transmission	46,808									-		46,808
49													-
50	Total operating revenues	Sum L 34 to L 49	864,534	-	-	-	-	-	-	-	-	-	864,534
	<u>OPERATING EXPENSES</u>												
51	Power Production Expense												
52	Cost of Purchased Power	370,619	-	-	-	-	-	-	-	-	-	-	370,619
53	Other Production Expenses	-	-	-	-	-	-	-	-	-	-	-	-
54													
55													
56	Transmission	5,954	-	-	-	-	-	-	-	-	-	-	5,954
57	Distribution	30,326	-	-	-	-	-	-	-	-	-	-	30,326
58	Customer accounts	23,265	-	-	-	-	-	377	-	-	-	-	23,642
59	Customer service and information	2,847	-	-	-	-	-	-	-	-	-	-	2,847
60	Sales	-	-	-	-	-	-	-	-	-	-	-	-
61	Administrative and general	103,763	-	-	-	-	-	-	-	-	-	-	103,763
62	Depreciation	78,020	-	-	-	9,533	-	-	-	-	-	-	87,553
63	Amortization of Net Salvage	2,771	-	-	-	4,805	-	-	-	-	-	-	7,576
64	Regulatory and Other Amortization	536	-	-	-	-	-	-	-	-	-	-	536
65	Taxes other than income taxes	53,378	-	(746)	71	-	-	-	-	-	-	-	52,703
66													-
67	Total operating expenses	Sum L 51 to L 66	671,479	-	(746)	71	14,338	-	377	-	-	-	685,519
68	Net operating margins Before Income Tax	L 50 - L 67	\$ 193,055	\$ -	\$ 746	\$ (71)	\$ (14,338)	\$ -	\$ (377)	\$ -	\$ -	\$ -	\$ 179,015

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

Schedule  
**Witness:** D-4  
Page 1 of 2  
**O'Brien**

**Summary of Adjustments by FERC Account**

Line No	Description	Account No	[ 1 ]	[ 2 ]	[ 3 ]
			FTY Ended 3-31-10		
			Recorded	Pro Forma	PA Jurisdictional
<b>Revenues -- At Present Rates</b>					
1	Distribution Tariff Charges		\$ 393,040	\$ 367,233	\$ 367,233
2	Generation Charges		367,001	369,331	-
3	Transmission Charges		63,753	64,190	-
4	CAP Revenue Credit		(12,221)		
5	Sales for Resale (Off System Sales)		1,288	1,288	-
6	Sum Sales to Customers		812,861	802,042	367,233
7				-	
8	Late Payment Charges		3,657	3,657	3,657
9	Returned Check Charges		134	134	134
10	Miscellaneous Service Revenues		1,350	1,148	1,148
11	Transmission PJM Credit		714	714	
12	Rent - Electric Property		9,446	9,446	9,446
13	Customer Work - Reimbursement		400	400	400
14	Customer Work - Reimbursement O&M Fixed		185	185	185
14	Customer Choice - EGS Transmission		41,937	41,937	222
15	Other Electric Revenues - Transmission		4,871	4,871	-
16	Total operating revenues		875,555	864,534	382,425
<b>Purchased Power Expenses:</b>					
17	Purchased power	555	368,565	370,619	-
18	Other Power Supply Expense	556	-	-	-
19	Total Purchased Power Expenses		368,565	370,619	-
<b>Transmission Expense:</b>					
20	Operation Supervision & Engineering	560	388	393	
21	Load Dispatching	561	(7)	(7)	
22	Station Expenses	562	162	164	
23	Overhead Line Expenses	563	107	108	
24	Underground Line Expenses	564	140	141	
25	Transmission of Electricity by Others	565	-	-	
26	Miscellaneous Transmission Expenses	566	2,162	2,183	
27	Rents	567	(608)	(608)	
28	Maintenance Supervision & Engineering	568	148	151	
29	Maintenance of Structures	569	948	954	
30	Maintenance of Station Equipment	570	1,556	1,579	
31	Maintenance of Overhead Lines	571	883	884	
32	Maintenance of Underground Facilities	572	2	2	
33	Miscellaneous Maintenance & Regional Marketing	573 - 575	10	10	
34	Total Transmission Expenses		5,891	5,954	-
<b>Distribution Expense:</b>					
35	Operation Supervision & Engineering	580	1,315	1,324	1,324
36	Load Dispatching	581	766	780	780
37	Station Expenses	582	307	312	312
38	Overhead Line Expense	583	317	321	321
39	Underground Line Expense	584	408	415	415
40	Meter Expenses	586	1,341	1,365	1,365
41	Customer Installations Expense	587	29	29	29
42	Miscellaneous Expenses	588	5,974	6,048	6,048
43	Rents	589	-	-	-
44	Total Distribution Operation Expenses		10,459	10,595	10,594

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

**Summary of Adjustments by FERC Account**

Line No	Description	Account No	[ 1 ]	[ 2 ]	[ 3 ]
			FTY Ended 3-31-11		
			Budget	Pro Forma	PA Jurisdictional
45	Maintenance Supervision & Engineering	590	32	33	33
46	Maintenance of Structures	591	134	137	136
47	Maintenance of Station Equipment	592	2,353	2,387	2,384
48	Maintenance of OH Lines	593	13,898	13,990	13,985
49	Maintenance of Underground lines	594	1,095	1,107	1,107
50	Maintenance of Line Transformers	595	72	72	72
51	Maintenance of Street Lighting & Signals	596	368	373	373
52	Maintenance of Meters	597	1,367	1,392	1,392
53	Maintenance of Miscellaneous Plant	598	242	242	242
54	Total Distribution Maintenance Expenses		<u>19,563</u>	<u>19,732</u>	<u>19,725</u>
55	Total Distribution Expenses		<u>30,022</u>	<u>30,326</u>	<u>30,319</u>
<b>Customer Accounting Expense:</b>					
56	Supervision	901	2,362	2,393	2,393
57	Customer Assistance	902	4,198	4,223	4,223
58	Records & Collections	903	14,234	14,728	14,728
59	Uncollectible Accounts	904	11,887	12,111	12,111
60	Miscellaneous Expenses	905	-	(9,813)	(9,813)
61	Total Customer Accounts Expense		<u>32,681</u>	<u>23,642</u>	<u>23,642</u>
<b>Customer Services Expense:</b>					
62	Customer Service-Supervision	907	-	-	-
63	Customer Service-Customer Assistance	908	2,844	2,847	2,847
64	Customer Service-Information and Instruction	909	-	-	-
65	Customer Service-Miscellaneous Service & Info	910	-	-	-
66	Total Customer Service & Informational Expenses		<u>2,844</u>	<u>2,847</u>	<u>2,847</u>
<b>Sales Expense:</b>					
67	Supervision	911	-	-	-
68	Demonstration and Selling Expenses	912	-	-	-
69	Advertising Expenses	913	-	-	-
70	Miscellaneous Sales Expenses	916	-	-	-
71	Total Sales Expense		<u>-</u>	<u>-</u>	<u>-</u>
<b>Administrative &amp; General Expenses:</b>					
72	Administrative and General Salaries	920	18,620	18,842	16,633
73	Office Supplies and Expenses	921	3,305	3,309	2,921
74	Administrative Expenses Transferred - Credit	922	-	-	-
75	Outside Services Employed	923	10,931	10,931	9,650
76	Property Insurance	924	4,980	4,980	3,954
77	Injuries and Damages	925	-	-	-
78	Employee Pensions and Benefits	926	20,767	44,689	39,449
79	Regulatory Commission Expenses	928	6,224	7,496	6,617
80	General Advertising Expenses	930 1	1,851	1,854	1,636
81	Miscellaneous General Expenses	930 2	-	-	-
82	Rents	931	3,323	3,323	2,934
83	Total Operation		<u>70,002</u>	<u>95,424</u>	<u>83,793</u>
84	Maintenance of General Plant	935	8,266	8,338	7,361
85	Total Administrative and General Expenses		<u>78,268</u>	<u>103,763</u>	<u>91,154</u>
86	<b>Total Operation &amp; Maintenance Expenses-\$</b>		<u>\$ 518,270</u>	<u>\$ 537,151</u>	<u>\$ 147,961</u>

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

Schedule D-5  
Witness: O'Brien  
Page 1 of 1

**Summary of Revenue Adjustments**

Line #	Description	[1]	[2]	[3]	[4] PRO FORMA ADJUSTMENTS			[6]	[7]	[8]	[9]
		Reference Or Account Number	HTY End 3-31-10 Recorded	D5-A Revenue Annualization	D5-B CAP Rev Credit	D5-C POR Fee	D5-D Convert Recorded To Regulatory	D5-E Remove EE & CES Revenue	Total Proforma Adjustments {3 to 7}	Proforma Adjusted At Present Rates [2] + [8]	
1											
2	Distribution Tariff Charges		\$ 393,040	\$ 318	\$ (13,344)	\$ -	\$ (4,327)	\$ (8,454)	\$ (25,807)	\$ 367,233	
3	Generation Charges		367,001	-	-	-	2,330	-	2,330	369,331	
4	Transmission Charges		63,753	-	-	-	437	-	437	64,190	
5											
6	Sum Sales to Customers	Sum L 1 to L 5	823,794	318	(13,344)	-	(1,560)	(8,454)	(23,040)	800,754	
7											
8	CAP Revenue Credits		(12,221)		12,221				12,221	-	
9											
10	Sub-Total	Sum L 6 to L 9	811,573	318	(1,123)	-	(1,560)	(8,454)	(10,819)	800,754	
11	Sales for Resale (Off System Sales)		1,288						-	1,288	
12	Sales to Customers	L 10 + L 11	812,861	318	(1,123)	-	(1,560)	(8,454)	(10,819)	802,042	
13	Late Payment Charges		3,657	-					-	3,657	
14	Returned Check Charges		134	-					-	134	
15	Miscellaneous Service Revenues		1,350	-		(202)			(202)	1,148	
16	Transmission PJM Credit		714	-					-	714	
17	Rent - Electric Property		9,446	-					-	9,446	
18	Customer Work - Reimbursement		400	-					-	400	
19	Customer Work - Reimbursement O&M Fixed		185	-					-	185	
	<b>Other Electric Revenue</b>										
19	Customer Choice - EGS Transmission		41,937	-					-	41,937	
20	Other Electric Revenues - Distribution		222	-					-	222	
21	Trans Revenue		-	-					-	-	
22	Other Electric Revenues - Transmission		498	-					-	498	
23	Transmission Revenues - AES/APS		2,347	-					-	2,347	
24	Transmission Revenues - APS/Piney Fork		288	-					-	288	
25	Non-Firm Transmission Service		1,516	-					-	1,516	
26	Total Revenues	Sum L 12 to L 25	875,555	318	(1,123)	(202)	(1,560)	(8,454)	(11,021)	864,534	
27	Other										
28	TOTAL REVENUES	L 26 + L 27	\$ 875,555	\$ 318	\$ (1,123)	\$ (202)	\$ (1,560)	\$ (8,454)	\$ (11,021)	\$ 864,534	

DUQUESNE LIGHT COMPANY  
HISTORIC TEST YEAR ENDED MARCH 31, 2010  
(\$ in Thousands )

Schedule D-5A  
Witness: O'Brien  
Page 1 of 1

Revenue Annualization

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
		Residential	Residential Heating	Small C&I	Large C&I	Total
1	Total Test Year Revenues	\$ 206,947	\$ 83,123	\$ 79,545	\$ 12,264	\$ 381,879
2	Commodity Billings in Revenues	-	-	-	-	-
3	Revenues net of Commodity - Margin ( L 1 - L 2 )	<u>\$ 206,947</u>	<u>\$ 83,123</u>	<u>\$ 79,545</u>	<u>\$ 12,264</u>	<u>\$ 381,879</u>
4	Average Monthly Customers in TY	<u>524,071</u>	<u>54,315</u>	<u>915</u>	<u>7,506</u>	<u>586,807</u>
5	Average Annual Margin Per Customer ( L 3 / L 4 )	<u>\$ 0.395</u>	<u>\$ 1.530</u>	<u>\$ 86.934</u>	<u>\$ 1.634</u>	<u>\$ 0.651</u>
6	Number of Customers at End of Year	<u>525,535</u>	<u>54,308</u>	<u>912</u>	<u>7,513</u>	<u>588,268</u>
7	Increase in Customers during TY ( L 6 - L 4 )	<u>1,464</u>	<u>(7)</u>	<u>(3)</u>	<u>7</u>	<u>1,461</u>
8	Annualization of Revenue ( L 5 * L 7 )	<u>\$ 578</u>	<u>\$ (11)</u>	<u>\$ (261)</u>	<u>\$ 11</u>	<u>\$ 318</u>

DUQUESNE LIGHT COMPANY  
HISTORIC TEST YEAR ENDED MARCH 31, 2010  
( \$ in Thousands )

Schedule D-5B  
Witness: O'Brien  
Page 1 of 1

CAP Revenue Credit Adjustment

Line #	Description	[ 1 ] Reference	[ 2 ] Amount	[ 3 ] Sub-Total	[ 4 ] Total
1	CAP Revenue Credit Included in Distribution Revenue		<u>\$ (12,221)</u>		
<b><u>Reflect CAP Discounts as Revenue Credit HTY</u></b>					
2	Reflect HTY CAP Adjustment not in Budget			\$ (12,512)	
3	Total CAP Discounts in Budget			<u>\$ (12,221)</u>	
4	Adjustment to FTY Budget	L 2 - L 3			(291)
<b><u>Update for Enrollment to 3-31-10</u></b>					
5	Funding Level to End of 3-31-10		\$ (13,344)		
6	Prior CAP Credit Amounts	L 2	<u>(12,512)</u>		
7	Increase from Update to 3-31-10	L 5 - L 6		(832)	
8	Increase in CAP Credits for HTY	L 4 + L 7			(832)
					<u>-</u>
9	Total CAP Adjustment	Sum L 1 to L 9			<u>\$ (1,123)</u>

Duquesne Light Company  
 Historic Test Year Revenue at Present Rates  
 12 Month Period Ended March 31, 2010 at Customer Shopping Levels

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Line	Rate Class	Average No. Customers	Distribution Sales (kWh)	POLR Sales (kWh)	Base Distribution Present Rate Revenue	CAP Revenue Credit	Act 129 Energy Efficiency (EECDR) Surcharge	Act 129 Smart Meter Surcharge	Consumer Education Surcharge	State Tax Adj. Surcharge (STAS)	Distribution (Sum Col. F - K)	Transmission Present Rate Revenue (w/shopping)	Generation Present Rate Revenue (w/shopping)	Total Present Rate Revenue
1	RS	492,238	3,545,276,794	2,711,680,792	\$191,358,209	(\$10,950,532)	\$2,550,087	\$0	(\$375,870)	(\$803,433)	\$181,778,462	\$37,229,476	\$194,060,181	\$413,068,119
2	RH	28,180	359,966,702	356,321,401	\$14,099,700	(\$1,235,925)	\$406,352	\$0	(\$21,562)	(\$57,157)	\$13,191,407	\$2,502,937	\$24,258,780	\$39,953,124
3	RA	3,653	48,442,242	41,884,246	\$1,488,792	(\$34,543)	\$39,343	\$0	(\$2,806)	(\$6,312)	\$1,484,474	\$568,095	\$2,894,994	\$4,947,563
4	GS	22,214	83,476,021	71,976,789	\$5,399,357	\$0	\$31,593	\$0	(\$23,942)	(\$22,136)	\$5,384,872	\$719,939	\$5,233,913	\$11,338,725
5	GM<25	19,498	621,250,223	509,272,159	\$18,994,283	\$0	\$228,778	\$0	(\$20,920)	(\$80,807)	\$19,121,334	\$5,598,968	\$36,113,664	\$60,833,965
6	GM>25	9,249	2,138,838,158	1,201,277,263	\$51,479,833	\$0	\$840,951	\$0	(\$5,785)	(\$218,389)	\$52,096,610	\$13,844,830	\$75,090,606	\$141,032,046
7	GMH<25	2,328	51,092,809	44,620,806	\$2,117,246	\$0	\$23,958	\$0	(\$2,503)	(\$8,709)	\$2,129,992	\$338,214	\$3,163,219	\$5,631,425
8	GMH>25	1,026	244,336,638	181,849,668	\$5,132,565	\$0	\$112,732	\$0	(\$636)	(\$21,410)	\$5,223,251	\$1,612,928	\$10,354,890	\$17,191,070
9	GL	770	3,080,684,373	227,535,079	\$53,045,576	\$0	\$2,661,002	\$0	\$403	(\$231,861)	\$55,475,120	\$1,163,693	\$11,871,330	\$68,510,143
10	GLH	115	533,041,822	24,038,653	\$7,778,614	\$0	\$453,680	\$0	\$59	(\$33,754)	\$8,198,598	\$179,720	\$1,388,781	\$9,767,099
11	L	27	1,313,869,126	2,480,099	\$18,201,174	\$0	\$1,102,657	\$0	\$13	(\$81,889)	\$19,221,954	\$16,662	\$141,698	\$19,380,315
12	HVPS	3	1,089,792,000	0	\$519,192	\$0	\$456,399	\$0	\$2	(\$3,407)	\$972,186	\$0	\$0	\$972,186
13	AL	3	103,340	103,340	\$936	\$0	\$0	\$0	\$0	(\$4)	\$932	\$465	\$6,121	\$7,518
14	SE	1	27,602,393	27,602,393	\$1,511,215	\$0	\$0	\$0	\$0	(\$5,919)	\$1,505,296	\$119,332	\$1,634,890	\$3,259,517
15	SM	1,436	29,841,918	27,685,238	\$9,179,434	\$0	\$0	\$0	\$0	(\$37,174)	\$9,142,260	\$115,044	\$1,641,148	\$10,898,452
16	SH	29	936,157	936,157	\$125,447	\$0	\$0	\$0	\$0	(\$508)	\$124,939	\$3,912	\$55,475	\$184,327
17	UMS	5,500	22,506,035	19,899,754	\$1,236,190	\$0	\$0	\$0	\$0	(\$5,030)	\$1,231,159	\$170,162	\$1,336,865	\$2,738,186
18	PAL	536	1,456,224	1,424,448	\$210,559	\$0	\$0	\$0	\$0	(\$851)	\$209,707	\$6,040	\$84,375	\$300,122
19	<b>Total</b>	<b>586,806</b>	<b>13,192,512,975</b>	<b>5,450,588,285</b>	<b>\$381,878,322</b>	<b>(\$12,221,000)</b>	<b>\$8,907,531</b>	<b>\$0</b>	<b>(\$453,547)</b>	<b>(\$1,618,752)</b>	<b>\$376,492,554</b>	<b>\$64,190,416</b>	<b>\$369,330,931</b>	<b>\$810,013,900</b>
20	<u>Other Electric Revenue:</u>													
21	Sales for Resale (Acct. 447)				\$0						\$0		\$1,288,000	\$1,288,000
22	Late Payment/Returned Check Charges (Acct. 450)				\$3,791,000						\$3,791,000	\$0		\$3,791,000
23	Reconnect Fees/PJM Office (Acct. 451)				\$1,350,000						\$1,350,000	\$714,000		\$2,064,000
24	Rent Electric Property (Acct. 454)				\$10,031,000						\$10,031,000	\$0		\$10,031,000
25	Other Revenue (Acct. 456)				\$222,000						\$222,000	\$0		\$222,000
26	Transmission - EGS (Acct. 456)				\$0						\$0	\$41,937,000		\$41,937,000
27	Transmission - Wholesale (Acct. 456)				\$0						\$0	\$4,649,000		\$4,649,000
28	<b>Subtotal Other Revenue</b>				<b>\$15,394,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,394,000</b>	<b>\$47,300,000</b>	<b>\$1,288,000</b>	<b>\$63,982,000</b>
29	<b>Total Operating Revenue</b>				<b>\$397,272,322</b>	<b>(\$12,221,000)</b>	<b>\$8,907,531</b>	<b>\$0</b>	<b>(\$453,547)</b>	<b>(\$1,618,752)</b>	<b>\$391,886,554</b>	<b>\$111,490,416</b>	<b>\$370,618,931</b>	<b>\$873,995,900</b>

**Duquesne Light Company**  
**Adjusted Historic Test Year Revenue at Present Rates**  
**12 Month Period Ended March 31, 2010 at Customer Shopping Levels**

A	B	C	D	E	F	G	H	I
Line	Rate Class	Distribution Present Rate Revenue	CAP Revenue Credit	State Tax Adj. Surcharge (STAS)	Distribution (Sum Col. C - E)	Transmission Present Rate Revenue (w/shopping)	Generation Present Rate Revenue (w/shopping)	Adjusted Present Rate Revenue
1	RS	\$191,358,209	(\$11,956,787)	(\$803,433)	\$178,597,989	\$37,229,476	\$194,060,181	\$409,887,646
2	RH	\$14,099,700	(\$1,349,496)	(\$57,157)	\$12,693,047	\$2,502,937	\$24,258,780	\$39,454,764
3	RA	\$1,488,792	(\$37,717)	(\$6,312)	\$1,444,763	\$568,095	\$2,894,994	\$4,907,852
4	GS	\$5,399,357	\$0	(\$22,136)	\$5,377,221	\$719,939	\$5,233,913	\$11,331,074
5	GM<25	\$18,994,283	\$0	(\$80,807)	\$18,913,476	\$5,598,968	\$36,113,664	\$60,626,107
6	GM>25	\$51,479,833	\$0	(\$218,389)	\$51,261,444	\$13,844,830	\$75,090,606	\$140,196,880
7	GMH<25	\$2,117,246	\$0	(\$8,709)	\$2,108,536	\$338,214	\$3,163,219	\$5,609,969
8	GMH>25	\$5,132,565	\$0	(\$21,410)	\$5,111,155	\$1,612,928	\$10,354,890	\$17,078,974
9	GL	\$53,045,576	\$0	(\$231,861)	\$52,813,715	\$1,163,693	\$11,871,330	\$65,848,739
10	GLH	\$7,778,614	\$0	(\$33,754)	\$7,744,860	\$179,720	\$1,388,781	\$9,313,361
11	L	\$18,201,174	\$0	(\$81,889)	\$18,119,284	\$16,662	\$141,698	\$18,277,645
12	HVPS	\$519,192	\$0	(\$3,407)	\$515,786	\$0	\$0	\$515,786
13	AL	\$936	\$0	(\$4)	\$932	\$465	\$6,121	\$7,518
14	SE	\$1,511,215	\$0	(\$5,919)	\$1,505,296	\$119,332	\$1,634,890	\$3,259,517
15	SM	\$9,179,434	\$0	(\$37,174)	\$9,142,260	\$115,044	\$1,641,148	\$10,898,452
16	SH	\$125,447	\$0	(\$508)	\$124,939	\$3,912	\$55,475	\$184,327
17	UMS	\$1,236,190	\$0	(\$5,030)	\$1,231,159	\$170,162	\$1,336,865	\$2,738,186
18	PAL	\$210,559	\$0	(\$851)	\$209,707	\$6,040	\$84,375	\$300,122
19	<b>Total</b>	<b>\$381,878,322</b>	<b>(\$13,344,000)</b>	<b>(\$1,618,752)</b>	<b>\$366,915,570</b>	<b>\$64,190,416</b>	<b>\$369,330,931</b>	<b>\$800,436,916</b>
20	<u>Other Electric Revenue:</u>							
21	Sales for Resale (Acct. 447)	\$0			\$0		\$1,288,000	\$1,288,000
22	Late Payment/Returned Check Charges (Acct. 450)	\$3,791,000			\$3,791,000	\$0		\$3,791,000
23	Reconnect Fees/PJM Office (Acct. 451)	\$1,148,000			\$1,148,000	\$714,000		\$1,862,000
24	Rent Electric Property (Acct. 454)	\$10,031,000			\$10,031,000	\$0		\$10,031,000
25	Other Revenue (Acct. 456)	\$222,000			\$222,000	\$0		\$222,000
26	Revenue Annualization	\$318,206			\$318,206			\$318,206
27	Transmission - EGS (Acct. 456)	\$0			\$0	\$41,937,000		\$41,937,000
28	Transmission - Wholesale (Acct. 456)	\$0			\$0	\$4,649,000		\$4,649,000
29	<b>Subtotal Other Revenue</b>	<b>\$15,510,206</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,510,206</b>	<b>\$47,300,000</b>	<b>\$1,288,000</b>	<b>\$64,098,206</b>
30	<b>Total Operating Revenue</b>	<b>\$397,388,528</b>	<b>(\$13,344,000)</b>	<b>(\$1,618,752)</b>	<b>\$382,425,776</b>	<b>\$111,490,416</b>	<b>\$370,618,931</b>	<b>\$864,535,122</b>

**Duquesne Light Company**  
**Historic Test Year at Proposed Distribution Rates**  
**12 Month Period Ended March 31, 2010 at Customer Shopping Levels**

A	B	C	D	E	F	G	H	I	J	K	L
Line	Rate Class	Distribution Revenue at Proposed Rates	CAP Revenue Credit	Proposed Distribution	Transmission Present Rate Revenue (w/shopping)	Generation Present Rate Revenue (w/shopping)	Total Proposed Rate Revenue	Total Revenue Change	Total Percent Change	Distribution Revenue Change	Distribution Percent Change
1	RS	\$238,996,173	(\$11,956,787)	\$227,039,386	\$37,229,476	\$194,060,181	\$458,329,043	\$48,441,397	11.8%	\$48,441,397	27.1%
2	RH	\$19,785,564	(\$1,349,496)	\$18,436,068	\$2,502,937	\$24,258,780	\$45,197,785	\$5,743,021	14.6%	\$5,743,021	45.2%
3	RA	\$2,199,017	(\$37,717)	\$2,161,300	\$568,095	\$2,894,994	\$5,624,390	\$716,537	14.6%	\$716,537	49.6%
4	GS	\$7,252,525	\$0	\$7,252,525	\$719,939	\$5,233,913	\$13,206,377	\$1,875,304	16.6%	\$1,875,304	34.9%
5	GM<25	\$26,283,945	\$0	\$26,283,945	\$5,598,968	\$36,113,664	\$67,996,576	\$7,370,469	12.2%	\$7,370,469	39.0%
6	GM>25	\$61,639,404	\$0	\$61,639,404	\$13,844,830	\$75,090,606	\$150,574,839	\$10,377,959	7.4%	\$10,377,959	20.2%
7	GMH<25	\$2,925,978	\$0	\$2,925,978	\$338,214	\$3,163,219	\$6,427,411	\$817,442	14.6%	\$817,442	38.8%
8	GMH>25	\$6,602,560	\$0	\$6,602,560	\$1,612,928	\$10,354,890	\$18,570,379	\$1,491,405	8.7%	\$1,491,405	29.2%
9	GL	\$62,098,246	\$0	\$62,098,246	\$1,163,693	\$11,871,330	\$75,133,269	\$9,284,530	14.1%	\$9,284,530	17.6%
10	GLH	\$10,503,984	\$0	\$10,503,984	\$179,720	\$1,388,781	\$12,072,485	\$2,759,125	29.6%	\$2,759,125	35.6%
11	L	\$20,729,897	\$0	\$20,729,897	\$16,662	\$141,698	\$20,888,258	\$2,610,613	14.3%	\$2,610,613	14.4%
12	HVPS	\$706,340	\$0	\$706,340	\$0	\$0	\$706,340	\$190,554	36.9%	\$190,554	36.9%
13	AL	\$721	\$0	\$721	\$465	\$6,121	\$7,306	(\$212)	-2.8%	(\$212)	-22.7%
14	SE	\$1,275,163	\$0	\$1,275,163	\$119,332	\$1,634,890	\$3,029,385	(\$230,132)	-7.1%	(\$230,132)	-15.3%
15	SM	\$7,235,595	\$0	\$7,235,595	\$115,044	\$1,641,148	\$8,991,787	(\$1,906,665)	-17.5%	(\$1,906,665)	-20.9%
16	SH	\$98,883	\$0	\$98,883	\$3,912	\$55,475	\$158,270	(\$26,057)	-14.1%	(\$26,057)	-20.9%
17	UMS	\$1,233,732	\$0	\$1,233,732	\$170,162	\$1,336,865	\$2,740,759	\$2,573	0.1%	\$2,573	0.2%
18	PAL	\$165,971	\$0	\$165,971	\$6,040	\$84,375	\$256,385	(\$43,737)	-14.6%	(\$43,737)	-20.9%
19	<b>Total</b>	<b>\$469,733,697</b>	<b>(\$13,344,000)</b>	<b>\$456,389,697</b>	<b>\$64,190,416</b>	<b>\$369,330,931</b>	<b>\$889,911,043</b>	<b>\$89,474,127</b>	<b>11.2%</b>	<b>\$89,474,127</b>	<b>24.4%</b>
20	<u>Other Electric Revenue:</u>										
21	Sales for Resale (Acct. 447)	\$0		\$0		\$1,288,000	\$1,288,000	\$0		\$0	
22	Late Payment/Returned Check Charges (Acct. 450)	\$3,791,000		\$3,791,000	\$0		\$3,791,000	\$0		\$0	
23	Reconnect Fees/PJM Office (Acct. 451)	\$1,148,000		\$1,148,000	\$714,000		\$1,862,000	\$0		\$0	
24	Rent Electric Property (Acct. 454)	\$10,031,000		\$10,031,000	\$0		\$10,031,000	\$0		\$0	
25	Other Revenue (Acct. 456)	\$222,000		\$222,000	\$0		\$222,000	\$0		\$0	
26	Revenue Annualization	\$318,206		\$318,206			\$318,206	\$0		\$0	
27	Transmission - EGS (Acct. 456)	\$0		\$0	\$41,937,000		\$41,937,000	\$0		\$0	
28	Transmission - Wholesale (Acct. 456)	\$0		\$0	\$4,649,000		\$4,649,000	\$0		\$0	
29	<b>Subtotal Other Revenue</b>	<b>\$15,510,206</b>	<b>\$0</b>	<b>\$15,510,206</b>	<b>\$47,300,000</b>	<b>\$1,288,000</b>	<b>\$64,098,206</b>	<b>\$0</b>		<b>\$0</b>	
30	<b>Total Operating Revenue</b>	<b>\$485,243,903</b>	<b>(\$13,344,000)</b>	<b>\$471,899,903</b>	<b>\$111,490,416</b>	<b>\$370,618,931</b>	<b>\$954,009,249</b>	<b>\$89,474,127</b>	<b>10.3%</b>	<b>\$89,474,127</b>	<b>23.4%</b>

**Duquesne Light Company**  
**Historic Test Year Revenue at Present Rates**  
**12 Month Period Ended March 31, 2010 Assuming No Customer Shopping (i.e. 100% POLR Load)**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Line	Rate Class	Average No. Customers	Distribution Sales (kWh)	100% POLR Sales (kWh)	Base Distribution Present Rate Revenue	CAP Revenue Credit	Act 129 Energy Efficiency (EECDR) Surcharge	Act 129 Smart Meter Surcharge	Consumer Education Surcharge	State Tax Adj. Surcharge (STAS)	Distribution (Sum Col F - K)	Transmission Present Rate Revenue (w/o shopping)	Generation Present Rate Revenue (w/o shopping)	Total Present Rate Revenue
1	RS	492,238	3,545,276,794	3,545,276,794	\$191,358,209	(\$10,950,532)	\$2,550,087	\$0	(\$375,870)	(\$803,433)	\$181,778,462	\$48,807,826	\$253,700,007	\$484,286,295
2	RH	28,180	359,966,702	359,966,702	\$14,099,700	(\$1,235,925)	\$406,352	\$0	(\$21,562)	(\$57,157)	\$13,191,407	\$2,420,056	\$25,759,217	\$41,370,680
3	RA	3,653	48,442,242	48,442,242	\$1,488,792	(\$34,543)	\$39,343	\$0	(\$2,806)	(\$6,312)	\$1,484,474	\$656,102	\$3,466,527	\$5,607,103
4	GS	22,214	83,476,021	83,476,021	\$5,399,357	\$0	\$31,593	\$0	(\$23,942)	(\$22,136)	\$5,384,872	\$799,617	\$6,068,707	\$12,253,195
5	GM<25	19,498	621,250,223	621,250,223	\$18,994,283	\$0	\$228,778	\$0	(\$20,920)	(\$80,807)	\$19,121,334	\$6,370,586	\$45,177,316	\$70,669,237
6	GM>25	9,249	2,138,838,158	2,138,838,158	\$51,479,833	\$0	\$840,951	\$0	(\$5,785)	(\$218,389)	\$52,096,610	\$24,536,449	\$118,382,553	\$195,015,613
7	GMH<25	2,328	51,092,809	51,092,809	\$2,117,246	\$0	\$23,958	\$0	(\$2,503)	(\$8,709)	\$2,129,992	\$246,254	\$3,715,469	\$6,091,715
8	GMH>25	1,026	244,336,638	244,336,638	\$5,132,565	\$0	\$112,732	\$0	(\$636)	(\$21,410)	\$5,223,251	\$1,715,711	\$13,985,829	\$20,924,791
9	GL	770	3,080,684,373	3,080,684,373	\$53,045,576	\$0	\$2,661,002	\$0	\$403	(\$231,861)	\$55,475,120	\$17,321,778	\$160,730,477	\$233,527,375
10	GLH	115	533,041,822	533,041,822	\$7,778,614	\$0	\$453,680	\$0	\$59	(\$33,754)	\$8,198,598	\$3,016,161	\$30,795,338	\$42,010,098
11	L	27	1,313,869,126	1,313,869,126	\$18,201,174	\$0	\$1,102,657	\$0	\$13	(\$81,889)	\$19,221,954	\$6,543,301	\$75,066,669	\$100,831,924
12	HVPS	3	1,089,792,000	1,089,792,000	\$519,192	\$0	\$456,399	\$0	\$2	(\$3,407)	\$972,186	\$3,172,440	\$60,694,337	\$64,838,963
13	AL	3	103,340	103,340	\$936	\$0	\$0	\$0	\$0	(\$4)	\$932	\$473	\$6,121	\$7,526
14	SE	1	27,602,393	27,602,393	\$1,511,215	\$0	\$0	\$0	\$0	(\$5,919)	\$1,505,296	\$121,092	\$1,634,890	\$3,261,277
15	SM	1,436	29,841,918	29,841,918	\$9,179,434	\$0	\$0	\$0	\$0	(\$37,174)	\$9,142,260	\$126,919	\$1,767,537	\$11,036,716
16	SH	29	936,157	936,157	\$125,447	\$0	\$0	\$0	\$0	(\$508)	\$124,939	\$4,027	\$55,449	\$184,415
17	UMS	5,500	22,506,035	22,506,035	\$1,236,190	\$0	\$0	\$0	\$0	(\$5,030)	\$1,231,159	\$180,446	\$1,511,955	\$2,923,561
18	PAL	536	1,456,224	1,456,224	\$210,559	\$0	\$0	\$0	\$0	(\$851)	\$209,707	\$6,252	\$86,252	\$302,211
19	<b>Total</b>	<b>586,806</b>	<b>13,192,512,975</b>	<b>13,192,512,975</b>	<b>\$381,878,322</b>	<b>(\$12,221,000)</b>	<b>\$8,907,531</b>	<b>\$0</b>	<b>(\$453,547)</b>	<b>(\$1,618,752)</b>	<b>\$376,492,554</b>	<b>\$116,045,491</b>	<b>\$802,604,651</b>	<b>\$1,295,142,695</b>
20	<u>Other Electric Revenue:</u>													
21	Sales for Resale (Acct. 447)				\$0						\$0		\$1,288,000	\$1,288,000
22	Late Payment/Returned Check Charges (Acct. 450)				\$3,791,000						\$3,791,000	\$0		\$3,791,000
23	Reconnect Fees/PJM Office (Acct. 451)				\$1,350,000						\$1,350,000	\$714,000		\$2,064,000
24	Rent Electric Property (Acct. 454)				\$10,031,000						\$10,031,000	\$0		\$10,031,000
25	Other Revenue (Acct. 456)				\$222,000						\$222,000	\$0		\$222,000
26	Transmission - EGS (Acct. 456)				\$0						\$0	\$0		\$0
27	Transmission - Wholesale (Acct. 456)				\$0						\$0	\$4,649,000		\$4,649,000
28	<b>Subtotal Other Revenue</b>				<b>\$15,394,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,394,000</b>	<b>\$5,363,000</b>	<b>\$1,288,000</b>	<b>\$22,045,000</b>
29	<b>Total Operating Revenue</b>				<b>\$397,272,322</b>	<b>(\$12,221,000)</b>	<b>\$8,907,531</b>	<b>\$0</b>	<b>(\$453,547)</b>	<b>(\$1,618,752)</b>	<b>\$391,886,554</b>	<b>\$121,408,491</b>	<b>\$803,892,651</b>	<b>\$1,317,187,695</b>

Duquesne Light Company  
Adjusted Historic Test Year Revenue at Present Rates  
12 Month Period Ended March 31, 2010 Assuming No Customer Shopping (i.e. 100% POLR Load)

A	B	C	D	E	F	G	H	I
Line	Rate Class	Distribution Present Rate Revenue	CAP Revenue Credit	State Tax Adj Surcharge (STAS)	Distribution (Sum Col. C - E)	Transmission Present Rate Revenue (w/o shopping)	Generation Present Rate Revenue (w/o shopping)	Adjusted Present Rate Revenue
1	RS	\$191,358,209	(\$11,956,787)	(\$803,433)	\$178,597,989	\$48,807,826	\$253,700,007	\$481,105,822
2	RH	\$14,099,700	(\$1,349,496)	(\$57,157)	\$12,693,047	\$2,420,056	\$25,759,217	\$40,872,320
3	RA	\$1,488,792	(\$37,717)	(\$6,312)	\$1,444,763	\$656,102	\$3,466,527	\$5,567,392
4	GS	\$5,399,357	\$0	(\$22,136)	\$5,377,221	\$799,617	\$6,068,707	\$12,245,545
5	GM<25	\$18,994,283	\$0	(\$80,807)	\$18,913,476	\$6,370,586	\$45,177,316	\$70,461,379
6	GM>25	\$51,479,833	\$0	(\$218,389)	\$51,261,444	\$24,536,449	\$118,382,553	\$194,180,447
7	GMH<25	\$2,117,246	\$0	(\$8,709)	\$2,108,536	\$246,254	\$3,715,469	\$6,070,259
8	GMH>25	\$5,132,565	\$0	(\$21,410)	\$5,111,155	\$1,715,711	\$13,985,829	\$20,812,695
9	GL	\$53,045,576	\$0	(\$231,861)	\$52,813,715	\$17,321,778	\$160,730,477	\$230,865,971
10	GLH	\$7,778,614	\$0	(\$33,754)	\$7,744,860	\$3,016,161	\$30,795,338	\$41,556,359
11	L	\$18,201,174	\$0	(\$81,889)	\$18,119,284	\$6,543,301	\$75,066,669	\$99,729,255
12	HVPS	\$519,192	\$0	(\$3,407)	\$515,786	\$3,172,440	\$60,694,337	\$64,382,563
13	AL	\$936	\$0	(\$4)	\$932	\$473	\$6,121	\$7,526
14	SE	\$1,511,215	\$0	(\$5,919)	\$1,505,296	\$121,092	\$1,634,890	\$3,261,277
15	SM	\$9,179,434	\$0	(\$37,174)	\$9,142,260	\$126,919	\$1,767,537	\$11,036,716
16	SH	\$125,447	\$0	(\$508)	\$124,939	\$4,027	\$55,449	\$184,415
17	UMS	\$1,236,190	\$0	(\$5,030)	\$1,231,159	\$180,446	\$1,511,955	\$2,923,561
18	PAL	\$210,559	\$0	(\$851)	\$209,707	\$6,252	\$86,252	\$302,211
19	Total	\$381,878,322	(\$13,344,000)	(\$1,618,752)	\$366,915,570	\$116,045,491	\$802,604,651	\$1,285,565,712
20	<u>Other Electric Revenue:</u>							
21	Sales for Resale (Acct. 447)	\$0			\$0		\$1,288,000	\$1,288,000
22	Late Payment/Returned Check Charges (Acct. 450)	\$3,791,000			\$3,791,000	\$0		\$3,791,000
23	Reconnect Fees/PJM Office (Acct. 451)	\$1,148,000			\$1,148,000	\$714,000		\$1,862,000
24	Rent Electric Property (Acct. 454)	\$10,031,000			\$10,031,000	\$0		\$10,031,000
25	Other Revenue (Acct. 456)	\$222,000			\$222,000	\$0		\$222,000
26	Revenue Annualization	\$318,206			\$318,206			\$318,206
27	Transmission - EGS (Acct. 456)	\$0			\$0	\$0		\$0
28	Transmission - Wholesale (Acct. 456)	\$0			\$0	\$4,649,000		\$4,649,000
29	Subtotal Other Revenue	\$15,510,206	\$0	\$0	\$15,510,206	\$5,363,000	\$1,288,000	\$22,161,206
30	Total Operating Revenue	\$397,388,528	(\$13,344,000)	(\$1,618,752)	\$382,425,776	\$121,408,491	\$803,892,651	\$1,307,726,918

Duquesne Light Company  
 Historic Test Year at Proposed Distribution Rates  
 12 Month Period Ended March 31, 2010 Assuming No Customer Shopping (i.e. 100% POLR Load)

A	B	C	D	E	F	G	H	I	J	K	L
Line	Rate Class	Distribution Revenue at Proposed Rates	CAP Revenue Credit	Proposed Distribution	Transmission Present Rate Revenue (w/o shopping)	Generation Present Rate Revenue (w/o shopping)	Total Proposed Rate Revenue	Total Revenue Change	Total Percent Change	Distribution Revenue Change	Distribution Percent Change
1	RS	\$238,996,173	(\$11,956,787)	\$227,039,386	\$48,807,826	\$253,700,007	\$529,547,219	\$48,441,397	10.1%	\$48,441,397	27.1%
2	RH	\$19,785,564	(\$1,349,496)	\$18,436,068	\$2,420,056	\$25,759,217	\$46,615,341	\$5,743,021	14.1%	\$5,743,021	45.2%
3	RA	\$2,199,017	(\$37,717)	\$2,161,300	\$656,102	\$3,466,527	\$6,283,929	\$716,537	12.9%	\$716,537	49.6%
4	GS	\$7,252,525	\$0	\$7,252,525	\$799,617	\$6,068,707	\$14,120,848	\$1,875,304	15.3%	\$1,875,304	34.9%
5	GM<25	\$26,283,945	\$0	\$26,283,945	\$6,370,586	\$45,177,316	\$77,831,848	\$7,370,469	10.5%	\$7,370,469	39.0%
6	GM>25	\$61,639,404	\$0	\$61,639,404	\$24,536,449	\$118,382,553	\$204,558,406	\$10,377,959	5.3%	\$10,377,959	20.2%
7	GMH<25	\$2,925,978	\$0	\$2,925,978	\$246,254	\$3,715,469	\$6,887,701	\$817,442	13.5%	\$817,442	38.8%
8	GMH>25	\$6,602,560	\$0	\$6,602,560	\$1,715,711	\$13,985,829	\$22,304,100	\$1,491,405	7.2%	\$1,491,405	29.2%
9	GL	\$62,098,246	\$0	\$62,098,246	\$17,321,778	\$160,730,477	\$240,150,501	\$9,284,530	4.0%	\$9,284,530	17.6%
10	GLH	\$10,503,984	\$0	\$10,503,984	\$3,016,161	\$30,795,338	\$44,315,483	\$2,759,125	6.6%	\$2,759,125	35.6%
11	L	\$20,729,897	\$0	\$20,729,897	\$6,543,301	\$75,066,669	\$102,339,867	\$2,610,613	2.6%	\$2,610,613	14.4%
12	HVPS	\$706,340	\$0	\$706,340	\$3,172,440	\$60,694,337	\$64,573,117	\$190,554	0.3%	\$190,554	36.9%
13	AL	\$721	\$0	\$721	\$473	\$6,121	\$7,315	(\$212)	-2.8%	(\$212)	-22.7%
14	SE	\$1,275,163	\$0	\$1,275,163	\$121,092	\$1,634,890	\$3,031,145	(\$230,132)	-7.1%	(\$230,132)	-15.3%
15	SM	\$7,235,595	\$0	\$7,235,595	\$126,919	\$1,767,537	\$9,130,051	(\$1,906,665)	-17.3%	(\$1,906,665)	-20.9%
16	SH	\$98,883	\$0	\$98,883	\$4,027	\$55,449	\$158,359	(\$26,057)	-14.1%	(\$26,057)	-20.9%
17	UMS	\$1,233,732	\$0	\$1,233,732	\$180,446	\$1,511,955	\$2,926,134	\$2,573	0.1%	\$2,573	0.2%
18	PAL	\$165,971	\$0	\$165,971	\$6,252	\$86,252	\$258,475	(\$43,737)	-14.5%	(\$43,737)	-20.9%
19	<b>Total</b>	<b>\$469,733,697</b>	<b>(\$13,344,000)</b>	<b>\$456,389,697</b>	<b>\$116,045,491</b>	<b>\$802,604,651</b>	<b>\$1,375,039,839</b>	<b>\$89,474,127</b>	<b>7.0%</b>	<b>\$89,474,127</b>	<b>24.4%</b>
20	<b>Other Electric Revenue:</b>										
21	Sales for Resale (Acct. 447)	\$0	\$0	\$0	\$0	\$1,288,000	\$1,288,000	\$0		\$0	
22	Late Payment/Returned Check Charges (Acct. 450)	\$3,791,000	\$0	\$3,791,000	\$0	\$0	\$3,791,000	\$0		\$0	
23	Reconnect Fees/PJM Office (Acct. 451)	\$1,148,000	\$0	\$1,148,000	\$714,000	\$0	\$1,862,000	\$0		\$0	
24	Rent Electric Property (Acct. 454)	\$10,031,000	\$0	\$10,031,000	\$0	\$0	\$10,031,000	\$0		\$0	
25	Other Revenue (Acct. 456)	\$222,000	\$0	\$222,000	\$0	\$0	\$222,000	\$0		\$0	
26	Revenue Annualization	\$318,206	\$0	\$318,206	\$0	\$0	\$318,206	\$0		\$0	
27	Transmission - EGS (Acct. 456)	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	
28	Transmission - Wholesale (Acct. 456)	\$0	\$0	\$0	\$4,649,000	\$0	\$4,649,000	\$0		\$0	
29	<b>Subtotal Other Revenue</b>	<b>\$15,510,206</b>	<b>\$0</b>	<b>\$15,510,206</b>	<b>\$5,363,000</b>	<b>\$1,288,000</b>	<b>\$22,161,206</b>	<b>\$0</b>		<b>\$0</b>	
30	<b>Total Operating Revenue</b>	<b>\$485,243,903</b>	<b>(\$13,344,000)</b>	<b>\$471,899,903</b>	<b>\$121,408,491</b>	<b>\$803,892,651</b>	<b>\$1,397,201,045</b>	<b>\$89,474,127</b>	<b>6.8%</b>	<b>\$89,474,127</b>	<b>23.4%</b>

Duquesne Light Company  
 Before The Pennsylvania Public Utility Commission  
 Historic Test Year - 12 Months Ended March 31, 2010  
 (\$ in Thousands)

Schedule D-7  
 Witness: O'Brien  
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Adjustment for Salaries & Wages

Line #	Description	[1] Account Number	[2] Budgeted Year 03/31/11	[3] Reclass	[4] Payroll As Distributed	[5] Total Pro Forma Payroll	[6] Adjustment
<u>OPERATIONS</u>							
1	Production	500-509	\$ -		\$ -	\$ -	\$ -
2	Generation	546-550	-		-	-	-
3	Transmission	560-567	1,691		1,691	31	1,722
4	Distribution	580-589	7,413		7,413	136	7,549
5	Customer Accounts	901-905	9,412		9,412	173	9,585
6	Customer service and information	907-910	146		146	3	148
7	Sales	911-916	-		-	-	-
8	Administration and general	920-931	12,560		12,560	231	12,791
9	Total Operations	Sum L 1 to L 8	<u>31,221</u>	<u>-</u>	<u>31,221</u>	<u>574</u>	<u>31,795</u>
<u>MAINTENANCE</u>							
10	Production	510-514	-		-	-	-
11	Generation	551-557	-		-	-	-
12	Transmission	568-573	1,774		1,774	33	1,807
13	Distribution	590-598	9,160		9,160	168	9,328
14	Administration and general	935	3,925		3,925	72	3,997
15	Total Maintenance	Sum L 10 to L 14	<u>14,859</u>	<u>-</u>	<u>14,859</u>	<u>273</u>	<u>15,132</u>
16	Total Direct Payroll	L 9 + L 15	46,081	-	46,081	<u>\$ 847</u>	<u>\$ 46,928</u>
17	Percent Increase	L 16, C 5 / C 4					<u>1.838%</u>

Duquesne Light Company  
 Before The Pennsylvania Public Utility Commission  
 Historic Test Year - 12 Months Ended March 31, 2010  
 (\$ in Thousands)

Schedule D-7  
 Witness: O'Brien  
 Page 2 of 2

Adjustment for Salaries & Wages

Line #	Description	[1] Reference Or Function	[2] Union	[3] Non-Union	[4] Annualized Amounts	[5] Amount	[6] Amount	[7] Pro Forma Total Payroll
1	Recorded O&M Base PR Expense for HTY		\$ 21,316	\$ 20,000	\$ 41,316			
2	Recorded O&M Overtime PR Expense for HTY		3,965	800	4,765			
3	Total Recorded O&M HTY PR Expense	L 1 + L 2	25,281	20,800	46,081			
4	Pro Forma Rate Increase 10/1/09		3.00%					
5	Pro Forma Rate Increase 1/1/10			3.00%				
6	Number of Months for Annualization		6	9				
7	Pro Forma Dunning HTY	L3*(L4 or 5)*L6/12	\$ 379	\$ 468	847			
8	Pro Forma Rate Increase 10/1/10		3.00%					
9	Pro Forma Existing Employees		12					
10	Annualization Adjustment	(L3+L7)*L8*L12/12			-			
11	Total Pro Forma - Existing Employees	[4] L 3 + L 8				\$ 46,928		
<b>Pro Forma For New Employees</b>		<b>NO ADJUSTMENT FOR NEW EMPLOYEES – NUMBER RELATIVELY CONSTANT FOR HTY</b>						
12	Changes to Employee Numbers		-					
13	Changes to Employee Numbers			-				
14	Total New Employees - On Company List	L 10 + L 11			\$ -			
15	Increase for Overtime	L 2 / L 1 * L 10	-	-	-			
16	Sub-Total -- Total Pay at Present Rates	Sum L 10 to L 13	-	-	-			
17	Increase for Pay Rates	L 4 or L 5 * L 14	-	-	-			
18	Pro Forma Increase for Change in Employees	L 14 + L 15	-	-	-			
19	Total Pro Forma Payroll	L 7 + L 16	\$ 379	\$ 468		\$ 46,928		
20	Total Recorded O&M HTY PR Expense	[3] L 3				46,081		
21	Payroll Increase	[6] L 17 - L 18					\$ 847	
22	Percent Increase over HTY Recorded	L 19 / L 18						1.838%

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

Schedule **D-8**  
Witness: **O'Brien**  
Page 1 of 1

**Rate Case Expense Normalization**

Line #	Description	[ 1 ] Reference	[ 2 ]	[ 3 ] Amount	[ 4 ] Sub-Total	[ 5 ] Total
<b><u>RATE CASE FOR NORMALIZATION</u></b>						
<b><u>EXPENDITURES TO 3-31-10</u></b>						
1	Expended in 2009		\$ 65			
2	Expended in 2010 to March 31		132			
3	Total Recorded at 3-31-10	L 1 + L 2		197		
<b><u>EXPENDITURES FOR FYT Ended 3-31-11</u></b>						
4	Estimated Expenditures for FTY		3,803			
5	Sub-Total	Line 4		3,803		
<b><u>TOTAL EXPENDITURES FOR RATE FILING</u></b>						
6	Total Rate Case	L 3 + L 5			\$ 4,000	
7	Normalization Period [ A ]	Years	2.75			
8	Normalization Expense per Year	L 6 / L 7				\$ 1,455
<b><u>POLR "V" COSTS FOR NORMALIZATION</u></b>						
9	Expended in 2009			757		
10	Estimated for 2010			1,743		
11	Total POLR "V"	L 9 + L 10			\$ 2,500	
12	Normalization Period [ B ]	Years	2.4167			
13	Normalization Expense per Year					1,034
14	Normalization Expense per Year					2,489
15	Expense included in FTY Budget					1,217
16	Normalization Adjustment	L 12 - L 13				\$ 1,272

[ A ] Company's next case planned with FTY ended December 31, 2013  
[ B ] Period to Effective date of next POLR rates

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

Schedule **D-9**  
Witness: **O'Brien**  
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**Adjustment for Pension**

Line #	Description	[ 1 ] Reference	[ 2 ] Amount	[ 3 ] Amount	[ 4 ] Amount	[ 5 ] Total
<b><u>PENSION COSTS</u></b>						
1	Contribution - Year Ended 3/31/11		\$ -	\$ 106,500		
2						
3	Contribution - Year Ended 3/31/12			50,400		
4						
5	Contribution - Year Ended 3/31/13			46,600		
6	Total	L 1 to L 5	\$ -	<u>\$ 203,500</u>		
7	Number of Years for FTY Average	<u>3</u>				
8	Average for FTY	[ 3 ] / L 7		\$ 67,833		
9	Pension Capitalization Factor		<u>50.0%</u>	<u>50.0%</u>		
10	Pension Payment To Be Capitalized	L 6 * L 9	-			
11	Pension Payment To Be Expensed	L 8 * L 9			\$ 33,917	
12	FAS 87 Pension in 3-31-10 Capital Additions		2,313			
13	Other		-			
14	FAS 87 Pension in HTY Expense				<u>9,997</u>	
15	Pension Adjustment to Plant	L 10 - L 12 - L 13	<u>\$ 2,313</u>			
16	Pro Forma Pension Adjustment	L 11 - L 14				<u>\$ 23,920</u>

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

Schedule D-10  
Witness: O'Brien  
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**Uncollectible Accounts**

	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]	
Line #	Description	Reference	Non-CAP Net Write-Offs	Tariff Revenue	Percent [ 2 ] / [ 3 ]	Total [ 2 ] / [ 3 ]
1	2006		\$ 9,313	\$ 686,638	1.36%	
2	2007		\$ 5,438	\$ 843,185	0.64%	
3	2008		\$ 8,521	\$ 884,697	0.96%	
4	2009		\$ 10,141	\$ 825,227	1.23%	
5	Four Year Average Sum (L 1 to L 4) / 4	4	\$ 8,353	\$ 809,937		1.03%
			CAP Frozen Arrearages Write-Off			
<b>CAP Frozen Arrearages</b>						
6	2006			\$ 3,404		
7	2007			\$ 2,282		
8	2008			\$ 2,136		
9	2009			\$ 2,284		
10	2011				\$ 3,500	
11	2012				\$ 3,850	
12	2013				\$ 4,200	
13	Three Year Average (Sum L 10 to L 12) / 3	3				\$ 3,850
<b>Pro Forma Adjustment</b>			<b>Pro Forma Revenue</b>	<b>Percent Net Write-Offs</b>		
14	Pro Forma Revenue		\$ 802,042			
15	Pro Forma Rate				1.030%	
16	Pro Forma Net Write-Off Expense	L 14 * L 15				8,261
17	Total Pro Forma Write Off	L 13 + L 16				12,111
18	Uncollectible Expense					11,887
19	Pro Forma Adjustment	L 17 + L 18				224

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

**Energy Efficiency Expense**

Line #	Description	[1] Reference	[2] Amount	[3] Sub-Total	[4] Total
1	Labor in HTY		\$ 120		
2	Incentives		3		
3	Materials		9		
4	Employee Expenses		8		
5	Total Expense for Surcharge Recovery		9,813		
6	Outside Services		3,229		
7	Business meals		1		
8	Sub-Total			\$ 13,183	
9	Accounting Transfer			(3,370)	
10	Adjustment to Remove Expense in HTY				<u>\$ 9,813</u>

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

**Smart Meter Expense**

Line #	Description	[ 1 ] Reference	[ 2 ] Amount	[ 3 ] Sub-Total	[ 4 ] Total
1	Labor in HTY		\$ 6		
2	Materials		10		
3	Employee Expenses		4		
4	Consulting services		96		
5	Total Expenses for Surcharge Recovery		-		
6	Outside Services		76		
7	Business meals		1		
8	Sub-Total			\$ 193	
9	Accounting Transfer			(193)	
10	Adjustment to Remove Expense in HTY				<u>\$ -</u>

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

**Taxes Other Than Income Taxes**

Line #	Description	[ 1 ] Account Number	[ 2 ] Recorded 2009	[ 3 ] Recorded Amounts HTY 3-31-10	[ 4 ] Pro Forma Adjustments	[ 5 ] Pro Forma Tax Expense HTY 3-31-10
1	PURTA Taxes	408.1	\$ (85)	\$ (79)	\$ -	\$ (79)
2	Capital Stock		2,222	2,409		2,409
3	Miscellaneous		(1,117)	(1,128)		(1,128)
4	Social Security	408.3	3,647	3,621	61	3,682
5	FUTA	408.2	33	32	1	33
6	SUTA	408.4	201	294	5	299
7	Gross Receipts		47,404	47,579	(746)	46,833
8	Real Estate Taxes		380	386		386
9	City of Pittsburgh Payroll Tax		261	264	4	268
10						
11	Total	Sum L 1 to L 10	<u>\$ 52,946</u>	<u>\$ 53,378</u>	<u>\$ (675)</u>	<u>\$ 52,703</u>

**GROSS RECEIPT TAX PRO FORMA AT PRESENT RATES**

12	Revenue From Sales to Customers		\$ 802,042
13	Uncollectibles		(8,261)
14	Other		-
15	Net Taxable	Sum L 12 to L 14	<u>793,781</u>
16	Tax Rate		<u>5.900%</u>
17	Gross Receipts Taxes at Present Rates	L 15 * L 16	46,833
18	Budget Amount		<u>47,579</u>
19	Adjustment	L 17 - L 18	<u>\$ (746)</u>

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

**Taxes Other Than Income Taxes**

Line #	Description	[ 1 ] Account Number	[ 2 ]	[ 3 ] HTY	[ 4 ] S&W Adjustment	[ 5 ] Increase in Payroll Taxes
1	Total Payroll Charged to Expense			<u>\$ 50,200</u>	<u>\$ 847</u>	
2	FICA Expense			<u>\$ 3,621</u>		
3	FICA Expense - Percent	L 2 / L 1		<u>7.21%</u>	<u>7.21%</u>	
4	Pro Forma FICA Expense on Pro Forma S&W	[ 4 ] L 1 * L 3				\$ 61
5	FUTA Expense			<u>\$ 32</u>		
6	FUTA Expense - Percent	L 5 / L 1		<u>0.06%</u>	<u>0.06%</u>	
7	Pro Forma FUTA Expense on Pro Forma S&W	[ 4 ] L 1 * L 6				1
8	SUTA Expense			<u>\$ 294</u>		
9	SUTA Expense - Percent	L 8 / L 1		<u>0.59%</u>	<u>0.59%</u>	
10	Pro Forma SUTA Expense on Pro Forma S&W	[ 4 ] L 1 * L 9				5
11	City of Pittsburgh Payroll Tax Expense			<u>\$ 264</u>		
12	City of Pittsburgh Expense - Percent	L 11 / L 1		<u>0.53%</u>	<u>0.53%</u>	
13	Pro Forma Expense on Pro Forma S&W	[ 4 ] L 1 * L 12				4
14	Pro Forma Adjustment	Sum L 4 to L 13				<u>\$ 71</u>

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

Schedule D-17  
Witness: O'Brien  
Page 1 of 6

**Depreciation and Annualization Expense Adjustment**

Line #	Description	Account Number	[1]		[2]	[3]	[4]	[5]	[6]	[7]	[8]
			PLANT BALANCE		Current Depreciation Rate	Pro Forma Depreciation Expense	Annualized Depreciation Expense	Updated Depreciation Rate	Pro Forma Historic Year Depreciation Expense		
			12/31/09	03/31/10			[(2 + 3)/2] * 4	[3] * [4]			[3] * [7]
<b>INTANGIBLE PLANT</b>											
1	Organization	301	\$ 100	\$ 100							\$ -
2	Franchise & Consent	302	7	7							-
3	Miscellaneous Intangible Plant	303	10,228	20,425	0.1749	2,681	3,572	0.1749			3,573
4	TOTAL INTANGIBLE	Sum L 1 to L 3	10,335	20,532		2,681	3,572				3,573
<b>PRODUCTION PLANT--Steam</b>											
5	Land and land rights	310	-	-		-	-				-
6	Structures, Improvements	311	-	-		-	-				-
7	Misc Power Plan equipment	316	-	-		-	-				-
8	TOTAL PRODUCTION PLANT	Sum L 5 to L 7	-	-		-	-				-
<b>PRODUCTION PLANT--Other</b>											
9	Land and land rights	340	-	-		-	-				-
10	Structures, Improvements	341	-	-		-	-				-
11	Misc Power Plant Equipment	346	-	-		-	-				-
12	STORAGE EQUIPMENT	Sum L 9 to L 11	-	-		-	-				-
13	TOTAL PRODUCTION PLANT	(L 8 + L 12)	-	-		-	-				-
<b>TRANSMISSION PLANT</b>											
14	Land and land rights	350	12,454	12,357	0.0000	-	-	0.0000			-
15	Structures, Improvements	352	8,758	8,997	0.0327	290	294	0.0274			247
16	Station Equipment	353	230,377	235,265	0.0306	7,124	7,199	0.0319			7,505
17	Towers and Fixtures	354	68,304	69,633	0.0222	1,531	1,546	0.0165			1,149
18	Poles and Fixtures	355	13,339	12,621	0.0213	276	269	0.0256			323
19	Overhead Conductors & Devices	356	75,103	77,953	0.0187	1,431	1,458	0.0201			1,567
20	Underground Conduit	357	62,404	62,237	0.0187	1,165	1,164	0.0185			1,151
21	Underground Conductors & Devices	358	42,244	42,398	0.0169	715	717	0.0185			784
22	Road and Trails	359	-	-	0.0312	-	-	0.0000			-
23	Asset Retirement Costs	359 1	-	-		-	-				-
24		0	0	-		-	-				-
25											
26											
27											
28	TOTAL TRANSMISSION PLANT	Sum L 14 to L 27	512,983	521,461		12,532	12,647				12,726

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

Schedule **D-17**  
Witness: **O'Brien**  
Page **2** of **6**

**Depreciation and Annualization Expense Adjustment**

Line #	Description	Account Number	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
			PLANT BALANCE		Current Depreciation Rate	Pro Forma Depreciation Expense	Annualized Depreciation Expense	Updated Depreciation Rate	Historic Year Depreciation Expense	
			12/31/09	03/31/10			[(2 + 3)/2] * 4	[3] * [4]		[3] * [7]
<b>DISTRIBUTION PLANT</b>										
29	Land and land rights	360	11,054	11,084	0.0000	-	-	-	0.0000	-
30	Structures, Improvements	361	52,194	52,466	0.0247	1,293	1,296	0.0246	1,291	1,291
31	Station Equipment	362	345,140	359,843	0.0244	8,601	8,780	0.0256	9,212	9,212
32	Storage Battery Equipment	363	-	-	0.0000	-	-	0.0000	-	-
33	Poles, Towers and Fixtures	364	312,336	315,751	0.0215	6,752	6,789	0.0214	6,757	6,757
34	Overhead Conductors and Devices	365	314,359	329,125	0.0230	7,400	7,570	0.0252	8,294	8,294
35	Underground Conduit	366	104,983	107,726	0.0187	1,989	2,014	0.0177	1,907	1,907
36	Underground Conductors and Devices	367	234,243	241,453	0.0222	5,280	5,360	0.0231	5,578	5,578
37	Line Transformers	368	251,871	258,763	0.0307	7,848	7,954	0.0329	8,513	8,513
38	Services	369	85,156	86,637	0.0169	1,452	1,464	0.0158	1,369	1,369
39	Meters	370	100,132	100,567	0.0309	3,101	3,108	0.0692	6,959	6,959
40	Meter Communications Equipment	370.1	-	2,653	0.0022	3	6	0.1928	511	511
41	Leased Property On Customers Premises	372	-	-	0.0000	-	-	0.0000	-	-
42	Street Lighting and Signaling Systems	373	34,907	35,330	0.0297	1,043	1,049	0.0251	887	887
43										
44	TOTAL DISTRIBUTION PLANT	Sum L 29 to L 43	1,846,375	1,901,398		44,762	45,390		51,278	51,278
<b>GENERAL PLANT</b>										
45	Land and land rights	389	5,879	5,890		-	-	-	-	-
46	Structures, Improvements	390	103,025	94,652	0.0354	3,499	3,351	0.0758	7,175	7,175
47	Office furniture	391.1	11,315	4,670	0.1968	1,573	919	0.0500	234	234
48	Office furniture - Post 1-1-05 -- Combined for FTY	391.1	-	-	0.0500	-	-	Amort Res	203	[a]
49	Office equipment	391.2	-	-	0.1714	787	-	Amort Res	518	[a]
50	Office equipment - Post 1-1-05 -- Combined for FTY	391.2	-	6,822	0.2000	682	1,364	0.2000	1,364	1,364
51	Transportation equipment	392	48,682	50,622	0.0729	3,621	3,692	0.0729	3,692	3,692
52	Store equipment	393	2,707	2,736	0.0440	120	120	0.0333	91	91
53	Store equipment - Post 1-1-05 -- Combined for FTY	393	-	-	0.0333	-	-	Amort Res	37	[a]
54	Tools, shop and garage equipment	394	13,310	13,469	0.0536	718	722	0.0400	539	539
55	Tools, shop and garage equipment - Post 1-1-05 - FT	394	-	-	0.0400	-	-	Amort Res	197	[a]
56	Laboratory equipment	395	4,203	4,888	0.0738	335	361	0.0500	244	244
57	Laboratory equipment - Post 1-1-05 -- Combined FT	395	-	-	0.0500	-	-	Amort Res	139	[a]
58	Power operated equipment	396	1,209	1,293	0.0342	43	44	0.0342	44	44
59	Electric communications equipment	397	55,485	58,978	0.0820	4,693	4,836	0.0667	3,934	3,934
60	Electric communications equipment - Post 1-1-05 FT	397	-	-	0.0667	-	-	Amort Res	1,145	[a]
61	Miscellaneous equipment	398	469	470	0.0484	23	23	0.0500	24	24
62	Miscellaneous equipment - Combined for FTY	398	-	-	0.0500	-	-	Amort Res	11	[a]
63	TOTAL GENERAL	Sum L 45 to L 62	246,284	244,490		16,094	15,432		19,591	19,591
64	SUBTOTAL ( L8 + L12 + L28 L44 + L63 )		2,605,642	2,667,349		73,388	73,469		83,595	83,595
	Additional Meter Depreciation for SM Replacement								-	-
65	Amortization of Intangible Assets	303	10,335	20,532		2,681	3,572		3,573	3,573
66	Amortization of Leasehold Improvements	0	9,478	9,536	0.0404	384	385	0.0404	385	385
67	TOTAL PLANT IN SERVICE	Sum L 64 to L 66	\$ 2,625,455	\$ 2,697,417		\$ 76,453	\$ 77,426		\$ 87,553	\$ 87,553

[a] Debit Reserve Balance Amortized over 10-Year Period  
DLC-3 HTY 2010 Final 7-9-10.xls  
FY\_D\_17\_p2 (A61 X123) --- 6 Pgs

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

Schedule D-17  
Witness: O'Brien  
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**Depreciation and Annualization Expense Adjustment**

Line #	Description	Account Number	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
			PLANT BALANCE	Recorded Net Salvage Amortization	Annualized Net Salvage Amortization	Historic Year Net Salvage Amortization				
			12/31/09	03/31/10						
<b>INTANGIBLE PLANT</b>										
1	Organization	301	100	100		\$ -	\$ -			-
2	Franchise & Consent	302	7	7		-	-			-
3	Miscellaneous Intangible Plant	303	10,228	20,425		-	-			-
4	TOTAL INTANGIBLE	Sum L 1 to L 3	10,335	20,532		-	-		-	-
<b>PRODUCTION PLANT--Steam</b>										
5	Land and land rights	310	-	-		-	-			-
6	Structures, Improvements	311	-	-		-	-			-
7	Misc. Power Plant equipment	316	-	-		-	-			-
8	TOTAL PRODUCTION PLANT	Sum L 5 to L 7	-	-		-	-		-	-
<b>PRODUCTION PLANT--Other</b>										
9	Land and land rights	340	-	-		-	-			-
10	Structures, Improvements	341	-	-		-	-			-
11	Misc Power Plant Equipment	346	-	-		-	-			-
12	STORAGE EQUIPMENT	Sum L 9 to L 11	-	-		-	-		-	-
13	TOTAL PRODUCTION PLANT	(L 8 + L 12)	-	-		-	-		-	-
<b>TRANSMISSION PLANT</b>										
14	Land and land rights	350	12,454	12,357		-	-			-
15	Structures, Improvements	352	8,758	8,997		1	1			1
16	Station Equipment	353	230,377	235,265		267	267			267
17	Towers and Fixtures	354	68,304	69,633		237	237			237
18	Poles and Fixtures	355	13,339	12,621		123	123			123
19	Overhead Conductors & Devices	356	75,103	77,953		233	233			233
20	Underground Conduit	357	62,404	62,237		-	-			-
21	Underground Conductors & Devices	358	42,244	42,398		-	-			-
22	Road and Trails	359	-	-		-	-			-
23	Asset Retirement Costs	359 1	-	-		-	-			-
24	Other Transmission Plant		-	-		-	-			-
25			-	-		-	-			-
26			-	-		-	-			-
27			-	-		-	-			-
28	TOTAL TRANSMISSION PLANT	Sum L 14 to L 27	512,983	521,461		861	861		-	861

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

**Schedule D-17**  
**Witness: O'Brien**  
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**Depreciation and Annualization Expense Adjustment**

Line #	Description	Account Number	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
			PLANT BALANCE			Recorded Net Salvage Amortization	Annualized Net Salvage Amortization	Historic Year Net Salvage Amortization		
			12/31/09	03/31/10						
<b>DISTRIBUTION PLANT</b>										
29	Land and land rights	360	11,054	11,084	-	-	-	-	-	-
30	Structures, Improvements	361	52,194	52,466	24	24	24	24	24	24
31	Station Equipment	362	345,140	359,843	600	600	600	600	600	600
32	Storage Battery Equipment	363	-	-	-	-	-	-	-	-
33	Poles, Towers and Fixtures	364	312,336	315,751	1,948	1,948	1,948	1,948	1,948	1,948
34	Overhead Conductors and Devices	365	314,359	329,125	744	744	744	744	744	744
35	Underground Conduit	366	104,983	107,726	66	66	66	66	66	66
36	Underground Conductors and Devices	367	234,243	241,453	933	933	933	933	933	933
37	Line Transformers	368	251,871	258,763	1,249	1,249	1,249	1,249	1,249	1,249
38	Services	369	85,156	86,637	857	857	857	857	857	857
39	Meters	370	100,132	100,567	80	80	80	80	80	80
40	Meter Communications Equipment	370.1	-	2,653	1	1	1	1	1	1
41	Leased Property On Customers Premises	372	-	-	-	-	-	-	-	-
42	Street Lighting and Signaling Systems	373	34,907	35,330	184	184	184	184	184	184
43										
44	TOTAL DISTRIBUTION PLANT	Sum L 29 to L 43	<u>1,846,375</u>	<u>1,901,398</u>	<u>6,686</u>	<u>6,686</u>	<u>6,686</u>	<u>6,686</u>	<u>6,686</u>	<u>6,686</u>
<b>GENERAL PLANT</b>										
45	Land and land rights	389	5,879	5,890	-	-	-	-	-	-
46	Structures, Improvements	390	103,025	94,652	11	11	11	11	11	11
47	Office furniture	391.1	11,315	4,670	-	-	-	-	-	-
48	Office furniture - Post 1-1-05 -- Combined for FTY	391.1	-	-	-	-	-	-	-	-
49	Office equipment	391.2	-	-	-	-	-	-	-	-
50	Office equipment - Post 1-1-05 -- Combined for FTY	391.2	-	6,822	-	-	-	-	-	-
51	Transportation equipment	392	48,682	50,622	-	-	-	-	-	-
52	Store equipment	393	2,707	2,736	-	-	-	-	-	-
53	Store equipment - Post 1-1-05 -- Combined for FTY	393	-	-	-	-	-	-	-	-
54	Tools, shop and garage equipment	394	13,310	13,469	-	-	-	-	-	-
55	Tools, shop and garage equipment - Post 1-1-05 - FT	394	-	-	-	-	-	-	-	-
56	Laboratory equipment	395	4,203	4,888	-	-	-	-	-	-
57	Laboratory equipment - Post 1-1-05 -- Combined FT	395	-	-	-	-	-	-	-	-
58	Power operated equipment	396	1,209	1,293	-	-	-	-	-	-
59	Electric communications equipment	397	55,485	58,978	15	15	15	15	15	15
60	Electric communications equipment - Post 1-1-05 FT	397	-	-	-	-	-	-	-	-
61	Miscellaneous equipment	398	469	470	-	-	-	-	-	-
62	Miscellaneous equipment - Combined for FTY	398	-	-	-	-	-	-	-	-
63	TOTAL GENERAL	Sum L 45 to L 62	<u>246,284</u>	<u>244,490</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>
64	SUBTOTAL ( L8 + L12 + L28 L44 + L63 )		2,605,642	2,667,349	7,573	7,573	7,573	7,573	7,573	7,573
65	Amortization of Intangible Assets		10,335	20,532	-	-	-	-	-	-
66	Amortization of Leasehold Improvements		9,478	9,536	-	-	-	-	-	-
67	TOTAL PLANT IN SERVICE	Sum L 64 to L 66	<u>\$ 2,625,455</u>	<u>\$ 2,697,417</u>	<u>\$ 7,573</u>	<u>\$ 7,573</u>	<u>\$ 7,573</u>	<u>\$ 7,573</u>	<u>\$ 7,573</u>	<u>\$ 7,573</u>

Schedule D-17  
Witness: R.O'Brien  
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**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

Schedule D-17  
Witness: O'Brien  
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**Depreciation and Annualization Expense Adjustment**

Line #	Description	Account Number	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
			PLANT BALANCE		Depreciation & Salvage Amort		Pro Forma	Annualized	Pro Forma	
			12/31/09	03/31/10		HTY	For HTY		Depreciation & Salvage Amort	
						Pg 1 + Pg 3	Pg 1 + Pg 3		Pg 1 + Pg 3	
<b>INTANGIBLE PLANT</b>										
1	Organization	301	\$ 100	\$ 100		\$ -	\$ -		\$ -	
2	Franchise & Consent	302	7	7		-	-		-	
3	Miscellaneous Intangible Plant	303	10,228	20,425		2,681	3,572		3,573	
4	TOTAL INTANGIBLE	Sum L 1 to L 3	10,335	20,532		2,681	3,572		3,573	
<b>PRODUCTION PLANT--Steam</b>										
5	Land and land rights	310	-	-		-	-		-	
6	Structures, Improvements	311	-	-		-	-		-	
7	Misc. Power Plant equipment	316	-	-		-	-		-	
8	TOTAL PRODUCTION PLANT	Sum L 5 to L 7	-	-		-	-		-	
<b>PRODUCTION PLANT--Other</b>										
9	Land and land rights	340	-	-		-	-		-	
10	Structures, Improvements	341	-	-		-	-		-	
11	Misc Power Plant Equipment	346	-	-		-	-		-	
12	STORAGE EQUIPMENT	Sum L 9 to L 11	-	-		-	-		-	
13	TOTAL PRODUCTION PLANT	( L 8 + L 12)	-	-		-	-		-	
<b>TRANSMISSION PLANT</b>										
14	Land and land rights	350	12,454	12,357		-	-		-	
15	Structures, Improvements	352	8,758	8,997		291	295		248	
16	Station Equipment	353	230,377	235,265		7,391	7,466		7,772	
17	Towers and Fixtures	354	68,304	69,633		1,768	1,783		1,386	
18	Poles and Fixtures	355	13,339	12,621		399	392		446	
19	Overhead Conductors & Devices	356	75,103	77,953		1,664	1,691		1,800	
20	Underground Conduit	357	62,404	62,237		1,165	1,164		1,151	
21	Underground Conductors & Devices	358	42,244	42,398		715	717		784	
22	Road and Trails	359	-	-		-	-		-	
23	Asset Retirement Costs	359.1	-	-		-	-		-	
24	Other Transmission Plant	0	-	-		-	-		-	
25										
26										
27										
28	TOTAL TRANSMISSION PLANT	Sum L 14 to L 27	512,983	521,461		13,393	13,508		13,587	

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

Schedule **D-17**  
 Witness: **O'Brien**  
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**Depreciation and Annualization Expense Adjustment**

Line #	Description	Account Number	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
			PLANT BALANCE			Depreciation & Salvage Amort		HTY	Pro Forma	Annualized
			12/31/09	03/31/10		Pro Forma HTY	Pg 2 + Pg 4	For HTY	Pg 2 + Pg 4	Pro Forma Depreciation & Salvage Amort
										Pg 2 + Pg 4
<b>DISTRIBUTION PLANT</b>										
29	Land and land rights	360	11,054	11,084		-	-	-	-	-
30	Structures, Improvements	361	52,194	52,466		1,317	1,320	1,315	1,315	1,315
31	Station Equipment	362	345,140	359,843		9,201	9,380	9,812	9,812	9,812
32	Storage Battery Equipment	363	-	-		-	-	-	-	-
33	Poles, Towers and Fixtures	364	312,336	315,751		8,700	8,737	8,705	8,705	8,705
34	Overhead Conductors and Devices	365	314,359	329,125		8,144	8,314	9,038	9,038	9,038
35	Underground Conduit	366	104,983	107,726		2,055	2,080	1,973	1,973	1,973
36	Underground Conductors and Devices	367	234,243	241,453		6,213	6,293	6,511	6,511	6,511
37	Line Transformers	368	251,871	258,763		9,097	9,203	9,762	9,762	9,762
38	Services	369	85,156	86,637		2,309	2,321	2,226	2,226	2,226
39	Meters	370	100,132	100,567		3,181	3,188	7,039	7,039	7,039
40	Meter Communications Equipment	370.1	-	2,653		4	7	512	512	512
41	Leased Property On Customers Premises	372	-	-		-	-	-	-	-
42	Street Lighting and Signaling Systems	373	34,907	35,330		1,227	1,233	1,071	1,071	1,071
43										
44	<b>TOTAL DISTRIBUTION PLANT</b>	<b>Sum L 29 to L 43</b>	<b>1,846,375</b>	<b>1,901,398</b>		<b>51,448</b>	<b>52,076</b>	<b>57,964</b>	<b>57,964</b>	<b>57,964</b>
<b>GENERAL PLANT</b>										
45	Land and land rights	389	5,879	5,890		-	-	-	-	-
46	Structures, Improvements	390	103,025	94,652		3,510	3,362	7,186	7,186	7,186
47	Office furniture	391.1	11,315	4,670		1,573	919	234	234	234
48	Office furniture - Post 1-1-05 -- Combined for FTY	391.1	-	-		-	-	203	203	203
49	Office equipment	391.2	-	-		787	-	518	518	518
50	Office equipment - Post 1-1-05 -- Combined for FTY	391.2	-	6,822		682	1,364	1,364	1,364	1,364
51	Transportation equipment	392	48,682	50,622		3,621	3,692	3,692	3,692	3,692
52	Store equipment	393	2,707	2,736		120	120	91	91	91
53	Store equipment - Post 1-1-05 -- Combined for FTY	393	-	-		-	-	37	37	37
54	Tools, shop and garage equipment	394	13,310	13,469		718	722	539	539	539
55	Tools, shop and garage equipment - Post 1-1-05 - F	394	-	-		-	-	197	197	197
56	Laboratory equipment	395	4,203	4,888		335	361	244	244	244
57	Laboratory equipment - Post 1-1-05 -- Combined FT	395	-	-		-	-	139	139	139
58	Power operated equipment	396	1,209	1,293		43	44	44	44	44
59	Electric communications equipment	397	55,485	58,978		4,708	4,851	3,949	3,949	3,949
60	Electric communications equipment - Post 1-1-05 F	397	-	-		-	-	1,145	1,145	1,145
61	Miscellaneous equipment	398	469	470		23	23	24	24	24
62	Miscellaneous equipment - Combined for FTY	398	-	-		-	-	11	11	11
63	<b>TOTAL GENERAL</b>	<b>Sum L 45 to L 62</b>	<b>246,284</b>	<b>244,490</b>		<b>16,120</b>	<b>15,458</b>	<b>19,617</b>	<b>19,617</b>	<b>19,617</b>
64	<b>SUBTOTAL ( L8 + L12 + L28 L44 + L63 )</b>		<b>2,605,642</b>	<b>2,667,349</b>		<b>80,961</b>	<b>81,042</b>	<b>91,168</b>	<b>91,168</b>	<b>91,168</b>
	Additional Meter Depreciation for SM Replacement							-	-	-
65	Amortization of Intangible Assets	303	10,335	20,532		2,681	3,572	3,573	3,573	3,573
66	Amortization of Leasehold Improvements		9,478	9,536		384	385	385	385	385
67	<b>TOTAL PLANT IN SERVICE</b>	<b>Sum L 64 to L 66</b>	<b>\$ 2,625,455</b>	<b>\$ 2,697,417</b>		<b>\$ 84,026</b>	<b>\$ 84,999</b>	<b>95,126</b>	<b>95,126</b>	<b>95,126</b>
	Budget Depreciation Expense							78,020	78,020	78,020
	Budget Salvage Amortization							2,771	2,771	2,771
	<b>Total Budget Amount</b>							<b>80,791</b>	<b>80,791</b>	<b>80,791</b>
	Pro Forma FTY Adjustment							\$ 14,335	\$ 14,335	\$ 14,335

**Duquesne Light Company**      **Schedule**      **D-18**  
**Before The Pennsylvania Public Utility Commission**      **Witness:**      **Machett/O'Brien**  
**Historic Test Year - 12 Months Ended March 31, 2010**      **Page**      **1**      **of 2**  
**(\$ in Thousands)**

**Income Tax at Present and Proposed Revenue Levels**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
		Factor Or Reference	Total Company Pro Forma HTY At Present Rates	PA Jurisdictional		Pro Forma HTY at Proposed Rates
				Pro Forma HTY at Present rates	Proposed Rate Adjustments	[ 5 ] + [ 6 ]
1	Operating Income Before Income Taxes		\$ 179,015	\$ 128,993	\$ 61,765	\$ 190,758
	<u>Adjustments</u>					
	---Interest Expense	Pro Forma (C 4)				
2	Rate Base	\$ 1,674,900				
3	Weighted Cost of Debt	0.02550				
4	Synchronized Interest Expense	C 1, L 2 * L 3	(42,710)	(33,303)		(33,303)
5	---Additional Depreciation -State		8,176	9,725		9,725
6	---Other		-	-	-	-
7	Total Adjustments		(34,534)	(23,578)	-	(23,578)
8	Income Subject to Pennsylvania Income Tax		144,481	105,415	61,765	167,180
9	Pennsylvania Income Tax	9.990%	(14,434)	(10,531)	(6,170)	(16,701)
10	Income Before Federal Income Tax		130,048	94,884	55,595	150,479
11	Flow-Through of Federal Depreciation		(35,472)	(11,992)	-	(11,992)
12	Federal Taxable Income		86,400	73,168	55,595	128,762
13	Current Portion of Federal income Taxes	35.000%	(30,240)	(25,609)	(19,458)	(45,067)
14	Total Current Income Taxes		(44,674)	(36,140)	(25,628)	(61,768)
	<u>Deferred Income Tax Calculation</u>					
15	---Deferred Federal Depreciation		77,174	47,648	-	47,648
16	---Other		-	-	-	-
17	Total Deferral Adjustments		77,174	47,648	-	47,648
18	Deferred State Income Taxes	9.990%	-	(4,760)	4,760	-
19	Deferred Federal income Taxes	34.480%	(26,610)	(14,791)	(1,638)	(16,429)
20	Calculated Income Tax Expense		(71,283)	(55,690)	(22,507)	(78,197)
	<u>Other Income Tax Elements</u>					
21	---General Business Credits		-	-	-	-
22	---Investment Tax Credit Amortization		1,636	1,311	-	1,311
23	--Consolidated Tax Adjustment		1,013	795	-	795
24	Net Income Tax expense		\$ (68,634)	\$ (53,585)	\$ (22,507)	\$ (76,091)

**Duquesne Light Company**  
**Before The Pennsylvania Public Utility Commission**  
**Historic Test Year - 12 Months Ended March 31, 2010**  
**(\$ in Thousands)**

**GROSS REVENUE CONVERSION FACTOR**

Line #	Description	[ 1 ] Reference Or Factor	[ 2 ] Tax Rate	[ 3 ] Factor
<b><u>GROSS REVENUE CONVERSION FACTOR</u></b>				
1	GROSS REVENUE FACTOR			1.000000
2	UNCOLLECTIBLE EXPENSES			<u>(0.010300)</u>
3	NET AFTER UNCOLLECTIBLE COMPONENT	L 1 + L 2		0.989700
4	GROSS RECEIPTS TAXES	[ 3 ] L 3 * Rate [ 2 ]	(0.059000)	(0.058392)
5	PUC / OCA & SBA Assessment as a % of Revenue			<u>(0.001461)</u>
6	NET REVENUES	Sum L 3 to L 5		0.929847
7	STATE INCOME TAXES	[ 3 ] L 6 * Rate [ 2 ]	9.9900%	<u>(0.092892)</u>
8	FACTOR AFTER STATE TAXES	L 6 + L 7		0.836955
9	FEDERAL INCOME TAXES	[ 3 ] L 8 * Rate [ 2 ]	35.00%	(0.292934)
10	NET OPERATING INCOME FACTOR	L 8 + L 9		<u>0.544021</u>
11	GROSS REVENUE CONVERSION FACTOR	1 / L 10		<u>1.838164</u>
12	INCOME TAX FACTOR O FOR GROSS REVENUE	-L 7 - L 9		<u>38.583%</u>
<b><u>INCOME TAX FACTOR</u></b>				
13	GROSS REVENUE FACTOR			1.000000
14	STATE INCOME TAXES	[ 3 ] L 13 * Rate [ 2 ]	9.9900%	(0.099900)
15	FACTOR AFTER STATE TAXES	L 13 + L 14		0.900100
16	FEDERAL INCOME TAXES	[ 3 ] L 15 * Rate [ 2 ]	35.00%	(0.315035)
17	NET OPERATING INCOME FACTOR	L 15 + L 16		0.585065
18	GROSS REVENUE CONVERSION FACTOR	1 / L 17		<u>1.709212</u>
19	Combined Income Tax Factor On Taxable Income	-L 14 - L 16		<u>41.494%</u>