



Gannett Fleming

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June 28, 2011

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Dear Secretary Chiavetta:

Enclosed for filing on behalf of Duquesne Light Company are three (3) copies of the 2011 Annual Depreciation Report. This report is filed pursuant to the regulations at 52 Pa. Code Section 73.9(a)..

Copies of this report are also being provided to the Office of Consumer Advocate, Office of Small Business Advocate and Office of Trial Staff.

Very truly yours,

JOHN J. SPANOS
Vice President
Valuation and Rate Division

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Enclosure

cc: Irwin A. Popowsky, Esq. (w/enc-1)
Johnnie E. Simms, Esq. (w/enc-1)
William Lloyd, Esq. (w/enc-1)
Mr. Scott Kramer, (w/enc-3)

A Tradition of Excellence



DUQUESNE LIGHT COMPANY
ANNUAL DEPRECIATION REPORT
TO THE PENNSYLVANIA
PUBLIC UTILITY COMMISSION
(CODE M-110150F2011)

JUNE 2011

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DUQUESNE LIGHT COMPANY
ANNUAL DEPRECIATION REPORT TO THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION
(CODE M-110150F2011)

JUNE 2011

INTRODUCTION AND SUMMARY

This report is prepared in response to the requirements related to the monitoring of depreciation practices set forth in 52 Pa. Code Chapter 73. In accordance with the requirements, the report presents an explanation of the methods used, the calculation of remaining life depreciation accrual rates as of December 31, 2010; a summary of the plant accounting transactions, including the 2010 retirements expressed as a percent of the plant balance; a summary of the depreciation reserve activity, including the reserve as a percent of the plant balance; an explanation of any unusual retirements; the net salvage amortization amount for 2011 based on 2006 through 2010 experience; and an explanation of exclusions from the experienced net salvage.

The annual accrual rate calculations were based on the results of a service life study incorporating data through 2009. The prior service life study was based on data through December 31, 2004. The same methods of depreciation are used in this report as were used in previous annual depreciation reports.

The composite depreciation rate related to total depreciable electric plant as of December 31, 2010, is 2.86 percent in comparison to the composite rate of 2.93 percent as of December 31, 2009 and 2.57 percent as of December 31, 2008.

The overall composite annual depreciation accrual rates for transmission plant increased from December 31, 2008 through December 31, 2010. The composite annual accrual rate from December 31, 2008 to December 31, 2009 increased due to high growth and lower reserve ratio. The continued increased rate from December 2009 to December 2010 is primarily due to the high growth in Account 353.00, Station Equipment. The composite annual depreciation accrual rates for distribution plant increased from December 31, 2008 through December 31, 2010. The increased rate from December 2008 to December 2009 is the result of the meter replacement program for new technology in Account 370. The continued increased rate from December 2009 to December 2010 is due to the high growth and lower reserve ratio. The composite rate for general plant decreased during the two-year period, December 31, 2008 through December 31, 2010. The composite rate actually increased from December 31, 2008 to December 31, 2009 due to the short remaining life for the Manchester Facility in Account 390. The decreased rate from December 2009 to December 2010 is due to the growth in the long lived assets and the resulting higher reserve ratio.

REMAINING LIFE DEPRECIATION ACCRUAL RATES

The annual depreciation accrual rates to be used during 2011 are calculated as of December 31, 2010, and based on the straight line remaining life method using the average service life procedure for property installed prior to 1983 and the equal life group procedure for property installed subsequent to 1982. The annual depreciation accrual rates for depreciable plant as of December 31, 2010, are set forth in column 8 in Table 2 on pages 10 through 12. The annual accrual rate for

depreciable plant equals the pro forma annual accrual in column 6 divided by the original cost in column 3.

For the purpose of calculating the composite remaining life accrual rates as of December 31, 2010, the book reserve for each plant account is allocated among vintages in proportion to the calculated accrued depreciation for the account as of December 31, 2010. Descriptions of the derivation of remaining life accruals at a given point in time for the vintages calculated by the average service life (ASL) procedure and for the vintages calculated by the equal life group (ELG) procedure follow. An example of the calculation is presented on pages 4 through 6.

For vintages prior to 1983, for which the ASL procedure is applicable, the remaining life annual accrual for each vintage is determined by dividing future book accruals (original cost less book reserve) by the average remaining life (expectancy) of the vintage. The average remaining life is derived directly from the estimated future survivor curve in accordance with the average service life procedure.

For vintages beginning with 1983, for which the ELG procedure is applicable, the remaining life annual accrual for each vintage is determined by dividing future book accruals (original cost less book reserve) by the composite remaining life for the surviving original cost of that vintage. The composite remaining life is derived by compositing the individual equal life group remaining lives in accordance with the following equation:

$$\text{Composite Remaining Life} = \frac{\sum \left(\frac{\text{Book Cost}}{\text{Life}} \times \text{Remaining Life} \right)}{\sum \frac{\text{Book Cost}}{\text{Life}}}$$

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 364.11 POLES, TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2						
1912	1,819.38	1,819	1,819			
1914	9,359.44	9,359	9,359			
1915	10.52	11	11			
1916	7,269.69	7,270	7,270			
1917	18,191.10	18,191	18,191			
1918	3,802.22	3,783	3,802			
1919	78.73	78	79			
1920	58,606.96	57,880	58,607			
1921	1,243.55	1,222	1,244			
1922	11,449.73	11,191	11,450			
1923	1,899.73	1,847	1,900			
1924	31,903.96	30,845	31,886	18	1.66	11
1925	141,412.91	135,954	140,543	870	1.93	451
1926	115,851.08	110,754	114,492	1,359	2.20	618
1927	322,578.86	306,579	316,926	5,653	2.48	2,279
1928	225,599.38	213,146	220,340	5,259	2.76	1,905
1929	173,728.58	163,166	168,673	5,056	3.04	1,663
1930	190,320.22	177,645	183,641	6,679	3.33	2,006
1931	212,114.16	196,757	203,398	8,716	3.62	2,408
1932	82,040.61	75,625	78,177	3,864	3.91	988
1933	65,792.27	60,279	62,313	3,479	4.19	830
1934	94,465.39	86,001	88,904	5,561	4.48	1,241
1935	56,558.40	51,151	52,877	3,681	4.78	770
1936	88,031.45	79,105	81,775	6,256	5.07	1,234
1937	121,726.96	108,678	112,346	9,381	5.36	1,750
1938	42,506.19	37,703	38,976	3,530	5.65	625
1939	81,071.51	71,440	73,851	7,221	5.94	1,216
1940	43,533.74	38,101	39,387	4,147	6.24	665
1941	155,843.84	135,459	140,031	15,813	6.54	2,418
1942	117,383.50	101,325	104,745	12,639	6.84	1,848
1943	20,682.85	17,725	18,323	2,360	7.15	330
1944	6,544.94	5,568	5,756	789	7.46	106
1945	4,379.07	3,698	3,823	556	7.78	71
1946	21.53	18	19	3	8.10	
1947	12,953.17	10,769	11,132	1,821	8.43	216
1948	310,344.67	255,910	264,547	45,798	8.77	5,222
1949	390,004.44	318,946	329,711	60,293	9.11	6,618
1950	495,605.47	401,738	415,297	80,308	9.47	8,480

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 364.11 POLES, TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2						
1951	622,528.45	500,139	517,019	105,509	9.83	10,733
1952	717,679.84	571,130	590,406	127,274	10.21	12,466
1953	971,148.16	765,459	791,294	179,854	10.59	16,983
1954	1,204,426.53	939,694	971,409	233,018	10.99	21,203
1955	1,027,122.77	793,144	819,913	207,210	11.39	18,192
1956	1,049,910.43	801,922	828,987	220,923	11.81	18,706
1957	1,337,356.51	1,009,972	1,044,059	293,298	12.24	23,962
1958	1,301,339.39	971,320	1,004,103	297,236	12.68	23,441
1959	1,816,762.91	1,339,681	1,384,896	431,867	13.13	32,892
1960	1,544,893.88	1,124,683	1,162,642	382,252	13.60	28,107
1961	1,062,407.26	763,446	789,213	273,194	14.07	19,417
1962	1,295,165.19	918,013	948,997	346,168	14.56	23,775
1963	1,083,561.13	757,193	782,749	300,812	15.06	19,974
1964	1,205,747.08	830,277	858,299	347,448	15.57	22,315
1965	1,423,088.94	965,139	997,713	425,376	16.09	26,437
1966	1,485,850.20	991,656	1,025,125	460,725	16.63	27,704
1967	2,337,702.00	1,534,935	1,586,740	750,962	17.17	43,737
1968	1,550,696.70	1,000,820	1,034,598	516,099	17.73	29,109
1969	1,408,652.29	893,086	923,228	485,424	18.30	26,526
1970	4,201,686.67	2,615,130	2,703,392	1,498,295	18.88	79,359
1971	1,903,468.75	1,161,877	1,201,091	702,378	19.48	36,056
1972	2,812,443.81	1,682,966	1,739,767	1,072,677	20.08	53,420
1973	3,455,705.60	2,025,043	2,093,390	1,362,316	20.70	65,812
1974	5,616,543.27	3,221,649	3,330,382	2,286,161	21.32	107,231
1975	5,826,175.42	3,267,319	3,377,593	2,448,582	21.96	111,502
1976	6,123,815.65	3,355,851	3,469,113	2,654,703	22.60	117,465
1977	5,612,054.65	3,001,327	3,102,624	2,509,431	23.26	107,886
1978	4,424,663.49	2,307,020	2,384,884	2,039,779	23.93	85,239
1979	5,406,478.67	2,746,491	2,839,187	2,567,292	24.60	104,361
1980	6,675,249.88	3,298,908	3,410,248	3,265,002	25.29	129,102
1981	5,142,707.03	2,470,556	2,553,939	2,588,768	25.98	99,645
1982	6,723,075.46	3,134,298	3,240,083	3,482,992	26.69	130,498
1983	7,208,296.39	3,885,272	4,016,403	3,191,893	23.52	135,710
1984	6,617,901.03	3,472,413	3,589,609	3,028,292	24.01	126,126
1985	8,704,791.22	4,417,682	4,566,782	4,138,009	24.75	167,192
1986	8,380,224.09	4,127,260	4,266,558	4,113,666	25.25	162,917
1987	7,891,972.65	3,765,260	3,892,340	3,999,633	25.76	155,265
1988	9,211,066.47	4,249,065	4,392,474	4,818,592	26.28	183,356

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 364.11 POLES, TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2						
1989	8,940,766.31	3,979,535	4,113,847	4,826,919	26.81	180,042
1990	9,412,925.98	4,033,439	4,169,570	5,243,356	27.34	191,783
1991	10,719,951.07	4,389,820	4,537,979	6,181,972	28.12	219,843
1992	11,926,662.19	4,677,637	4,835,510	7,091,152	28.67	247,337
1993	9,373,060.15	3,510,211	3,628,683	5,744,377	29.23	196,523
1994	10,899,786.53	3,903,214	4,034,950	6,864,837	29.58	232,077
1995	10,364,277.05	3,518,672	3,637,430	6,726,847	30.16	223,039
1996	10,035,411.50	3,216,349	3,324,903	6,710,509	30.75	218,228
1997	14,385,565.12	4,331,494	4,477,685	9,907,880	31.34	316,142
1998	2,249,269.49	635,419	656,865	1,592,404	31.75	50,154
1999	1,457,227.43	382,085	394,981	1,062,246	32.36	32,826
2000	2,436,725.87	591,150	611,102	1,825,624	32.79	55,676
2001	3,518,897.75	779,084	805,379	2,713,519	33.42	81,194
2002	4,469,588.54	896,599	926,860	3,542,729	33.87	104,598
2003	6,531,694.73	1,175,705	1,215,386	5,316,309	34.17	155,584
2004	8,331,756.87	1,316,418	1,360,848	6,970,909	34.65	201,181
2005	10,336,669.85	1,404,753	1,452,164	8,884,506	34.98	253,988
2006	12,484,943.92	1,415,793	1,463,576	11,021,368	35.18	313,285
2007	6,204,060.55	558,365	577,210	5,626,851	35.41	158,906
2008	7,873,499.66	522,013	539,631	7,333,869	35.23	208,171
2009	9,609,419.61	396,869	410,264	9,199,156	34.86	263,889
2010	14,528,585.25	219,382	226,786	14,301,799	32.72	437,097
	326,191,835.48	124,837,838	129,048,479	197,143,358		6,991,353

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 28.2 2.14

The book costs and lives of the several equal life groups which are summed in the foregoing equation are defined by the estimated future survivor curve.

Inasmuch as book cost divided by life equals the whole life annual accrual, the foregoing equation reduces to the following form:

$$\text{Composite Remaining Life} = \frac{\sum \text{Book Cost} - \text{Calc. Reserve}}{\sum \text{Whole Life Annual Accrual}}$$

or

$$\text{Composite Remaining Life} = \frac{\sum \text{Whole Life Future Accruals}}{\sum \text{Whole Life Annual Accruals}}$$

The composite remaining life calculations were made using computer software that utilizes detailed ELG calculations of whole life future accruals and annual accruals in order to derive the vintage composite remaining lives for the ELG vintages.

The annual accrual rate for each account is equal to the sum of the remaining life annual accruals divided by the total original cost. The composite remaining life is calculated by dividing the sum of the future book accruals by the sum of the remaining life annual accruals.

2010 PLANT AND RESERVE ACTIVITY

Tables 3 and 4 present summaries by account of the plant and reserve accounting activity as of December 31, 2010. Table 3 on pages 13 and 14 sets forth the original cost as of December 31, 2009, the beginning of the year; additions; retirements; transfer and adjustments; the balance at the end of the year, December 31, 2010; and the retirements expressed as a percent of the beginning plant balance. The high percentage retirements in Account 353.00, Station Equipment, is

the result of system-wide upgrades of substations. The unusually high retirement activity in 2010 for Accounts 391.00, Office Furniture and Equipment; 394.00, Tools, Shop and Garage Equipment; 395.00, Laboratory Equipment; and 397.00, Communication Equipment, is due to high surviving balances for vintages being retired for amortization accounting.

Table 4 on page 15 sets forth the book depreciation reserve balance at the beginning of the year, December 31, 2009; annual accruals; retirements; gross salvage; cost of removal; miscellaneous debits and credits; the balance at the end of the year, December 31, 2010; and the book reserve as a percent of the plant balance as of December 31, 2010.

AMORTIZATION OF NET SALVAGE

The 2011 amortization amount for experienced negative net salvage is \$7,447,967 based on the experienced negative net salvage during the five-year period, 2006 through 2010. The calculation of the amortization amounts by function is set forth in Table 5, on page 16.

In order to be consistent with this manner of recognizing salvage, no adjustments for salvage were made to the annual accruals and accrued depreciation calculated for each function. There were no exclusions from the 2006 through 2010 net salvage experience.

DUQUESNE LIGHT COMPANY

TABLE 1. ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS BY FUNCTION RELATED TO UTILITY PLANT AT DECEMBER 31, 2008, DECEMBER 31, 2009 AND DECEMBER 31, 2010

	2008	2009	2010
TRANSMISSION PLANT			
ORIGINAL COST (DEPRECIABLE)	433,272,869.25	500,529,384.36	560,097,582.82
BOOK ACCRUED DEPRECIATION	139,372,914	145,857,554	147,954,410
BOOK RESERVE % OF O.C.	32.17%	29.14%	26.42%
ORIGINAL COST DEPRECIATED	293,899,960	354,671,836	412,143,168
ANNUAL DEPRECIATION EXPENSE	10,753,243	12,550,539	14,867,833
ANNUAL % OF O.C.	2.48%	2.51%	2.65%
DISTRIBUTION PLANT			
ORIGINAL COST (DEPRECIABLE)	1,768,812,527.20	1,838,704,922.48	1,975,601,041.13
BOOK ACCRUED DEPRECIATION	612,669,919	620,490,812	643,950,282
BOOK RESERVE % OF O.C.	34.64%	33.75%	32.60%
ORIGINAL COST DEPRECIATED	1,156,142,608	1,218,214,120	1,331,650,778
ANNUAL DEPRECIATION EXPENSE	42,098,750	49,268,509	54,732,047
ANNUAL % OF O.C.	2.38%	2.68%	2.77%
GENERAL PLANT			
ORIGINAL COST (DEPRECIABLE)	221,825,300.18	231,048,999.56	238,263,052.00
BOOK ACCRUED DEPRECIATION	89,134,562	94,275,048	99,636,964
BOOK RESERVE % OF O.C.	40.18%	40.80%	41.82%
ORIGINAL COST DEPRECIATED	132,690,744	136,773,954	138,626,090
ANNUAL DEPRECIATION EXPENSE	9,337,959	13,444,201	9,618,878
ANNUAL % OF O.C.	4.21%	5.82%	4.04%
TOTAL COMPANY			
ORIGINAL COST (DEPRECIABLE)	2,423,910,696.63	2,570,283,306.40	2,773,961,675.95
BOOK ACCRUED DEPRECIATION	841,177,395	860,623,414	891,541,656
BOOK RESERVE % OF O.C.	34.70%	33.48%	32.14%
ORIGINAL COST DEPRECIATED	1,582,733,312	1,709,659,910	1,882,420,036
ANNUAL DEPRECIATION EXPENSE	62,189,952	75,263,249	79,218,758
ANNUAL % OF O.C.	2.57%	2.93%	2.86%
NON-DEPRECIABLE PLANT			
LAND AND LAND RIGHTS	28,743,323.35	29,386,584.10	33,753,709.40
INTANGIBLE PLANT	11,366,431.28	10,334,654.27	18,883,834.93
LEASEHOLD IMPROVEMENTS	8,730,289.13	9,356,184.66	8,497,295.77
TOTAL PLANT IN SERVICE	2,472,750,740.39	2,619,360,729.43	2,835,096,516.05

DUQUESNE LIGHT COMPANY

TABLE 2. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO UTILITY PLANT AT DECEMBER 31, 2010

Depreciable Group (1)	Survivor Curve (2)	Original Cost at December 31, 2010 (3)	Book Reserve (4)	Future Accruals (5)	Annual Accrual Amount (6)	Composite Remaining Life (7)	Annual Accrual Rate, Percent (8)
Depreciable Plant							
Transmission Plant							
352	Structures and Improvements						
	Major Structures	55-R3 *	6,245,028.16	3,325,794	2,919,233	183,108	15.9
	Other Small Structures	45-R3	2,725,733.42	1,201,073	1,524,660	62,788	24.3
	<i>Total Account 352</i>		<u>8,970,761.58</u>	<u>4,526,867</u>	<u>4,443,893</u>	<u>245,896</u>	18.1
353	Station Equipment	41-S0	281,992,767.60	60,797,747	221,195,015	9,592,818	23.1
354	Towers and Fixtures	70-R3	71,055,329.62	25,894,479	45,160,852	1,172,074	38.5
355	Poles and Fixtures	50-R2.5	13,300,063.44	2,542,358	10,757,701	331,526	32.4
356	Overhead Conductors and Devices	55-R3	78,965,330.30	22,520,258	56,445,074	1,565,272	36.1
357	Underground Conduit	60-R4	62,451,791.91	18,804,863	43,646,932	1,155,014	37.8
358	Underground Conductors and Devices	55-R4	<u>43,361,538.37</u>	<u>12,867,838</u>	<u>30,493,701</u>	<u>805,233</u>	37.9
	Total Transmission Plant		560,097,582.82	147,954,410	412,143,168	14,867,833	27.7
Distribution Plant							
361	Structures and Improvements						
	Major Structures	65-R2.5 *	33,849,089.44	19,163,554	14,685,540	854,307	17.2
	Other Small Structures	45-R3	21,249,554.43	8,636,872	12,612,683	484,841	26.0
	<i>Total Account 361</i>		<u>55,098,643.87</u>	<u>27,800,426</u>	<u>27,298,223</u>	<u>1,339,148</u>	20.4
362	Station Equipment						
	Company Stations	53-R1	332,563,468.61	83,787,348	248,776,122	8,318,500	29.9
	Customer High Tension	40-R0.5	33,653,065.84	12,004,312	21,648,755	1,053,896	20.5
	Portable Substations	40-R0.5	470,853.78	12,624	458,230	27,671	16.6
	<i>Total Account 362</i>		<u>366,687,388.23</u>	<u>95,804,284</u>	<u>270,883,107</u>	<u>9,400,067</u>	28.8
364.11	Poles, Towers and Fixtures	50-R2	326,191,835.48	129,048,479	197,143,358	6,991,353	28.2
365.01	Overhead Conductors and Devices	48-R1	366,144,202.50	105,758,743	260,385,458	9,926,078	26.2
366	Underground Conduit	70-R4	108,551,693.90	34,870,170	73,681,529	1,899,449	38.8
367	Underground Conductors and Devices	50-R1.5	255,529,292.54	77,464,421	178,064,871	5,997,262	29.7
368	Line Transformers						
	Overhead	40-S0	171,283,993.33	45,202,465	126,081,526	5,730,130	22.0
	Conventional Distribution	44-R1	43,195,860.05	11,749,750	31,446,115	1,384,396	22.7
	Network	50-R1	31,248,462.13	7,494,817	23,753,646	855,164	27.8
	Underground Res. Distribution	40-R1.5	<u>21,101,263.62</u>	<u>5,901,319</u>	<u>15,199,947</u>	<u>693,052</u>	21.9
	<i>Total Account 368</i>		<u>266,829,579.13</u>	<u>70,348,351</u>	<u>196,481,234</u>	<u>8,662,742</u>	21.9

DUQUESNE LIGHT COMPANY

TABLE 2. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO UTILITY PLANT AT DECEMBER 31, 2010

Depreciable Group		Survivor Curve	Original Cost at December 31, 2010	Book Reserve	Future Accruals	Annual Accrual Amount	Composite Remaining Life	Annual Accrual Rate, Percent
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)
369.2	Services	65-R3	89,070,320.55	31,942,095	57,128,227	1,414,571	40.4	1.59
370	Meters	31-R2.5 *	102,092,588.64	46,433,049	55,659,540	7,509,885	7.4	7.36
370.1	Meters - Communication Equipment	10-S3	2,663,704.49	1,354,393	1,309,312	591,077	2.2	22.19
373	Street Lighting Equipment	27-R0.5	36,741,791.80	23,125,871	13,615,919	1,000,415	13.6	2.72
Total Distribution Plant			1,975,601,041.13	643,950,282	1,331,650,778	54,732,047	24.3	2.77
General Plant								
390	Structures and Improvements							
	Major Structures	55-R1.5 *	92,679,099.60	28,772,527	63,906,571	3,599,085	17.8	3.88
	Other Small Structures	45-R3	3,538,044.27	450,180	3,087,865	100,346	30.8	2.84
	<i>Total Account 390</i>		<u>96,217,143.87</u>	<u>29,222,707</u>	<u>66,994,436</u>	<u>3,699,431</u>	<u>18.1</u>	<u>3.84</u>
391	Office Furniture and Equipment							
	Office Furniture	20-SQ	4,575,047.93	2,989,990	1,585,057	228,692	6.9	5.00
	EDP Equipment	5-SQ	5,155,088.50	1,965,241	3,189,847	1,031,031	3.1	20.00
	<i>Total Account 391</i>		<u>9,730,136.43</u>	<u>4,955,231</u>	<u>4,774,904</u>	<u>1,259,723</u>	<u>3.8</u>	<u>12.95</u>
392	Transportation Equipment		53,364,192.97	31,090,662	22,273,531	**		
393	Stores Equipment	30-SQ	2,728,772.05	1,376,142	1,352,631	90,871	14.9	3.33
394	Tools, Shop and Garage Equipment	25-SQ	12,314,475.89	4,699,376	7,615,103	492,145	15.5	4.00
395	Laboratory Equipment	20-SQ	4,364,212.91	2,770,526	1,593,687	218,020	7.3	5.00
396	Power Operated Equipment	20-S0.5	1,560,127.46	808,148	751,979	**		
397	Communication Equipment	15-SQ	57,526,357.15	24,479,586	33,046,770	3,835,818	8.6	6.67
398	Miscellaneous Equipment	20-SQ	457,633.27	234,586	223,049	22,870	9.8	5.00
Total General Plant			238,263,052.00	99,636,964	138,626,090	9,618,878	14.4	4.04
Total Depreciable Plant			<u>2,773,961,675.95</u>	<u>891,541,656</u>	<u>1,882,420,036</u>	<u>79,218,758</u>		

DUQUESNE LIGHT COMPANY

TABLE 2. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO UTILITY PLANT AT DECEMBER 31, 2010

Depreciable Group		Survivor Curve	Original Cost at December 31, 2010	Book Reserve	Future Accruals	Annual Accrual Amount	Composite Remaining Life	Annual Accrual Rate, Percent
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)
Unrecovered Adjustment for Amortization								
391	Office Furniture and Equipment							
	Office Furniture			1,459,000		291,800		***
	EDP Equipment			4,695,500		939,100		***
	<i>Total Account 391</i>			<u>6,154,500</u>		<u>1,230,900</u>		
393	Stores Equipment			317,000		63,400		***
394	Tools, Shop and Garage Equipment			1,745,000		349,000		***
395	Laboratory Equipment			1,174,000		234,800		***
397	Communication Equipment			9,850,000		1,970,000		***
398	Miscellaneous Equipment			<u>95,700</u>		<u>19,140</u>		***
Total Unrecovered Adjustment for Amortization				19,336,200		3,867,240		
Intangible and Nondepreciable Plant								
301	Organization		100,275.19					
302	Franchises and Consents		6,830.09					
303	Misc Intangible Plant		18,776,729.65	8,305,910				
350	Land and Land Rights		16,807,688.81					
359	Roads and Trails		0.00	(2,475)				
360	Land and Land Rights		11,066,903.31					
389	Land and Land Rights		5,879,117.28					
390.2	Structures and Improvements - Leaseholds		<u>8,497,295.77</u>	<u>5,165,273</u>				
Total Intangible and Nondepreciable Plant			61,134,840.10	13,468,708				
Total Utility Plant			<u>2,835,096,516.05</u>	<u>885,674,164</u>		<u>83,085,998</u>		

NOTE: Transportation was switched from group to individual with gain loss.

* Life Span Procedure was used. Curve Shown is Interim Survivor Curve.

** Annual Accrual is charged on a vehicle by vehicle basis.

*** 5-year Amortization of Unrecovered Reserve related to implementation to Amortization accounting.

DUQUESNE LIGHT COMPANY

TABLE 3. SUMMARY OF PLANT IN SERVICE ACTIVITY FOR THE YEAR ENDED DECEMBER 31, 2010

Depreciable Group (1)	Balance at Beginning of Year (2)	Additions (3)	Retirements (4)	Transfers And Adjustments (5)	Balance at End of Year (6)	Percent of Original Cost Retired (7)
Transmission Plant						
350	Land and Land Rights	12,453,790.38	4,353,898.43		16,807,688.81	0.00
352	Structures and Improvements	8,757,456.57	244,762.33	31,457.32	8,970,761.58	0.36
353	Station Equipment	230,377,301.92	61,422,522.23	10,034,360.70	281,992,767.60	4.36
354	Towers and Fixtures	68,304,205.05	2,818,459.77	67,335.20	71,055,329.62	0.10
355	Poles and Fixtures	13,339,020.29	93,662.25	132,619.10	13,300,063.44	0.99
356	Overhead Conductors and Devices	75,102,932.38	3,992,473.85	130,075.93	78,965,330.30	0.17
357	Underground Conduit	62,404,194.15	47,597.76		62,451,791.91	0.00
358	Underground Conductors and Devices	42,244,274.00	1,117,264.37		43,361,538.37	0.00
359	Roads and Trails	0.00			0.00	-
	Total Transmission Plant	512,983,174.74	74,090,640.99	10,395,848.25	576,905,271.63	
Distribution Plant						
360	Land and Land Rights	11,053,676.44	13,226.87		11,066,903.31	0.00
361	Structures and Improvements	52,194,400.65	2,980,840.05	76,596.83	55,098,643.87	0.15
362.1	Station Equipment	312,751,161.68	23,804,215.17	3,764,604.09	332,563,468.61	1.20
362.2	Station Equipment - Customer HV	32,388,314.46	1,892,886.89	628,135.51	33,653,065.84	1.94
362.3	Station Equipment - Portable Substations	0.00	470,853.78		470,853.78	-
364.11	Poles, Towers and Fixtures	312,336,122.25	14,528,585.25	672,872.02	326,191,835.48	0.22
365.01	Overhead Conductors and Devices	314,358,623.18	59,736,001.22	7,950,421.90	366,144,202.50	2.53
366	Underground Conduit	104,983,362.96	3,835,595.54	267,264.60	108,551,693.90	0.25
367	Underground Conductors and Devices	234,243,923.43	23,802,057.83	2,516,688.72	255,529,292.54	1.07
368	Line Transformers	255,254,498.32	14,861,412.54	3,286,331.73	266,829,579.13	1.29
369.2	Services	85,156,050.27	4,114,522.21	200,251.93	89,070,320.55	0.24
370	Meters	97,480,816.76	4,899,117.01	287,345.13	102,092,588.64	0.29
370.1	Meters - Communication Equipment	2,651,065.16	12,639.33		2,663,704.49	0.00
373	Street Lighting Equipment	34,906,583.36	2,476,121.08	640,912.64	36,741,791.80	1.84
	Total Distribution Plant	1,849,758,598.92	157,428,074.77	20,291,425.10	1,986,667,944.44	
General Plant						
389	Land and Land Rights	5,879,117.28			5,879,117.28	0.00
390	Structures and Improvements	93,668,239.59	2,540,606.99	169,280.71	96,217,143.87	0.18
391	Office Furniture and Equipment	11,314,999.96	1,231,689.72	2,816,553.25	9,730,136.43	24.89
392	Transportation Equipment	48,682,054.39	4,682,138.58		53,364,192.97	0.00
393	Stores Equipment	2,706,763.67	28,182.76	6,174.38	2,728,772.05	0.23
394	Tools, Shop and Garage Equipment	13,310,225.83	1,011,200.81	2,006,950.75	12,314,475.89	15.08
395	Laboratory Equipment	4,202,956.45	516,739.32	355,482.86	4,364,212.91	8.46

DUQUESNE LIGHT COMPANY

TABLE 3. SUMMARY OF PLANT IN SERVICE ACTIVITY FOR THE YEAR ENDED DECEMBER 31, 2010

<u>Depreciable Group</u>		<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers And Adjustments</u>	<u>Balance at End of Year</u>	<u>Percent of Original Cost Retired</u>
(1)		(2)	(3)	(4)	(5)	(6)	(7)
396	Power Operated Equipment	1,209,068.54	351,058.92			1,560,127.46	0.00
397	Communication Equipment	55,485,293.02	4,361,642.44	2,320,578.31		57,526,357.15	4.18
398	Miscellaneous Equipment	469,398.11		11,764.84		457,633.27	2.51
Total General Plant		236,928,116.84	14,723,259.54	7,686,785.10	177,578.00	244,142,169.28	
Total Depreciable Plant		2,599,669,890.50	246,241,975.30	38,374,058.45	177,578.00	2,807,715,385.35	
Intangible Plant							
301	Organization	100,275.19				100,275.19	
302	Franchises and Consents	6,830.09				6,830.09	
303	Misc Intangible Plant	10,227,548.99	8,549,180.66			18,776,729.65	
390.2	Structures and Improvements - Leaseholds	9,356,184.66	696,864.47	595,047.24	(960,706.12)	8,497,295.77	
Total Intangible Plant		19,690,838.93	9,246,045.13	595,047.24	(960,706.12)	27,381,130.70	
Total Plant in Service		2,619,360,729.43	255,488,020.43	38,969,105.69	(783,128.12)	2,835,096,516.05	

DUQUESNE LIGHT COMPANY

TABLE 4. SUMMARY OF BOOK RESERVE ACTIVITY FOR THE YEAR ENDED DECEMBER 31, 2010

	Depreciable Group	Book Reserve at Beginning of Year	Annual Accruals	Retirements	Gross Salvage	Cost of Removal	Misc. Debits & Credits	Book Reserve at End of Year	Book Reserve as a Percent of Original Cost
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
303	Miscellaneous Intangible Plant	5,014,404.62	3,291,505.69					8,305,910.31	49.03
	Transmission Plant								
352	Structures and Improvements	4,310,791.18	279,242.00	31,457.32	25,222.30	56,931.00		4,526,867.16	49.22
353	Station Equipment	63,712,085.66	8,073,345.84	10,034,360.70	172,376.88	1,129,738.15	4,037.60	60,797,747.13	27.66
354	Towers and Fixtures	24,802,734.84	1,865,618.90	67,335.20		706,539.71		25,894,478.83	36.31
355	Poles and Fixtures	2,233,780.40	477,802.38	132,619.10		36,605.71		2,542,357.97	16.75
356	Overhead Conductors and Devices	21,014,085.59	1,725,557.54	130,075.93		89,309.48		22,520,257.72	27.98
357	Underground Conduit	17,637,274.30	1,167,588.52					18,804,862.82	28.26
358	Underground Conductors and Devices	12,146,801.93	721,036.14					12,867,838.07	28.75
359	Roads and Trails	(2,474.63)						(2,474.63)	-
	Total Transmission Plant	146,866,079.27	14,310,191.32	10,396,848.25	197,599.18	2,019,124.05	4,037.60	147,961,936.07	
361	Structures and Improvements	26,546,585.79	1,336,748.04	76,596.83	528.43	6,839.25		27,800,426.18	50.86
362	Station Equipment	93,286,609.90	9,287,751.64	4,392,739.60	186,529.33	2,551,159.64	(12,707.53)	95,804,284.10	27.03
364.11	Poles, Towers and Fixtures	123,022,249.31	9,033,184.03	672,872.02		2,673,850.70		129,048,479.26	39.39
365.01	Overhead Conductors and Devices	105,280,343.49	8,518,505.51	7,950,421.90	2,095,740.89	2,185,425.33		105,758,742.66	33.49
366	Underground Conduit	33,111,108.67	2,078,114.12	267,264.60		51,788.46		34,870,169.73	31.54
367	Underground Conductors and Devices	74,498,378.29	6,259,518.56	2,516,688.72	988,823.29	1,765,610.28		77,464,421.14	31.80
368	Line Transformers	65,751,418.58	9,281,633.84	3,286,331.73	356,198.33	1,754,568.18		70,348,350.84	25.76
369.2	Services	31,495,524.38	2,658,074.17	200,251.93	522.92	2,011,774.94		31,942,094.60	36.99
370	Meters	43,539,367.85	3,187,960.45	287,345.13		6,934.23		46,433,048.94	44.06
370.1	Meters - Communication Equipment	1,348,306.33	6,718.96			631.88		1,354,393.41	103.37
373	Street Lighting Equipment	22,610,920.14	1,239,819.26	640,912.64		83,955.34		23,125,871.42	64.78
	Total Distribution Plant	620,490,812.73	62,888,028.58	20,291,426.10	3,968,111.83	13,092,538.23	(12,707.63)	643,960,282.28	
	General Plant								
390.1	Structures and Improvements	26,220,519.76	3,546,486.81	169,280.71		225,651.84	(149,367.00)	29,222,707.02	27.99
390.2	Structures and Improvements - Leaseholds	4,823,877.39	527,108.59	595,047.24		26,615.89	435,950.22	5,165,273.07	51.56
391.1	Office Furniture	749,484.15	781,505.38					1,530,989.53	16.38
391.2	E.D.P. Equipment	(2,124,300.27)	2,210,594.73	2,816,553.25				(2,730,258.79)	(31.52)
392	Transportation Equipment	27,492,777.70	3,844,726.18		(246,842.15)			31,090,661.73	56.47
393	Stores Equipment	921,170.32	144,145.61	6,174.38				1,059,141.55	34.03
394	Tools, Shop and Garage Equipment	4,113,535.17	847,791.46	2,006,950.75				2,954,375.88	30.91
395	Laboratory Equipment	1,503,671.21	448,338.12	355,482.86				1,596,526.47	35.78
396	Power Operated Equipment	771,749.66	36,398.80					808,148.46	63.83
397	Communication Equipment	11,250,044.93	5,712,741.64	2,320,578.31	7.71	12,630.23		14,629,585.74	20.28
398	Miscellaneous Equipment	115,245.06	35,405.52	11,764.84				138,885.74	24.55
	Total General Plant	76,837,776.08	18,136,242.84	8,281,832.34	(246,834.44)	264,897.96	286,583.22	86,466,036.40	
	Total Depreciable Plant	847,198,071.70	88,624,968.43	38,969,106.69	3,918,876.57	15,376,660.24	277,913.29	886,674,164.06	

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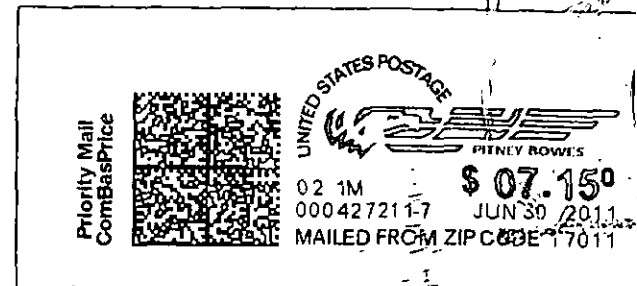
DUQUESNE LIGHT COMPANY

TABLE 5. SUMMARY OF NET SALVAGE BY FUNCTION
AND AMORTIZATION FOR THE PERIOD, 2006-2010

Year	Function			Total Net Salvage	5-Year Amortization
	Transmission Plant	Distribution Plant	General Plant		
(1)	(2)	(3)	(4)	(5)	(6)=(5)/5
2006	1,373,087	169,349	292,023	1,834,458	366,892
2007	1,184,768	8,428,625	51,065	9,664,458	1,932,892
2008	718,341	2,937,392	591,386	4,247,119	849,424
2009	1,562,313	8,398,843	44,956	10,006,112	2,001,222
2010	1,821,525	9,124,427	541,732	11,487,684	2,297,537
Total	<u>6,660,035</u>	<u>29,058,635</u>	<u>1,521,162</u>	<u>37,239,831</u>	<u>7,447,967</u>



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FIRST CLASS MAIL

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