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Pittsburgh, PA 15219

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**Gary A. Jack**  
Assistant General Counsel

December 21, 2011

**VIA OVERNIGHT MAIL**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building, 2<sup>nd</sup> Floor  
400 North Street  
Harrisburg, PA 17120

**RECEIVED**  
DEC 21 2011  
PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**Re: State Tax Adjustment Surcharge  
Duquesne Light Company  
Docket No: \_\_\_\_\_**

Dear Secretary Chiavetta:

Enclosed for filing, please find an original and eight (8) copies of Supplement No. 53 to Tariff Electric PA PUC No. 24 which amends Rider No. 10 – State Tax Adjustment Surcharge to be effective January 1, 2012, implementing a state tax adjustment surcharge for 2012. Also enclosed for filing is the “Summary of Revenue Requirements” that Duquesne Light Company is required to submit in support of the recalculation of the State Tax Adjustment Surcharge (STAS) in compliance with the Public Utility Commission Order of March 10, 1970. Duquesne Light’s Rider No. 10 requires an annual recalculation of the STAS to be effective on January 1 of each year.

By its Order of December 1, 2006, in Duquesne’s distribution rate case at R-00061346, the Commission approved a modification of the structure of Duquesne’s Rider No. 10 – State Tax Adjustment Surcharge. The modification reflects a two-part surcharge, with Part 1 applying to the distribution component of customers’ bills and Part 2 to all components of the bills. Duquesne proposes herein for 2012 new tax surcharge rates of: Part 1 rate of -0.5578% and Part 2 rate of 0.0000%. These rates appear in the proposed Rider No. 10 enclosed herein to be effective January 1, 2012.

If you have any questions regarding the information in this filing, please feel free to contact me.

Sincerely yours,

Gary A. Jack  
Assistant General Counsel

Enclosures

- c: Bureau of Fixed Utility Services (w/enc.)
- Office of Trial Staff (w/enc.)
- Office of Consumer Advocate (w/enc.)
- Office of Small Business Advocate (w/enc.)



# SCHEDULE OF RATES

For Electric Service in Allegheny and Beaver Counties

(For List of Communities Served, see Pages No. 4 and 5)

Issued By

**DUQUESNE LIGHT COMPANY**  
411 Seventh Avenue  
Pittsburgh, PA 15219

**Richard Riazzi**  
President and Chief Executive Officer

**RECEIVED**

DEC 21 2011

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

ISSUED: December 22, 2011

EFFECTIVE: January 1, 2012

Issued in compliance with Section B-1 of the Pennsylvania Public Utility Commission Order of March 10, 1970.

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# NOTICE

**THIS TARIFF SUPPLEMENT DECREASES RATES WITHIN AN EXISTING RIDER**

**See Page Two**

LIST OF MODIFICATIONS MADE BY THIS TARIFF

DECREASES

**Rider No. 10 – State Tax Adjustment**

**Seventh Revised Page No. 94  
Cancelling Sixth Revised Page No. 94**

In compliance with Section B-1 of the Pennsylvania Public Utility Commission Order of March 10, 1970, the State Tax Adjustment (STAS) has been recalculated as follows:

Part 1 of the surcharge has been decreased from (0.4411%) to (0.5578%). Part 2 of the surcharge has been decreased from 0.1703% to 0.0000%.

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**STANDARD CONTRACT RIDERS - (Continued)****RIDER NO. 10 - STATE TAX ADJUSTMENT****(Applicable to All Rates)**

In addition to the charges provided in this Tariff, a two-part surcharge will apply to all bills rendered by the Company, pursuant to the Pennsylvania Public Utility Commission authorization of March 10, 1970, to compensate the Company for new and increased taxes imposed by the General Assembly.

Part 1 of the surcharge, at a rate of (0.5578%) will include Capital Stock Tax, Corporate Net Income Tax, and Public Utility Realty Tax, which will be applied to the distribution charges of customer bills. (D)

Part 2 of the surcharge, at a rate of 0.0000% will include Gross Receipts Tax and will be applied to all portions of customer bills. (D)

The Company will recompute the surcharge using the elements prescribed by the Commission's March 10, 1970, authorization:

1. Whenever any of the tax rates used in computing the surcharge is changed, in which case the recomputation shall take into account the changed tax rate.
2. Whenever the Company makes effective increased or decreased rates (other than net energy clause), in which case the recomputation shall take into account the adjustments prescribed by the Commission's March 10, 1970, authorization.
3. On December 22, and each year thereafter.

Every recomputation made pursuant to the above paragraph shall be submitted to the Commission within ten (10) days after the occurrence of the event or date which occasions such recomputation: and if the recomputed surcharge is less than the one then in effect the Company will, and if the recomputed surcharge is more than the one then in effect the Company may, accompany such recomputation with a Tariff or supplement to reflect such recomputed surcharge, the effective date of which, shall be ten (10) days after filing.

**DUQUESNE LIGHT COMPANY****State Tax Adjustment Surcharge Computation**

Page 1 of 3

**Application Period: January 1, 2012 - December 31, 2012**

(Summary of Revenue Requirements Submitted in Compliance with Pennsylvania Public Utility Commission Order Dated March 10, 1970 Re: State Tax Adjustment Procedure and Order dated December 16, 1999 at R-00994930)

**Part I - Applicable to Distribution Charges on Customer Bills****1 Capital Stock and Franchise Tax**

Duquesne Light PA Corporate Tax Report	2010	\$748,895,872	
	Current Tax Millage Rate	1.89	
	Millage Recovery in Base Rates	<u>4.99</u>	
			(3.10)
Decrease in Capital Stock and Franchise Tax Liability			(\$2,321,577)

**2 Public Utility Realty Tax**

Taxable Value of T&D Property	2010	32,871,537	
	Current Tax Millage Rate	29.0156	
	Millage Recovery in Base Rates	<u>30.0000</u>	
			(0.9844)
Decrease in PURTA Liability			(32,359)

**3 Reconciliation of Prior Period STAS**

Under-refund of Prior Period STAS (See page 3) (126,176)

**4 Total of Above Items (2,480,112)****5 Gross-up for GRT Line 4 / 0.9410 (2,635,613)****6 Projected Distribution Revenues for Application Period \$472,516,784****7 Part I STAS Rate (Line 5 / 6) -0.5578%**

**DUQUESNE LIGHT COMPANY**

**State Tax Adjustment Surcharge Computation**

**Application Period: January 1, 2012 - December 31, 2012**

(Summary of Revenue Requirements Submitted in Compliance with Pennsylvania Public Utility Commission Order Dated March 10, 1970 Re: State Tax Adjustment Procedure and Order dated December 16, 1999 at R-00994930)

**Part II - Applicable to All Charges on Customer Bills**

**1 Gross Receipts Tax Adjustment for PURTA Surcharge**

2012 Surcharge Millage Rate 0.00

Projected total revenues \$796,723,235

Increase in Gross Receipts Tax Liability \$0

**4 Total of Above Items 0**

**5 Gross-up for GRT Line 4 / 0.9410 0**

**6 Projected Total Revenues for Application Period \$796,723,235**

**7 Part II STAS Rate (Line 5 / 6) 0.0000%**

**DUQUESNE LIGHT COMPANY**  
**State Tax Adjustment Surcharge Computation**

**Application Period: January 1, 2012 - December 31, 2012**

(Summary of Revenue Requirements Submitted in Compliance with Pennsylvania Public Utility Commission Order Dated March 10, 1970 Re: State Tax Adjustment Procedure and Order dated December 16, 1999 at R-00994930)

**Reconciliation of STA Rider 01/01/11 through 12/31/11**

**1 Capital Stock and Franchise Tax**

2010	\$748,895,872			
	2011 Tax Expense @	0.289%	=	\$2,164,309
	Millage Recovery in Base Rates	0.499%	=	<u>3,736,990</u>
Amount to be Refunded through STAS				(1,572,681)
Amount Refunded through STAS				<u>(1,449,845)</u>
Under Refund				(\$122,836)

**2 PURTA Tax**

PURTA Assessment to be refunded through STAS				(66,584)
Amount Refunded through STAS				<u>(63,244)</u>
Over refund				(3,340)

**4 Total Over/(Under) Refund of STAS 1/01/11 through 12/31/11** **(\$126,176)**

August 1, 2011

DUQUESNE LIGHT CO  
ATTN: TAX DEPT  
411 SEVEN AVENUE  
PITTSBURGH, PA 15219

**Re: 2010 Pennsylvania Public Utility Realty Tax  
Notice of Determination**

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act, the Department of Revenue herein provides notice of the state taxable values of PURTA realty and the millage rate for tax year 2010. This notice is based on information provided by your county tax assessor's office. Any errors must be addressed with that agency and not with the Pennsylvania Department of Revenue. Notice is also given for any PURTA/PTA Tax and transitional credit adjustments for prior tax years.

Payment of tax is required within 45 days of the mailing date of this notice. Previous payments, adjustments and credits should be taken into consideration. Payments and correspondence relevant to the PURTA tax or this notice should be mailed directly to the above address.

Thank you for your attention to this matter.

Sincerely,

Department of Revenue  
Bureau of Corporation Taxes

**PLEASE SEE PAGE 2  
FOR DETAIL**

Account ID: 3500023

**1998 - 2010 NOTICES:**

2010 Liability:	\$953,787.00
2009 Liability Adjustment:	\$9,158.00
2008 Liability Adjustment:	\$6,665.00
2007 Liability Adjustment:	\$2,760.00
2006 Liability Adjustment:	\$2,746.00
2005 Liability Adjustment:	\$2,963.00
2004 Liability Adjustment:	\$2,428.00
2003 Liability Adjustment:	(\$63.00)
2002 Liability Adjustment:	(\$72.00)
2001 Liability Adjustment:	(\$78.00)
2001 Transition Credit Adjustment:	\$0.00
2000 Liability Adjustment:	(\$105.00)
2000 Transition Credit Adjustment:	\$0.00
1999 Liability Adjustment:	\$756.00
1999 Transition Credit Adjustment:	\$0.00
1998 Liability Adjustment:	\$69,045.00
1998 Transition Credit Adjustment:	\$0.00

Name: DUQUESNE LIGHT CO

Account Id: 3500023

Details

Tax Year	2010	2009	2008	2007	2006	2005
	<u>Adjusted Totals</u>					
1) Total Realty Tax Equivalent (RTE):	\$ 31,124,498	\$ 31,162,601	\$ 30,575,260	\$ 28,869,361	\$ 30,549,443	\$ 30,654,214
2) Total State Taxable Value (STV) for all utilities:	\$ 1,453,353,016	\$ 1,533,678,929	\$ 1,623,939,282	\$ 1,649,712,214	\$ 1,620,689,858	\$ 1,522,174,097
3) PURTA Millage Rate, including 7.6 mills for PTA:	29.0156 mills	27.9189 mills	26.4278 mills	25.0996 mills	26.4497 mills	27.7384 mills
	<u>Utility Adjustments</u>					
4) Utility STV:	\$32,871,537	\$32,215,701	\$32,435,577	\$29,846,542	\$27,459,869	\$26,556,044
5) Liability (Line 3 x Line 4):	\$953,787	\$899,427	\$857,201	\$749,136	\$726,305	\$736,622
6) Utility Transition Credit:	N/A	N/A	N/A	N/A	N/A	N/A
7) Utility Liability Adjustment:	N/A	9158	\$6,665	\$2,760	\$2,746	\$2,963
8) Utility Transition Credit Adjustment:	N/A	N/A	N/A	N/A	N/A	N/A

Tax Year	2004	2003	2002	2001	2000	1999	1998
	<u>Adjusted Totals</u>						
1) Total Realty Tax Equivalent (RTE):	\$ 29,345,575	\$ 29,318,512	\$ 29,007,162	\$ 29,088,140	\$ 28,049,747	\$ 38,596,074	\$ 133,200,000
2) Total State Taxable Value (STV) for all utilities:	\$ 1,424,079,193	\$ 1,359,904,547	\$ 1,353,615,229	\$ 1,327,231,854	\$ 1,348,875,201	\$ 2,038,005,226	\$ 2,075,078,359
3) PURTA Millage Rate, including 7.6 mills for PTA:	28.2067 mills	29.1592 mills	29.0294 mills	29.5164 mills	28.3949 mills	26.5382 mills	71.7903 mills
	<u>Utility Adjustments</u>						
4) Utility STV:	\$25,942,366	\$26,249,651	\$32,729,232	\$31,223,756.25	\$42,016,005	\$64,055,803	\$60,876,054
5) Liability (Line 3 x Line 4):	\$731,749	\$765,419	\$950,110	\$921,613	\$1,193,040	\$1,699,926	\$4,370,310
6) Utility Transition Credit:	N/A	N/A	N/A	\$0	\$0	\$0	\$0
7) Utility Liability Adjustment:	\$2,428	(\$63)	(\$72)	(\$78)	(\$105)	\$756	\$69,045
8) Utility Transition Credit Adjustment:	N/A	N/A	N/A	\$0	\$0	\$0	\$0

If you do not agree with this Notice of Determination for 2010 PURTA, you may file a Petition for Recalculation with the Board of Finance and Revenue pursuant to Section 1109-A of the Tax Reform Code of 1971. The petition must be postmarked by the U.S. Postal Service or received by the Board of Finance and Revenue within 30 days of the mailing date of this notice. Under separate cover you will receive a Statement of Account. Please review it to confirm the status of payments made, transition credits and adjustments to previous tax liabilities or balances still due. Any overpayment is available for transfer within the account, and any net credit balance for the account is available for refund/assignment.

## Pennsylvania State Tax Reporter Official Law Hierarchy, Pennsylvania, Sec. 602[72 P.S. §7602] Imposition of tax

Pennsylvania Unconsolidated Statutes—Laws of Pennsylvania, Tax Reform Code of 1971, ARTICLE VI  
CAPITAL STOCK—FRANCHISE TAX, Part II Imposition of Tax

602(a) That every domestic entity from which a report is required under section 601 hereof, shall be subject to, and pay to the department annually, a tax which is the amount computed by multiplying each dollar of the capital stock value as defined in section 601(a) by the appropriate rate of tax as set forth in subsection (h); except that any domestic entity or company subject to the tax prescribed herein may elect to compute and pay its tax under and in accordance with the provisions of subsection (b) of this section 602: provided, that the provisions of this section shall not apply to the taxation of the capital stock of entities organized for manufacturing, processing, research or development purposes, which is invested in and actually and exclusively employed in carrying on manufacturing, processing, research or development within the state, except such entities as enjoy and exercise the right of eminent domain, but every entity organized for the purpose of manufacturing, processing, research or development except such entities as enjoy and exercise the right of eminent domain shall pay the state tax of the amount computed by multiplying each dollar of the capital stock value as defined in section 601(a) by the appropriate rate of tax as set forth in subsection (h) upon such proportion of its capital stock, if any, as may be invested in any property or business not strictly incident or appurtenant to the manufacturing, processing, research or development business, in addition to the local taxes assessed upon its property in the district where located, it being the object of this provision to relieve from state taxation only so much of the capital stock as is invested purely in the manufacturing, processing, research or development plant and business: and provided further, that the provisions of this section shall not apply to the taxation of so much of the capital stock value attributable to student loan assets owned or held by an entity created for the securitization of student loans or by a trustee on its behalf.

### 602(b)

602(b)(1) Every foreign entity from which a report is required under section 601 hereof, shall be subject to and pay to the department annually, a franchise tax which is the amount computed by multiplying each dollar of the capital stock value as defined in section 601(a) by the appropriate rate of tax as set forth in subsection (h) upon a taxable value to be determined in the following manner. The capital stock value shall be ascertained in the manner prescribed in section 601(a) of this article. The taxable value shall then be determined by employing the relevant apportionment factors set forth in Article IV: provided, that the manufacturing, processing, research and development exemptions contained under section 602(a) shall also apply to foreign corporations. In determining the relevant apportionment factors, the following shall apply:

602(b)(1)(i) For taxable years beginning before January 1, 1999, the numerator of the property, payroll or sales factors shall not include any property, payroll or sales attributable to manufacturing, processing, research or development activities in the commonwealth;

602(b)(1)(ii) For taxable years beginning after December 31, 1998, the numerator of the property or payroll factors shall not include any property or payroll attributable to

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manufacturing, processing, research or development activities in the commonwealth, and any property or payroll attributable to manufacturing, processing, research or development activities outside of the commonwealth shall also be excluded from the numerator of the property or payroll factors. The provisions of this section shall not apply to the taxation of so much of the capital stock value attributable to student loan assets owned or held by an entity created for the securitization of student loans or by a trustee on its behalf. Any foreign corporation, joint-stock association, limited partnership or company subject to the tax prescribed herein may elect to compute and pay its tax under section 602(a): provided, that any foreign corporation, joint-stock association, limited partnership or company electing to compute and pay its tax under section 602(a) shall be treated as if it were a domestic corporation for the purpose of determining which of its assets are exempt from taxation and for the purpose of determining the proportion of the value of its capital stock which is subject to taxation.

602(b)(2) The provisions of this article shall apply to the taxation of entities organized for manufacturing, processing, research or development purposes, but shall not apply to such entities as enjoy and exercise the right of eminent domain.

602(c) (Repealed by Act of August 4, 1991, No. 22, effective retroactively to the taxable years beginning on or after January 1, 1991.)

602(d) It shall be the duty of the treasurer or other officers having charge of any domestic or foreign entity, upon which a tax is imposed by this section, to transmit the amount of tax to the department within the time prescribed by law: Provided, That for the purposes of this act interest in limited partnerships or joint-stock associations shall be deemed to be capital stock, and taxable accordingly: Provided, further, That entities liable to a tax under this section, shall not be required to pay any further tax on the mortgages, bonds, and other securities owned by them and in which the whole body of stockholders or members, as such, have the entire equitable interest in remainder; but entities owning or holding such securities as trustees, executors, administrators, guardians, or in any other manner than for the whole body of stockholders or members thereof as sole equitable owners in remainder, shall return and pay the tax imposed by this act upon all securities so owned or held by them, as in the case of individuals.

602(e) Any holding company subject to the capital stock tax or the franchise tax imposed by this section may elect to compute the capital stock or franchise tax by applying the rate of tax provided in subsection (h) to ten per cent of the capital stock value as defined in section 601(a). If exercised, this election shall be in lieu of any other apportionment or allocation to which such company would otherwise be entitled.

602(f) Every domestic corporation and every foreign corporation (i) registered to do business in Pennsylvania; (ii) which maintains an office in Pennsylvania; (iii) which has filed a timely election to be taxed as a regulated investment company with the federal government; and (iv) which duly qualifies to be taxed as a regulated investment company under the provisions of the Internal Revenue Code of 1954 as amended, shall be taxed as a regulated investment company and shall be subject to the capital stock or franchise tax imposed by section 602, in either case for the privilege of having an office in Pennsylvania, which tax shall be computed pursuant to the provisions of this subsection in lieu of all other provisions of this section 602. The tax shall be in an amount which is the sum of the amounts determined pursuant to clauses (1) and (2):

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602(f)(1) The amount determined pursuant to this clause shall be seventy-five dollars (\$75) times that number which is the result of dividing the net asset value of the regulated investment company by one million, rounded to the nearest multiple of seventy-five dollars (\$75). Net asset value shall be determined by adding the monthly net asset values as of the last day of each month during the taxable period and dividing the total sum by the number of months involved. Each such monthly net asset value shall be the actual market value of all assets owned without any exemptions or exclusions, less all liabilities, debts and other obligations.

602(f)(2) The amount determined pursuant to this clause shall be the amount which is the result of multiplying the rate of taxation applicable for purposes of the personal income tax during the same taxable year times the apportioned undistributed personal income tax income of the regulated investment company. For the purposes of this clause:

602(f)(2)(A) Personal income tax income shall mean income to the extent enumerated and classified in section 303.

602(f)(2)(B) Undistributed personal income tax income shall mean all personal income tax income other than personal income tax income undistributed on account of the capital stock or foreign franchise tax, less all personal income tax income distributed to shareholders. At the election of the company, income distributed after the close of a taxable year, but deemed distributed during the taxable year for federal income tax purposes, shall be deemed distributed during that year for purposes of this clause. If a company in a taxable year has both current income and income accumulated from a prior year, distributions during the year shall be deemed to have been made first from current income.

602(f)(2)(C) Undistributed personal income tax income shall be apportioned to Pennsylvania by a fraction, the numerator of which is all income distributed during the taxable period to shareholders who are resident individuals, estates or trusts and the denominator of which is all income distributed during the taxable period. Resident trusts shall not include charitable, pension or profit-sharing, or retirement trusts.

602(f)(2)(D) Personal income tax income and other income of a company shall each be deemed to be either distributed to shareholders or undistributed in the proportion each category bears to all income received by the company during the taxable year.

602(g) In the event that a domestic or foreign entity is required to file a report pursuant to section 601(b) on other than an annual basis, the tax imposed by this section shall be prorated to reflect the portion of a taxable year for which the report is filed by multiplying the tax liability by a fraction equal to the number of days in the taxable year divided by three hundred sixty-five days.

602(h) The rate of tax for purposes of the capital stock and franchise tax for taxable years beginning within the dates set forth shall be as follows <sup>1</sup>:

Taxable Year	Regular Rate	Surtax	Total Rate
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January 1, 1971, to December 31, 1986	10 mills	0	10 mills
January 1, 1987, to December 31, 1990	9 mills	0	9 mills
January 1, 1988, to December 31, 1990	9.5 mills	0	9.5 mills
January 1, 1991, to December 31, 1991	11 mills	2 mills	13 mills
January 1, 1992, to December 31, 1997	11 mills	1.75 mills	12.75 mills
January 1, 1998, to December 31, 1998	11 mills	.99 mills	11.99 mills
January 1, 1999, to December 31, 1999	10.99 mills	0	10.99 mills
January 1, 2000, to December 31, 2000	8.99 mills	0	8.99 mills
January 1, 2001, to December 31, 2001	7.49 mills	0	7.49 mills
January 1, 2002, to December 31, 2003	7.24 mills	0	7.24 mills
January 1, 2004, to December 31, 2004	6.99 mills	0	6.99 mills
January 1, 2005, to December 31, 2005	5.99 mills	0	5.99 mills
January 1, 2006, to December 31, 2006	4.89 mills	0	4.89 mills
January 1, 2007, to December 31, 2007	3.89 mills	0	3.89 mills

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January 1, 2008, to December 31, 2011	2.89 mills	0	2.89 mills
January 1, 2012, to December 31, 2012	1.89 mills	0	1.89 mills
January 1, 2013, to December 31, 2013	.89 mills	0	.89 mills

602(l) An entity subject to taxation under Article VII, VIII, IX or XV shall not be subject to the tax imposed by this article.

(As amended by Act of August 31, 1971, P.L. 362; Act of September 9, 1971, P.L. 362; Act of July 1, 1978, P.L. 594; Act of December 23, 1983, No. 89; Act of December 23, 1983, No. 90; Act of December 23, 1983, P.L. 360; Act of December 23, 1983, P.L. 370; Act of July 1, 1985, No. 29; Act of December 19, 1985, No. 102; Act of July 13, 1987, No. 58; Act of October 18, 1988, No. 108; Act of August 4, 1991, No. 22; Act of April 23, 1998, No. 45; Act of May 12, 1999, No. 4 (S.B. 557); Act of December 15, 1999, No. 63 (H.B. 1848); Act of May 24, 2000, No. 23 (S.B. 2); Act of June 29, 2002, No. 89 (H.B. 1848); Act of December 23, 2003, No. 46 (H.B. 200), effective December 23, 2003; Act of July 6, 2006, No. 67 (S.B. 300), effective July 6, 2006, and applicable to taxable years beginning after December 31, 2005; Act of October 9, 2009, No. 48 (H.B. 1531), effective October 9, 2009.)

#### Footnotes

<sup>1</sup> Sec. 14(3) of the Act of October 9, 2009, No. 48 (H.B. 1531), provides:

Sec. 14(3) "For purposes of determining the amount of any underpayment under section 3003.3(d) of the act, the amendment of section 602(h) of the act shall not be taken into account for any payment of estimated capital stock or franchise tax due prior to January 1, 2010." CCH.

1010010124

RCT-101 PAGE 1 OF 6  
PA CORPORATE TAX REPORT 2010

DEPARTMENT USE ONLY

A A = 1120 B = 1120S C = 1120C D = 1120F E = 1120H F = 1065 G = 1040 H = Other

STEP A

Tax Year Beginning XX 01012010  
Tax Year Ending XX 12312010

STEP B

Regulated Inv. Co. XX N First Report XX N  
52-53 Week Filer XX N KOZ/EIP/SDA Credit XX N  
Address Change XX N File Period Change XX N  
Change Fed Group XX N

STEP C

Corp Tax Account ID XX 0658048  
Federal EIN XX 250451600  
Business Activity Code XX 221100  
Corporation Name XX DUQUESNE LIGHT COMPANY  
Address Line 1 XX 411 SEVENTH AVENUE  
Address Line 2 XX  
City XX PITTSBURGH  
State XX PA  
ZIP XX 15219

USE WHOLE DOLLARS ONLY

STEP D

A. Tax Liability  
from Tax Report

B. Estimated  
Payments &  
Credits on Deposit

C. Restricted  
Credits

Calculation:  
A minus B minus C

STEP E: Payment  
Make check for this amount  
payable to "PA Dept of Revenue"

	A. Tax Liability from Tax Report	B. Estimated Payments & Credits on Deposit	C. Restricted Credits	Calculation: A minus B minus C	STEP E: Payment
CS/FF	2164309	4356029	238778	-2430498	0
LOANS	36299	0	0	36299	0
CNI	2289436	2000000	0	289436	0
TOTAL	4490044	6356029	238778	-2104763	0

Made payment electronically N

STEP F: Transfer/Refund Method

Choose one of the following options:

B A = Transfer available credit B = Refund available credit

STEP G: Corporate Officer

(Sign affirmation below)

NAME DAVID B BORDO  
PHONE  
E-MAIL

FORM 1053  
BARCODE 0000

I affirm under penalties prescribed by law this report (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete report.

Corporate Officer Signature/Date

David B Bordo 10/14/11

01001900

ACCOUNT ID 0658048  
 TAX YEAR END 12312010 NAME DUQUESNE LIGHT COMPANY  
 RCT-101 PAGE 2 OF 6 PA CORPORATE TAX REPORT 2010

SECTION A: CS/FF

OLDEST PERIOD FIRST	TAX PERIOD BEGINNING	TAX PERIOD ENDING	BOOK INCOME			
YEAR 1	01012006	12312006	-3555190	Investment in LLC	XX	N
YEAR 2	01012007	05312007	13061912	Holding Company	XX	N
YEAR 3	05312007	12312007	68929049	Family Farm	XX	N
YEAR 4	01012008	12312008	72752416			
YEAR 5	01012009	12312009	74965058			
YEAR 6						
YEAR 7						
CUR YR	01012010	12312010	75989960			

USE WHOLE DOLLARS ONLY

2. TOTAL BOOK INCOME (sum of income for all tax periods up to, but not over 5 years total)	2	302143205
3. DIVISOR (In years and in part years rounded to three decimal places) See Instructions.	3	5.000
4. Divide Line 2 by Line 3.	4	60428641
5. AVERAGE BOOK INCOME - Enter Line 4, or if Line 4 is less than zero enter "0".	5	60428641
6. Divide Line 5 by 0.095.	6	636090958
7. Shareholders' equity at the END of the current period	7	1151100000
8. Shareholders' equity at the BEGINNING of the current period	8	1180300000
9. If Line 7 is more than twice as great or less than half as much as Line 8, add Lines 7 and 8 and divide by 2. Otherwise enter Line 7.	9	1151100000
10. NET WORTH - Enter Line 9, or if Line 9 is less than zero enter "0".	10	1151100000
11. Multiply Line 10 by 0.75.	11	863325000
12. Add Lines 6 and 11.	12	1499415958
13. Divide Line 12 by 2.	13	749707979
14. \$160,000 valuation deduction	14	-160000
15. CAPITAL STOCK VALUE - Line 13 less Line 14, but not less than "0". If 100% taxable, enter Line 15 on Line 17.	15	749547979
16. Proportion of taxable assets or apportionment proportion (from Schedule A-1, Line 5)	16	0.999130
17. TAXABLE VALUE - Multiply Line 15 by Line 16. If less than zero, enter "0".	17	748895872
18. CAPITAL STOCK/FOREIGN FRANCHISE TAX - Multiply Line 17 by 0.00289.	18	2164309

Total Beginning of Taxable Year Assets 2664607722

Total End of Taxable Year Assets 2859850930

ACCOUNT ID 0658048  
 TAX YEAR END 12312010 NAME DUQUESNE LIGHT COMPANY  
 RCT-101 PAGE 3 OF 6 PA CORPORATE TAX REPORT 2010

**SECTION B: Bonus Depreciation**

1. Current year fed. deprec. of 168k prop.	1	115011134
2. Current year adj. for disp. of 168k prop.	2	291561
3. Other adjustments	3	0

(Attach schedule C-3 if claiming bonus depreciation.)

Business Trust	XX	N
Solicitation Only	XX	N
Single-Member LLC	XX	N
Multi-Member LLC	XX	N
PA-S Corporation	XX	N
Taxable Built-In Gains	XX	N

USE WHOLE DOLLARS ONLY

**SECTION C: CORPORATE NET INCOME TAX**

1. Income or loss from federal return on a separate company basis	1	-75222323
<b>2. DEDUCTIONS:</b>		
A. Corporate dividends received (from Schedule C-2, Line 6)	2A	0
B. Interest on U.S. securities (GROSS INT less EXPENSES)	2B	0
C. Curr yr. addtl. PA deprec. plus adjust. for sale (attached Schedule C-3)	2C	5896729
D. Other (attached schedule) See Instructions.	2D	0
TOTAL DEDUCTIONS - Sum of A through D	2	5896729 ✓
<b>3. ADDITIONS:</b>		
A. Taxes imposed on or measured by net income (attached schedule)	3A	2103924
B. Tax preference items (attached copy of federal Form 4626)	3B	0
C. Employment incentive payment credit adjustment (attached Schedule W)	3C	0
D. Current year bonus depreciation (attached Schedule C-3)	3D	101932409 ✓
E. Other (attached schedule) See Instructions.	3E	0
TOTAL ADDITIONS - Sum of A through E	3	104036333
4. Income or loss with Pennsylvania adjustments (Line 1 - Line 2 + Line 3)	4	22917281
5. Total nonbusiness income or loss	5	0
6. Income or loss to be apportioned (Line 4 - Line 5)	6	22917281
7. Apportionment proportion (from Schedule C-1 Line 5)	7	1.000000
8. Income or loss apportioned to PA (Line 6 x Line 7)	8	22917281
9. Nonbusiness income or loss allocated to PA	9	0
10. Taxable income or loss after apportionment (Line 8 + Line 9)	10	22917281
11. Total net operating loss deduction (from RCT-103)	11	0
12. PA taxable income or loss (Line 10 - Line 11)	12	22917281
13. Corporate net income tax (Line 12 x 0.0999)	13	2289436

ACCOUNT ID 0658048  
 TAX YEAR END 12312010 NAME DUQUESNE LIGHT COMPANY  
 RCT-101 PAGE 4 OF 6 PA CORPORATE TAX REPORT 2010

**SECTION D: LOANS TAX**

- 1. Foreign Corporations Only. Did this corporation have a fiscal officer resident in Pennsylvania? XX N
- 2. Did this corporation have indebtedness outstanding to individual residents and/or partnerships resident in Pennsylvania? XX N
- 3. Did this corporation have indebtedness outstanding held by a trustee, agent or guardian for a resident individual taxable in its own right or by an executor or administrator of an estate wherein the decedent was a resident of Pennsylvania? XX N

List outstanding indebtedness. Attach separate schedule if additional space is required.

Interest Amount	Interest Rate	Taxable Value	Taxable		
322461	00.060	5374350	Indebtedness	XX	9133100
15035	00.004	3758750			
0	00.000	0	Loans Tax	XX	36299

**SCHEDULE A-1: Apportionment Schedule For Capital Stock/Foreign Franchise Tax (Include Form RCT-102, RCT-105 or RCT-106.)**

Three Factor					Single Factor		
Property-PA	1A	0	1C	0.000000	Numerator	4A	2755172299
Property-Total	1B	0			Denominator	4B	2757572173
Payroll-PA	2A	0	2C	0.000000			
Payroll-Total	2B	0					
Sales-PA	3A	0	3C	0.000000	Apportionment	5	0.999130
Sales-Total	3B	0			Proportion		

**SCHEDULE C-1: Apportionment Schedule For Corporate Net Income Tax (Include Form RCT-106.)**

Three Factor					Single Factor		
Property-PA	1A	0	1C	00.000000	Numerator	4A	0
Property-Total	1B	0			Denominator	4B	0
Payroll-PA	2A	0	2C	00.000000			
Payroll-Total	2B	0					
Sales-PA	3A	0	3C	00.000000	Apportionment	5	1.000000
Sales-Total	3B	0			Proportion		

ACCOUNT ID 0658048  
TAX YEAR END 12312010 NAME DUQUESNE LIGHT COMPANY  
RCT-101 PAGE 5 OF 6 PA CORPORATE TAX REPORT 2010

SECTION E: CORPORATE STATUS CHANGES

Out of Existence XX N Out of Existence/  
(Final Report) Withdrawal Date XX  
Date of Distribution of PA Assets \* XX  
OR No Assets to Distribute XX

PA Corporations: Report date business activity ceased and date assets were distributed.  
Foreign (Non-PA) Corporations: Report date business activity in PA ceased and date PA assets were distributed.  
\*Schedule of Disposition of Assets MUST be completed and filed with the PA Corporate Tax Report.

Has the corporation sold or transferred in bulk 51 percent or more of any of the following classes of assets? XX N  
Any stock of goods, wares, merchandise of any kind, fixtures, machinery, equipment, buildings or real estate. If so, please provide the name and address of the purchaser. (Attach separate schedule if additional space is required.)

Purchaser Name XX  
Address Line 1 XX  
Address Line 2 XX  
City XX  
State XX  
ZIP XX

SECTION F: GENERAL INFORMATION QUESTIONNAIRE

Describe corporate activity in PA ELECTRIC TRANSMISSION  
Describe corporate activity outside PA  
Other states in which taxpayer has activity

State of Incorporation XX Incorporation Date XX 11251912

- 1. Does any corporation, individual or other business entity hold all or a majority of the stock of this corporation? XX N
- 2. Does this corporation own all or a majority of stock in other corporations? If yes, complete Schedule X. XX N
- 3. Is this taxpayer a partnership that elects to file federal taxes as a corporation? XX N
- 4. Has the federal government changed taxable income as originally reported for any prior period for which reports of change have not been filed in PA? XX N

if yes: First Period End Date: XX Last Period End Date: XX

Accounting Method - Federal Tax Return

A = Accrual C = Cash O = Other

Other

Accounting Method - Financial Statements

A = Accrual C = Cash O = Other

Other

1010010624

ACCOUNT ID 0658048  
 TAX YEAR END 12312010 NAME DUQUESNE LIGHT COMPANY  
**RCT-101 PAGE 6 OF 6 PA CORPORATE TAX REPORT 2010**  
 SCHEDULE OF REAL PROPERTY IN PA (Attach separate schedule if additional space is required.)

O = Own  
 R = Rent

Street Address

City

County

KOZ/KOEZ

XX  
 XX  
 XX  
 XX

N  
 N  
 N  
 N

**CORPORATE OFFICERS**  
 (See Instructions)

SSN

Last Name

First Name

MI

President/Managing Partner	XX	RIAZZI	RICHARD	
Vice President	XX	KAPLAN	MARK	
Secretary	XX	NOBLE	JOANN	
Treasurer/Tax Manager	XX	BORDO	DAVID	

**TAX PREPARER'S  
 NAME AND ADDRESS**

Mail to Preparer XX N  
 Federal EIN or SSN XX  
 Firm Name XX  
 Address Line 1 XX  
 Address Line 2 XX  
 City XX  
 State XX  
 ZIP XX

I affirm under penalties prescribed by law, this report (including any accompanying schedules and statements) has been prepared by me and to the best of my knowledge and belief is a true, correct and complete report.	
Tax Preparer's Signature/Date	

NAME  
 PHONE  
 E-MAIL  
 FEDERAL  
 PTIN

Commonwealth of Pennsylvania  
 DEPARTMENT OF REVENUE



REV-1213 OF APP (01-11)

Statement of Account

NOTICE #:..... 01402924  
 DATE OF NOTICE:..... 12/14/2011  
 ACCOUNT ID:..... 0658-048

DUQUESNE LIGHT COMPANY  
 411 7TH AVE  
 PITTSBURGH PA 15219

SUMMARY OF ACTIVE PERIODS						
Tax Period Ending	Type of Liability	Liability Amount	Payments		Interest *	Balance
			Cash	Restricted Credit		
12/2010	CPSK - TAX	2,164,309.00	4,030,293.78	238,777.50	0.00	2,104,762.28-
12/2010	LOAN - TAX	36,299.00	36,299.00	0.00	0.00	0.00
12/2010	CNIT - TAX	2,289,436.00	2,289,436.00	0.00	0.00	0.00
12/2010	GRGN - TAX	49,761,065.00	49,761,065.00	0.00	0.00	0.00
12/2009	CPSK - TAX	2,121,792.00	0.00	2,121,792.00	0.00	0.00
12/2009	LOAN - TAX	27,629.00	27,629.00	0.00	0.00	0.00
12/2009	CNIT - TAX	9,535,564.00	8,216,078.00	1,319,486.00	0.00	0.00
12/2009	GRGN - TAX	47,096,005.00	47,096,005.00	0.00	0.00	0.00
Active (Filed) Period Balance		13,032,099.00	11,456,805.78	3,680,055.50	0.00	2,104,762.28-

SUMMARY OF NON-FILED PERIODS AND UNPAID TAX AND PENALTY DEBITMENTS						
12/2011	CPSK - TAX	0.00	1,000,000.00	1,278,705.75	0.00	2,278,705.75-
12/2011	CNIT - TAX	0.00	1,500,000.00	0.00	0.00	1,500,000.00-
12/2011	GRGN - TAX	0.00	48,400,000.00	0.00	0.00	48,400,000.00-
12/2003	GPGN - TAX	0.00	0.00	0.00	0.00	0.00
12/2002	GPGN - PEN	0.00	0.00	0.00	0.00	0.00
01/1999	GPGN - TAX	0.00	0.00	0.00	0.00	0.00
11/1998	GPGN - TAX	0.00	0.00	0.00	0.00	0.00
07/1998	GPGN - TAX	0.00	0.00	0.00	0.00	0.00
10/1996	GPGN - TAX	0.00	0.00	0.00	0.00	0.00
06/1993	CPSK - TAX	0.00	0.00	0.00	0.00	0.00

\*Includes interest as of 12/24/2011

Please include a copy of this statement with your remittance.

QUESTIONS REGARDING:  
 ACCOUNT COMPOSITION (PAYMENT, INTEREST AND PENALTY): (717) 705-6225  
 DETERMINATION OF TAX: (717) 783-6031

SEE REVERSE SIDE FOR MORE INFORMATION



## NOTICES

### Public Utility Realty Tax Act (PURTA); Surcharge Rate Notice for the Tax Year Beginning January 1, 2012

[41 Pa.B. 4823]

[Saturday, September 3, 2011]

72 P. S. § 8111-A(d) requires the Secretary of Revenue to publish the rate of the Public Utility Realty Tax Act (PURTA) surcharge in the form of a notice in the *Pennsylvania Bulletin* by October 1, 2003, and by each October 1 thereafter. The tax rate established in 72 P. S. § 8111-A(d) shall be imposed upon gross receipts taxes as provided in 72 P. S. § 8111-A(d) for the period beginning the next January 1.

The result of the PURTA surcharge calculation provided in 72 P. S. § 8111-A for the tax year beginning January 1, 2012, is zero mills. Therefore, no PURTA surcharge under 72 P. S. § 8111-A(d) will be imposed for the taxable period beginning January 1, 2012.

DANIEL MEUSER,  
Secretary

[Pa.B. Doc. No. 11-1518. Filed for public inspection September 2, 2011, 9:00 a.m.]

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