



**Gannett Fleming**

*Excellence Delivered As Promised*

June 25, 2013

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 2013 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, Bureau of Investigation and Enforcement and the Office of Small Business Advocate.

Very truly yours,

A handwritten signature in cursive script that reads "John J. Spanos".

JOHN J. SPANOS  
Sr. Vice President  
Valuation and Rate Division

JJS:krm

Enclosure

cc: Tanya J. McCloskey, Esq. (w/enc-1)  
Johnnie E. Simms, Esq. (w/enc-1)  
Gray Steven, Esq. (w/enc-1)  
Mr. Scott Kramer, (w/enc-3)

Gannett Fleming, Inc.  
Valuation and Rate Division

P.O. Box 67100 • Harrisburg, PA 17106-7100 • 207 Senate Avenue • Camp Hill, PA 17011  
t: 717.763.7211 • f: 717.763.4590

[www.gannettfleming.com](http://www.gannettfleming.com) • [www.gfvrd.com](http://www.gfvrd.com)

PA P.U.C.  
SECRETARY'S BUREAU

2013 JUN 26 AM 10:18

RECEIVED



DUQUESNE LIGHT COMPANY  
ANNUAL DEPRECIATION REPORT  
TO THE PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
(CODE M-110150F2013)

JUNE 2013

RECEIVED  
2013 JUN 26 AM 10:19  
PA P.U.C.  
SECRETARY'S BUREAU

DUQUESNE LIGHT COMPANY

ANNUAL DEPRECIATION REPORT TO THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
(CODE M-110150F2013)

JUNE 2013

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, 2012; a summary of the plant accounting transactions, including the 2012 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 2013 based on 2008 through 2012 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, 2012, is 2.76 percent in comparison to the composite rate of 2.84 percent as of December 31, 2011 and 2.86 percent as of December 31, 2010.

The overall composite annual depreciation accrual rates for transmission plant increased from December 31, 2010 through December 31, 2012. The composite annual accrual rate from December 31, 2010 to December 31, 2011 increased due to high growth and a lower plant to reserve ratio. The composite rate from December 2011 to December 2012 is basically unchanged. The composite annual depreciation accrual rate for distribution plant is basically unchanged from December 31, 2010 to December 31, 2011. The composite rate from December 2011 to December 2012 decreased due to high growth in the longer lived asset classes. The composite rate for general plant decreased during the two-year period, December 31, 2010 through December 31, 2012. The decreased rate from December 2010 to December 2011 is the result of high growth in Account 390, Structures and Improvements. The continued decreased rate from December 2011 to December 2012 is due to the lack of growth and high retirements.

#### REMAINING LIFE DEPRECIATION ACCRUAL RATES

The annual depreciation accrual rates to be used during 2013 are calculated as of December 31, 2012, 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, 2012, 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, 2012, 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, 2012. 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, 2012

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE 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	3,802	3,802			
1919	78.73	79	79			
1920	58,606.96	58,314	58,607			
1921	1,243.55	1,234	1,244			
1922	11,449.73	11,308	11,450			
1923	1,899.73	1,867	1,900			
1924	31,903.96	31,183	31,904			
1925	136,897.07	133,091	136,897			
1926	100,817.07	97,470	100,817			
1927	294,281.60	282,922	294,282			
1928	202,922.48	193,994	202,922			
1929	161,297.53	153,297	160,693	605	2.48	244
1930	195,045.73	184,279	193,170	1,876	2.76	680
1931	198,804.06	186,717	195,725	3,079	3.04	1,013
1932	76,676.13	71,569	75,022	1,654	3.33	497
1933	62,518.08	57,992	60,790	1,728	3.62	477
1934	83,553.97	77,020	80,736	2,818	3.91	721
1935	13,503.13	12,372	12,969	534	4.19	127
1936	84,182.00	76,639	80,337	3,845	4.48	858
1937	116,987.34	105,803	110,908	6,079	4.78	1,272
1938	40,619.58	36,501	38,262	2,358	5.07	465
1939	77,585.68	69,268	72,610	4,976	5.36	928
1940	42,163.17	37,399	39,203	2,960	5.65	524
1941	150,667.33	132,768	139,174	11,493	5.94	1,935
1942	114,127.28	99,884	104,703	9,424	6.24	1,510
1943	19,604.83	17,041	17,863	1,742	6.54	266
1944	6,544.94	5,650	5,923	622	6.84	91
1945	12,082.60	10,355	10,855	1,228	7.15	172
1946	21.53	18	19	3	7.46	
1947	12,381.30	10,455	10,959	1,422	7.78	183
1948	303,762.52	254,553	266,834	36,929	8.10	4,559
1949	383,196.82	318,590	333,961	49,236	8.43	5,841
1950	488,006.62	402,410	421,825	66,182	8.77	7,546
1951	615,305.08	503,196	527,473	87,832	9.11	9,641
1952	710,554.84	575,976	603,765	106,790	9.47	11,277
1953	961,348.24	772,347	809,610	151,738	9.83	15,436
1954	1,192,593.52	949,066	994,855	197,739	10.21	19,367

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, 2012

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2						
1955	1,005,427.21	792,478	830,712	174,715	10.59	16,498
1956	1,041,075.00	812,247	851,435	189,640	10.99	17,256
1957	1,323,864.83	1,022,288	1,071,610	252,255	11.39	22,147
1958	1,290,158.99	985,423	1,032,966	257,193	11.81	21,778
1959	1,803,107.41	1,361,707	1,427,405	375,702	12.24	30,695
1960	1,532,983.94	1,144,219	1,199,424	333,560	12.68	26,306
1961	1,053,564.79	776,899	814,382	239,183	13.13	18,217
1962	1,286,421.74	936,515	981,699	304,723	13.60	22,406
1963	1,075,722.83	773,014	810,309	265,414	14.07	18,864
1964	1,188,954.82	842,731	883,390	305,565	14.56	20,987
1965	1,411,643.58	986,457	1,034,050	377,594	15.06	25,073
1966	1,474,539.00	1,015,368	1,064,356	410,183	15.57	26,344
1967	2,327,412.21	1,578,451	1,654,606	672,806	16.09	41,815
1968	1,540,427.73	1,028,081	1,077,682	462,746	16.63	27,826
1969	1,398,459.71	918,229	962,530	435,930	17.17	25,389
1970	4,169,042.89	2,690,700	2,820,517	1,348,526	17.73	76,059
1971	1,893,313.85	1,200,361	1,258,274	635,040	18.30	34,702
1972	2,793,738.60	1,738,823	1,822,715	971,024	18.88	51,431
1973	3,434,387.85	2,096,350	2,197,492	1,236,896	19.48	63,496
1974	5,583,987.43	3,341,458	3,502,672	2,081,315	20.08	103,651
1975	5,796,841.70	3,396,949	3,560,840	2,236,002	20.70	108,019
1976	6,098,064.19	3,497,850	3,666,609	2,431,455	21.32	114,046
1977	5,588,954.85	3,134,286	3,285,505	2,303,450	21.96	104,893
1978	4,399,524.18	2,410,939	2,527,259	1,872,265	22.60	82,844
1979	5,386,663.97	2,880,788	3,019,776	2,366,888	23.26	101,758
1980	6,648,631.84	3,466,597	3,633,848	3,014,784	23.93	125,983
1981	5,129,331.51	2,605,700	2,731,416	2,397,916	24.60	97,476
1982	6,702,884.74	3,312,566	3,472,386	3,230,499	25.29	127,738
1983	7,178,485.39	4,065,894	4,262,060	2,916,425	22.58	129,160
1984	6,603,280.06	3,650,954	3,827,100	2,776,180	23.05	120,442
1985	8,682,046.82	4,679,623	4,905,399	3,776,648	23.52	160,572
1986	8,362,706.61	4,387,912	4,599,614	3,763,093	24.01	156,730
1987	7,872,222.08	3,994,365	4,187,079	3,685,143	24.75	148,895
1988	9,180,055.97	4,520,260	4,738,347	4,441,709	25.25	175,909
1989	8,918,854.85	4,254,294	4,459,549	4,459,306	25.76	173,110
1990	9,398,992.46	4,334,815	4,543,955	4,855,037	26.28	184,743
1991	10,702,042.67	4,762,409	4,992,179	5,709,864	26.81	212,975
1992	11,900,903.33	5,098,347	5,344,325	6,556,578	27.35	239,729
1993	9,362,139.55	3,833,796	4,018,764	5,343,376	28.12	190,020
1994	10,886,983.93	4,269,875	4,475,882	6,411,102	28.67	223,617
1995	10,348,978.68	3,875,693	4,062,682	6,286,297	29.23	215,063
1996	10,023,755.80	3,588,505	3,761,638	6,262,118	29.59	211,630

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, 2012

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2						
1997	14,385,565.12	4,882,461	5,118,023	9,267,542	30.16	307,279
1998	2,242,598.18	718,528	753,195	1,489,403	30.75	48,436
1999	1,435,315.41	432,030	452,874	982,441	31.35	31,338
2000	2,403,791.23	679,071	711,834	1,691,957	31.75	53,290
2001	3,495,178.27	916,436	960,651	2,534,527	32.36	78,323
2002	4,426,010.16	1,073,750	1,125,555	3,300,455	32.79	100,654
2003	6,513,203.93	1,442,023	1,511,596	5,001,608	33.42	149,659
2004	8,322,837.26	1,669,561	1,750,111	6,572,726	33.87	194,057
2005	10,269,762.89	1,848,557	1,937,743	8,332,020	34.17	243,840
2006	12,463,418.67	1,969,220	2,064,228	10,399,191	34.65	300,121
2007	6,185,956.81	840,053	880,583	5,305,374	34.99	151,625
2008	7,860,886.64	891,425	934,433	6,926,454	35.18	196,886
2009	9,585,010.53	862,651	904,271	8,680,740	35.41	245,149
2010	14,493,480.98	959,468	1,005,759	13,487,722	35.24	382,739
2011	22,623,240.31	932,078	977,048	21,646,192	34.87	620,768
2012	17,787,949.44	266,819	279,692	17,508,257	32.72	535,093
	365,298,472.50	136,421,426	142,990,832	222,307,640		7,821,179
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						28.4 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.

#### 2012 PLANT AND RESERVE ACTIVITY

Tables 3 and 4 present summaries by account of the plant and reserve accounting activity as of December 31, 2012. Table 3 on pages 13 and 14 sets forth the original cost as of December 31, 2011, the beginning of the year; additions; retirements; transfer and adjustments; the balance at the end of the year, December 31, 2012; and the retirements expressed as a percent of the beginning plant balance. The high percentage retirements in Account 370.1, Meters –

Communication Equipment, is the result of upgrading all associated communication equipment. The high retirement in Account 390.00, Structures and Improvements is due to the retirement of the Manchester facility. The high retirement activity in 2012 for Accounts 391.00, Office Furniture and Equipment; 393.00, Stores Equipment; 395.00, Laboratory Equipment; 397.00, Communication Equipment; and 398.00 Miscellaneous 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, 2011; annual accruals; retirements; gross salvage; cost of removal; miscellaneous debits and credits; the balance at the end of the year, December 31, 2012; and the book reserve as a percent of the plant balance as of December 31, 2012.

#### AMORTIZATION OF NET SALVAGE

The 2013 amortization amount for experienced negative net salvage is \$9,900,390 based on the experienced negative net salvage during the five-year period, 2008 through 2012. 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 2008 through 2012 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, 2010, DECEMBER 31, 2011 AND DECEMBER 31, 2012**

	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>TRANSMISSION PLANT</b>			
ORIGINAL COST (DEPRECIABLE)	560,097,582.82	611,783,261.29	671,767,782.06
BOOK ACCRUED DEPRECIATION	147,954,410	153,375,507	164,552,706
BOOK RESERVE % OF O.C.	26.42%	25.07%	24.50%
ORIGINAL COST DEPRECIATED	412,143,168	458,407,754	507,215,076
ANNUAL DEPRECIATION EXPENSE	14,867,833	16,445,220	18,036,703
ANNUAL % OF O.C.	2.65%	2.69%	2.68%
<b>DISTRIBUTION PLANT</b>			
ORIGINAL COST (DEPRECIABLE)	1,975,601,041.13	2,041,682,564.03	2,142,173,291.29
BOOK ACCRUED DEPRECIATION	643,950,282	657,352,511	697,075,125
BOOK RESERVE % OF O.C.	32.60%	32.20%	32.54%
ORIGINAL COST DEPRECIATED	1,331,650,778	1,384,330,054	1,445,098,165
ANNUAL DEPRECIATION EXPENSE	54,732,047	56,476,835	57,369,637
ANNUAL % OF O.C.	2.77%	2.77%	2.68%
<b>GENERAL PLANT</b>			
ORIGINAL COST (DEPRECIABLE)	238,263,052.00	247,398,351.72	240,977,079.79
BOOK ACCRUED DEPRECIATION	99,636,964	107,448,755	97,529,800
BOOK RESERVE % OF O.C.	41.82%	43.43%	40.47%
ORIGINAL COST DEPRECIATED	138,626,090	139,949,598	143,447,281
ANNUAL DEPRECIATION EXPENSE	9,618,878	9,544,858	8,989,078
ANNUAL % OF O.C.	4.04%	3.86%	3.73%
<b>TOTAL COMPANY</b>			
ORIGINAL COST (DEPRECIABLE)	2,773,961,675.95	2,900,864,177.04	3,054,918,153.14
BOOK ACCRUED DEPRECIATION	891,541,656	918,176,773	959,157,631
BOOK RESERVE % OF O.C.	32.14%	31.65%	31.40%
ORIGINAL COST DEPRECIATED	1,882,420,036	1,982,687,406	2,095,760,522
ANNUAL DEPRECIATION EXPENSE	79,218,758	82,466,913	84,395,418
ANNUAL % OF O.C.	2.86%	2.84%	2.76%
<b>NON-DEPRECIABLE PLANT</b>			
LAND AND LAND RIGHTS	33,753,709.40	34,489,050.43	33,048,136.97
INTANGIBLE PLANT	18,883,834.93	19,746,149.83	22,217,756.33
LEASEHOLD IMPROVEMENTS	8,497,295.77	8,448,411.45	9,093,222.06
<b>TOTAL PLANT IN SERVICE</b>	<b>2,835,096,516.05</b>	<b>2,963,547,788.75</b>	<b>3,119,277,268.50</b>

DUQUESNE LIGHT COMPANY

TABLE 2. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO UTILITY PLANT AT DECEMBER 31, 2012

Depreciable Group (1)	Survivor Curve (2)	Original Cost at December 31, 2012 (3)	Book Reserve (4)	Future Accruals (5)	Annual Accrual Amount (6)	Composite Remaining Life (7)	Annual Accrual Rate, Percent (8)
<b>Depreciable Plant</b>							
<b>Transmission Plant</b>							
352	Structures and Improvements						
	Major Structures	55-R3 *	11,126,647.02	3,677,523	7,449,124	334,798	22.2
	Other Small Structures	45-R3	10,051,700.94	1,700,532	8,351,169	254,179	32.9
	<i>Total Account 352</i>		<u>21,178,347.96</u>	<u>5,378,055</u>	<u>15,800,293</u>	<u>588,977</u>	26.8
353	Station Equipment	41-S0	332,345,640.46	68,043,165	264,302,475	11,357,147	23.3
354	Towers and Fixtures	70-R3	66,991,181.87	26,936,192	40,054,990	1,075,019	37.3
355	Poles and Fixtures	50-R2.5	31,100,137.79	5,109,735	25,990,403	769,444	33.8
356	Overhead Conductors and Devices	55-R3	70,541,404.13	22,088,377	48,453,027	1,473,670	32.9
357	Underground Conduit	60-R4	66,502,702.20	21,582,898	44,919,804	1,207,126	37.2
358	Underground Conductors and Devices	55-R4	81,016,618.85	15,288,955	65,727,664	1,526,234	43.1
359	Roads and Trails	55-R4	2,091,748.80	125,329	1,966,420	39,086	50.3
	<b>Total Transmission Plant</b>		<u>671,767,782.06</u>	<u>164,552,706</u>	<u>507,215,076</u>	<u>18,036,703</u>	28.1
<b>Distribution Plant</b>							
361	Structures and Improvements						
	Major Structures	65-R2.5 *	35,993,590.31	19,817,472	16,176,118	900,604	18.0
	Other Small Structures	45-R3	24,950,566.18	9,605,829	15,344,737	565,696	27.1
	<i>Total Account 361</i>		<u>60,944,156.49</u>	<u>29,423,301</u>	<u>31,520,855</u>	<u>1,466,300</u>	21.5
362	Station Equipment						
	Company Stations	53-R1	373,685,576.49	89,955,510	283,730,066	9,612,978	29.5
	Customer High Tension	40-R0.5	33,556,304.36	12,554,202	21,002,102	1,021,365	20.6
	Portable Substations	40-R0.5	4,300,004.89	283,640	4,016,365	197,843	20.3
	<i>Total Account 362</i>		<u>411,541,885.74</u>	<u>102,793,352</u>	<u>308,748,533</u>	<u>10,832,186</u>	28.5
364.11	Poles, Towers and Fixtures	50-R2	365,298,472.50	142,990,832	222,307,640	7,821,179	28.4
365.01	Overhead Conductors and Devices	48-R1	382,210,609.82	114,345,036	267,865,574	9,984,015	26.8
366	Underground Conduit	70-R4	112,010,013.49	38,787,646	73,222,367	1,893,321	38.7
367	Underground Conductors and Devices	50-R1.5	282,748,318.09	83,625,674	199,122,644	6,685,964	29.8

DUQUESNE LIGHT COMPANY

TABLE 2. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO UTILITY PLANT AT DECEMBER 31, 2012

Depreciable Group		Survivor Curve	Original Cost at December 31, 2012	Book Reserve	Future Accruals	Annual Accrual Amount	Composite Remaining Life	Annual Accrual Rate, Percent
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)
368	Line Transformers							
	Overhead	40-S0	194,105,218.98	52,238,167	141,867,052	6,421,271	22.1	3.31
	Conventional Distribution	44-R1	50,300,786.23	13,550,316	36,750,470	1,603,475	22.9	3.19
	Network	50-R1	37,009,533.69	8,312,215	28,697,319	1,040,882	27.6	2.81
	Underground Res. Distribution	40-R1.5	24,512,350.55	6,613,400	17,898,951	803,504	22.3	3.28
	<i>Total Account 368</i>		<u>305,927,889.45</u>	<u>80,714,098</u>	<u>225,213,792</u>	<u>9,869,132</u>		
369.2	Services	65-R3	86,800,365.86	29,154,011	57,646,355	1,498,189	38.5	1.73
370	Meters	31-R2.5 *	94,819,114.68	50,763,215	44,055,900	5,925,757	7.4	6.25
370.1	Meters - Communication Equipment	10-S3	280,027.38	(418,598)	698,625	339,901	2.1	121.38
373	Street Lighting Equipment	27-R0.5	39,592,437.79	24,896,558	14,695,880	1,053,693	13.9	2.66
	<b>Total Distribution Plant</b>		<u>2,142,173,291.29</u>	<u>697,075,125</u>	<u>1,445,098,165</u>	<u>57,369,637</u>	25.2	2.68
	<b>General Plant</b>							
390	Structures and Improvements							
	Major Structures	55-R1.5 *	88,652,385.51	18,473,179	70,179,208	2,970,009	23.6	3.35
	Other Small Structures	45-R3	3,403,766.39	516,673	2,887,093	95,315	30.3	2.80
	<i>Total Account 390</i>		<u>92,056,151.90</u>	<u>18,989,852</u>	<u>73,066,301</u>	<u>3,065,324</u>	23.8	3.33
391	Office Furniture and Equipment							
	Office Furniture	20-SQ	2,211,661.83	1,002,014	1,209,648	110,529	10.9	5.00
	EDP Equipment	5-SQ	5,400,496.55	2,602,697	2,797,800	1,080,181	2.6	20.00
	<i>Total Account 391</i>		<u>7,612,158.38</u>	<u>3,604,711</u>	<u>4,007,448</u>	<u>1,190,710</u>	3.4	15.64
392	Transportation Equipment		58,976,742.36	38,097,041	20,879,701	**		
393	Stores Equipment	30-SQ	2,550,638.13	1,395,322	1,155,316	84,976	13.6	3.33
394	Tools, Shop and Garage Equipment	25-SQ	15,237,373.51	5,088,228	10,149,146	609,272	16.7	4.00
395	Laboratory Equipment	20-SQ	4,186,130.03	2,494,395	1,691,735	209,320	8.1	5.00
396	Power Operated Equipment		2,832,536.67	953,471	1,879,066	**		
397	Communication Equipment	15-SQ	57,135,932.45	26,698,562	30,437,370	3,810,003	8.0	6.67
398	Miscellaneous Equipment	20-SQ	389,416.36	208,218	181,198	19,473	9.3	5.00
	<b>Total General Plant</b>		<u>240,977,079.79</u>	<u>97,529,800</u>	<u>143,447,281</u>	<u>8,989,078</u>	16.0	3.73
	<b>Total Depreciable Plant</b>		<u><u>3,054,918,153.14</u></u>	<u><u>959,157,631</u></u>	<u><u>2,095,760,522</u></u>	<u><u>84,395,418</u></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, 2012

Depreciable Group		Survivor Curve	Original Cost at December 31, 2012	Book Reserve	Future Accruals	Annual Accrual Amount	Composite Remaining Life	Annual Accrual Rate, Percent
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Unrecovered Adjustment for Amortization</b>								
391	Office Furniture and Equipment							
	Office Furniture			1,147,000		382,333	***	
	EDP Equipment			2,179,000		726,333	***	
	<i>Total Account 391</i>			<u>3,326,000</u>		<u>1,108,667</u>		
393	Stores Equipment			168,000		56,000	***	
394	Tools, Shop and Garage Equipment			965,000		321,667	***	
395	Laboratory Equipment			633,000		211,000	***	
397	Communication Equipment			4,920,000		1,640,000	***	
398	Miscellaneous Equipment			<u>50,100</u>		<u>16,700</u>	***	
<b>Total Unrecovered Adjustment for Amortization</b>				<b>10,062,100</b>		<b>3,354,033</b>		
<b>Intangible and Nondepreciable Plant</b>								
301	Organization		100,275.19					
302	Franchises and Consents		6,830.09					
303	Miscellaneous Intangible Plant		22,110,651.05	13,351,692				
350	Land and Land Rights		14,150,790.09					
360	Land and Land Rights		13,038,452.65					
389	Land and Land Rights		5,858,894.23					
390.2	Structures and Improvements - Leaseholds		<u>9,093,222.06</u>	<u>5,570,914</u>				
<b>Total Intangible and Nondepreciable Plant</b>			<b>64,359,115.36</b>	<b>18,922,606</b>				
<b>Total Utility Plant</b>			<b><u>3,119,277,268.50</u></b>	<b><u>968,018,137</u></b>		<b><u>87,749,451</u></b>		

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 Amortization accounting. There are 3 years remaining.

DUQUESNE LIGHT COMPANY

TABLE 3. SUMMARY OF PLANT IN SERVICE ACTIVITY FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance at Beginning of Year	Additions	Retirements	Transfers And Adjustments	Balance at End of Year	Percent of Original Cost Retired
Depreciable Group (1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Transmission Plant</b>						
350 Land and Land Rights	16,645,777.94	(1,757,860.89)	0.00	(737,126.96)	14,150,790.09	0.00
352 Structures and Improvements	17,814,041.02	3,364,306.94	0.00	0.00	21,178,347.96	0.00
353 Station Equipment	300,123,005.27	37,795,757.84	5,606,557.45	33,434.80	332,345,640.46	1.87
354 Towers and Fixtures	67,583,016.12	(360,993.21)	230,841.04	0.00	66,991,181.87	0.34
355 Poles and Fixtures	30,525,141.32	704,839.38	49,842.91	(80,000.00)	31,100,137.79	0.16
356 Overhead Conductors and Devices	66,224,140.89	4,574,318.58	337,055.34	80,000.00	70,541,404.13	0.51
357 Underground Conduit	64,243,470.32	2,259,231.88	0.00	0.00	66,502,702.20	0.00
358 Underground Conductors and Devices	63,178,700.10	17,871,353.55	0.00	(33,434.80)	81,016,618.85	0.00
359 Roads and Trails	2,091,746.25	2.55	0.00	0.00	2,091,748.80	0.00
<b>Total Transmission Plant</b>	<b>628,429,039.23</b>	<b>64,450,956.62</b>	<b>6,224,296.74</b>	<b>(737,126.96)</b>	<b>685,918,572.15</b>	
<b>Distribution Plant</b>						
360 Land and Land Rights	11,964,155.21	337,170.48	0.00	737,126.96	13,038,452.65	0.00
361 Structures and Improvements	58,117,407.15	2,957,915.50	153,704.80	22,538.64	60,944,156.49	0.26
362.1 Station Equipment	349,149,323.43	30,314,149.91	5,739,934.59	(37,962.26)	373,685,576.49	1.64
362.2 Station Equipment - Customer HV	33,129,744.85	582,297.80	155,738.29	0.00	33,556,304.36	0.47
362.3 Station Equipment - Portable Substations	4,294,893.23	5,111.66	0.00	0.00	4,300,004.89	0.00
364.11 Poles, Towers and Fixtures	348,402,508.78	17,787,949.44	891,985.72	0.00	365,298,472.50	0.26
365.01 Overhead Conductors and Devices	361,648,403.71	23,336,211.91	2,773,583.06	(422.74)	382,210,609.82	0.77
366 Underground Conduit	112,960,798.73	(946,257.15)	4,528.09	0.00	112,010,013.49	0.00
367 Underground Conductors and Devices	267,921,700.21	18,836,939.23	4,010,321.35	0.00	282,748,318.09	1.50
368 Line Transformers	286,566,907.05	23,999,482.52	4,638,500.10	0.00	305,927,889.47	1.62
369.2 Services	85,890,456.68	1,770,701.23	860,792.05	0.00	86,800,365.86	1.00
370 Meters	93,267,064.13	3,001,277.88	1,449,227.33	0.00	94,819,114.68	1.55
370.1 Meters - Communication Equipment	1,160,566.07	0.00	880,538.69	0.00	280,027.38	75.87
373 Street Lighting Equipment	39,172,790.01	539,962.32	120,314.54	0.00	39,592,437.79	0.31
<b>Total Distribution Plant</b>	<b>2,053,646,719.24</b>	<b>122,522,912.73</b>	<b>21,679,168.61</b>	<b>721,280.60</b>	<b>2,155,211,743.96</b>	
<b>General Plant</b>						
389 Land and Land Rights	5,879,117.28	(20,223.05)	0.00	0.00	5,858,894.23	0.00
390 Structures and Improvements	102,164,169.94	5,716,601.82	15,793,417.85	(31,202.01)	92,056,151.90	15.46
391 Office Furniture and Equipment	6,427,010.88	1,696,831.33	511,683.83	0.00	7,612,158.38	7.96
392 Transportation Equipment	56,706,783.42	3,329,263.60	1,197,948.84	138,644.18	58,976,742.36	2.11
393 Stores Equipment	2,695,990.51	0.00	145,352.38	0.00	2,550,638.13	5.39
394 Tools, Shop and Garage Equipment	13,048,848.96	2,373,514.76	184,990.21	0.00	15,237,373.51	1.42
395 Laboratory Equipment	4,906,189.64	(341,122.65)	378,936.96	0.00	4,186,130.03	7.72

DUQUESNE LIGHT COMPANY

TABLE 3. SUMMARY OF PLANT IN SERVICE ACTIVITY FOR THE YEAR ENDED DECEMBER 31, 2012

Depreciable Group		Balance at Beginning of Year	Additions	Retirements	Transfers And Adjustments	Balance at End of Year	Percent of Original Cost Retired
(1)		(2)	(3)	(4)	(5)	(6)	(7)
396	Power Operated Equipment	1,960,309.75	1,010,871.10	0.00	(138,644.18)	2,832,536.67	0.00
397	Communication Equipment	59,055,493.12	3,164,755.80	4,636,236.85	(448,079.62)	57,135,932.45	7.85
398	Miscellaneous Equipment	433,555.50	0.00	44,139.14	0.00	389,416.36	10.18
<b>Total General Plant</b>		253,277,469.00	16,930,492.71	22,892,706.06	(479,281.63)	246,835,974.02	
<b>Total Depreciable Plant</b>		<b>2,935,353,227.47</b>	<b>203,904,362.06</b>	<b>50,796,171.41</b>	<b>(495,127.99)</b>	<b>3,087,966,290.13</b>	
<b>Intangible Plant</b>							
301	Organization	100,275.19	0.00	0.00	0.00	100,275.19	
302	Franchises and Consents	6,830.09	0.00	0.00	0.00	6,830.09	
303	Misc Intangible Plant	19,639,044.55	2,471,606.50	0.00	0.00	22,110,651.05	
390.2	Structures and Improvements - Leaseholds	8,448,411.45	644,810.51	0.00	0.00	9,093,222.06	
<b>Total Intangible Plant</b>		<b>28,194,561.28</b>	<b>3,116,417.11</b>	<b>0.00</b>	<b>0.00</b>	<b>31,310,978.39</b>	
<b>Total Plant in Service</b>		<b><u>2,963,547,788.75</u></b>	<b><u>207,020,779.17</u></b>	<b><u>50,796,171.41</u></b>	<b><u>(495,127.99)</u></b>	<b><u>3,119,277,268.52</u></b>	

DUQUESNE LIGHT COMPANY

TABLE 4. SUMMARY OF BOOK RESERVE ACTIVITY FOR THE YEAR ENDED DECEMBER 31, 2012

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	9,167,844.28	4,183,847.87	0.00	0.00	0.00		13,351,692.15	67.99
<b>Transmission Plant</b>									
350	Land and Land Rights	(15,135.61)	0.00	0.00	0.00	275,158.58	290,294.19	0.00	0.00
352	Structures and Improvements	4,857,511.74	520,543.73	0.00	0.00	0.00	0.00	5,378,055.47	30.19
353	Station Equipment	63,877,817.30	11,621,469.96	5,606,557.45	182,157.80	2,033,425.41	1,702.35	68,043,164.55	22.67
354	Towers and Fixtures	25,611,943.22	1,555,090.31	230,841.04	0.00	0.00	0.00	26,936,192.49	39.66
355	Poles and Fixtures	4,163,728.54	996,721.46	49,842.91	0.00	0.00	(872.16)	5,109,734.93	16.74
356	Overhead Conductors and Devices	20,510,709.23	2,227,274.60	337,055.34	0.00	313,423.49	872.16	22,088,377.16	33.35
357	Underground Conduit	20,359,493.25	1,223,404.37	0.00	0.00	0.00	0.00	21,582,897.62	33.60
358	Underground Conductors and Devices	13,934,237.64	1,356,419.71	0.00	0.00	0.00	(1,702.35)	15,288,955.00	24.20
359	Roads and Trails	60,066.48	65,262.58	0.00	0.00	0.00	0.00	125,329.06	5.99
<b>Total Transmission Plant</b>		<b>153,360,371.79</b>	<b>19,566,186.72</b>	<b>6,224,296.74</b>	<b>182,157.80</b>	<b>2,622,007.48</b>	<b>290,294.19</b>	<b>164,552,706.28</b>	
361	Structures and Improvements	28,344,576.66	1,522,140.99	153,704.80	15,745.89	305,774.11	316.43	29,423,301.06	50.63
362	Station Equipment	99,109,302.93	11,373,718.51	5,895,672.88	267,557.83	2,061,554.86	0.00	102,793,351.53	26.59
364.11	Poles, Towers and Fixtures	135,645,996.86	10,156,045.32	891,985.72	398,519.18	2,317,743.98	0.00	142,990,831.66	41.04
365.01	Overhead Conductors and Devices	105,657,530.61	10,966,271.79	2,773,583.06	1,410,888.97	916,072.69	0.00	114,345,035.62	31.62
366	Underground Conduit	36,822,491.80	1,999,368.72	4,528.09	0.00	29,686.32	0.00	38,787,646.11	34.34
367	Underground Conductors and Devices	79,747,527.37	7,242,547.37	4,010,321.35	1,215,511.49	569,591.24	0.00	83,625,673.64	31.21
368	Line Transformers	74,742,395.48	11,266,173.86	4,638,500.10	479,453.91	1,135,425.22	0.00	80,714,097.93	28.17
369.2	Services	27,988,982.56	2,972,892.07	860,792.05	298.59	947,369.94	0.00	29,154,011.23	33.94
370	Meters	45,224,841.93	6,987,600.86	1,449,227.33	0.00	0.00	0.00	50,763,215.46	54.43
370.1	Meters - Communication Equipment	212,121.41	249,819.45	880,538.69	0.00	0.00	0.00	(418,597.83)	(36.07)
373	Street Lighting Equipment	23,856,742.81	1,265,524.33	120,314.54	0.00	105,394.69	0.00	24,896,557.91	63.56
<b>Total Distribution Plant</b>		<b>657,352,510.42</b>	<b>66,002,103.27</b>	<b>21,679,168.61</b>	<b>3,787,975.86</b>	<b>8,388,613.05</b>	<b>316.43</b>	<b>697,075,124.32</b>	
<b>General Plant</b>									
390.1	Structures and Improvements	32,772,940.12	3,821,694.06	15,793,417.85	(18,900.00)	1,792,147.48	(316.43)	18,989,852.42	18.59
390.2	Structures and Improvements - Leaseholds	5,149,525.37	423,730.43	0.00	0.00	2,341.82	0.00	5,570,913.98	65.94
391.1	Office Furniture	(194,774.72)	470,132.12	420,343.35	0.00	0.00	0.00	(144,985.95)	(5.80)
391.2	E.D.P. Equipment	(1,592,918.10)	2,107,955.94	91,340.48	0.00	0.00	0.00	423,697.36	10.78
392	Transportation Equipment	34,662,841.24	4,518,721.44	1,197,948.84	105,895.00	(1,873.00)	5,659.64	38,097,041.48	67.18
393	Stores Equipment	1,213,492.35	159,181.76	145,352.38	0.00	0.00	0.00	1,227,321.73	45.52
394	Tools, Shop and Garage Equipment	3,340,545.45	967,672.98	184,990.21	0.00	0.00	0.00	4,123,228.22	31.60
395	Laboratory Equipment	1,767,234.60	473,097.11	378,936.96	0.00	0.00	0.00	1,861,394.75	37.94
396	Power Operated Equipment	847,392.08	118,480.55	0.00	0.00	0.00	(12,401.80)	953,470.83	48.64
397	Communication Equipment	20,063,683.97	6,351,115.27	4,636,236.85	0.00	0.00	0.00	21,778,562.39	36.88
398	Miscellaneous Equipment	159,119.41	43,138.04	44,139.14	0.00	0.00	0.00	158,118.31	36.47
<b>Total General Plant</b>		<b>98,189,081.77</b>	<b>19,454,919.70</b>	<b>22,892,706.06</b>	<b>86,995.00</b>	<b>1,792,616.30</b>	<b>(7,058.59)</b>	<b>93,038,615.52</b>	
<b>Total Utility Plant</b>		<b>918,069,808.26</b>	<b>109,207,057.56</b>	<b>50,796,171.41</b>	<b>4,057,128.66</b>	<b>12,803,236.83</b>	<b>283,552.03</b>	<b>968,018,138.27</b>	

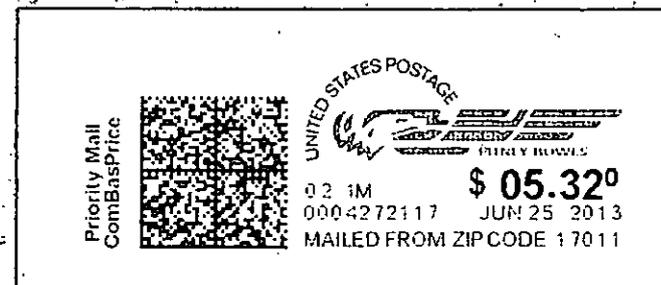
**DUQUESNE LIGHT COMPANY**

**TABLE 5. SUMMARY OF NET SALVAGE BY FUNCTION  
AND AMORTIZATION FOR THE PERIOD, 2008-2012**

<b>Year</b>	<b>Function</b>			<b>Total Net Salvage</b>	<b>5-Year Amortization</b>
	<b>Transmission Plant</b>	<b>Distribution Plant</b>	<b>General Plant</b>		
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)=(5)/5</b>
<b>2008</b>	718,341	2,937,392	591,386	4,247,119	849,424
<b>2009</b>	1,562,313	8,398,843	44,956	10,006,112	2,001,222
<b>2010</b>	1,821,525	9,124,427	541,732	11,487,684	2,297,537
<b>2011</b>	6,346,099	8,545,673	398,314	15,290,086	3,058,017
<b>2012</b>	2,164,691	4,600,637	1,705,621	8,470,950	1,694,190
<b>Total</b>	<u>12,612,970</u>	<u>33,606,971</u>	<u>3,282,009</u>	<u>49,501,950</u>	<u>9,900,390</u>

nett Fleming

100  
PA 17106-7100



**FIRST CLASS MAIL**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 1710