

CAPTION SHEET

CASE MANAGEMENT SYSTEM

1. REPORT DATE: 00/00/00 :
 2. BUREAU: FUS :
 3. SECTION(S) : :
 5. APPROVED BY: : 4. PUBLIC MEETING DATE:
 DIRECTOR: : 00/00/00
 SUPERVISOR: :
 6. PERSON IN CHARGE: : 7. DATE FILED: 06/24/05
 8. DOCKET NO: A-110150 F0032 : 9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT: DATACOM INFORMATION SYSTEMS, LLC

RESPONDENT/APPLICANT: DUQUESNE LIGHT COMPANY

COMP/APP COUNTY: UTILITY CODE: 110150

ALLEGATION OR SUBJECT

APPLICATION OF DUQUESNE LIGHT COMPANY FOR APPROVAL OF THE TRANSFER OF CERTAIN PROPERTY, BY SALE, FROM DATACOM INFORMATION SYSTEMS, LLC, TO DUQUESNE LIGHT.

DOCUMENT
FOLDER

DOCKETED
JUL 05 2005

ORIGINAL



Duquesne Light

Our Energy...Your Power

411 Seventh Avenue
8th Floor
Pittsburgh, PA 15219

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

Richard S. Herskovitz
Assistant General Counsel

June 24, 2005

OVERNIGHT MAIL

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

DOCUMENT
FOLDER

RECEIVED

JUN 24 2005

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Re: Application of Duquesne Light Company for
Approval of the Transfer of Certain Property
Docket No. A-110150 E0032**

Dear Secretary McNulty:

Enclosed for filing on behalf of Duquesne Light Company ("Duquesne") are the original and three (3) copies of an Application for Approval of the transfer of certain property, by sale, to Duquesne from DataCom Information Systems, LLC ("DataCom"), an affiliate of Duquesne. Specifically, this Application, filed pursuant to 66 Pa. C.S. §1102(a)(3) of the Public Utility Code, requests Commission approval of the transfer of certain meters and other devices from DataCom to Duquesne.

Concurrently with the filing of this Application, Duquesne is also submitting under separate cover an application for Commission approval of two related affiliated interest agreements pursuant to 66 Pa. C.S. §2102.

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

Thank you.

Very truly yours,

R.S. Herskovitz
Richard S. Herskovitz

Enclosures

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application for approval of the transfer
of certain property, by sale, from DataCom
Information Systems, LLC to Duquesne
Light Company

Docket No. A-110150F0032

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JUN 24 2005

**Application for Approval of the
Transfer of Property Used or
Useful in Public Service**

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Duquesne Light Company ("Duquesne") requests approval pursuant to Section 1102(a)(3) of the Public Utility Code, 66 Pa. C.S. § 1102(a)(3), of the transfer of certain property, by sale, between Duquesne and its affiliate, DataCom Information Systems, LLC ("DataCom"), and sets forth the following in support thereof:

1. The name and address of the Applicant is:

Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219

DOCKETED

JUL 05 2005

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

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

DOCUMENT
FOLDER

3. DataCom Information Systems, LLC ("DataCom") was formed on March 28, 2000 for the purpose of acquiring the assets of the Pittsburgh, Pennsylvania division of Itron, Inc., consisting of equipment, software, facilities and services for the operation and maintenance of a communications network that exclusively measures and transfers electric power usage data (collectively, the "Assets"). The transfer was pursuant to an

Asset Purchase Agreement between Itron and DataCom dated March 30, 2000. Since that time, DataCom has been providing Duquesne Light with power usage data on its customers within its service territory from these Assets.

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

5. The number of consumers, by classes, to whom Duquesne furnishes public service as of April 30, 2005 is as follows: Residential – 525,000, Commercial – 57,000, Industrial – 1,500, and Public Street and Highway Light – 2,000.

6. DataCom currently serves only one customer, Duquesne.

7. There are attached hereto balance sheets for DataCom (Attachment #1) and Duquesne (Attachment #2) as of April 30, 2005

8. There are attached hereto income statements (statements of profit and loss) for DataCom (Attachment #3) and Duquesne (Attachment #4) for the 12 months ended April 30, 2005.

9. All the annual reports, tariffs, certificates of notification, applications for certificates of valuation, applications for approval of the issuance of securities, and securities certificates filed with the Commission by Duquesne and by its predecessor and constituent companies are made part hereof by reference.

10. The Assets consist of power usage monitoring meters, radio communication devices (ERTs), computer equipment, and software. The Assets will be transferred through an Asset Sale Agreement between Duquesne Light Company and DataCom dated May 23, 2005 (the "Agreement") (Attachment #5). The Agreement is also being filed concurrently with this application for approval pursuant to the affiliated interest provisions of the Public Utility Code. The Assets are described in more detail in Schedule A of Attachment #5.

11. DataCom will be paid the net book value of the Assets as of the effective date of the Commission's Order approving the transfer.

12. There are attached hereto (Attachment #6) statements of the fixed capital, or utility plant, to be transferred, which show (a) the book value thereof; (b) the original cost thereof when first devoted to public use; (c) the actual case cost thereof to DataCom; (d) the amount of depreciation reserve, or reserve for renewals and replacements, applicable to said book cost, and (e) the depreciation requirements applicable to the actual cash cost to DataCom, if such actual cost is not identical with the book value.

13. No investment securities will be transferred in connection with this transaction.

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JUN 24 2005

14. There is attached hereto (Attachment #7) a pro forma balance sheet for Duquesne as of April 30, 2005 giving effect to the transfer.

15. There is attached hereto a pro forma consolidated income amount for DataCom (Attachment #8) and Duquesne (Attachment #9) for the 12 months ended April 30, 2005, with inter-company items eliminated.

16. There are attached hereto (Attachment #10) copies of the tentative journal entries that DataCom and Duquesne will make to record the transfer in its accounts.

17. There are attached hereto (Attachments #11 and #12) certified copies of the meeting minutes of the boards of directors of applicants authorizing the transfer herein proposed.

18. There will be no effect of the proposed transfer on the service to Duquesne's customers.

19. There will be no immediate effect of the proposed transfer on the rates for service to Duquesne's customers. However, the Assets transferred will be included in Duquesne's rate base.

20. The reason for the proposed transfer is to bring the Assets most closely associated with Duquesne's operating activities back under the direct control of Duquesne. DataCom will continue to manage and operate the data collection and communication system of the network, while Duquesne will own all customer meters and ERTs on the front end and all of the software and computer equipment needed to process the information from the network on the back end.

21. Applicants are affiliated with each other. DataCom is a second tier subsidiary of Duquesne. Monongahela Light and Power Company owns 100% of the membership interests in DataCom. Duquesne owns 100% of the common stock of Monongahela Light and Power Company.

WHEREFORE, Duquesne respectfully requests the Commission to approve the transfer of the assets from DataCom to Duquesne.

Dated: June 24, 2005

Duquesne Light Company

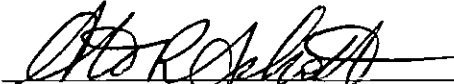
By:



Stevan R. Schott
Senior Vice President and
Chief Financial Officer

AFFIDAVIT

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


Stevan R. Schott

Sworn and subscribed before me this 24th day of June, 2005.


My Commission Expires Oct. 6, 2007

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

DataCom
Balance Sheet
As of April 30, 2005

<u>Assets</u>	
Cash	604,305
Other Receivables	1,342
Purchased Assets	34,452,058
Accumulated Amortization	<u>(10,224,863)</u>
Total Assets	<u>\$ 24,832,842</u>
 <u>Liabilities</u>	
Notes Payable	32,050,000
Accounts Payable	214,487
Accrued Income Taxes Payable	(3,338,803)
Deferred Federal Income Taxes	<u>5,709,609</u>
Total Liabilities	34,635,293
 <u>Capitalization</u>	
Paid in Capital	100
Retained Earnings	<u>(9,802,551)</u>
Total Capitalization	(9,802,451)
Total Liabilities and Capitalization	<u>\$ 24,832,842</u>

Duquesne Light Company
Balance Sheet
As of April 30, 2005

<u>Assets</u>	
Current Assets	442,721,715
Long-Term Investments	599,672,094
Net Property Plant and Equipment	1,383,465,195
Other Non-Current Assets	<u>395,237,806</u>
Total Assets	<u>\$ 2,821,096,810</u>
 <u>Liabilities</u>	
Current Liabilities	330,198,977
Non-Current Liabilities	<u>550,751,425</u>
Total Liabilities	<u>880,950,402</u>
 <u>Capitalization</u>	
Long-Term Debt	1,254,991,819
Preferred and Preference Stock	146,145,575
Common Shareholders Equity	<u>539,009,014</u>
Total Capitalization	<u>1,940,146,408</u>
Total Liabilities and Capitalization	<u>\$ 2,821,096,810</u>

DataCom
Income Statement for the
Twelve Month Period
Ended April 30, 2005

Service Revenues	<u>0</u>
Total Revenues	0
Administrative Costs	2,319
Other Costs	619
Interest Expense	2,635,577
Depreciation and Amortization	2,074,595
Taxes Other Than Income Taxes	<u>200</u>
Total Operating Expenses	4,713,310
Operating Loss	(4,713,310)
Other Income (Loss)	<u>(91,563)</u>
Income Before Income Taxes	(4,804,873)
Income Tax Benefit	<u>(1,604,974)</u>
Net Loss	<u><u>\$ (3,199,899)</u></u>

DuquesneLight
Income Statement for the
Twelve Month Period
Ended April 30, 2005

Service Revenues	765,554,563
Operating Expenses Including Income Taxes	<u>(654,333,374)</u>
Net Operating Income	111,221,189
Other Income, Net	32,482,095
Interest and Other Charges	<u>(74,680,267)</u>
Net Income	69,023,017
Preferred and Preference Dividends	<u>(7,987,419)</u>
Earnings Available For Common	<u><u>\$ 61,035,598</u></u>

ASSET SALE AGREEMENT

THIS ASSET SALE AGREEMENT (this "Agreement") is made as of the 23rd day of May, 2005, by and between DUQUESNE LIGHT COMPANY, a Pennsylvania corporation ("Purchaser"), and DATACOM INFORMATION SYSTEMS, LLC, a Delaware limited liability company ("Seller").

WITNESSETH:

WHEREAS, Seller is the owner of certain assets as more particularly described on Schedule A attached hereto and made a part hereof (the "Assets"); and

WHEREAS, Seller desires to sell the Assets to Purchaser, and Purchaser desires to purchase the Assets from Seller, upon the terms and subject to the conditions hereafter set forth.

NOW, THEREFORE, in consideration of the foregoing premises and the respective representations, warranties, agreements, covenants and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser, intending to be legally bound, hereby agree as follows:

ARTICLE 1
PURCHASE AND SALE

1.1 Purchase and Sale. Subject to the conditions and on the terms contained in this Agreement, Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, all of Seller's right, title and interest in and to the Assets, effective as of the receipt of an Order for the Pennsylvania Public Utility Commission authorizing the sale of the Assets (the "Order").

ARTICLE 2
PURCHASE PRICE; CLOSING

2.1 Purchase Price. The consideration payable by Purchaser to Seller for the Assets is the current net book value of the assets as of the effective date of the Order (the "Purchase Price"). Net book value of the Assets as of April 30, 2005 is equal to \$19,481,172.

2.2 Closing. At the closing of the transactions contemplated hereby (the "Closing"), the following shall occur:

(a) The parties shall duly execute and deliver a Bill of Sale (the "Bill of Sale") in form and substance satisfactory to both parties pursuant to which Seller shall transfer to Purchaser the Assets.

(b) The parties shall duly execute and deliver an Assignment and Assumption Agreement (the "Assignment") in form and substance satisfactory to both parties pursuant to which Seller shall assign to Purchaser its rights and delegate its obligations under those Assets constituting contracts and instruments and Purchaser shall assume the same.

(d) Purchaser shall deliver the Purchase Price to Seller in immediately available funds.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Seller. Seller hereby represents and warrants to Purchaser as follows.

(a) Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to own and operate its business as currently conducted.

(b) Seller has full power and authority to execute, deliver and perform its obligations under this Agreement, the Bill of Sale and the Assignment and has duly taken or obtained all necessary actions and approvals therefor required on the part of Seller. This Agreement has been, and the Bill of Sale and the Assignment shall be, duly executed and delivered by a duly authorized representative of Seller.

(c) This Agreement is, and the Bill of Sale and the Assignment shall be, binding upon and enforceable against Seller in accordance with their respective terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

(d) Seller's execution and delivery of this Agreement, the Bill of Sale and the Assignment and the performance by Seller of its obligations hereunder and thereunder do not and will not conflict with, result in a breach of any terms of or constitute a default under (i) Seller's organizational documents, (ii) any law, regulation, license, permit or order applicable to Seller or any of the Assets or (iii) any material agreement, obligation or instrument to which Seller is a party or by which Seller or any of the Assets are bound.

(e) Seller has and shall convey to Purchaser good and marketable title to the Assets, free and clear of all mortgages, pledges, liens, encumbrances, security interests, charges and restrictions of any nature whatsoever.

3.2 Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller as follows:

(a) Purchaser is a corporation duly organized, validly existing and presently subsisting under the laws of the Commonwealth of Pennsylvania and has all requisite power and authority to own and operate its business as currently conducted and to transfer the Assets to Purchaser.

(b) Purchaser has full power and authority to execute, deliver and perform its obligations under this Agreement, the Bill of Sale and the Assignment and has duly taken or obtained all necessary actions and approvals therefor required on the part of Purchaser. This Agreement has been, and the Bill of Sale and the Assignment shall be, duly executed and delivered by a duly authorized representative of Purchaser.

(c) This Agreement is, and the Bill of Sale and the Assignment shall be, binding upon and enforceable against Purchaser in accordance with their respective terms except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

(d) Purchaser's execution and delivery of this Agreement, the Bill of Sale and the Assignment and the performance by Purchaser of its obligations hereunder and thereunder do not and will not conflict with, result in a breach of any terms of or constitute a default under (i) Purchaser's organizational documents, (ii) any law, regulation, license, permit or order applicable to Purchaser or (iii) any material agreement, obligation or instrument to which Purchaser is a party or by which it is bound.

ARTICLE 4 MISCELLANEOUS

4.1 Entire Agreement. This Agreement contains the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, discussions and representations, whether oral or written, with respect to such subject matter.

4.2 Further Assurances. Each of the parties agrees to execute, acknowledge and deliver all such other documents and instruments and to take all such further action before or after the Closing as shall be necessary to fully carry out the intent of this Agreement and fully consummate the transactions contemplated hereby.

4.3 No Third Party Beneficiaries. This Agreement is for the sole and exclusive benefit of the parties hereto and their respective successors and permitted assigns, and no third party is intended to or shall have any rights hereunder.

4.4 Certain Expenses. Each party shall be responsible for its own fees and expenses incurred in connection with the negotiation, execution and delivery of this Agreement and the Assignment.

4.5 Assignment. Neither party may assign its rights or delegate its duties hereunder without the prior written consent of the other party, and any purported assignment or delegation in violation of this Section 4.5 shall be null and void.

4.6 Section Headings. The headings contained in this Agreement are inserted for convenience of reference only and shall not limit or construe the sections to which they apply or otherwise affect the interpretation hereof.


4.7 Amendments. This Agreement may not be amended or terminated except by an instrument executed by both parties hereto.

4.8 Governing Law; Venue. This Agreement shall be interpreted, and the rights and liabilities of the parties hereto shall for all purposes be governed by and construed and enforced, in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to principles of conflicts of law. Seller and Purchaser hereby consent and agree to the exclusive jurisdiction of any state or federal court located within the City of Pittsburgh, Pennsylvania, over any claims or disputes as to matters pertaining to or arising out of this Agreement.

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

IN WITNESS WHEREOF, Seller and Purchaser have caused this Asset Sale Agreement to be duly executed and delivered by their duly authorized officers as of the date first written above.

DUQUESNE LIGHT COMPANY

By: 
Stevan R. Schott, Senior Vice President
and Chief Financial Officer

DATACOM INFORMATION SYSTEMS, LLC

By: 
Joseph W. Smetanka, President

SCHEDULE A

ASSET LIST

A. THIRD PARTY COMPONENTS

1. THIRD PARTY SOFTWARE

THIRD PARTY SOFTWARE

Name	Version	Use
Route Smart	3.0a	Read/maint route planning
Intersolv Data Direct ODBC Drivers	2.12	Supports CIADB application
Intersolv Data Direct ODBC Drivers	3.1	Supports P&O application
Merant ODBC Drivers	3.5	Supports CP and IOP applications
ORACLE Client for NT	7.3.4	Allows connection to ORACLE server from another system
ORACLE Server (UNIX/AIX)	7.3.4.3.0	Stores Fixed Network Database
Pervasive SQL	7.0	Stores MV-90 Database
Microsoft's SQL Server	7.0	Stores Siris system Database
TARDIS	3.0	Time synchronization package
Java Development Kit (JDK)	1.1.7B	Supports BMA application
Tivoli – including all scripts developed by Itron	3.61	Monitors and displays production events & process automation
Tivoli Endpoint	3.6.1	Supports Tivoli 3.61 server
DEC Alpha 1000	4.0D	Digital operating system
DEC Alpha 1000/A	4.0D	Digital operating system
Windows NT Workstation	4.0	Operating system
Microsoft NT Service Pack	5.0	

1. THIRD PARTY HARDWARE EQUIPMENT

FN Polling Engines

Name	User	Serial #	Vendor	Type	Model	Description
DLCG1	RF	NI551S0152	Digital	Alpha-1000	4/266	300 Mhz, (4) 4.3Gig HD, (1) 2.1 Gig HD, 640MB and DLT700 Tape Drive
DLCG2	RF	NI606S6785	Digital	Alpha-1000	4/266	300 Mhz, (4) 4.3Gig HD, (1) 2.1 Gig HD, 512MB and DLT700 Tape Drive
DLCG4	RF	NI7040047U	Digital	Alpha-1000A	5/333	300 Mhz, (12) 4.3Gig HD, (1) 9.1 Gig HD, 512 MB and DLT700 Tape Drive
DLCG5	RF	NI73401VYA	Digital	Alpha-1000A	5/333	300 Mhz, (2) 4.3Gig HD, (1) 2.1 Gig HD, 1024MB and DLT700 Tape Drive

FN Database

Name	User	Serial #	Vendor	Type	Model	Description
DLCD1	RF	26-14982, 26-88246	IBM	(2) RS6000	R40, G40	(4) 112 Mhz & (2) Mhz processor with (16) 4.5 gig disks, (4) 9.1 gig disks and 512 MB Ram
SSA01,02	RF	1360, 88349	IBM	(2) 7133	10,20	(16) 4.5 gig disks, (4) 9.1 gig disks
Root Drives	OS	00R0420, 00R0438	IBM	7204		(2) 2.0 gig sesi disks

AIB Box's

Name	User	Serial #	Vendor	Type	Model	Description
DLCAIB1	AIB	4U4KA	Dell	Power Edge 2300	SMM	546 Mhz, (2) 4.5 Gig HD and 524 MB
DLCAIB2	AIB	4U4KJ	Dell	Power Edge 2300	SMM	546 Mhz, (2) 4.5 Gig HD and 524 MB
DLCAIBCLS	AIB	Disk Array	Dell	Power Vault	200S	(4) 9 Gig HD

Production DOS & NT Servers

Name	User	Serial #	Vendor	Type	Model	Description
PPLUS1	conting	US 73416448	HP	Vectra	D5042N #ABA	233 Mhz, 64MB
PPLUS2	conting	US73416249	HP	Vectra	D5042N #ABA	233 Mhz, 2.4 Gig HD and 64 MB
DLCEPA1	EPA	IVES5	Dell	Precision 610	MMP	547 Mhz, 8.4 Gig HD and 524 MB
DLCIOP	IOP	1188781-0001	Micron	Millennia XKU	AL440LX-PII300-T	300 Mhz, 8.4 Gig HD and 384 MB SDRAM
DLCBS1	Business	22988285	Dell	Precision 610	MMP 220-0383	450 Mhz, 10 Gig HD and 512 MB
TIMECHECK	Route Smart	SG60300895	HP	Vectra XU 6/160	D4342N	180Mhz, 4 Gig HD and 64 MB

Siris Call Taker and Processor

Name	User	Serial #	Vendor	Type	Model	Description
SIR_AMR_CT1	Siris Call T	1SVQG01	Dell	PowerEdge 2450	2450	866 Mhz, 9 GB, 512 Mb
SIR_AMR_CT2	Siris Call T	HRVQG01	Dell	PowerEdge 2450	2450	866 Mhz, 18 GB, 512 Mb
SIR_AMR_CT3	Siris Call T	6RVQ601	Dell	PowerEdge 2450	2450	866 Mhz, 9 GB, 512 Mb
SIR_AMR_CP	Siris Call Processor	8RVQG01	Dell	Power Edge 2450	2450	866 Mhz, 9 GB, 512 MB
SIRIS DOMAIN	Windows 2000 Domain Ctr	J61WF01	Dell	PowerEdge 1550	1550	866 Mhz, 9 GB, 1 Gb
SIRISSERVER1	MS SQL Server 2000	FKVSP01	Dell	PowerEdge 6450	6450	700 Mhz x 2.9 GB x 2 mirrored, 1 GB
SIRISSERVER2	MS SQL Server 2000	HKVSP01	Dell	PowerEdge 6450	6450	700 Mhz, 9 Gb x 2 (Mirrored), 1Gb
Raid Array	SQL Server Raid Array	6VCSF01	Dell	PowerVault 210S	210S	18 GB x 4 (Raid 5)

Cybex Switch	Siris	N/A	Cybex	Autoview 2000		
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MV90 System

Name	User	Serial #	Vendor	Type	Model	Description
Cubix, DLCoCUB	MV90	6956, 6957, 6958, 6959, 6961, and 6980	Cubix	ERS Fault	Tolerant 2	6 Cubix Chasis with (407??) Complete Systems of (199 Mhz, 2 Gig HD and 64 MB

MV90 Database

Name	User	Serial #	Vendor	Type	Model	Description
DLCPGH02	MV90	US89002191	HP	LHR3	Netserver	349 Mhz, (2) 4 gig disks, 786 MB
	MV90	10631	Hitachi	5700	5750E	(5) 4.1 gig disks (2) SCSI control

MV90 Work Stations

Name	User	Serial #	Vendor	Type	Model	Description
MV01	MV90	US73416312	HP	Vectra	D5042N #ABA	233Mhz and 64 MB
MV02	MV90	US73416252	HP	Vectra	D5042N #ABA	233 Mhz and 64 MB

Routers

Name	User	Serial #	Vendor	Type	Model	Description
Router CISCO	Production	JAB05138266	CISCO	3640	3640	4 ETH ports, 4 Ser ports
Router CISCO	Backup	45561808	CISCO	4500	4500	6 ETH ports, 4 Ser ports

Switches and Hubs

Name	User	Serial #	Vendor	Type	Model	Description
HUB	Production	WS1900PS6038320	Cisco	Catalyst	1900	24 ports
HUB	Production	WS1900PS6038320	Cisco	Catalyst	1900	24 ports
SWITCH	Fixnet	45561808	Cisco	4000 series	N/A	24 ports
HUB	MV90	136164	Bay networks	Bay Stack	N/A	24 ports
SWITCH	Fixnet	00D0790A78C0	Cisco	Catalyst	2900	24ports
SWITCH	SAN	00D0BA085140	Cisco	Catalyst	2900	24 ports
SWITCH	Mv90	00D079048F00	Cisco	Catalyst	2900	24 ports
SWITCH	Mv90	00D0BA085040	Cisco	Catalyst	2900	24 ports
SWITCH	Siris	SC8420-950	HP	PROCURVE	2400M	16 ports

B. ITRON PROPRIETARY COMPONENTS

1. ITRON PROPRIETARY SOFTWARE

Fixed Network

Software	Version	Use
Prioritization and Optimization (P&O)	2.05	Reranking of Cell Control Units (CCUs) to Encoders Receivers Transmitters (ERTs) read coefficients.
Bit Mask Assignment (BMA)	1.04	Produces Outages/Restorations messages of ERTs to a certain CCU.
Configuration Poller (CP)	2.03	Sends the ERT Individual Outages Monitoring created by the BMA to CCU.
Polyhedra Polling Engines	1.8.9	Collects Fixed Network Readings
Merged Meter Readings	3.34	Produces a Data Cap Output (DCO) file from all Data Cap Input (DCI) files based on billing period criteria.
Merged Meter Reports	1.06	Produces Merged Meter Readings Reports for the given month.
Customer Information Access Database (CIADB)	3.0.4	Populate customer's billing address and customer's meter information
ITRON Outage Processor (IOP)	4.16	Handles incoming outage events from CCUs.
Genesis Utility Information Application (GUIA)	2.60.0015	Viewing meter data and account information; setting up devices for advanced metering.
Vanstop	1.03	Produces one final billing DCI file from multiple billing routes.
PremierPlus	2.78	Create contingency routes for the van drivers.
DCLink	6.14	Produce contingency routes for the van drivers on 3.5" diskettes.
Siris Migration	2.02	Populates Siris system collected readings into the fixed network database.
Data Migration	1.9.3	Populates collected fixed network readings and statistics into the fixed network database.
Read Quality Assurance (RQA)	1.3	Prevents bad collected fixed network readings from being passed to the client's mainframe.

MV-90

Software	Version	Use
MV-90	3.1	General software that contains MV-Comm and MV-Win executables
MV-Comm	3.1	Calls and collects the ALPHA meter readings information.
MV-Win	3.1	Scheduler task manager and maintains the MV-90 database.

Field Services

Software	Version	Use
MV_LT	3.1	Alpha Contingency reads
ROCL	1.9	For ReadOnes

Tech Services

Software	Version	Use
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MR Config	Na	used to check and tune the frequency of the SR2 radios
Micro Survey	Na	used to interface with and program Micronet units
HETs	Na	Tivoli based network management for CCU maintenance

C. ERT and SIRIS EQUIPMENT

Deployed ERT and Siris Equipment

Quantity	Type	Make	Model	Itron P/N	Status
528,323 (approx.)	ERTs	Itron	40ER	ERE-0001-101 ERE-0001-102 248-2517-300 248-2517-303 248-2517-602 248-2517-600 248-2517-601 248-0003-101 248-0003-100 248-2517-302 248-2517-302 ERE-0006-102	Deployed
42,036 (approx.)	Siriss	Itron	Siris 5.X	SEN-0005-010 SEN-0005-010 SEN-0005-31 5.1.6 SEN-0005-29 SMT SEN-0020-002	Deployed

All Siris System components would no longer be applicable after the transition date of 1/1/04.

Maintenance ERT Equipment

Quantity	Type	Make	Model	Itron P/N	Status
10,778 (approx.)	ERTs	Itron	40ER	See above	Inventory

Reserve ERT and Siris Equipment

Quantity	Type	Make	Model	Itron P/N	Status
100	ERT's	Itron	50ESS	ERE-1162-101	Reserve Inventory
3,000	ERTs	Itron	40ER	See above	Reserve Inventory

D. MOBILE EQUIPMENT

Data Command Units

<u>Quantity</u>	<u>Type</u>	<u>Make</u>	<u>Model</u>	<u>Itron P/N</u>	<u>Status</u>
6	DCU	Itron	V2.8	DCU-0002-001	Deployed
2	Viewpoint monitor	Itron	-	-	Spares
1	DCU	Itron	V2.X	-	Spare
3	Mobile Collector	Itron	MC1		

Handheld Equipment

<u>Quantity</u>	<u>Type</u>	<u>Make</u>	<u>Model</u>	<u>Itron P/N</u>	<u>Status</u>
62	R1Pros	Itron	ReadOne Pro	248-2517-410	Deployed
41	R1Pro Cradles	Itron	R1Pro Cradles	585-2517-480	Deployed
129	R1Pro Batteries	Itron	R1Pro Batteries	587-8565-171	Deployed
11	G5R	Itron	Hand held	TRX-0004-003	
14	G5	Itron	handheld	TRX-0003-001	

Asset Description	Original Cost	Accumulated Depreciation and Amortization As of April 30, 2005	Net Book Value as of April 30, 2005
<u>Software:</u>			
ITRON	18,721	6,018	12,704
ITRON (INITIAL MAINTENANCE FEE)/50%	178,125	64,676	113,449
ITRON 12/00	40,111	12,654	27,457
ITRON 12/00 (RECLASS)	51,041	17,570	33,471
Software	87,272	99,393	-12,121
Total Software	375,270	200,311	174,959
<u>Meters:</u>			
Mobile reading equipt	111,714	77,801	33,913
SUNSHIELD 10/01	660	169	491
ITRON (INITIAL MAINTENANCE FEE)/50%	237,500	86,235	151,265
TELENETICS	3,065	973	2,092
TELENETICS (REIMBURSED)	-385,226	-11,465	-373,761
TELENETICS 1/01	61,475	1,830	59,646
TELENETICS 12/00	257,169	7,654	249,515
TELENETICS 2/01	65,042	1,936	63,106
TELENETICS 5/01	25,047	7,156	17,891
ABB	27,496	8,838	18,658
ABB 12/00	18,876	5,955	12,921
METER INSTAL & LABOR 12/00	10,636	3,355	7,281
METER INSTALL & LABOR	115,554	32,328	83,227
METER INSTALL & LABOR 10/01	18,650	4,773	13,876
METER INSTALL & LABOR 10/01	4,158	1,064	3,094
METER INSTALL & LABOR 10/01	448	115	333
METER INSTALL & LABOR 10/01	315	81	234
METER INSTALL & LABOR 10/01 (FROM 10/01)	12,654	4,143	8,511
METER INSTALL & LABOR 9/01	14,831	3,884	10,947
METER INSTALL & LABOR 9/01	704	184	520
METER INSTALL & LABOR 9/01	2,220	581	1,639
METER INSTALL & LABOR 1/01	39,888	12,346	27,542
METER INSTALL & LABOR 10/01	67,416	17,255	50,161
METER INSTALL & LABOR 10/01 (FROM 10/01)	32,360	10,401	21,958
METER INSTALL & LABOR 5/01	70,443	20,126	50,316
METER INSTALL & LABOR 6/01	67,216	18,804	48,412
METER INSTALL & LABOR 6/01	39,223	10,973	28,250
METER INSTALL & LABOR 6/01	9,237	2,584	6,653
METER INSTALL & LABOR 8/01	18,352	5,025	13,327
METER INSTALL & LABOR 8/01	6,006	1,645	4,362
METER INSTALL & LABOR 8/01	27,984	7,496	20,488
METER INSTALL & LABOR 9/01	101,981	26,709	75,272
METER INSTALL & LBAOR 10/01	13,392	3,428	9,964
Meters	12,181,171	2,135,206	10,045,966
Total Meters	13,277,658	2,509,590	10,768,068

Asset Description	Original Cost	Accumulated Depreciation and Amortization As of April 30, 2005	Net Book Value as of April 30, 2005
ERTs-AMR Meter Modules	11,991,864	4,354,189	7,637,675
Furniture & Fixtures	195,782	142,175	53,607
<u>Computers:</u>			
CNT Microsystems	347	313	35
COMPUTER EQUIP 3/01	11,971	9,976	1,995
COMPUTER EQUIP 3/01	7,354	6,006	1,348
COMPUTER EQUIP 10/01	284	88	196
COMPUTER EQUIP 3/01	2,352	1,960	392
COMPUTER EQUIP 7/01	218	71	147
COMPUTER SOFTWARE 3/01	4,590	1,366	3,224
Handheld computers	15,978	5,802	10,177
Office computers	61,286	62,308	-1,021
SERVER UPGRADE 4/01	2,426	1,981	445
Total Office computers	106,807	89,870	16,937
<u>Communication Devices:</u>			
DataCommand Units	152,475	55,363	97,112
NETWORK ASSESSMENT 10/01	15,000	3,839	11,161
Host processing computers	984,944	357,629	627,316
Master receiving station computers	148,117	53,781	94,337
Total Communication Devices	1,300,537	470,612	829,925
Total Assets to be Sold	\$ 27,247,919	\$ 7,766,746	\$ 19,481,172

Duquesne Light Company
Pro Forma Balance Sheet
As of April 30, 2005

	As presented	Asset Purchase	Pro-Forma after Purchase
<u>Assets</u>			
Current Assets	442,721,715	(14,890,056)	427,831,659
Long-Term Investments	599,672,094		599,672,094
Net Property Plant and Equipment	1,383,465,195	19,481,173	1,402,946,368
Other Non-Current Assets	395,237,806		395,237,806
	<hr/>		
Total Assets	\$ 2,821,096,810	\$ 4,591,117	\$ 2,825,687,927
<hr/>			
<u>Liabilities</u>			
Current Liabilities	330,198,977		330,198,977
Non-Current Liabilities	550,751,425	4,591,117	555,342,542
Total Liabilities	880,950,402	4,591,117	885,541,519
<hr/>			
<u>Capitalization</u>			
Long-Term Debt	1,254,991,819		1,254,991,819
Preferred and Preference Stock	146,145,575		146,145,575
Common Shareholders Equity	539,009,014		539,009,014
Total Capitalization	1,940,146,408	-	1,940,146,408
	<hr/>		
Total Liabilities and Capitalization	\$ 2,821,096,810	\$ 4,591,117	\$ 2,825,687,927
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DataCom
 Pro Forma Income Statement for the
 Twelve Month Period
 Ended April 30, 2005

	As presented	Intercompany Eliminations	Pro Forma
Service Revenues	0		0
Total Revenues	0		0
Administrative Costs	2,319	(2,319)	0
Other Costs	619		619
Interest Expense	2,635,577		2,635,577
Depreciation and Amortization	2,074,595		2,074,595
Taxes Other Than Income Taxes	200		200
Total Operating Expenses	4,713,310	(2,319)	4,710,991
Operating Loss	(4,713,310)	2,319	(4,710,991)
Other Income (Loss)	(91,563)		(91,563)
Income Before Income Taxes	(4,804,873)	2,319	(4,802,554)
Income Tax Benefit	(1,604,974)	812	(1,604,162)
Net Loss	\$ (3,199,899)	\$ 1,507	\$ (3,198,392)

DuquesneLight
 Pro Forma Income Statement for the
 Twelve Month Period
 Ended April 30 2005

	As Presented	Intercompany Eliminations	Pro Forma
Service Revenues	765,554,563	-	765,554,563
Operating Expenses Including Income Taxes	(654,333,374)	(1,507)	(654,334,881)
Net Operating Income	111,221,189	(1,507)	111,219,682
Other Income, Net	32,482,095	-	32,482,095
Interest and Other Charges	(74,680,267)	-	(74,680,267)
Net Income	69,023,017	(1,507)	69,021,510
Preferred and Preference Dividends	(7,987,419)	-	(7,987,419)
Earnings Available For Common	\$ 61,035,598	\$ (1,507)	\$ 61,034,091

	Plant Assets	Accumulated Depreciation	Net Book	Deferred Federal Income Tax	Net
DataCom Assets - April 30, 2005	34,452,058	(10,224,863)	24,227,195	(5,709,609)	18,517,586
Assets to remain at DataCom	7,204,139	(2,458,116)	4,746,023	(1,118,492)	3,627,530
Assets to be sold to Duquesne Light	27,247,919	(7,766,747)	19,481,172	(4,591,117)	14,890,056

DataCom Entries

Debit	Cash	19,481,172	
Debit	Accumulated Depreciation	7,766,747	
Credit	Plant Assets		(27,247,919)

To Record the Sale of Assets to Duquesne Light Company

Debit	Deferred Income Taxes	4,591,117	
Credit	Cash		(4,591,117)

To pay Duquesne Light for assumption of deferred income tax liability associated with assets purchased

Duquesne Light Company Entries

Debit	Electric Plant in Service	19,481,172	
Credit	Cash		(19,481,172)

To Record Purchase of Assets from DataCom

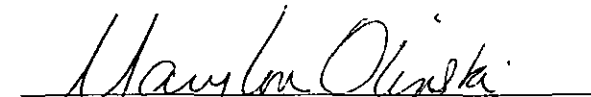
Debit	Cash	4,591,117	
Credit	Deferred Income Taxes		(4,591,117)

Payment from DataCom for assumption of deferred income tax liability associated with assets purchased

**DATACOM INFORMATION SYSTEMS, LLC
CERTIFICATE OF THE SECRETARY**

The undersigned, Mary Lou Olinski, does hereby certify that she is the Corporate Secretary of DataCom Information Systems, LLC (the "Company"), a Delaware limited liability company, and does hereby further certify that attached hereto as Exhibit A is a true and correct copy of an excerpt from the Minutes of a meeting of the Company's Board of Managers held May 3, 2005; at which meeting a quorum was present and acting throughout, and none of the corporate action reported in said excerpt has been modified or rescinded.

WITNESS the due execution hereof as of the 5th day of May 2005.



Mary Lou Olinski
Corporate Secretary

**Excerpt from the Minutes
of a Meeting of the Board of Managers
of DataCom Information Systems, LLC
held on May 3, 2005**

Approval of Asset Sale

WHEREAS, The Board deems it to be in the best interest of the Company to sell certain assets, as specified in the Asset Sale Agreement to Duquesne Light Company (“Duquesne Light”) for a price equal to the current net book value of such assets effective as of the receipt of an Order for the Pennsylvania Public Utility Commission authorizing the sale of the assets (expected to be approximately \$19 million); and

WHEREAS, The Board deems it to be in the best interest of the Company to enter into a Service Agreement with Duquesne Light pursuant to which the Company will perform electronic meter reading services and to transmit meter reading data via its network facilities, including Cell Control Units and Network Control Nodes, for Duquesne Light in return for an annual fee;

NOW, THEREFORE, BE IT RESOLVED, That the proper officers of the Company are authorized to negotiate, execute and deliver the Asset Sale Agreement between the Company and Duquesne Light, substantially in the form provided to the Board (subject to such changes and amendments as may be deemed necessary by the proper officers), and the sale by the Company of certain assets to Duquesne light as specified in the Asset Sale Agreement is hereby approved; and

FURTHER RESOLVED, That the proper officers of the Company are authorized to (i) negotiate, execute and deliver the Service Agreement between the Company and Duquesne Light substantially in the form provided to the Board (subject to such changes and amendments as may be deemed necessary by the proper officers), and (ii) determine in their discretion the annual fee to paid for services under the Service Agreement for the Company’s performance of electronic meter reading services for Duquesne Light as specified in, and pursuant to the terms of, said Service Agreement; and

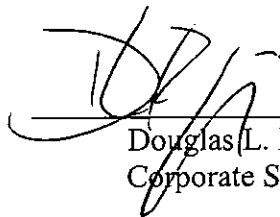
FURTHER RESOLVED, that the proper officers of the Company are hereby authorized and directed to execute and deliver, in the name and on behalf of the Company, any and all other documents, agreements, certificates and papers, and to take such further action as may be necessary, desirable or appropriate, to give effect to the foregoing resolutions.

**DUQUESNE LIGHT COMPANY
CERTIFICATE OF THE SECRETARY**

The undersigned, Douglas L. Rabuzzi, does hereby certify that he is the Corporate Secretary of Duquesne Light Company (the "Company"), a Pennsylvania corporation, and does hereby further certify that attached hereto as Exhibit A is a true and correct copy of an excerpt from the Minutes of a meeting of the Company's Board of Directors held May 3, 2005; at which meeting a quorum was present and acting throughout, and none of the corporate action reported in said excerpt has been modified or rescinded.

WITNESS the due execution hereof as of the 5th day of May 2005.

(SEAL)



Douglas L. Rabuzzi
Corporate Secretary

**Excerpt from the Minutes
of a Meeting of the Board of Directors
of Duquesne Light Company
held on May 3, 2005**

Approval of DataCom Asset Purchase

WHEREAS, The Board deems it to be in the best interest of the Company to purchase certain assets, as specified in the Asset Sale Agreement from DataCom Information Systems, LLC ("DataCom") for a price equal to the current net book value of such assets effective as of the receipt of an Order for the Pennsylvania Public Utility Commission authorizing the sale of the assets (expected to be approximately \$19 million); and

WHEREAS, The Board deems it to be in the best interest of the Company to enter into a Service Agreement with DataCom pursuant to which DataCom will perform electronic meter reading services and to transmit meter reading data via its network facilities, including Cell Control Units and Network Control Nodes, to the Company in return for an annual fee;

NOW, THEREFORE, BE IT RESOLVED, That the proper officers of the Company are authorized to negotiate, execute and deliver the Asset Sale Agreement between the Company and DataCom, substantially in the form provided to the Board (subject to such changes and amendments as may be deemed necessary by the proper officers), and the purchase by the Company of certain assets of DataCom as specified in the Asset Sale Agreement is hereby approved; and

FURTHER RESOLVED, That the proper officers of the Company are authorized to (i) negotiate, execute and deliver the Service Agreement between the Company and DataCom substantially in the form provided to the Board (subject to such changes and amendments as may be deemed necessary by the proper officers), and (ii) determine in their discretion the annual fee to paid for services under the Service Agreement for DataCom's performance of electronic meter reading services for the Company as specified in, and pursuant to the terms of, said Service Agreement; and

FURTHER RESOLVED, that the proper officers of the Company are hereby authorized and directed to execute and deliver, in the name and on behalf of the Company, any and all other documents, agreements, certificates and papers, and to take such further action as may be necessary, desirable or appropriate, to give effect to the foregoing resolutions.