

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: 12/21/04
8. DOCKET NO: R-00040167	:	9. EFFECTIVE DATE: 01/01/05

PARTY/COMPLAINANT: PUC

RESPONDENT/APPLICANT: DUQUESNE LIGHT COMPANY

COMP/APP COUNTY:

UTILITY CODE: 110150

ALLEGATION OR SUBJECT

DUQUESNE LIGHT COMPANY HAS FILED SUPPLEMENT NO 24 TO ELECTRIC PA PUC NO 23, TO BECOME EFFECTIVE JANUARY 1, 2005, WHICH PROPOSES TO REFLECT A DECREASE IN THE STATE TAX ADJUSTMENT SURCHARGE (STAS) FROM 1.2345% TO (0.3662%). THIS CHANGE IS DRIVEN LARGELY BY THE ROLL-IN OF THE CURRENT GROSS RECEIPTS TAX RATE TO BASE RATES DURING DUQUESNE'S RECENT PROVIDER-OF-LAST RESORT.

UMENT
DEF

DOCKETED
DEC 28 2004



Duquesne Light

A DQE Company

Rates and Regulatory Affairs Unit
411 Seventh Avenue 8-4
Pittsburgh, Pennsylvania 15219

ORIGINAL

December 21, 2004

RECEIVED

DEC 21 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

VIA OVERNIGHT MAIL DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, Pennsylvania 17105-3265

Supplement No. 24 to Tariff Electric – PA. P.U.C. No. 23

Dear Mr. McNulty:

R-00040167

In compliance with Section B-1 of the Public Utility Commission Order of March 10, 1970, enclosed for filing are an original and eight (8) copies of Supplement No. 24 to Duquesne Light Company's Tariff Electric, PA. P.U.C. No. 24 issued December 22, 2004, to become effective January 1, 2005.

Supplement No. 24 reflects a decrease in the State Tax Adjustment Surcharge (STAS) from 1.2345% to (0.3662%). This change is driven largely by the roll-in of the current Gross Receipts Tax rate to base rates during Duquesne's recent Provider of Last Resort proceeding at P-00032071.

Also enclosed are an original and eight (8) copies of the "Summary of Revenue Requirements" submitted in compliance with Section A of the above Order.

DOCUMENT
FOLDER

Please return a date-stamped copy of this letter in the enclosed self-addressed, stamped envelope.

If you have any questions regarding the information contained in this filing, please contact me at 412.393.6334 or nkrajovic@duqlight.com.

DOCKETED
DEC 28 2004

Sincerely,

Nancy J. D. Krajovic
Manager
Regulatory Affairs

Enclosures

- c: Mr. R. F. Wilson, Bureau of Fixed Utility Services w/ enclosure
- Mr. C. F. Hoffman, Office of Trial Staff "
- Mr. I. A. Popowsky, Consumer Advocate "
- Mr. W. R. Lloyd, Small Business Advocate "

ORIGINAL

SUPPLEMENT NO. 24
TO ELECTRIC - PA. P.U.C. NO. 23

R=00040167

DUQUESNE LIGHT COMPANY

SCHEDULE OF RATES

For Electric Service in Allegheny and Beaver Counties

(For List of Communities Served, see Page No. 4)

Issued By

DUQUESNE LIGHT COMPANY
411 Seventh Avenue
Pittsburgh, PA 15219

DOCUMENT
FOLDER

RECEIVED

DEC 21 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Morgan K. O'Brien
President and Chief Executive Officer

ISSUED: December 22, 2004

EFFECTIVE: January 1, 2005

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

DOCKETED
DEC 28 2004

NOTICE

THIS TARIFF SUPPLEMENT DECREASES AN EXISTING RIDER
See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

DECREASES

Rider No. 10 - State Tax Adjustment Surcharge

**Fifth Revised Page No. 105
Cancelling Fourth Revised Page No. 105**

In compliance with Section B-1 of the Pennsylvania Public Utility Commission Order of March 10, 1970, the State Tax Adjustment Surcharge (STAS) of 1.2345% has been decreased to (0.3662%).

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 10 - STATE TAX ADJUSTMENT

(Applicable to All Rates)

In addition to the charges provided in this Tariff, a surcharge of (0.3662%) 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. (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.

(D) -Indicates Decrease

ORIGINAL

DUQUESNE LIGHT COMPANY

Page 1

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 State Tax Adjustment Surcharge to be effective January 1, 2005 - December 31, 2005

1. Capital Stock and Franchise Tax

(6.76 Mill Decrease over base rate recovery)

2000 Tax Base

382,564,090	X	0.599%	=	2,291,559
382,564,090	X	1.275%	=	<u>4,877,692</u>

Reduction in Capital Stock and Franchise Tax Liability Tax (2,586,133)

2. PURTA Tax Decrease

2003 Taxable Value of T&D Property 25,712,884

Current Tax Millage Rate	29.1928
Former Tax Millage Rate	<u>42.0000</u>
Net Millage Decrease	<u>(12.8072)</u>

Net Decrease in PURTA Liability (329,310)

3. GRT Increase due to Impact of 15 mill RNR

Revenues subject to PURTA Gross Receipts Tax Surcharge 731,437,108

Surcharge Rate of .6 mills 0.06%

Additional GRT Liability 438,862

4. (Over)/Undercollection of STA Rider 1/01/04 through 12/31/04

Undercollection of STA Revenues - See Page 2 (42,302)

5. Total of Above Items (2,518,883)

6. Revenue Reduction Required to Cover Gross Receipts Tax on Revenue Reduction at Item 5

(\$2,518,883) / 0.9404 = (\$2,678,523)

8. Projected Base Revenues for Application Period

Estimated Base Revenues January 1, 2005 thru December 31, 2005 \$731,437,108

	(\$2,678,523)	=	<u><u>-0.3662%</u></u>
	<u>\$731,437,108</u>		



Mailing Date:
August 1, 2004

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

**Re: 2003 Pennsylvania Public Utility Realty Tax
Notice of Determination**

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act, as amended by Act 4 of 1999 and Act 23 of 2000, the Department of Revenue herein gives notice of the state taxable values of PURTA realty and the millage rate applicable to tax year 2003. 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.

2004 PURTA property information for next tax year's filings will soon be filed with the Department of Revenue by local taxing jurisdictions. This information comes directly from your County Tax Assessor's Office. It is very important that you, the utility owner, verify the content and accuracy of this property information (especially if ownership has changed or classification, assessment, or appeal values have been finalized). Any changes or corrections to the County Tax Assessor's records must be addressed and/or appealed at the local level. The accuracy of your next PURTA bill will be dependent upon your verification of county data.

Please be advised that payment of tax is required within 45 days of the mailing of this notice of determination. Previous payments, adjustments, or credits should be taken into consideration. Payments and inquiry correspondence relevant to the PURTA tax - Notice of Determination should be mailed directly to the above address.

Thank you for your attention to this matter.

Sincerely,

2003,2002,2001,2000,1999 & 1998 NOTICES:

2003 Liability:	\$750,631.00
2002 Liability Adjustment:	(\$495,027.00)
2001 Liability Adjustment:	(\$77,068.00)
2001 Transition Credit Adjustment:	\$0.00
2000 Liability Adjustment:	(\$96,104.00)
2000 Transition Credit Adjustment:	\$0.00
1999 Liability Adjustment:	(\$438.00)
1999 Transition Credit Adjustment:	\$0.00
1998 Liability Adjustment:	\$227,060.00
1998 Transition Credit Adjustment:	\$0.00

Bureau of Corporation Taxes
Department of Revenue

PLEASE SEE
REVERSE SIDE
FOR DETAIL

Account Id: 3500023



Mailing Date:
 August 1, 2004

Name: DUQUESNE LIGHT CO

Account Id: 3500023

Detail

Tax Year 2003 *

2003

1) Realty Tax Equivalent (RTE):	\$ 30,099,169
2) Total State Taxable Value (STV) for all utilities:	\$ 1,393,941,876
3) PURTA Millage Rate (including 7.6 mills for Public Transportation Act (PTA)):	29.1928 mills
4) STV for Utility:	\$25,712,884
5) Liability (Line 3 x Line 4):	\$750,631

Tax Year 1998 - 2002

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Adjusted RTE:	\$ 133,200,000	\$ 40,135,742	\$ 29,139,976	\$ 30,233,815	\$ 29,696,279
Adjusted Total STV for all utilities:	\$ 2,093,939,089	\$ 2,093,157,437	\$ 1,399,099,948	\$ 1,382,747,254	\$ 1,387,144,282
Adjusted Millage Rate (includes 7.6 mills for PTA):	71.2122 mills	26.7747 mills	28.4277 mills	29.4650 mills	29.0082 mills
Adjusted STV for Utility:	\$86,106,119	\$98,733,088	\$50,089,678	\$39,707,486	\$32,523,177
Adjusted Liability (Line 3 x Line 4):	\$6,131,806	\$2,643,549	\$1,423,934	\$1,169,981	\$943,439
Adjusted Transition Credit:	\$0	\$0	\$0	\$0	N/A
Adjustment to Liability of 8/1/2003:	\$227,060	(\$438)	(\$96,104)	(\$77,068)	(\$495,027)
Adjustment to Transition Credit of 8/1/2003:	\$0	\$0	\$0	\$0	N/A

Under separate cover you will receive an Account Review. Please review it to confirm the current 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, any net credit balance for the account is available for refund/assignment.

* If you do not agree with this Notice of Determination for 2003 PURTA, you may have Petition privileges pursuant to Section 1109-A. Please refer to the enclosed copy of the PURTA statute.

PA CORPORATE TAX
REPORT 2000
RCT-101

DEPARTMENT USE ONLY
DATE RECEIVED

STEP A
Tax Period

1. Tax Period Beginning MM DD YY Ending MM DD YY
01 01 00 12 31 00

DLN

STEP B
Label

2. Use peel-off PA Corp Tax label from cover of Tax Instruction Book. Otherwise print or type.
3. Check if address change (Complete and file Form REV-854).
4. Check if filing period change (Complete and file Form REV-854).
5. Check here if tax report is prepared by Tax Practitioner and you ONLY require a name and address label.

DR6 DR7
S A

AFFIX LABEL HERE

Corporation Name Account ID
DUQUESNE LIGHT COMPANY 0658-048
Number and Street Entity ID (EIN)
400 Fairway Drive
Suite 200
City or Town, State, and Zip Code
Moon Township PA 15108

TAX DLN

STEP C
Check Applicable Block(s) and See Instructions

6. PAS 7. LAST REPORT 8. LLC 9. FAMILY FARM 10. BUSINESS TRUST 11. HOLDING COMPANY 12. SOLICITATION ONLY
13. FIRST REPORT 14. REGULATED INVESTMENT COMPANY 15. S2-53 WEEK FILER 16. KOZ/EIP CREDIT

STEP D
Tax Summary

17. Compute tax liability for Capital Stock/Foreign Franchise, Loans and Corporate Net Income Taxes on pages 2 and 3, then complete this tax summary.

	A. TAX LIABILITY FROM TAX REPORT	B. ESTIMATED PYMTS. & CREDITS ON DEPOSIT FOR CURRENT PERIOD	C. CALCULATION Col. A minus Col. B Positive or (Negative)
CAPITAL STOCK FOREIGN FRANCHISE TAX	3,439,251	4,678,269	-1,239,018
LOANS TAX	8,211	8,207	4
CORPORATE NET INCOME TAX	4,109,563	18,499,215	-14,389,652
TOTAL	7,557,025	23,185,691	-15,628,666

ENTER WHOLE DOLLARS ONLY

STAPLE YOUR CHECK HERE

18. If Column C TOTAL is greater than zero, complete STEP E.
19. If Column C TOTAL is less than zero, an overpayment exists. Skip to STEP F.
20. If Column C TOTAL is zero, no payment is due. Skip to STEP G.

STEP E
Tax Payment Application

21. Apply Column C TOTAL from STEP D by tax. The payment amount for each tax must be zero or greater.

DEPARTMENT USE ONLY	
I	P

CAPITAL STOCK FOREIGN FRANCHISE TAX
LOANS TAX
CORPORATE NET INCOME TAX

PAYMENT	
	0
	0
	0
TOTAL PAYMENT	0

ENTER WHOLE DOLLARS ONLY

TOTAL PAYMENT must equal the Column C TOTAL from STEP D.

Make check for this amount payable to: "PA DEPT. of REVENUE"
If your payment exceeds \$20,000, refer to the CT-1 PA Corporation Tax Booklet, Section I, page 2, for Electronic Funds Transfer (EFT) instructions.

STEP F
Overpayment

22. Check ONLY ONE box to select a refund or transfer method.
A. Automatically transfer overpayment(s) to current tax period underpaid taxes & remaining portion to the next tax period.
B. Automatically transfer \$ 720,300 of the current tax period overpayment(s) to the next tax period after paying any current tax period underpaid taxes & refund the remaining portion of the current tax period overpayment(s).
C. Refund the overpayment from the current tax period after paying any current tax period underpaid taxes.

STEP G
TAX PREPARER'S Mailing Address

Sign Here X

23. Check here to mail settlement notice AND requests for additional info. to preparer's addr. Preparer's addr. must be printed or typed below.

PRINT INDIVIDUAL PREPARER OR FIRM'S NAME INDIVIDUAL OR FIRM'S SIGNATURE OF PREPARER
24. Deloitte & Touche LLP Richard K Heller
INDIVIDUAL OR FIRM'S STREET ADDRESS TITLE PARTNER TELEPHONE NUMBER 412.338.7200
CITY 2500 One PPG Place STATE ZIP CODE DATE 10/15/01 PREPARER'S EIN, SSN or PTIN
Pittsburgh PA 15222

STEP H
Signature

Sign Here X

I hereby affirm under penalties prescribed by law that this report (including any accompanying schedules & statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete report. If prepared by a person other than the taxpayer, his declaration is based on all information of which he has any knowledge.

SIGNATURE OF OFFICER OF COMPANY TELEPHONE NUMBER
25. 412-393-1221
TITLE DATE