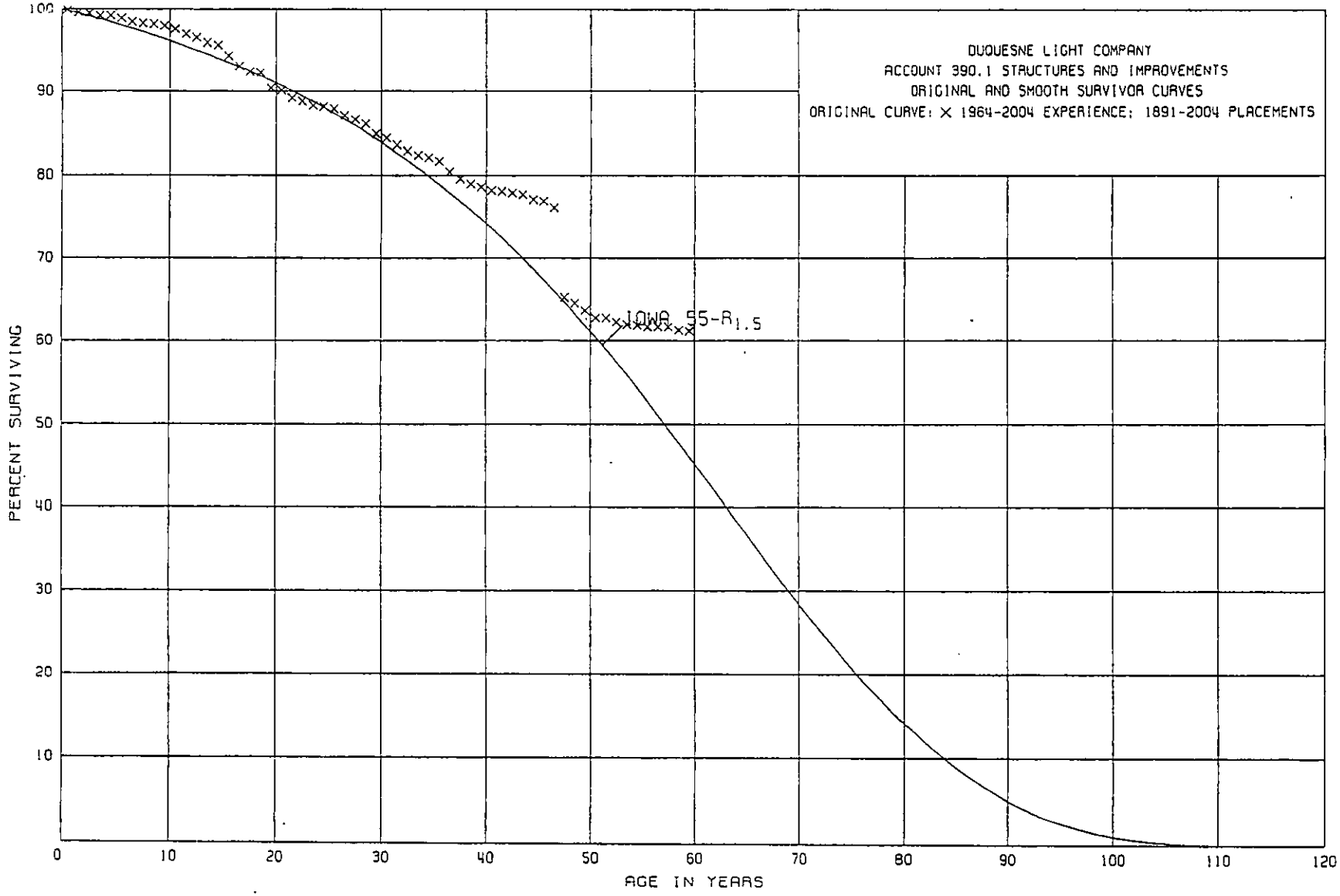
DUQUESNE LIGHT COMPANY

ACCOUNT 373 STREET LIGHTING EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1893-2004 EXPERIENCE BAND 1964-2004

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	125,222	4,516	0.0361	0.9639	20.53
80.5	96,765	1,292	0.0134	0.9866	19.79
81.5	84,623	490	0.0058	0.9942	19.52
82.5	76,576	347	0.0045	0.9955	19.41
83.5	69,057	300	0.0043	0.9957	19.32
84.5	55,008	292	0.0053	0.9947	19.24
85.5	54,544		0.0000	1.0000	19.14
86.5	54,203	97	0.0018	0.9982	19.14
87.5	52,963	39	0.0007	0.9993	19.11
88.5	51,256		0.0000	1.0000	19.10
89.5	50,778		0.0000	1.0000	19.10
90.5	50,170	21	0.0004	0.9996	19.10
91.5	39,152		0.0000	1.0000	19.09
92.5	39,153		0.0000	1.0000	19.09
93.5	37,336		0.0000	1.0000	19.09
94.5	33,034	70	0.0021	0.9979	19.09
95.5	33,027		0.0000	1.0000	19.05
96.5	33,205	128	0.0039	0.9961	19.05
97.5	30,326		0.0000	1.0000	18.98
98.5	30,779		0.0000	1.0000	18.98
99.5	29,878		0.0000	1.0000	18.98
100.5	25,843		0.0000	1.0000	18.98
101.5	20,701	232	0.0112	0.9888	18.98
102.5	10,488		0.0000	1.0000	18.77
103.5	3,509		0.0000	1.0000	18.77
104.5	3,268		0.0000	1.0000	18.77
105.5	122		0.0000	1.0000	18.77
106.5	21		0.0000	1.0000	18.77
107.5	21		0.0000	1.0000	18.77
108.5	21		0.0000	1.0000	18.77
109.5	21		0.0000	1.0000	18.77
110.5	21		0.0000	1.0000	18.77
111.5					18.77


DUQUESNE LIGHT COMPANY
ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES
ORIGINAL CURVE: X 1964-2004 EXPERIENCE; 1891-2004 PLACEMENTS
IOWA 55-R1.5
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
10
20
30
40
50
60
70
80
90
100
110
120

DUQUESNE LIGHT COMPANY

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1891-2004 EXPERIENCE BAND 1964-2004

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	49,187,245	31	0.0000	1.0000	100.00
0.5	49,444,798	178,964	0.0036	0.9964	100.00
1.5	48,842,852	49,658	0.0010	0.9990	99.64
2.5	46,979,577	149,441	0.0032	0.9968	99.54
3.5	37,584,187	3,088	0.0001	0.9999	99.22
4.5	35,925,898	95,307	0.0027	0.9973	99.21
5.5	36,450,729	163,011	0.0045	0.9955	98.94
6.5	36,258,406	71,811	0.0020	0.9980	98.49
7.5	36,062,679	40,528	0.0011	0.9989	98.29
8.5	34,604,536	54,238	0.0016	0.9984	98.18
9.5	33,803,237	152,035	0.0045	0.9955	98.02
10.5	33,052,795	192,289	0.0058	0.9942	97.58
11.5	34,324,934	135,189	0.0039	0.9961	97.01
12.5	33,643,011	218,888	0.0065	0.9935	96.63
13.5	32,325,587	95,626	0.0030	0.9970	96.00
14.5	28,652,929	398,289	0.0139	0.9861	95.71
15.5	27,354,951	368,866	0.0135	0.9865	94.38
16.5	26,109,451	188,728	0.0072	0.9928	93.11
17.5	25,246,900	53,322	0.0021	0.9979	92.44
18.5	23,520,653	483,034	0.0205	0.9795	92.25
19.5	21,957,728	53,652	0.0024	0.9976	90.36
20.5	20,991,606	225,521	0.0107	0.9893	90.14
21.5	19,614,186	87,015	0.0044	0.9956	89.18
22.5	8,903,539	46,172	0.0052	0.9948	88.79
23.5	8,957,946	15,379	0.0017	0.9983	88.33
24.5	8,049,063	24,298	0.0030	0.9970	88.18
25.5	7,936,970	73,847	0.0093	0.9907	87.92
26.5	7,322,254	39,083	0.0053	0.9947	87.10
27.5	6,939,280	45,429	0.0065	0.9935	86.64
28.5	6,785,701	95,842	0.0141	0.9859	86.08
29.5	6,455,566	34,988	0.0054	0.9946	84.87
30.5	6,247,806	61,107	0.0098	0.9902	84.41
31.5	6,005,667	51,660	0.0086	0.9914	83.58
32.5	5,593,767	33,665	0.0060	0.9940	82.86
33.5	4,727,097	13,415	0.0028	0.9972	82.36
34.5	4,477,216	24,435	0.0055	0.9945	82.13
35.5	4,343,633	66,007	0.0152	0.9848	81.68
36.5	4,282,283	46,121	0.0108	0.9892	80.44
37.5	4,733,689	33,471	0.0071	0.9929	79.57
38.5	4,627,070	25,666	0.0055	0.9945	79.01

DUQUESNE LIGHT COMPANY

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1891-2004 EXPERIENCE BAND 1964-2004

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	4,539,632	22,018	0.0049	0.9951	78.58
40.5	3,808,530	6,952	0.0018	0.9982	78.19
41.5	2,909,678	7,162	0.0025	0.9975	78.05
42.5	2,862,952	4,722	0.0016	0.9984	77.85
43.5	2,831,744	24,903	0.0088	0.9912	77.73
44.5	2,772,770	6,826	0.0025	0.9975	77.05
45.5	2,695,846	25,808	0.0096	0.9904	76.86
46.5	2,351,421	332,929	0.1416	0.8584	76.12
47.5	1,978,675	22,138	0.0112	0.9888	65.34
48.5	1,928,447	27,299	0.0142	0.9858	64.61
49.5	1,879,607	25,600	0.0136	0.9864	63.69
50.5	1,844,581	985	0.0005	0.9995	62.82
51.5	1,831,956	13,921	0.0076	0.9924	62.79
52.5	1,806,162	8,687	0.0048	0.9952	62.31
53.5	1,782,342	4,058	0.0023	0.9977	62.01
54.5	1,767,228	4,812	0.0027	0.9973	61.87
55.5	1,747,163	46	0.0000	1.0000	61.70
56.5	1,683,122	603	0.0004	0.9996	61.70
57.5	1,681,438	10,243	0.0061	0.9939	61.68
58.5	1,667,540	2,380	0.0014	0.9986	61.30
59.5	1,601,050	5,709	0.0036	0.9964	61.21
60.5	1,608,684	11,487	0.0071	0.9929	60.99
61.5	1,583,743	3,408	0.0022	0.9978	60.56
62.5	1,570,516	19,753	0.0126	0.9874	60.43
63.5	1,531,875	2,355	0.0015	0.9985	59.67
64.5	1,525,101	493	0.0003	0.9997	59.58
65.5	1,511,071	22,717	0.0150	0.9850	59.56
66.5	1,488,140		0.0000	1.0000	58.67
67.5	1,488,140		0.0000	1.0000	58.67
68.5	1,488,140		0.0000	1.0000	58.67
69.5	1,487,718		0.0000	1.0000	58.67
70.5	1,487,718		0.0000	1.0000	58.67
71.5	1,487,718	3,148	0.0021	0.9979	58.67
72.5	1,499,826	5,135	0.0034	0.9966	58.55
73.5	1,477,727		0.0000	1.0000	58.35
74.5	1,433,715	1,000	0.0007	0.9993	58.35
75.5	1,270,381	575,610	0.4531	0.5469	58.31
76.5	676,345	1,078	0.0016	0.9984	31.89
77.5	110,212		0.0000	1.0000	31.84
78.5	49,881	15,507	0.3109	0.6891	31.84

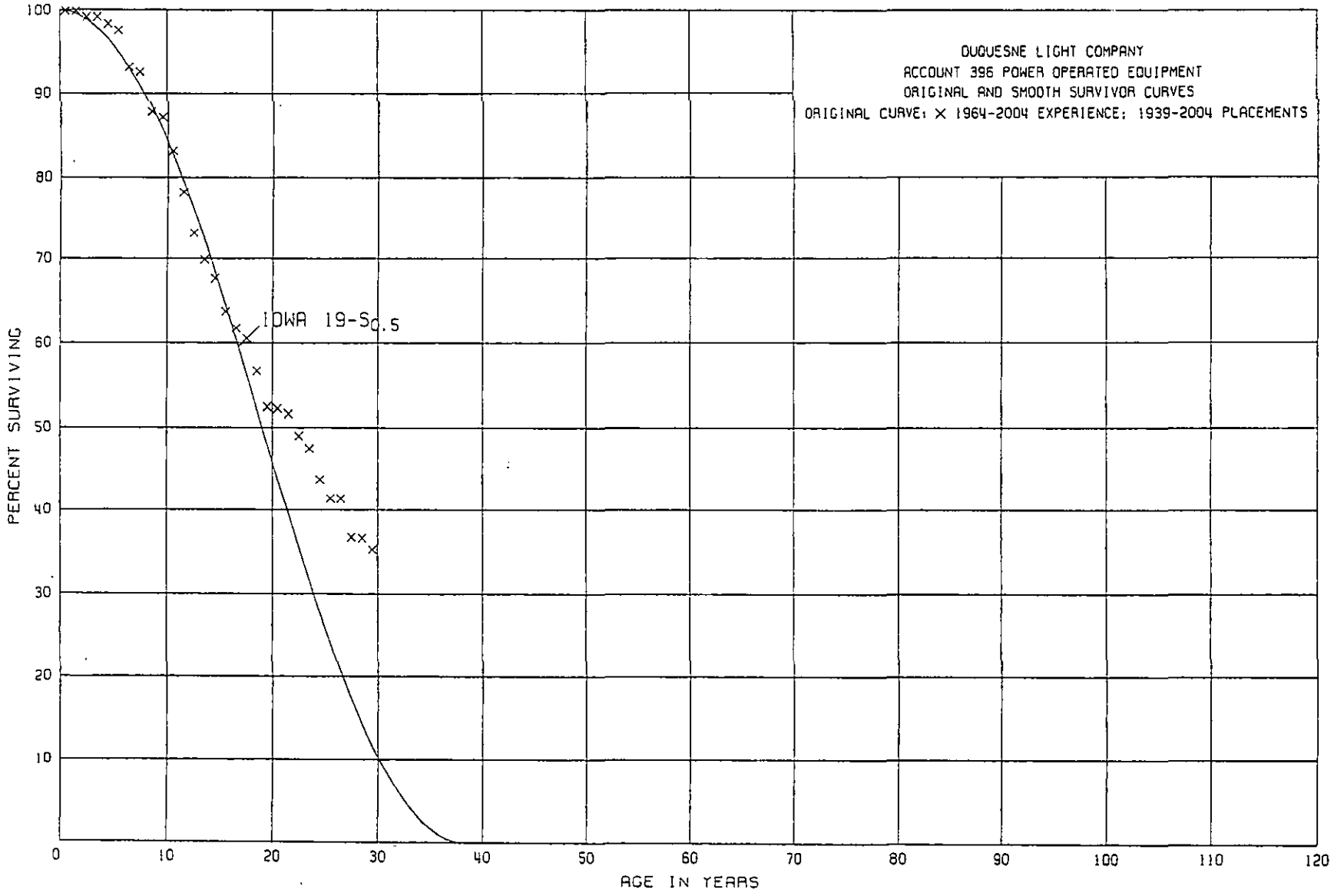
DUQUESNE LIGHT COMPANY

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1891-2004 EXPERIENCE BAND 1964-2004

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	12,729		0.0000	1.0000	21.94
80.5	12,729		0.0000	1.0000	21.94
81.5	12,729		0.0000	1.0000	21.94
82.5	12,729		0.0000	1.0000	21.94
83.5	12,729		0.0000	1.0000	21.94
84.5	12,729		0.0000	1.0000	21.94
85.5	12,729		0.0000	1.0000	21.94
86.5	12,729		0.0000	1.0000	21.94
87.5	12,729		0.0000	1.0000	21.94
88.5	12,729		0.0000	1.0000	21.94
89.5	12,729		0.0000	1.0000	21.94
90.5	12,729		0.0000	1.0000	21.94
91.5	12,729		0.0000	1.0000	21.94
92.5	12,729		0.0000	1.0000	21.94
93.5	12,729		0.0000	1.0000	21.94
94.5	12,729		0.0000	1.0000	21.94
95.5	12,729		0.0000	1.0000	21.94
96.5	12,729		0.0000	1.0000	21.94
97.5	12,729		0.0000	1.0000	21.94
98.5	12,729		0.0000	1.0000	21.94
99.5	3,848		0.0000	1.0000	21.94
100.5					21.94


DUQUESNE LIGHT COMPANY
ACCOUNT 396 POWER OPERATED EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES
ORIGINAL CURVE: X 1964-2004 EXPERIENCE: 1939-2004 PLACEMENTS
IOWA 19-S0.5
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
10
20
30
40
50
60
70
80
90
100
110
120

DUQUESNE LIGHT COMPANY

ACCOUNT 396 POWER OPERATED EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1939-2004 EXPERIENCE BAND 1964-2004

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,308,052		0.0000	1.0000	100.00
0.5	2,261,252	673	0.0003	0.9997	100.00
1.5	2,260,578	18,299	0.0081	0.9919	99.97
2.5	2,242,279		0.0000	1.0000	99.16
3.5	2,247,422	18,478	0.0082	0.9918	99.16
4.5	2,234,187	16,366	0.0073	0.9927	98.35
5.5	2,294,153	101,629	0.0443	0.9557	97.63
6.5	2,203,999	14,682	0.0067	0.9933	93.30
7.5	2,237,151	117,643	0.0526	0.9474	92.67
8.5	2,155,970	18,135	0.0084	0.9916	87.80
9.5	2,173,122	99,024	0.0456	0.9544	87.06
10.5	1,788,109	106,054	0.0593	0.9407	83.09
11.5	1,696,722	109,270	0.0644	0.9356	78.16
12.5	1,605,141	71,150	0.0443	0.9557	73.13
13.5	1,533,990	49,021	0.0320	0.9680	69.89
14.5	1,488,219	85,626	0.0575	0.9425	67.65
15.5	1,402,593	43,918	0.0313	0.9687	63.76
16.5	1,325,403	25,339	0.0191	0.9809	61.76
17.5	1,300,064	84,688	0.0651	0.9349	60.58
18.5	1,201,456	89,080	0.0741	0.9259	56.64
19.5	1,112,376	5,088	0.0046	0.9954	52.44
20.5	1,107,287	12,515	0.0113	0.9887	52.20
21.5	1,016,591	50,639	0.0498	0.9502	51.61
22.5	969,584	30,338	0.0313	0.9687	49.04
23.5	832,496	67,496	0.0811	0.9189	47.51
24.5	694,271	35,392	0.0510	0.9490	43.66
25.5	658,879		0.0000	1.0000	41.43
26.5	646,914	74,579	0.1153	0.8847	41.43
27.5	557,661	870	0.0016	0.9984	36.65
28.5	556,792	21,429	0.0385	0.9615	36.59
29.5	483,580		0.0000	1.0000	35.18
30.5	437,393	29,000	0.0663	0.9337	35.18
31.5	264,563		0.0000	1.0000	32.85
32.5	244,135		0.0000	1.0000	32.85
33.5	244,135		0.0000	1.0000	32.85
34.5	207,059		0.0000	1.0000	32.85
35.5	145,170		0.0000	1.0000	32.85
36.5	145,170	3,411	0.0235	0.9765	32.85
37.5	141,759		0.0000	1.0000	32.08
38.5	141,759		0.0000	1.0000	32.08

DUQUESNE LIGHT COMPANY

ACCOUNT 396 POWER OPERATED EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1939-2004 EXPERIENCE BAND 1964-2004

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	121,465		0.0000	1.0000	32.08
40.5	121,465		0.0000	1.0000	32.08
41.5	121,465	12,192	0.1004	0.8996	32.08
42.5	109,273		0.0000	1.0000	28.86
43.5	109,273	4,314	0.0395	0.9605	28.86
44.5	104,959		0.0000	1.0000	27.72
45.5	104,959		0.0000	1.0000	27.72
46.5	43,910		0.0000	1.0000	27.72
47.5	36,750		0.0000	1.0000	27.72
48.5	20,673		0.0000	1.0000	27.72
49.5					27.72

DETAILED DEPRECIATION CALCULATIONS

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 352 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
BEAVER VALLEY SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 3-2017						
1958	8,664.84	6,991	6,023	2,642	9.95	266
1976	627,664.56	452,358	389,747	237,918	10.78	22,070
1977	3,391.44	2,421	2,086	1,305	10.80	121
1980	846,268.52	584,687	503,761	342,508	10.87	31,509
1981	23,966.12	16,357	14,093	9,873	10.89	907
1984	919.13	611	526	393	10.86	36
1992	183,176.20	100,893	86,929	96,247	11.01	8,742
1993	18,245.19	9,694	8,352	9,893	11.03	897
1994	53,193.66	27,161	23,402	29,792	11.02	2,703
1997	2,962.57	1,289	1,111	1,852	11.03	168
1999	126,209.56	46,761	40,288	85,922	11.04	7,783
	1,894,661.79	1,249,223	1,076,318	818,345		75,202
COLLIER SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2025						
1970	648,185.34	421,774	363,396	284,789	17.20	16,558
1975	13,393.38	8,206	7,070	6,323	17.75	356
1981	136,277.62	76,016	65,495	70,783	18.24	3,881
1987	9,782.46	4,923	4,242	5,540	18.26	303
1994	70,918.91	27,162	23,402	47,517	18.53	2,564
1996	13,664.54	4,621	3,981	9,684	18.59	521
2005	151,135.64	4,035	3,477	147,659	18.23	8,100
	1,043,357.89	546,737	471,063	572,295		32,283
CRESCENT SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2030						
1975	741,117.08	417,842	360,009	381,108	21.48	17,742
1979	15,951.88	8,391	7,230	8,722	22.06	395
1981	73,835.77	37,294	32,132	41,704	22.32	1,868
1986	32,983.89	15,502	13,356	19,628	21.99	893

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 352 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CRESCENT SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2030						
1991	20,828.44	8,154	7,025	13,803	22.54	612
1994	71,295.53	23,941	20,628	50,668	22.75	2,227
1998	124,838.24	30,810	26,546	98,292	22.89	4,294
2000	19,852.32	3,833	3,302	16,550	22.99	720
	1,100,703.15	545,767	470,228	630,475		28,751
BRUNOT ISLAND SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2012						
1979	723,018.03	578,198	498,170	224,848	6.38	35,243
1996	81,414.46	48,499	41,786	39,628	6.45	6,144
	804,432.49	626,697	539,956	264,476		41,387
OTHER SMALL STRUCTURES						
SURVIVOR CURVE.. IOWA 45-R3						
1927	14,479.00	14,479	14,479			
1928	4,205.40	4,205	4,205			
1930	6,436.70	6,412	5,508	929	0.17	929
1940	98.72	93	80	19	2.57	7
1942	1,468.74	1,368	1,175	294	3.09	95
1945	11,624.70	10,627	9,130	2,495	3.86	646
1950	5,615.08	4,965	4,265	1,350	5.21	259
1953	8,212.61	7,096	6,096	2,117	6.12	346
1955	22,885.50	19,423	16,686	6,200	6.81	910
1957	255.22	212	182	73	7.56	10
1967	7,205.83	5,193	4,461	2,745	12.57	218
1968	4,920.31	3,478	2,988	1,932	13.19	146
1969	207,701.85	143,917	123,637	84,065	13.82	6,083
1970	320,332.42	217,410	186,775	133,557	14.46	9,236
1972	27,318.37	17,721	15,224	12,094	15.81	765
1973	16,639.27	10,534	9,050	7,589	16.51	460
1975	40,204.26	24,175	20,768	19,436	17.94	1,083

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 352 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OTHER SMALL STRUCTURES						
SURVIVOR CURVE.. IOWA 45-R3						
1976	163,808.89	95,812	82,311	81,498	18.68	4,363
1977	2,482.86	1,410	1,211	1,272	19.44	65
1979	121,303.60	64,752	55,628	65,676	20.98	3,130
1980	89,558.20	46,230	39,716	49,842	21.77	2,289
1981	49,289.52	24,566	21,104	28,186	22.57	1,249
1983	3,027.08	1,546	1,328	1,699	21.55	79
1984	92,693.96	45,643	39,211	53,483	22.17	2,412
1985	682.98	322	277	406	22.98	18
1986	8,965.88	4,056	3,484	5,482	23.60	232
1987	1,502.11	648	557	945	24.42	39
1989	3,778.93	1,472	1,265	2,514	25.87	97
1990	32,331.68	11,879	10,205	22,127	26.69	829
1991	31,077.56	10,771	9,253	21,825	27.34	798
1992	549,405.49	178,007	152,924	396,481	28.17	14,075
1993	5,367.29	1,617	1,389	3,978	28.99	137
1995	78,005.23	19,985	17,169	60,836	30.48	1,996
1996	32,372.43	7,536	6,474	25,898	31.31	827
1997	92,841.41	19,413	16,677	76,164	32.15	2,369
1998	51,053.72	9,496	8,158	42,896	32.82	1,307
2001	19,846.86	2,251	1,934	17,913	35.18	509
2002	17,119.33	1,517	1,303	15,816	36.02	439
2003	96,477.02	6,155	5,288	91,189	36.71	2,484
2005	406,362.88	5,323	4,573	401,790	37.67	10,666
	2,648,958.89	1,051,715	906,148	1,742,811		71,602
	7,492,114.21	4,020,139	3,463,713	4,028,402		249,225
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					16.2	3.33

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 353 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 42-S0.5						
1918	422.34	422	422			
1920	91,366.33	91,366	91,366			
1921	13,335.00	13,335	13,335			
1922	39,003.26	38,808	33,102	5,901	0.21	5,901
1924	470.79	461	393	78	0.90	78
1925	10,577.90	10,263	8,754	1,824	1.25	1,459
1926	35,040.73	33,713	28,756	6,285	1.59	3,953
1927	264,132.38	251,929	214,885	49,247	1.94	25,385
1928	38,388.28	36,304	30,966	7,422	2.28	3,255
1929	31,710.89	29,732	25,360	6,351	2.62	2,424
1930	33,569.97	31,213	26,623	6,947	2.95	2,355
1932	486.94	445	380	107	3.62	30
1933	2,535.79	2,297	1,959	577	3.96	146
1934	1,472.96	1,323	1,128	345	4.29	80
1935	2,291.25	2,039	1,739	552	4.63	119
1936	1,825.67	1,610	1,373	453	4.96	91
1937	2,612.51	2,283	1,947	666	5.30	126
1938	185,115.64	160,255	136,691	48,425	5.64	8,586
1939	2,604.91	2,235	1,906	699	5.97	117
1940	1,480.78	1,258	1,073	408	6.31	65
1941	3,150.34	2,652	2,262	888	6.65	134
1942	11,841.86	9,871	8,420	3,422	6.99	490
1943	83,422.03	68,840	58,718	24,704	7.34	3,366
1944	14,746.75	12,050	10,278	4,469	7.68	582
1945	405,478.28	327,951	279,729	125,749	8.03	15,660
1946	1,563.33	1,251	1,067	496	8.38	59
1947	994.80	788	672	323	8.74	37
1948	74,201.79	58,145	49,595	24,607	9.09	2,707
1949	40,664.22	31,515	26,881	13,783	9.45	1,459
1950	279,971.16	214,570	183,020	96,951	9.81	9,883
1951	289,769.27	219,529	187,250	102,519	10.18	10,071
1952	62,072.46	46,480	39,646	22,426	10.55	2,126
1953	398,994.89	295,256	251,842	147,153	10.92	13,476
1954	173,611.74	126,910	108,249	65,363	11.30	5,784
1955	860,224.58	620,996	529,685	330,540	11.68	28,300
1956	1,315,041.05	937,493	799,644	515,397	12.06	42,736
1957	345,938.68	243,402	207,612	138,327	12.45	11,111
1958	90,326.93	62,714	53,493	36,834	12.84	2,869

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 353 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 42-S0.5						
1959	197,626.39	135,335	115,435	82,191	13.24	6,208
1960	394,856.73	266,607	227,405	167,452	13.64	12,277
1961	416,515.01	277,191	236,433	180,082	14.05	12,817
1962	56,388.96	36,974	31,537	24,852	14.46	1,719
1963	137,898.09	89,041	75,948	61,950	14.88	4,163
1964	36,586.64	23,258	19,838	16,749	15.30	1,095
1965	25,983.21	16,252	13,862	12,121	15.73	771
1966	359,114.70	220,856	188,381	170,734	16.17	10,559
1967	3,570,332.31	2,158,266	1,840,915	1,729,417	16.61	104,119
1968	283,651.76	168,432	143,666	139,986	17.06	8,206
1969	3,202,473.91	1,866,722	1,592,240	1,610,234	17.52	91,908
1970	9,391,388.64	5,370,935	4,581,194	4,810,195	17.98	267,530
1971	659,510.58	369,788	315,414	344,097	18.45	18,650
1972	5,984,724.99	3,287,409	2,804,030	3,180,695	18.93	168,024
1973	1,376,380.64	739,942	631,141	745,240	19.42	38,375
1974	1,839,916.67	967,796	825,492	1,014,425	19.91	50,951
1975	7,188,763.13	3,695,024	3,151,709	4,037,054	20.41	197,798
1976	7,530,871.46	3,778,238	3,222,687	4,308,184	20.93	205,838
1977	1,636,546.07	800,762	683,018	953,528	21.45	44,454
1978	956,715.68	456,066	389,006	567,710	21.98	25,828
1979	8,024,874.55	3,721,937	3,174,665	4,850,210	22.52	215,373
1980	3,622,462.78	1,632,644	1,392,581	2,229,882	23.07	96,657
1981	4,332,970.18	1,895,241	1,616,565	2,716,405	23.63	114,956
1982	8,766,856.63	3,715,394	3,169,084	5,597,773	24.20	231,313
1983	1,787,332.97	945,142	806,169	981,164	20.05	48,936
1984	5,498,603.79	2,813,636	2,399,920	3,098,684	20.52	151,008
1985	2,025,461.36	1,004,831	857,081	1,168,380	20.82	56,118
1986	3,260,857.42	1,558,038	1,328,945	1,931,912	21.31	90,658
1987	5,206,815.09	2,398,780	2,046,064	3,160,751	21.66	145,926
1988	1,187,167.26	525,678	448,382	738,785	22.02	33,551
1989	3,717,809.33	1,576,723	1,344,882	2,372,927	22.41	105,887
1990	1,165,410.07	471,525	402,192	763,218	22.81	33,460
1991	2,438,664.35	937,179	799,376	1,639,288	23.23	70,568
1992	7,433,700.61	2,709,584	2,311,168	5,122,533	23.54	217,610
1993	2,532,672.72	867,440	739,892	1,792,781	24.00	74,699
1994	1,388,193.21	445,471	379,969	1,008,224	24.34	41,423
1995	1,406,651.02	418,057	356,586	1,050,065	24.83	42,290
1996	7,155,034.09	1,957,617	1,669,770	5,485,264	25.22	217,497

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 353 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 42-S0.5						
1997	9,605,727.34	2,392,787	2,040,952	7,564,775	25.63	295,153
1998	1,159,432.17	259,133	221,030	938,402	26.06	36,009
1999	2,735,111.84	540,458	460,989	2,274,123	26.39	86,174
2000	2,095,884.30	356,300	303,910	1,791,974	26.86	66,715
2001	1,188,058.90	168,467	143,696	1,044,363	27.24	38,339
2002	2,290,504.62	257,453	219,597	2,070,908	27.65	74,897
2003	1,675,089.82	137,357	117,160	1,557,930	27.99	55,660
2004	1,249,959.88	62,873	53,628	1,196,332	28.35	42,199
2005	2,931,935.78	50,429	43,014	2,888,922	28.57	101,117
	146,339,946.13	62,536,772	53,356,839	92,983,109		4,260,503
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					21.8	2.91

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 354 TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R4						
1915	99,535.98	96,749	71,319	28,217	1.82	15,504
1916	516,985.36	500,752	369,132	147,853	2.04	72,477
1917	31,576.45	30,468	22,460	9,116	2.28	3,998
1918	44,288.30	42,579	31,387	12,901	2.51	5,140
1919	31,113.97	29,792	21,961	9,153	2.76	3,316
1920	542,386.70	517,274	381,311	161,076	3.01	53,514
1924	40,228.25	37,726	27,810	12,418	4.04	3,074
1925	61,074.69	57,032	42,041	19,034	4.30	4,427
1926	119,033.06	110,665	81,577	37,456	4.57	8,196
1927	257,106.02	237,926	175,388	81,718	4.85	16,849
1928	5,344.97	4,924	3,630	1,715	5.12	335
1930	94,343.47	86,088	63,460	30,883	5.69	5,428
1931	2,443.61	2,218	1,635	809	5.99	135
1933	1,580.96	1,420	1,047	534	6.61	81
1934	1,788.15	1,597	1,177	611	6.94	88
1936	21,413.31	18,893	13,927	7,486	7.65	979
1941	10,191.10	8,662	6,385	3,806	9.75	390
1942	176,846.59	148,993	109,831	67,016	10.24	6,545
1943	194.50	162	119	76	10.75	7
1944	9,854.43	8,142	6,002	3,852	11.30	341
1945	20,085.36	16,420	12,104	7,981	11.86	673
1948	3,260.30	2,574	1,897	1,363	13.69	100
1949	18,769.93	14,629	10,784	7,986	14.34	557
1950	56,383.99	43,371	31,971	24,413	15.00	1,628
1951	330,818.04	251,058	185,069	145,749	15.67	9,301
1952	67,825.78	50,754	37,414	30,412	16.36	1,859
1953	384,605.15	283,723	209,148	175,457	17.05	10,291
1954	1,557,215.51	1,131,784	834,301	722,915	17.76	40,705
1956	3,394,544.44	2,391,796	1,763,126	1,631,418	19.20	84,970
1957	672,764.82	466,361	343,781	328,984	19.94	16,499
1959	342,578.29	229,459	169,147	173,431	21.46	8,082
1960	111,489.89	73,360	54,078	57,412	22.23	2,583
1961	42,463.76	27,423	20,215	22,249	23.02	967
1962	129,643.90	82,155	60,561	69,083	23.81	2,901
1963	135,003.17	83,864	61,821	73,182	24.62	2,972
1964	684,611.81	416,655	307,140	377,472	25.44	14,838
1965	2,175,533.19	1,296,183	955,488	1,220,045	26.27	46,443
1966	872,961.56	508,762	375,037	497,925	27.12	18,360

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 354 TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R4						
1967	386,557.36	220,222	162,338	224,219	27.97	8,016
1968	465,321.13	258,951	190,887	274,434	28.83	9,519
1969	2,816,126.23	1,529,438	1,127,434	1,688,692	29.70	56,858
1970	2,039,319.63	1,079,820	795,995	1,243,325	30.58	40,658
1971	824,373.12	425,212	313,447	510,926	31.47	16,235
1972	9,491,061.59	4,764,513	3,512,187	5,978,875	32.37	184,704
1973	1,627,015.86	793,984	585,290	1,041,726	33.28	31,302
1974	3,363,963.95	1,593,846	1,174,912	2,189,052	34.20	64,007
1975	94,422.09	43,406	31,997	62,425	35.12	1,777
1976	10,497.75	4,676	3,447	7,051	36.05	196
1979	12,349,646.62	4,962,088	3,657,830	8,691,817	38.88	223,555
1980	2,973,217.87	1,151,230	848,635	2,124,583	39.83	53,341
1981	5,893,023.80	2,195,151	1,618,167	4,274,857	40.79	104,802
1984	3,219.84	1,121	826	2,394	40.23	60
1986	737,547.29	232,991	171,751	565,796	42.23	13,398
1987	10,140.94	3,039	2,240	7,901	43.23	183
1990	42,774.78	10,741	7,918	34,857	46.23	754
1991	509,828.13	120,523	88,844	420,984	46.85	8,986
1992	891,161.61	196,145	144,590	746,572	47.85	15,602
1994	15,461.62	2,899	2,137	13,325	49.85	267
1995	531,469.68	90,988	67,072	464,398	50.85	9,133
1997	99,101.25	13,735	10,125	88,976	52.85	1,684
1998	326,610.17	39,944	29,445	297,165	53.85	5,518
1999	401,035.92	42,510	31,336	369,700	54.85	6,740
2000	1,097,230.69	98,422	72,553	1,024,678	55.85	18,347
2002	6,027.00	344	254	5,773	57.85	100
2003	536,459.04	21,995	16,213	520,246	58.48	8,896
2005	3,569,724.36	29,272	21,578	3,548,146	60.48	58,666
	64,180,228.08	29,239,599	21,554,129	42,626,100		1,407,857
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					30.3	2.19

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 355 POLES AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R4						
1927	329.63	330	330			
1930	28,394.27	28,241	26,844	1,550	0.27	1,550
1931	8,627.90	8,555	8,132	496	0.42	496
1941	1,845.84	1,748	1,662	184	2.64	70
1943	24,419.49	22,876	21,745	2,674	3.16	846
1945	5,849.92	5,417	5,149	701	3.70	189
1950	65,255.39	58,495	55,602	9,653	5.18	1,864
1953	74,136.74	64,870	61,662	12,475	6.25	1,996
1954	2,240.19	1,942	1,846	394	6.65	59
1958	3,403.69	2,820	2,681	723	8.58	84
1961	839.54	666	633	207	10.36	20
1965	91,380.77	67,549	64,208	27,173	13.04	2,084
1966	24,288.02	17,614	16,743	7,545	13.74	549
1968	57,084.08	39,731	37,766	19,318	15.20	1,271
1969	226,805.00	154,454	146,816	79,989	15.95	5,015
1970	50,471.31	33,604	31,942	18,529	16.71	1,109
1971	3,706.30	2,410	2,291	1,415	17.49	81
1972	22,510.91	14,276	13,570	8,941	18.29	489
1973	75,826.25	46,861	44,544	31,282	19.10	1,638
1974	562,242.72	338,245	321,518	240,725	19.92	12,085
1975	29,538.77	17,274	16,420	13,119	20.76	632
1976	11,823.49	6,713	6,381	5,442	21.61	252
1977	13,940.21	7,673	7,294	6,646	22.48	296
1978	4,583.18	2,442	2,321	2,262	23.36	97
1979	42,589.44	21,934	20,849	21,740	24.25	896
1980	439,821.39	218,591	207,781	232,040	25.15	9,226
1982	10,564.59	4,864	4,623	5,942	26.98	220
1985	33,597.53	14,326	13,618	19,980	27.58	724
1986	853,329.40	347,817	330,616	522,713	28.34	18,444
1987	147,735.58	57,129	54,304	93,432	29.34	3,184
1988	1,657.21	609	579	1,078	30.12	36
1989	28,108.88	9,740	9,258	18,851	31.12	606
1992	1,330,919.14	379,179	360,427	970,492	33.89	28,637
1993	1,555,760.94	410,410	390,114	1,165,647	34.89	33,409
1995	58,168.85	12,948	12,308	45,861	36.67	1,251
1996	3,645.82	734	698	2,948	37.67	78
1997	13,560.21	2,444	2,323	11,237	38.67	291
1999	281,663.86	38,813	36,893	244,771	40.67	6,018

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 355 POLES AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R4						
2000	258,852.47	30,182	28,689	230,163	41.67	5,523
2002	219.00	16	15	204	43.67	5
2003	911,867.15	48,603	46,200	865,667	44.45	19,475
2004	167,132.04	5,348	5,083	162,049	45.45	3,565
2005	1,692,057.49	18,105	17,210	1,674,847	46.45	36,057
	9,220,794.60	2,566,598	2,439,688	6,781,105		200,417
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					33.8	2.17

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 356 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R3						
1916	99,444.81	97,943	99,445			
1920	11,430.81	11,063	11,367	64	1.77	36
1922	716.42	687	706	10	2.27	4
1924	7,648.17	7,262	7,461	187	2.78	67
1925	25,642.05	24,229	24,895	747	3.03	247
1926	344.63	324	333	12	3.29	4
1927	47,629.92	44,558	45,782	1,848	3.55	521
1928	2,318.71	2,158	2,217	102	3.80	27
1929	11,239.38	10,410	10,696	543	4.06	134
1930	22,343.23	20,589	21,155	1,188	4.32	275
1931	6,395.40	5,864	6,025	370	4.57	81
1936	620.00	553	568	52	5.90	9
1941	8,039.57	6,962	7,153	887	7.37	120
1942	8,053.77	6,926	7,116	938	7.70	122
1943	29,499.51	25,187	25,879	3,621	8.04	450
1944	440.41	373	383	57	8.40	7
1945	13,398.30	11,261	11,570	1,828	8.77	208
1948	8,988.08	7,357	7,559	1,429	9.98	143
1950	136,832.19	109,808	112,824	24,008	10.86	2,211
1951	62,575.01	49,685	51,050	11,525	11.33	1,017
1952	34,493.98	27,081	27,825	6,669	11.82	564
1953	358,837.09	278,386	286,033	72,804	12.33	5,905
1954	780,669.56	598,305	614,740	165,930	12.85	12,913
1955	8,340.82	6,310	6,483	1,858	13.39	139
1956	1,093,179.39	816,058	838,474	254,705	13.94	18,272
1957	271,865.73	200,148	205,646	66,220	14.51	4,564
1958	6,265.76	4,546	4,671	1,595	15.10	106
1959	198,739.61	141,980	145,880	52,860	15.71	3,365
1960	335,715.06	236,108	242,594	93,121	16.32	5,706
1961	46,640.56	32,257	33,143	13,498	16.96	796
1962	161,631.24	109,877	112,895	48,736	17.61	2,768
1963	50,200.27	33,524	34,445	15,755	18.27	862
1964	268,459.96	176,002	180,837	87,623	18.94	4,626
1965	1,957,688.45	1,258,989	1,293,572	664,116	19.63	33,832
1966	493,890.51	311,349	319,901	173,990	20.33	8,558
1967	348,553.40	215,232	221,144	127,409	21.04	6,056
1968	848,647.95	512,753	526,838	321,810	21.77	14,782
1969	2,554,484.20	1,509,445	1,550,908	1,003,576	22.50	44,603

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 356 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R3						
1970	1,445,311.33	834,378	857,298	588,013	23.25	25,291
1971	207,396.53	116,868	120,078	87,319	24.01	3,637
1972	4,293,870.75	2,359,911	2,424,735	1,869,136	24.77	75,460
1973	1,267,855.28	678,937	697,587	570,268	25.55	22,320
1974	2,484,020.98	1,294,423	1,329,980	1,154,041	26.34	43,813
1975	75,773.69	38,379	39,433	36,341	27.14	1,339
1976	1,300,420.67	639,807	657,382	643,039	27.94	23,015
1977	83,119.53	39,656	40,745	42,375	28.76	1,473
1978	991.11	458	471	520	29.59	18
1979	2,721,174.91	1,216,093	1,249,498	1,471,677	30.42	48,379
1980	1,935,093.56	835,186	858,128	1,076,966	31.26	34,452
1981	3,277,201.43	1,363,316	1,400,765	1,876,436	32.12	58,420
1982	63,617.10	25,479	26,179	37,438	32.97	1,136
1983	37,931.36	16,303	16,751	21,180	29.85	710
1984	31,243.80	12,897	13,251	17,993	30.58	588
1985	2,681,111.04	1,060,916	1,090,058	1,591,053	31.31	50,816
1986	1,020,956.14	386,228	396,837	624,119	32.05	19,473
1987	182,913.65	65,995	67,808	115,106	32.78	3,511
1988	22,488.48	7,675	7,886	14,602	33.78	432
1989	19,968.54	6,458	6,635	13,334	34.52	386
1990	88,547.94	27,043	27,786	60,762	35.26	1,723
1991	3,654.70	1,049	1,078	2,577	36.01	72
1992	2,809,769.09	754,985	775,723	2,034,046	36.75	55,348
1993	1,179,381.69	294,845	302,944	876,438	37.50	23,372
1994	2,492.35	576	592	1,900	38.25	50
1995	36,049.62	7,610	7,819	28,231	39.25	719
1996	7,646.15	1,467	1,507	6,139	40.00	153
1997	37,891.63	6,540	6,720	31,172	40.76	765
1999	6,066.84	809	831	5,236	42.28	124
2000	5,990.16	679	698	5,292	43.04	123
2002	11,516.00	838	861	10,655	44.58	239
2003	852,722.55	44,597	45,822	806,901	45.34	17,797
2004	946,022.44	29,989	30,813	915,209	45.89	19,944
2005	2,963,296.65	32,004	32,883	2,930,414	46.01	63,691
	42,425,411.60	19,113,943	19,637,795	22,787,619		772,889
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					29.5	1.82

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 357 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-S3						
1956	91,709.41	66,278	54,000	37,709	16.64	2,266
1958	3,605,378.72	2,538,908	2,068,586	1,536,793	17.75	86,580
1960	263,024.66	180,040	146,688	116,337	18.93	6,146
1961	10,434.81	7,035	5,732	4,703	19.55	241
1967	392,985.01	238,031	193,937	199,048	23.66	8,413
1972	163,306.41	88,153	71,823	91,483	27.61	3,313
1975	5,774.91	2,870	2,338	3,437	30.18	114
1979	28,572,649.70	12,471,962	10,161,586	18,411,064	33.81	544,545
1980	659,680.65	277,594	226,171	433,510	34.75	12,475
1983	33,272.53	13,326	10,857	22,416	33.68	666
1985	432,054.70	157,657	128,452	303,603	35.68	8,509
1986	328,766.16	114,115	92,976	235,790	36.68	6,428
1990	1,493,297.60	414,390	337,626	1,155,672	40.36	28,634
1996	13,656.62	2,323	1,893	11,764	46.36	254
2003	528,003.76	23,655	19,273	508,731	53.36	9,534
2005	663,726.32	5,974	4,867	658,859	55.36	11,901
	37,257,721.97	16,602,311	13,526,805	23,730,919		730,019
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					32.5	1.96

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 358 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-R3						
1951	1,472.20	1,106	1,346	126	14.93	8
1958	1,261,379.79	858,117	1,044,317	217,063	19.18	11,317
1959	1,790.10	1,198	1,458	332	19.84	17
1967	314,943.67	180,935	220,196	94,748	25.53	3,711
1968	16,696.81	9,380	11,415	5,282	26.29	201
1972	168,645.39	85,959	104,611	64,034	29.42	2,177
1975	135,372.41	63,490	77,266	58,106	31.86	1,824
1979	15,416,221.69	6,363,816	7,744,681	7,671,541	35.23	217,756
1980	850,552.70	338,945	412,492	438,061	36.09	12,138
1982	59,636.07	22,024	26,803	32,833	37.84	868
1983	536,825.19	213,817	260,212	276,613	33.99	8,138
1985	175,421.07	64,011	77,901	97,520	35.68	2,733
1986	153,523.31	53,595	65,224	88,299	36.36	2,428
1990	550,974.78	155,430	189,156	361,819	39.45	9,172
1992	249,248.86	61,589	74,953	174,296	41.14	4,237
1996	3,769.61	666	811	2,959	44.26	67
2000	167.63	17	21	147	47.41	3
2005	168,221.02	1,665	2,026	166,195	50.26	3,307
	20,064,862.30	8,475,760	10,314,889	9,749,974		280,102
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					34.8	1.40

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 359 ROADS AND TRAILS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R4						
1970	4,353.73	2,675	1,384	2,970	21.21	140
	4,353.73	2,675	1,384	2,970		140
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					21.2	3.22

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
AMBRIDGE SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2031						
1920	26,663.76	23,829	22,101	4,563	6.38	715
1923	21,616.28	19,070	17,687	3,929	7.07	556
1929	129.13	111	103	26	8.51	3
1930	6,075.82	5,189	4,813	1,263	8.76	144
1932	871.63	737	684	188	9.27	20
1942	194.40	155	144	50	12.22	4
1945	2,771.48	2,156	2,000	771	13.23	58
1948	2,731.32	2,073	1,923	808	14.28	57
1952	3,176.75	2,327	2,158	1,019	15.71	65
1956	995.01	701	650	345	17.13	20
1963	6,210.58	4,056	3,762	2,449	19.38	126
1964	18,033.52	11,644	10,800	7,234	19.66	368
1965	1,120.27	715	663	457	19.94	23
1969	7,383.32	4,479	4,154	3,229	20.95	154
1981	7,729.19	3,835	3,557	4,172	23.09	181
1986	202,623.93	93,248	86,485	116,139	22.87	5,078
1991	339,439.66	130,447	120,987	218,453	23.23	9,404
1995	65,460.86	20,142	18,681	46,780	23.63	1,980
1996	99,918.70	28,667	26,588	73,331	23.61	3,106
1999	6,455.95	1,385	1,284	5,172	23.80	217
2004	21,259.58	1,273	1,181	20,079	23.56	852
	840,861.14	356,239	330,405	510,457		23,131
DRAVOSBURG SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2023						
1922	57,206.67	50,828	47,142	10,065	6.69	1,504
1927	394.38	344	319	75	7.66	10
1928	33,930.56	29,486	27,348	6,583	7.85	839
1929	3,137.09	2,716	2,519	618	8.04	77
1931	260.46	224	208	52	8.43	6
1941	78.27	64	59	19	10.51	2
1945	1,254.84	1,010	937	318	11.41	28
1948	127.30	101	94	33	12.08	3

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
DRAVOSBURG SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2023						
1949	385.84	304	282	104	12.31	8
1953	853.71	655	607	247	13.16	19
1955	2,123.34	1,608	1,491	632	13.56	47
1956	59,146.45	44,490	41,264	17,882	13.75	1,301
1957	72,215.05	53,952	50,039	22,176	13.93	1,592
1962	989.74	713	661	329	14.75	22
1964	21,353.04	15,139	14,041	7,312	15.03	486
1966	13,324.36	9,291	8,617	4,707	15.28	308
1967	91,851.33	63,506	58,901	32,950	15.39	2,141
1970	20,297.02	13,644	12,655	7,642	15.71	486
1973	651.38	424	393	258	15.98	16
1974	147.54	95	88	60	16.06	4
1975	3,381.04	2,151	1,995	1,386	16.14	86
1976	3,414.43	2,145	1,989	1,425	16.21	88
1977	4,868.30	3,018	2,799	2,069	16.28	127
1978	47,683.89	29,140	27,027	20,657	16.35	1,263
1979	90,582.00	54,548	50,592	39,990	16.41	2,437
1980	13,828.46	8,196	7,602	6,226	16.47	378
1981	127,041.02	74,052	68,682	58,359	16.53	3,530
1983	258,851.69	150,263	139,367	119,485	16.26	7,348
1988	7,768.16	3,997	3,707	4,061	16.51	246
1996	98,510.88	35,562	32,983	65,528	16.82	3,896
1998	53,947.30	16,632	15,426	38,521	16.83	2,289
1999	99,784.67	27,760	25,747	74,038	16.86	4,391
2004	80,982.49	6,657	6,174	74,808	16.75	4,466
	1,270,372.70	702,715	651,755	618,615		39,444
NORTH SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2012						
1918	6,479.65	6,021	5,584	896	4.24	211
1920	1,139.38	1,056	979	160	4.37	37
1924	21,829.47	20,142	18,681	3,148	4.61	683
1925	130.20	120	111	19	4.67	4

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NORTH SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2012						
1926	6,879.41	6,334	5,875	1,004	4.72	213
1927	7,591.79	6,983	6,477	1,115	4.77	234
1928	1,550.59	1,425	1,322	229	4.82	48
1929	41.37	38	35	6	4.87	1
1936	124.43	113	105	19	5.23	4
1941	385.02	348	323	62	5.47	11
1945	91.20	82	76	15	5.65	3
1947	185.32	166	154	31	5.74	5
1948	3,776.50	3,374	3,129	648	5.78	112
1950	3,345.31	2,978	2,762	583	5.85	100
1951	363.99	323	300	64	5.89	11
1954	239.48	211	196	43	5.98	7
1956	3,964.21	3,484	3,231	733	6.04	121
1958	5,227.70	4,573	4,241	987	6.09	162
1960	1,588.13	1,382	1,282	306	6.14	50
1964	4,364.80	3,754	3,482	883	6.21	142
1965	26,341.57	22,577	20,940	5,402	6.23	867
1969	991.16	837	776	215	6.28	34
1970	26,477.66	22,276	20,661	5,817	6.29	925
1972	649,046.00	540,980	501,748	147,298	6.32	23,307
1975	10,827.98	8,885	8,241	2,587	6.35	407
1978	10,129.72	8,159	7,567	2,563	6.37	402
1982	38,978.80	30,415	28,209	10,770	6.40	1,683
1987	992.73	737	684	309	6.44	48
1989	8,142.94	5,858	5,433	2,710	6.44	421
1992	11,155.20	7,560	7,012	4,143	6.42	645
1995	1,769.50	1,096	1,017	753	6.45	117
1998	3,928.52	2,113	1,960	1,969	6.45	305
1999	113,103.99	56,756	52,640	60,464	6.45	9,374
2000	2,114.00	973	902	1,212	6.45	188
2002	92,388.44	32,502	30,145	62,243	6.45	9,650
	1,065,686.16	804,631	746,280	319,406		50,532

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
VALLEY SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2015						
1925	5,580.60	5,034	4,669	912	5.85	156
1926	5,585.75	5,030	4,665	921	5.94	155
1927	8,368.56	7,522	6,977	1,392	6.04	230
1928	194,910.32	174,854	162,174	32,736	6.13	5,340
1939	4,857.87	4,262	3,953	905	7.14	127
1941	390.66	341	316	75	7.32	10
1945	7,822.11	6,760	6,270	1,552	7.68	202
1948	1,280.08	1,097	1,017	263	7.93	33
1951	1,451.21	1,233	1,144	307	8.16	38
1955	13,175.67	11,050	10,249	2,927	8.42	348
1959	1,046.38	865	802	244	8.64	28
1962	4,795.76	3,917	3,633	1,163	8.78	132
1964	7,377.68	5,974	5,541	1,837	8.85	208
1968	2,731.98	2,169	2,012	720	8.98	80
1970	3,738.69	2,935	2,722	1,017	9.04	113
1973	6,413.14	4,939	4,581	1,832	9.11	201
1975	847,423.37	643,194	596,549	250,874	9.15	27,418
1976	40,937.27	30,822	28,587	12,350	9.17	1,347
1977	1,455.67	1,087	1,008	448	9.19	49
1979	11,730.51	8,597	7,974	3,757	9.22	407
1981	2,663.43	1,910	1,771	892	9.26	96
1988	15,907.68	10,385	9,632	6,276	9.31	674
1990	20,549.10	12,837	11,906	8,643	9.31	928
1995	97,828.82	51,771	48,017	49,812	9.34	5,333
1996	75,615.66	38,072	35,311	40,305	9.37	4,301
1999	12,089.25	4,951	4,592	7,497	9.37	800
2000	141,263.00	52,296	48,503	92,760	9.36	9,910
	1,536,990.22	1,093,904	1,014,575	522,417		58,664
WOODVILLE SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2035						
1920	24,376.05	21,785	20,205	4,171	6.38	654
1924	1,614.45	1,418	1,315	299	7.31	41

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
WOODVILLE SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2035						
1925	1,528.60	1,336	1,239	290	7.55	38
1926	83.36	73	68	15	7.80	2
1927	50.34	44	41	9	8.05	1
1928	548.07	472	438	110	8.30	13
1930	2,188.64	1,867	1,732	457	8.82	52
1932	561.67	474	440	122	9.36	13
1933	308.08	259	240	68	9.64	7
1942	539.72	427	396	144	12.54	11
1943	1,567.28	1,229	1,140	427	12.91	33
1951	245.06	179	166	79	16.09	5
1954	1,188.09	839	778	410	17.35	24
1956	52,571.01	36,290	33,658	18,913	18.19	1,040
1957	5,882.97	4,015	3,724	2,159	18.60	116
1961	31,163.44	20,247	18,779	12,384	20.22	612
1966	4,238.80	2,576	2,389	1,850	22.06	84
1967	4,490.52	2,690	2,495	1,996	22.40	89
1968	7,240.74	4,275	3,965	3,276	22.73	144
1970	33,996.04	19,466	18,054	15,942	23.36	682
1971	30,306.93	17,084	15,845	14,462	23.65	612
1974	1,800.27	965	895	905	24.47	37
1978	3,004.77	1,492	1,384	1,621	25.41	64
1982	22,927.95	10,398	9,644	13,284	26.19	507
1983	1,364.18	645	598	766	25.12	30
1987	5,763.19	2,410	2,235	3,528	25.75	137
1988	25,956.73	10,494	9,733	16,224	25.79	629
1991	107,821.95	38,309	35,531	72,291	26.31	2,748
1995	477,943.24	135,019	125,227	352,716	26.67	13,225
1996	191,762.77	50,280	46,634	145,129	26.73	5,429
1999	31,380.47	6,100	5,658	25,722	26.94	955
2003	19,787.14	1,682	1,560	18,227	26.91	677
2005	101,833.56	1,925	1,785	100,049	26.02	3,845
	1,196,036.08	396,764	367,991	828,045		32,556

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
FORBES SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2014						
1959	825,225.99	694,180	643,839	181,387	7.82	23,195
1961	8,602.26	7,186	6,665	1,937	7.89	246
1965	730.45	601	557	173	8.02	22
1971	704.81	563	522	183	8.16	22
1980	17,028.40	12,713	11,791	5,237	8.30	631
1983	12,108.90	8,855	8,213	3,896	8.27	471
1987	125.58	87	81	45	8.31	5
1991	6,804.79	4,312	3,999	2,806	8.38	335
1996	85,821.08	45,580	42,275	43,546	8.39	5,190
1997	15,369.00	7,734	7,173	8,196	8.39	977
2002	28,414.09	8,354	7,748	20,666	8.40	2,460
	1,000,935.35	790,165	732,863	268,072		33,554
RANKIN SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2041						
1986	1,490,524.33	598,744	555,323	935,201	29.04	32,204
1989	17,214.00	6,135	5,690	11,524	29.80	387
1991	12,284.82	3,990	3,701	8,584	30.14	285
	1,520,023.15	608,869	564,714	955,309		32,876
BRUNOT ISLAND SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2012						
1965	89,653.99	76,842	71,270	18,384	6.23	2,951
1972	790,707.59	659,055	611,261	179,447	6.32	28,394
1978	1,221.01	984	913	308	6.37	48
1981	48,253.57	37,990	35,235	13,019	6.39	2,037
1982	864.40	674	625	239	6.40	37
1985	2,495.52	1,903	1,765	731	6.38	115
2001	87,706.49	36,039	33,425	54,281	6.45	8,416
2002	20,224.05	7,115	6,599	13,625	6.45	2,112
	1,041,126.62	820,602	761,093	280,034		44,110

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OAKLAND SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2023						
1967	122,589.59	84,758	78,611	43,979	15.39	2,858
1968	1,102,592.83	755,276	700,504	402,089	15.51	25,925
1969	409.51	278	258	152	15.61	10
1972	3,893.50	2,563	2,377	1,517	15.90	95
1975	26,487.78	16,849	15,627	10,861	16.14	673
1977	3,773.13	2,339	2,169	1,604	16.28	99
1979	1,852.83	1,116	1,035	818	16.41	50
1980	11,795.74	6,991	6,484	5,312	16.47	323
1990	24,409.06	11,768	10,915	13,494	16.65	810
1991	57,636.20	26,830	24,885	32,751	16.65	1,967
2005	80,473.80	2,366	2,194	78,280	16.51	4,741
	1,435,913.97	911,134	845,059	590,857		37,551
RACCOON SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2027						
1972	1,016,123.08	625,932	580,540	435,583	18.91	23,035
1977	3,136.98	1,801	1,670	1,467	19.52	75
1983	23,306.08	12,480	11,575	11,731	19.52	601
1988	54,050.97	25,258	23,427	30,624	19.95	1,535
1995	31,030.02	10,591	9,823	21,207	20.27	1,046
1999	38,882.18	9,402	8,720	30,162	20.38	1,480
	1,166,529.31	685,464	635,755	530,774		27,772
LOGANS FERRY SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2028						
1973	1,087,006.09	650,791	603,596	483,410	19.76	24,464
1975	52,907.59	30,782	28,550	24,358	20.04	1,215
1977	28,334.05	15,980	14,821	13,513	20.29	666
1983	724.81	382	354	371	20.24	18
1985	4,117.06	2,059	1,910	2,207	20.48	108

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
LOGANS FERRY SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2028						
1994	17,063.20	6,025	5,588	11,475	21.07	545
1996	34,699.66	10,746	9,967	24,733	21.17	1,168
1998	44,776.55	11,687	10,839	33,938	21.24	1,598
1999	39,500.85	9,243	8,573	30,928	21.28	1,453
2004	91,667.65	6,078	5,637	86,031	21.12	4,073
	1,400,797.51	743,773	689,835	710,964		35,308
PLUM SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2033						
1978	1,192,112.13	609,408	565,214	626,898	24.07	26,045
1986	4,963.21	2,217	2,056	2,907	24.17	120
1989	9,580.86	3,842	3,563	6,018	24.65	244
1994	41,701.84	13,094	12,145	29,557	25.13	1,176
	1,248,358.04	628,561	582,978	665,380		27,585
ARSENAL SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2037						
1982	7,807,540.97	3,436,099	3,186,916	4,620,625	27.57	167,596
1990	43,631.69	15,760	14,617	29,015	27.42	1,058
1996	259,365.34	65,308	60,572	198,793	28.23	7,042
1999	102,517.43	19,058	17,676	84,841	28.47	2,980
	8,213,055.43	3,536,225	3,279,781	4,933,274		178,676
CARSON SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2034						
1971	100,584.52	57,313	53,157	47,428	23.12	2,051
1979	7,349,647.97	3,627,051	3,364,020	3,985,628	24.94	159,809

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CARSON SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2034						
1981	31,096.05	14,677	13,613	17,483	25.30	691
1986	14,313.87	6,281	5,825	8,489	24.94	340
1988	7,027.99	2,878	2,669	4,359	25.24	173
1991	22,823.12	8,273	7,673	15,150	25.50	594
1994	29,370.58	9,052	8,396	20,975	25.81	813
1999	28,644.53	5,697	5,284	23,361	26.18	892
2005	15,478.31	300	278	15,200	25.34	600
	7,598,986.94	3,731,522	3,460,915	4,138,073		165,963
FINDLAY SUBSTATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2043						
1988	1,116,779.71	406,508	377,028	739,752	30.58	24,191
1994	4,125.73	1,096	1,017	3,109	31.79	98
1996	28,836.01	6,575	6,098	22,738	32.17	707
1998	121,511.95	22,783	21,131	100,381	32.50	3,089
1999	34,002.00	5,658	5,248	28,754	32.56	883
2000	146,862.00	21,163	19,628	127,234	32.67	3,895
2002	52,323.92	5,075	4,707	47,617	32.60	1,461
2004	230,726.27	10,244	9,501	221,225	32.28	6,853
2005	59,688.48	937	869	58,819	31.35	1,876
	1,794,856.07	480,039	445,227	1,349,629		43,053
OTHER SMALL STRUCTURES						
SURVIVOR CURVE.. IOWA 45-R3						
1899	28,257.88	28,258	28,258			
1902	8,255.99	8,256	8,256			
1903	2,923.42	2,923	2,923			
1904	21,373.75	21,374	21,374			
1906	1,356.83	1,357	1,357			
1909	694.82	695	695			
1913	8,372.35	8,372	8,372			

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OTHER SMALL STRUCTURES						
SURVIVOR CURVE.. IOWA 45-R3						
1914	21,064.91	21,065	21,065			
1915	41.18	41	41			
1917	13,167.14	13,167	13,167			
1918	39,833.40	39,833	39,833			
1919	78,367.01	78,367	78,367			
1920	2,780.38	2,780	2,780			
1921	55,962.38	55,962	55,962			
1922	217,811.87	217,812	217,812			
1923	123,921.63	123,922	123,922			
1924	603,588.36	603,588	603,588			
1925	322,281.83	322,282	322,282			
1926	102,728.12	102,728	102,728			
1927	92,301.58	92,302	92,302			
1928	140,362.30	140,362	140,362			
1929	36,390.89	36,391	36,391			
1930	43,001.90	42,838	38,653	4,349	0.17	4,349
1931	14,011.96	13,890	12,533	1,479	0.39	1,479
1932	5,083.22	5,013	4,523	560	0.62	560
1933	396.66	389	351	46	0.85	46
1934	910.91	889	802	109	1.08	101
1935	42.39	41	37	5	1.32	4
1936	151.67	146	132	20	1.56	13
1937	5,010.15	4,809	4,339	671	1.81	371
1938	188.95	180	162	27	2.07	13
1939	7,456.01	7,071	6,380	1,076	2.32	464
1940	1,696.52	1,600	1,444	253	2.57	98
1941	41,703.30	39,080	35,262	6,441	2.83	2,276
1942	31,283.71	29,135	26,289	4,995	3.09	1,617
1943	6,241.76	5,777	5,213	1,029	3.35	307
1944	5,298.74	4,875	4,399	900	3.60	250
1945	64,080.01	58,582	52,859	11,221	3.86	2,907
1946	171.70	156	141	31	4.12	8
1947	1,204.02	1,087	981	223	4.38	51
1948	62,265.12	55,833	50,379	11,886	4.65	2,556
1949	27,796.43	24,758	22,339	5,457	4.92	1,109
1950	49,017.66	43,341	39,107	9,911	5.21	1,902
1951	13,827.14	12,137	10,951	2,876	5.50	523

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OTHER SMALL STRUCTURES						
SURVIVOR CURVE.. IOWA 45-R3						
1952	22,629.50	19,713	17,787	4,843	5.80	835
1953	133,552.30	115,389	104,117	29,435	6.12	4,810
1954	117,523.47	100,647	90,815	26,708	6.46	4,134
1955	287,219.82	243,763	219,951	67,269	6.81	9,878
1956	90,715.84	76,238	68,791	21,925	7.18	3,054
1957	126,468.20	105,222	94,943	31,525	7.56	4,170
1958	280,695.72	230,985	208,421	72,275	7.97	9,068
1959	162,772.15	132,383	119,451	43,321	8.40	5,157
1960	191,635.38	153,941	138,903	52,732	8.85	5,958
1961	188,497.77	149,460	134,860	53,638	9.32	5,755
1962	59,953.82	46,884	42,304	17,650	9.81	1,799
1963	75,150.52	57,919	52,261	22,890	10.32	2,218
1964	61,348.82	46,558	42,010	19,339	10.85	1,782
1965	40,508.91	30,236	27,282	13,227	11.41	1,159
1966	38,010.82	27,892	25,167	12,844	11.98	1,072
1967	56,257.10	40,544	36,583	19,674	12.57	1,565
1968	118,979.41	84,107	75,891	43,088	13.19	3,267
1969	61,269.54	42,454	38,307	22,963	13.82	1,662
1970	408,568.61	277,296	250,208	158,361	14.46	10,952
1971	100,585.39	66,769	60,247	40,338	15.13	2,666
1972	605,774.51	392,966	354,579	251,196	15.81	15,888
1973	171,591.93	108,635	98,023	73,569	16.51	4,456
1974	245,171.74	151,345	136,561	108,611	17.22	6,307
1975	157,455.00	94,678	85,429	72,026	17.94	4,015
1976	91,061.35	53,262	48,059	43,002	18.68	2,302
1977	186,972.09	106,200	95,826	91,146	19.44	4,689
1978	141,673.37	78,076	70,449	71,224	20.20	3,526
1979	419,060.32	223,694	201,842	217,218	20.98	10,354
1980	122,478.35	63,223	57,047	65,431	21.77	3,006
1981	123,106.73	61,356	55,362	67,745	22.57	3,002
1982	529,718.68	254,477	229,618	300,101	23.38	12,836
1983	78,565.55	40,131	36,211	42,355	21.55	1,965
1984	67,738.26	33,354	30,096	37,642	22.17	1,698
1985	53,663.31	25,302	22,830	30,833	22.98	1,342
1986	194,987.82	88,212	79,595	115,393	23.60	4,890
1987	42,528.17	18,334	16,543	25,985	24.42	1,064
1988	258,535.78	106,336	95,949	162,587	25.05	6,490

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OTHER SMALL STRUCTURES						
SURVIVOR CURVE.. IOWA 45-R3						
1989	55,157.06	21,478	19,380	35,777	25.87	1,383
1990	700,229.77	257,264	232,133	468,097	26.69	17,538
1991	125,199.73	43,394	39,155	86,045	27.34	3,147
1992	147,254.80	47,711	43,050	104,205	28.17	3,699
1993	57,863.16	17,434	15,731	42,132	28.99	1,453
1994	294,180.35	82,223	74,191	219,989	29.65	7,420
1995	1,016,286.43	260,373	234,938	781,348	30.48	25,635
1996	459,355.68	106,938	96,492	362,864	31.31	11,589
1997	402,510.32	84,165	75,943	326,567	32.15	10,158
1998	485,124.12	90,233	81,419	403,705	32.82	12,301
1999	544,659.33	88,180	79,566	465,093	33.66	13,817
2000	54,323.89	7,470	6,740	47,584	34.50	1,379
2001	510,896.82	57,936	52,277	458,620	35.18	13,036
2002	497,365.62	44,067	39,762	457,604	36.02	12,704
2003	125,636.47	8,016	7,233	118,403	36.71	3,225
2004	296,089.01	11,429	10,313	285,776	37.41	7,639
2005	753,733.17	9,874	8,909	744,824	37.67	19,772
	14,940,969.73	7,459,630	6,918,663	8,022,307		355,690
	47,271,498.42	23,750,237	22,027,889	25,243,613		1,186,465
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					21.3	2.51

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 362.1 STATION EQUIPMENT - COMPANY STATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 53-R1.5						
1906	68.73	66	61	8	2.34	3
1911	361.95	336	309	53	3.81	14
1912	172.05	159	146	26	4.05	6
1913	7,207.33	6,626	6,088	1,119	4.27	262
1914	852.19	780	717	135	4.50	30
1915	250.98	229	210	41	4.72	9
1916	1,271.97	1,153	1,059	213	4.95	43
1917	6,536.62	5,897	5,418	1,119	5.19	216
1918	45,932.83	41,234	37,887	8,046	5.42	1,485
1919	14,315.41	12,784	11,746	2,569	5.67	453
1920	177,269.42	157,504	144,719	32,550	5.91	5,508
1921	110,797.28	97,900	89,953	20,844	6.17	3,378
1922	198,121.56	174,089	159,958	38,164	6.43	5,935
1923	106,299.44	92,863	85,325	20,974	6.70	3,130
1924	1,160,855.75	1,008,203	926,367	234,489	6.97	33,643
1925	607,104.64	524,174	481,627	125,478	7.24	17,331
1926	798,263.35	684,990	629,389	168,874	7.52	22,457
1927	478,219.24	407,730	374,635	103,584	7.81	13,263
1928	510,142.52	432,295	397,206	112,937	8.09	13,960
1929	232,259.66	195,539	179,667	52,593	8.38	6,276
1930	519,313.71	434,250	399,002	120,312	8.68	13,861
1931	138,785.17	115,275	105,918	32,867	8.98	3,660
1932	51,543.75	42,518	39,067	12,477	9.28	1,345
1933	19,764.04	16,189	14,875	4,889	9.59	510
1934	3,605.21	2,931	2,693	912	9.91	92
1935	26,891.38	21,707	19,945	6,946	10.22	680
1936	44,528.91	35,663	32,768	11,761	10.55	1,115
1937	65,440.53	52,006	47,785	17,656	10.88	1,623
1938	16,998.00	13,400	12,312	4,686	11.22	418
1939	52,694.99	41,202	37,858	14,837	11.56	1,283
1940	43,211.29	33,502	30,783	12,428	11.91	1,043
1941	339,022.06	260,538	239,390	99,632	12.27	8,120
1942	460,294.71	350,514	322,063	138,232	12.64	10,936
1943	137,985.24	104,110	95,659	42,326	13.01	3,253
1944	83,712.10	62,550	57,473	26,239	13.40	1,958
1945	321,705.95	237,998	218,680	103,026	13.79	7,471
1946	36,883.60	27,010	24,818	12,066	14.19	850
1947	54,190.71	39,261	36,074	18,117	14.60	1,241

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 362.1 STATION EQUIPMENT - COMPANY STATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 53-R1.5						
1948	295,650.47	211,863	194,666	100,984	15.02	6,723
1949	446,441.30	316,304	290,630	155,811	15.45	10,085
1950	1,111,075.10	777,975	714,827	396,248	15.89	24,937
1951	466,937.35	322,981	296,765	170,172	16.34	10,414
1952	615,687.39	420,514	386,381	229,306	16.80	13,649
1953	1,053,948.49	710,572	652,895	401,053	17.27	23,223
1954	763,284.29	507,660	466,453	296,831	17.75	16,723
1955	1,827,375.73	1,198,393	1,101,119	726,257	18.24	39,817
1956	1,210,109.49	782,215	718,722	491,387	18.74	26,221
1957	1,279,030.03	814,486	748,374	530,656	19.25	27,567
1958	934,362.53	585,845	538,292	396,071	19.77	20,034
1959	2,607,112.60	1,608,588	1,478,019	1,129,094	20.30	55,620
1960	910,618.68	552,563	507,711	402,908	20.84	19,333
1961	1,902,798.91	1,135,210	1,043,065	859,734	21.38	40,212
1962	504,409.15	295,584	271,591	232,818	21.94	10,612
1963	671,749.10	386,457	355,088	316,661	22.51	14,068
1964	967,122.56	545,941	501,627	465,496	23.08	20,169
1965	472,833.54	261,666	240,427	232,407	23.67	9,819
1966	1,311,549.48	711,253	653,520	658,029	24.26	27,124
1967	1,557,569.40	826,758	759,650	797,919	24.87	32,084
1968	2,663,629.28	1,382,956	1,270,701	1,392,928	25.48	54,668
1969	1,136,819.56	576,936	530,106	606,714	26.10	23,246
1970	3,212,505.10	1,592,760	1,463,475	1,749,030	26.72	65,458
1971	466,990.09	225,930	207,591	259,399	27.36	9,481
1972	9,574,732.53	4,516,401	4,149,804	5,424,929	28.00	193,747
1973	4,311,909.04	1,980,029	1,819,310	2,492,599	28.66	86,971
1974	1,830,552.69	817,891	751,503	1,079,050	29.32	36,803
1975	6,699,834.73	2,909,738	2,673,554	4,026,281	29.98	134,299
1976	2,389,475.95	1,007,164	925,412	1,464,064	30.66	47,752
1977	1,518,314.76	620,535	570,166	948,149	31.34	30,254
1978	5,470,682.64	2,165,296	1,989,539	3,481,144	32.02	108,718
1979	4,979,730.49	1,905,245	1,750,596	3,229,134	32.72	98,690
1980	1,697,340.39	626,998	576,105	1,121,235	33.42	33,550
1981	725,889.98	258,417	237,441	488,449	34.13	14,311
1982	18,418,384.98	6,310,139	5,797,944	12,620,441	34.84	362,240
1983	1,155,395.72	501,788	461,058	694,338	29.31	23,689
1984	3,233,105.56	1,355,641	1,245,603	1,987,503	29.78	66,740
1985	1,551,962.06	626,837	575,957	976,005	30.26	32,254

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 362.1 STATION EQUIPMENT - COMPANY STATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 53-R1.5						
1986	7,335,743.84	2,847,002	2,615,911	4,719,833	30.75	153,491
1987	4,661,562.22	1,742,026	1,600,626	3,060,936	31.00	98,740
1988	5,817,632.00	2,076,895	1,908,313	3,909,319	31.52	124,027
1989	2,821,368.18	958,983	881,142	1,940,226	32.04	60,556
1990	5,528,353.70	1,791,187	1,645,796	3,882,558	32.34	120,054
1991	5,607,045.36	1,723,606	1,583,701	4,023,344	32.67	123,151
1992	5,967,820.98	1,724,103	1,584,157	4,383,664	33.23	131,919
1993	3,778,929.68	1,025,224	942,006	2,836,924	33.58	84,483
1994	2,508,342.39	637,621	585,865	1,922,477	33.75	56,962
1995	13,561,486.12	3,189,662	2,930,757	10,630,729	34.14	311,386
1996	13,895,195.99	3,009,699	2,765,401	11,129,795	34.36	323,917
1997	10,684,893.81	2,107,061	1,936,031	8,748,863	34.60	252,857
1998	2,533,007.93	450,369	413,813	2,119,195	34.69	61,090
1999	3,636,397.70	572,005	525,575	3,110,823	34.82	89,340
2000	7,790,242.24	1,062,589	976,339	6,813,903	34.82	195,689
2001	5,496,318.67	630,977	579,760	4,916,559	34.71	141,647
2002	6,442,492.48	595,286	546,967	5,895,525	34.38	171,481
2003	7,997,048.06	550,197	505,537	7,491,511	33.86	221,250
2004	11,118,573.02	489,217	449,507	10,669,066	32.63	326,971
2005	15,194,362.59	256,785	235,942	14,958,421	29.09	514,212
	241,196,612.37	75,529,198	69,398,483	171,798,130		5,621,389
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					30.6	2.33

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 362.2 STATION EQUIPMENT - CUSTOMER HIGH TENSION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-R0.5						
1915	82.43	82	82			
1917	629.13	629	629			
1918	332.76	333	333			
1921	18.67	19	19			
1923	10,183.19	10,183	10,183			
1924	20,150.44	20,150	20,150			
1925	11,680.37	11,680	11,680			
1926	19,290.54	19,291	19,291			
1927	58,740.28	58,740	58,740			
1928	929.59	924	848	82	0.25	82
1929	3,437.45	3,372	3,095	342	0.74	342
1930	38,103.38	36,903	33,876	4,227	1.23	3,437
1931	8,635.03	8,259	7,582	1,053	1.70	619
1932	1,149.46	1,086	997	152	2.17	70
1933	843.46	786	722	121	2.64	46
1934	359.92	331	304	56	3.10	18
1935	7,749.37	7,046	6,468	1,281	3.54	362
1936	27,098.60	24,332	22,336	4,763	3.98	1,197
1937	28,859.26	25,595	23,496	5,363	4.41	1,216
1938	8,439.89	7,395	6,788	1,652	4.83	342
1939	8,621.66	7,463	6,851	1,771	5.24	338
1940	862.39	737	677	185	5.65	33
1941	16,958.23	14,323	13,148	3,810	6.06	629
1942	2,852.10	2,380	2,185	667	6.46	103
1943	40,487.13	33,378	30,640	9,847	6.85	1,438
1944	3,020.04	2,459	2,257	763	7.25	105
1945	17,904.71	14,392	13,212	4,693	7.65	613
1946	1,143.98	908	834	310	8.04	39
1947	10,620.37	8,322	7,639	2,981	8.44	353
1948	132,944.90	102,806	94,374	38,571	8.84	4,363
1949	83,395.04	63,639	58,419	24,976	9.24	2,703
1950	42,237.93	31,797	29,189	13,049	9.64	1,354
1951	23,225.31	17,247	15,832	7,393	10.04	736
1952	44,647.37	32,686	30,005	14,642	10.45	1,401
1953	230,656.27	166,418	152,769	77,887	10.86	7,172
1954	192,051.22	136,548	125,348	66,703	11.27	5,919
1955	88,397.23	61,905	56,828	31,569	11.69	2,701
1956	268,849.38	185,372	170,168	98,681	12.11	8,149

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 362.2 STATION EQUIPMENT - CUSTOMER HIGH TENSION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-R0.5						
1957	139,260.00	94,488	86,738	52,522	12.54	4,188
1958	124,109.73	82,831	76,037	48,073	12.97	3,706
1959	224,335.13	147,254	135,176	89,159	13.40	6,654
1960	254,451.38	164,147	150,684	103,767	13.84	7,498
1961	218,688.33	138,561	127,196	91,492	14.29	6,403
1962	186,730.54	116,165	106,637	80,094	14.74	5,434
1963	448,415.14	273,668	251,222	197,193	15.20	12,973
1964	257,622.19	154,187	141,541	116,081	15.66	7,413
1965	177,215.47	103,919	95,396	81,819	16.13	5,072
1966	281,423.64	161,650	148,392	133,032	16.60	8,014
1967	146,717.09	82,470	75,706	71,011	17.08	4,158
1968	241,946.01	132,998	122,090	119,856	17.56	6,826
1969	700,040.71	375,852	345,025	355,016	18.06	19,658
1970	1,552,589.44	814,178	747,400	805,189	18.55	43,406
1971	167,234.05	85,507	78,494	88,740	19.06	4,656
1972	563,357.35	280,665	257,645	305,712	19.57	15,621
1973	406,875.27	197,375	181,186	225,689	20.08	11,239
1974	511,130.63	241,151	221,372	289,759	20.60	14,066
1975	911,776.01	417,776	383,510	528,266	21.13	25,001
1976	732,501.36	325,670	298,959	433,542	21.66	20,016
1977	968,998.24	417,444	383,206	585,792	22.20	26,387
1978	577,957.10	240,950	221,187	356,770	22.74	15,689
1979	149,142.65	60,075	55,148	93,995	23.29	4,036
1980	395,057.44	153,480	140,892	254,165	23.85	10,657
1981	508,725.30	190,467	174,845	333,880	24.40	13,684
1982	310,954.76	111,850	102,676	208,279	24.97	8,341
1983	839,149.95	436,190	400,414	438,736	20.79	21,103
1984	890,190.85	449,813	412,920	477,271	21.05	22,673
1985	1,018,853.26	499,238	458,291	560,562	21.34	26,268
1986	868,613.81	411,636	377,874	490,740	21.65	22,667
1987	121,239.51	55,406	50,862	70,378	21.98	3,202
1988	772,766.17	339,476	311,632	461,134	22.34	20,642
1989	661,819.91	279,553	256,624	405,196	22.56	17,961
1990	274,597.29	111,102	101,989	172,608	22.81	7,567
1991	687,059.79	266,030	244,210	442,850	22.95	19,296
1992	222,241.28	81,918	75,199	147,042	23.13	6,357
1993	59,505.37	20,755	19,053	40,452	23.34	1,733
1994	616,645.80	202,815	186,180	430,466	23.47	18,341

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 362.2 STATION EQUIPMENT - CUSTOMER HIGH TENSION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-R0.5						
1995	943,264.37	291,186	267,303	675,961	23.51	28,752
1996	2,741,042.86	786,405	721,905	2,019,138	23.61	85,520
1997	79,832.93	21,172	19,436	60,397	23.55	2,565
1998	147,134.69	35,651	32,727	114,408	23.46	4,877
1999	649,244.08	141,405	129,807	519,437	23.35	22,246
2000	176,643.61	34,004	31,215	145,429	23.07	6,304
2001	1,525,846.65	252,680	231,955	1,293,892	22.67	57,075
2002	1,439,194.06	197,026	180,866	1,258,328	22.07	57,015
2003	636,959.63	67,199	61,688	575,272	21.20	27,135
2004	124,224.81	8,795	8,074	116,151	19.69	5,899
2005	797,389.10	23,842	21,886	775,503	16.22	47,812
	28,906,303.22	11,697,991	10,748,464	18,157,834		889,686
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					20.4	3.08

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, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2						
1912	1,819.38	1,819	1,819			
1914	9,359.44	9,288	9,359			
1915	10.52	10	10	1	0.62	1
1916	7,269.69	7,143	7,270			
1917	18,191.10	17,780	18,191			
1918	3,802.22	3,697	3,802			
1919	78.73	76	78	1	1.66	1
1920	58,606.96	56,345	58,079	528	1.93	274
1921	1,243.55	1,189	1,226	18	2.20	8
1922	11,449.73	10,882	11,217	233	2.48	94
1923	1,899.73	1,795	1,850	50	2.76	18
1924	31,903.96	29,964	30,886	1,018	3.04	335
1925	144,023.64	134,432	138,570	5,454	3.33	1,638
1926	128,754.36	119,433	123,109	5,645	3.62	1,559
1927	351,979.71	324,455	334,441	17,539	3.91	4,486
1928	262,385.12	240,397	247,796	14,589	4.19	3,482
1929	180,345.50	164,187	169,240	11,106	4.48	2,479
1930	220,664.05	199,569	205,711	14,953	4.78	3,128
1931	225,071.36	202,249	208,474	16,597	5.07	3,274
1932	89,255.95	79,688	82,141	7,115	5.36	1,327
1933	69,575.73	61,714	63,613	5,963	5.65	1,055
1934	98,127.20	86,470	89,131	8,996	5.94	1,514
1935	145,378.02	127,235	131,151	14,227	6.24	2,280
1936	96,235.62	83,648	86,223	10,013	6.54	1,531
1937	127,339.15	109,919	113,302	14,037	6.84	2,052
1938	44,278.46	37,947	39,115	5,163	7.15	722
1939	84,679.66	72,045	74,262	10,418	7.46	1,397
1940	45,150.96	38,125	39,298	5,853	7.78	752
1941	162,346.39	136,046	140,233	22,113	8.10	2,730
1942	120,263.93	99,987	103,064	17,200	8.43	2,040
1943	50,865.76	41,944	43,235	7,631	8.77	870
1944	6,544.94	5,352	5,517	1,028	9.11	113
1945	5,115.51	4,147	4,275	841	9.47	89
1946	113.59	91	94	20	9.83	2
1947	247,094.22	196,638	202,690	44,404	10.21	4,349
1948	367,729.22	289,844	298,765	68,964	10.59	6,512
1949	398,854.40	311,186	320,764	78,090	10.99	7,106
1950	502,987.21	388,407	400,362	102,625	11.39	9,010

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, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2						
1951	630,846.30	481,840	496,670	134,176	11.81	11,361
1952	727,179.81	549,166	566,069	161,111	12.24	13,163
1953	983,942.46	734,415	757,019	226,923	12.68	17,896
1954	1,228,471.31	905,875	933,757	294,714	13.13	22,446
1955	1,052,257.87	766,044	789,622	262,636	13.60	19,311
1956	1,074,387.72	772,055	795,818	278,570	14.07	19,799
1957	1,361,787.34	965,235	994,944	366,843	14.56	25,195
1958	1,318,110.02	921,095	949,445	368,665	15.06	24,480
1959	1,832,620.91	1,261,943	1,300,784	531,837	15.57	34,158
1960	1,561,790.09	1,059,206	1,091,807	469,983	16.09	29,210
1961	1,074,618.29	717,200	739,274	335,344	16.63	20,165
1962	1,311,131.49	860,889	887,386	423,745	17.17	24,679
1963	1,104,865.40	713,080	735,028	369,837	17.73	20,859
1964	1,222,539.35	775,090	798,946	423,593	18.30	23,147
1965	1,443,595.21	898,494	926,148	517,447	18.88	27,407
1966	1,502,345.72	917,032	945,257	557,089	19.48	28,598
1967	2,349,277.10	1,405,807	1,449,076	900,201	20.08	44,831
1968	1,678,133.26	983,386	1,013,653	664,480	20.70	32,100
1969	1,482,831.13	850,552	876,731	606,100	21.32	28,429
1970	4,235,250.83	2,375,129	2,448,232	1,787,019	21.96	81,376
1971	1,927,012.29	1,056,003	1,088,505	838,507	22.60	37,102
1972	2,840,908.29	1,519,318	1,566,080	1,274,828	23.26	54,808
1973	3,484,103.22	1,816,611	1,872,524	1,611,579	23.93	67,346
1974	5,687,759.12	2,889,382	2,978,313	2,709,446	24.60	110,140
1975	5,966,074.75	2,948,434	3,039,183	2,926,892	25.29	115,733
1976	6,169,187.25	2,963,678	3,054,896	3,114,291	25.98	119,873
1977	5,646,704.35	2,632,494	2,713,518	2,933,186	26.69	109,898
1978	4,525,220.72	2,045,400	2,108,354	2,416,867	27.40	88,207
1979	5,452,712.97	2,385,017	2,458,424	2,994,289	28.13	106,445
1980	6,740,316.18	2,849,806	2,937,519	3,802,797	28.86	131,767
1981	5,202,896.87	2,122,782	2,188,118	3,014,779	29.60	101,851
1982	6,768,504.58	2,660,022	2,741,894	4,026,611	30.35	132,673
1983	7,269,905.79	3,353,608	3,456,827	3,813,079	26.28	145,094
1984	6,668,030.07	2,967,940	3,059,289	3,608,741	26.81	134,604
1985	8,759,377.78	3,753,393	3,868,917	4,890,461	27.34	178,876
1986	8,450,294.01	3,460,395	3,566,901	4,883,393	28.12	173,663
1987	7,945,581.34	3,116,257	3,212,171	4,733,410	28.67	165,100
1988	9,266,885.37	3,470,449	3,577,264	5,689,621	29.23	194,650

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, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2						
1989	8,988,241.14	3,218,689	3,317,756	5,670,485	29.58	191,700
1990	9,456,513.68	3,210,486	3,309,300	6,147,214	30.16	203,820
1991	10,770,094.59	3,451,815	3,558,057	7,212,038	30.75	234,538
1992	12,004,854.65	3,614,662	3,725,916	8,278,939	31.34	264,165
1993	9,411,282.25	2,658,687	2,740,518	6,670,764	31.75	210,103
1994	10,954,358.05	2,872,233	2,960,636	7,993,722	32.36	247,025
1995	10,441,973.71	2,533,223	2,611,192	7,830,782	32.79	238,816
1996	10,298,269.81	2,280,037	2,350,213	7,948,057	33.42	237,823
1997	14,396,961.50	2,888,030	2,976,919	11,420,043	33.87	337,173
1998	2,255,940.80	406,069	418,567	1,837,374	34.17	53,772
1999	1,500,096.90	237,015	244,310	1,255,787	34.65	36,242
2000	2,601,127.82	353,493	364,373	2,236,755	34.98	63,944
2001	3,851,970.63	436,813	450,258	3,401,713	35.18	96,695
2002	4,904,590.26	441,413	454,999	4,449,591	35.41	125,659
2003	7,164,018.51	474,974	489,593	6,674,426	35.23	189,453
2004	8,769,590.02	362,184	373,331	8,396,259	34.86	240,857
2005	10,880,095.42	164,289	169,346	10,710,749	32.72	327,346
	280,918,230.97	100,223,777	103,308,010	177,610,221		6,081,799
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					29.2	2.16

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 365.01 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R1						
1917	1.84	2	2			
1922	7.16	6	7			
1925	27.55	24	27	1	6.31	
1927	7.63	7	8			
1929	28.57	24	27	2	7.61	
1930	4,852.37	4,081	4,589	263	7.95	33
1931	22,326.57	18,625	20,944	1,383	8.29	167
1932	19,076.65	15,780	17,744	1,333	8.64	154
1933	2,615.73	2,145	2,412	204	8.99	23
1934	23,897.15	19,428	21,847	2,050	9.35	219
1935	25,257.41	20,352	22,886	2,371	9.71	244
1936	24,431.35	19,506	21,934	2,497	10.08	248
1937	26,189.29	20,716	23,295	2,894	10.45	277
1938	11,106.52	8,703	9,786	1,321	10.82	122
1940	21,284.47	16,351	18,386	2,898	11.59	250
1941	84,289.75	64,077	72,054	12,236	11.99	1,021
1942	83,371.85	62,712	70,519	12,853	12.39	1,037
1943	27,471.20	20,444	22,989	4,482	12.79	350
1944	12,621.74	9,290	10,446	2,176	13.20	165
1945	46,729.57	34,000	38,233	8,497	13.62	624
1946	65,745.80	47,284	53,170	12,576	14.04	896
1947	117,661.96	83,611	94,019	23,643	14.47	1,634
1948	273,941.10	192,307	216,247	57,694	14.90	3,872
1949	390,224.40	270,504	304,178	86,046	15.34	5,609
1950	500,180.28	342,223	384,825	115,355	15.79	7,306
1951	470,563.88	317,725	357,278	113,286	16.24	6,976
1952	667,897.36	444,820	500,194	167,703	16.70	10,042
1953	823,848.35	540,939	608,279	215,569	17.17	12,555
1954	714,316.59	462,306	519,857	194,460	17.64	11,024
1955	791,315.41	504,543	567,352	223,963	18.12	12,360
1956	937,340.78	588,463	661,719	275,622	18.61	14,810
1957	988,819.39	611,090	687,163	301,656	19.10	15,794
1958	943,917.78	573,902	645,345	298,573	19.60	15,233
1959	1,277,764.33	763,848	858,937	418,827	20.11	20,827
1960	1,302,992.49	765,638	860,950	442,042	20.62	21,438
1961	809,087.91	467,006	525,142	283,946	21.14	13,432
1962	1,104,696.60	625,921	703,840	400,857	21.67	18,498
1963	1,035,106.21	575,519	647,164	387,942	22.20	17,475

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 365.01 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R1						
1964	1,142,178.91	622,716	700,236	441,943	22.74	19,435
1965	1,291,158.55	689,737	775,600	515,559	23.29	22,136
1966	1,209,305.10	632,467	711,201	498,104	23.85	20,885
1967	1,168,739.10	598,161	672,624	496,115	24.41	20,324
1968	1,423,678.91	712,409	801,095	622,584	24.98	24,923
1969	1,623,928.61	794,101	892,956	730,973	25.55	28,610
1970	4,194,070.94	2,001,411	2,250,561	1,943,510	26.14	74,350
1971	1,809,479.94	842,132	946,967	862,513	26.73	32,268
1972	2,858,729.58	1,296,720	1,458,145	1,400,585	27.32	51,266
1973	3,704,670.75	1,635,242	1,838,808	1,865,863	27.93	66,805
1974	6,291,679.97	2,701,647	3,037,967	3,253,713	28.53	114,045
1975	6,825,207.36	2,846,111	3,200,415	3,624,792	29.15	124,350
1976	6,649,739.20	2,690,484	3,025,414	3,624,325	29.77	121,744
1977	6,631,983.01	2,599,737	2,923,371	3,708,612	30.40	121,994
1978	5,269,581.02	1,999,279	2,248,163	3,021,418	31.03	97,371
1979	5,055,115.63	1,853,205	2,083,905	2,971,211	31.67	93,818
1980	6,992,028.73	2,473,780	2,781,734	4,210,295	32.31	130,309
1981	4,662,318.17	1,588,918	1,786,718	2,875,600	32.96	87,245
1982	4,812,885.17	1,577,664	1,774,063	3,038,822	33.61	90,414
1983	4,844,309.47	2,169,282	2,439,330	2,404,979	27.75	86,666
1984	4,327,651.66	1,879,499	2,113,472	2,214,180	28.00	79,078
1985	5,668,321.30	2,370,492	2,665,588	3,002,733	28.52	105,285
1986	5,619,395.60	2,268,550	2,550,955	3,068,441	28.81	106,506
1987	4,583,535.23	1,780,703	2,002,377	2,581,158	29.12	88,639
1988	4,382,539.65	1,633,811	1,837,199	2,545,341	29.45	86,429
1989	6,094,029.66	2,171,912	2,442,287	3,651,743	29.80	122,542
1990	6,785,354.01	2,303,628	2,590,400	4,194,954	30.16	139,090
1991	7,977,686.74	2,579,984	2,901,159	5,076,528	30.34	167,321
1992	7,808,355.75	2,393,261	2,691,191	5,117,165	30.55	167,501
1993	6,593,458.18	1,904,191	2,141,238	4,452,220	30.79	144,600
1994	5,155,430.44	1,393,513	1,566,987	3,588,443	31.05	115,570
1995	3,796,122.69	956,623	1,075,710	2,720,413	31.17	87,277
1996	8,085,103.83	1,882,212	2,116,523	5,968,581	31.31	190,629
1997	8,794,276.11	1,876,699	2,110,324	6,683,952	31.34	213,272
1998	2,731,067.80	528,462	594,249	2,136,819	31.26	68,356
1999	9,294,743.84	1,601,484	1,800,848	7,493,896	31.23	239,958
2000	8,941,185.38	1,347,437	1,515,176	7,426,009	31.00	239,549
2001	20,105,438.87	2,569,475	2,889,341	17,216,098	30.71	560,602

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 365.01 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R1						
2002	10,713,891.05	1,114,245	1,252,954	9,460,937	30.17	313,588
2003	9,355,609.60	737,222	828,997	8,526,613	29.24	291,608
2004	12,990,766.78	666,426	749,387	12,241,380	27.74	441,290
2005	26,603,072.05	548,023	616,245	25,986,827	23.83	1,090,509
	278,518,839.33	77,346,977	86,975,674	191,543,168		6,702,872
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					28.6	2.41

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 366 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R4						
1891	2,281.69	2,282	2,282			
1896	36,041.48	36,041	36,041			
1897	19,290.18	19,290	19,290			
1898	2,369.05	2,369	2,369			
1899	51,517.08	51,311	40,254	11,263	0.28	11,263
1900	4,310.22	4,293	3,368	942	0.29	942
1901	99,838.74	99,110	77,753	22,086	0.51	22,086
1902	228,957.34	226,668	177,824	51,133	0.70	51,133
1903	130,674.74	129,028	101,224	29,451	0.88	29,451
1904	16,131.18	15,875	12,454	3,677	1.11	3,313
1905	49,450.92	48,541	38,081	11,370	1.29	8,814
1906	7,688.39	7,522	5,901	1,787	1.51	1,183
1907	51,103.69	49,847	39,106	11,998	1.72	6,976
1908	8,834.87	8,590	6,739	2,096	1.94	1,080
1909	458.01	444	348	110	2.18	50
1910	19,289.07	18,627	14,613	4,676	2.40	1,948
1911	16,690.77	16,058	12,598	4,093	2.65	1,545
1912	13,824.45	13,256	10,400	3,424	2.88	1,189
1913	291,993.70	278,942	218,834	73,160	3.13	23,374
1914	64,562.86	61,444	48,204	16,359	3.38	4,840
1915	55,238.25	52,366	41,082	14,156	3.64	3,889
1916	63,595.42	60,053	47,112	16,483	3.90	4,226
1917	79,512.93	74,790	58,674	20,839	4.16	5,009
1918	724.54	679	533	192	4.42	43
1919	42,436.18	39,593	31,061	11,375	4.69	2,425
1920	42,322.27	39,322	30,849	11,473	4.96	2,313
1921	72,808.21	67,369	52,852	19,956	5.23	3,816
1922	378,370.47	348,593	273,476	104,894	5.51	19,037
1923	582,569.10	534,391	419,237	163,332	5.79	28,209
1924	583,220.17	532,655	417,875	165,345	6.07	27,240
1925	574,536.86	522,254	409,716	164,821	6.37	25,875
1926	585,649.16	529,837	415,665	169,984	6.67	25,485
1927	990,504.69	891,553	699,436	291,069	6.99	41,641
1928	438,909.98	393,088	308,383	130,527	7.31	17,856
1929	636,785.98	567,185	444,965	191,821	7.65	25,075
1930	364,481.38	322,821	253,258	111,223	8.00	13,903
1931	348,914.90	307,254	241,045	107,870	8.36	12,903
1932	101,426.53	88,748	69,624	31,803	8.75	3,635

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 366 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R4						
1933	94,287.25	81,964	64,302	29,985	9.15	3,277
1934	72,351.10	62,461	49,002	23,349	9.57	2,440
1935	105,500.24	90,403	70,922	34,578	10.02	3,451
1936	30,583.07	26,005	20,401	10,182	10.48	972
1937	81,105.12	68,396	53,658	27,447	10.97	2,502
1938	25,323.78	21,171	16,609	8,715	11.48	759
1939	73,064.95	60,527	47,484	25,581	12.01	2,130
1940	30,233.81	24,801	19,457	10,777	12.58	857
1941	241,144.27	195,833	153,634	87,510	13.15	6,655
1942	70,978.68	57,024	44,736	26,243	13.76	1,907
1943	73,597.02	58,480	45,878	27,719	14.38	1,928
1944	20,283.06	15,930	12,497	7,786	15.02	518
1945	93,705.81	72,725	57,054	36,652	15.67	2,339
1946	17,655.18	13,536	10,619	7,036	16.33	431
1947	43,481.86	32,916	25,823	17,659	17.01	1,038
1948	104,602.00	78,148	61,308	43,294	17.70	2,446
1949	171,415.95	126,385	99,151	72,265	18.39	3,930
1950	248,174.98	180,448	141,564	106,611	19.10	5,582
1951	108,368.36	77,700	60,957	47,411	19.81	2,393
1952	182,840.93	129,195	101,355	81,486	20.54	3,967
1953	380,898.45	265,105	207,979	172,919	21.28	8,126
1954	514,265.72	352,426	276,483	237,783	22.03	10,794
1955	413,959.68	279,257	219,081	194,879	22.78	8,555
1956	330,351.04	219,221	171,982	158,369	23.55	6,725
1957	202,273.34	131,963	103,527	98,746	24.33	4,059
1958	505,008.03	323,761	253,995	251,013	25.12	9,993
1959	252,946.84	159,281	124,958	127,989	25.92	4,938
1960	322,315.86	199,191	156,268	166,048	26.74	6,210
1961	712,777.83	432,157	339,033	373,745	27.56	13,561
1962	622,611.74	370,080	290,333	332,279	28.39	11,704
1963	134,308.48	78,221	61,365	72,943	29.23	2,495
1964	218,836.72	124,759	97,875	120,962	30.09	4,020
1965	938,993.30	523,864	410,979	528,014	30.95	17,060
1966	307,832.56	167,892	131,714	176,119	31.82	5,535
1967	1,003,154.80	534,581	419,386	583,769	32.70	17,852
1968	277,498.37	144,327	113,227	164,271	33.59	4,890
1969	1,235,949.46	627,121	491,985	743,964	34.48	21,577
1970	1,466,894.79	725,233	568,955	897,940	35.39	25,373

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 366 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R4						
1971	3,244,105.42	1,561,712	1,225,185	2,018,920	36.30	55,618
1972	1,539,215.53	720,815	565,490	973,726	37.22	26,161
1973	2,321,913.24	1,056,703	828,998	1,492,915	38.14	39,143
1974	3,068,558.38	1,355,996	1,063,798	2,004,760	39.07	51,312
1975	1,814,076.67	777,150	609,685	1,204,392	40.01	30,102
1976	1,462,147.45	606,791	476,036	986,111	40.95	24,081
1977	1,015,900.32	407,782	319,911	695,989	41.90	16,611
1978	2,351,828.25	911,804	715,323	1,636,505	42.86	38,183
1979	1,912,827.38	715,589	561,390	1,351,437	43.81	30,848
1980	2,896,671.30	1,043,671	818,775	2,077,896	44.78	46,402
1981	995,186.14	344,932	270,604	724,582	45.74	15,841
1982	3,335,663.11	1,109,775	870,634	2,465,029	46.71	52,773
1983	3,014,894.62	1,017,527	798,264	2,216,631	44.17	50,184
1984	3,283,297.30	1,058,863	830,693	2,452,604	45.17	54,297
1985	2,027,725.04	623,525	489,164	1,538,561	46.17	33,324
1986	5,000,936.67	1,472,776	1,155,414	3,845,523	46.72	82,310
1987	1,266,609.99	353,891	277,632	988,978	47.72	20,725
1988	1,639,556.43	433,335	339,957	1,299,599	48.72	26,675
1989	3,363,985.05	838,305	657,662	2,706,323	49.72	54,431
1990	2,672,489.01	625,630	490,816	2,181,673	50.72	43,014
1991	1,290,757.79	282,676	221,763	1,068,995	51.72	20,669
1992	1,832,787.99	373,705	293,177	1,539,611	52.72	29,204
1993	4,196,660.07	792,329	621,593	3,575,067	53.72	66,550
1994	1,064,407.88	184,888	145,047	919,361	54.72	16,801
1995	2,059,695.93	326,668	256,276	1,803,420	55.72	32,366
1996	998,042.90	143,219	112,357	885,686	56.72	15,615
1997	838,566.04	108,343	84,997	753,569	57.29	13,154
1998	517,654.21	59,013	46,297	471,357	58.29	8,086
1999	1,679,757.35	165,960	130,198	1,549,559	59.29	26,135
2000	730,773.02	61,093	47,928	682,845	60.29	11,326
2001	271,736.20	18,587	14,582	257,154	61.29	4,196
2002	2,588,286.00	137,697	108,025	2,480,261	62.29	39,818
2003	2,980,954.10	113,276	88,867	2,892,087	63.29	45,696
2004	547,843.14	12,491	9,799	538,044	64.29	8,369
2005	2,117,592.35	16,094	12,626	2,104,966	65.29	32,240
	90,729,992.15	33,427,188	26,237,025	64,492,962		1,827,016
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					35.3	2.01

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R1.5						
1902	958.82	959	959			
1907	345.77	341	346			
1910	126.40	122	126			
1915	459.23	429	459			
1923	36.83	33	37			
1924	165.75	148	166			
1926	6.75	6	7			
1927	645.91	567	646			
1928	716.89	625	717			
1930	23,608.71	20,322	23,322	287	6.96	41
1931	62,746.19	53,661	61,583	1,163	7.24	161
1932	42,216.75	35,867	41,162	1,055	7.52	140
1933	9,716.39	8,199	9,409	307	7.81	39
1934	36,323.41	30,432	34,925	1,398	8.11	172
1935	17,106.58	14,229	16,330	777	8.41	92
1936	21,550.08	17,796	20,423	1,127	8.71	129
1937	60,252.19	49,383	56,674	3,578	9.02	397
1938	7,891.93	6,419	7,367	525	9.33	56
1939	26,561.07	21,435	24,599	1,962	9.65	203
1940	9,918.61	7,941	9,113	806	9.97	81
1941	87,961.29	69,841	80,152	7,809	10.30	758
1942	67,311.40	52,988	60,811	6,500	10.64	611
1943	130,297.28	101,658	116,666	13,631	10.99	1,240
1944	16,836.61	13,018	14,940	1,897	11.34	167
1945	22,107.13	16,934	19,434	2,673	11.70	228
1946	11,691.06	8,869	10,178	1,513	12.07	125
1947	11,351.51	8,525	9,784	1,568	12.45	126
1948	62,448.84	46,412	53,264	9,185	12.84	715
1949	117,262.86	86,212	98,940	18,323	13.24	1,384
1950	116,792.58	84,908	97,443	19,350	13.65	1,418
1951	164,354.11	118,105	135,541	28,813	14.07	2,048
1952	224,011.24	159,093	182,580	41,431	14.49	2,859
1953	332,713.59	233,365	267,817	64,897	14.93	4,347
1954	289,372.85	200,362	229,942	59,431	15.38	3,864
1955	319,532.71	218,305	250,534	68,999	15.84	4,356
1956	223,699.86	150,729	172,981	50,719	16.31	3,110
1957	217,117.96	144,210	165,500	51,618	16.79	3,074
1958	200,599.55	131,272	150,652	49,948	17.28	2,891

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R1.5						
1959	368,379.96	237,384	272,430	95,950	17.78	5,397
1960	526,405.57	333,846	383,132	143,274	18.29	7,833
1961	685,387.87	427,545	490,664	194,724	18.81	10,352
1962	260,458.97	159,661	183,232	77,227	19.35	3,991
1963	354,285.94	213,351	244,848	109,438	19.89	5,502
1964	500,476.19	295,882	339,564	160,912	20.44	7,872
1965	661,140.73	383,462	440,073	221,068	21.00	10,527
1966	425,855.41	242,056	277,791	148,064	21.58	6,861
1967	1,005,671.96	559,958	642,626	363,046	22.16	16,383
1968	575,808.82	313,816	360,145	215,664	22.75	9,480
1969	1,204,397.09	641,944	736,716	467,681	23.35	20,029
1970	2,176,778.66	1,133,666	1,301,032	875,747	23.96	36,550
1971	3,524,174.04	1,791,690	2,056,201	1,467,973	24.58	59,722
1972	2,526,975.37	1,252,874	1,437,838	1,089,137	25.21	43,203
1973	2,166,104.41	1,046,662	1,201,183	964,921	25.84	37,342
1974	2,674,997.41	1,257,784	1,443,473	1,231,524	26.49	46,490
1975	3,908,090.88	1,786,779	2,050,565	1,857,526	27.14	68,442
1976	3,963,670.20	1,759,870	2,019,683	1,943,987	27.80	69,928
1977	3,719,455.93	1,601,598	1,838,045	1,881,411	28.47	66,084
1978	3,604,095.79	1,503,629	1,725,613	1,878,483	29.14	64,464
1979	4,524,051.18	1,825,002	2,094,431	2,429,620	29.83	81,449
1980	4,274,363.88	1,665,292	1,911,143	2,363,221	30.52	77,432
1981	2,084,114.28	782,793	898,358	1,185,756	31.22	37,981
1982	3,923,341.37	1,418,680	1,628,123	2,295,218	31.92	71,905
1983	2,644,621.89	1,201,981	1,379,432	1,265,190	27.00	46,859
1984	5,772,950.16	2,532,016	2,905,823	2,867,127	27.52	104,183
1985	4,522,022.89	1,909,650	2,191,576	2,330,447	28.04	83,112
1986	4,146,525.79	1,690,124	1,939,641	2,206,885	28.34	77,872
1987	3,050,757.03	1,191,016	1,366,848	1,683,909	28.89	58,287
1988	3,496,807.04	1,309,554	1,502,886	1,993,921	29.23	68,215
1989	4,098,358.58	1,460,655	1,676,295	2,422,064	29.80	81,277
1990	5,438,926.76	1,846,516	2,119,121	3,319,806	30.16	110,073
1991	5,883,105.19	1,893,772	2,173,354	3,709,751	30.55	121,432
1992	5,382,824.35	1,635,302	1,876,725	3,506,099	30.94	113,319
1993	5,378,278.62	1,532,809	1,759,101	3,619,178	31.36	115,407
1994	4,690,936.83	1,246,382	1,430,388	3,260,549	31.79	102,565
1995	3,606,811.99	890,161	1,021,577	2,585,235	32.05	80,663
1996	4,307,502.80	978,234	1,122,653	3,184,850	32.34	98,480

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R1.5						
1997	3,787,653.87	785,559	901,533	2,886,121	32.48	88,858
1998	1,535,052.99	286,748	329,081	1,205,972	32.66	36,925
1999	8,554,851.04	1,412,406	1,620,922	6,933,929	32.87	210,950
2000	11,412,879.62	1,632,042	1,872,984	9,539,896	32.96	289,439
2001	4,479,906.56	540,277	620,039	3,859,868	32.81	117,643
2002	5,891,304.68	571,457	655,822	5,235,483	32.60	160,598
2003	7,289,946.85	528,521	606,548	6,683,399	31.98	208,987
2004	12,381,796.60	574,515	659,332	11,722,465	30.86	379,860
2005	16,185,832.22	288,108	330,642	15,855,190	27.59	574,672
	186,514,952.95	52,686,749	60,464,761	126,050,196		4,229,727
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					29.8	2.27

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 368.1 LINE TRANSFORMERS - OVERHEAD

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 44-S0						
1901	301.13	301	301			
1902	16.05	16	16			
1904	56.65	57	57			
1912	1,514.20	1,514	1,514			
1913	2,153.42	2,153	2,153			
1914	315.40	315	315			
1916	305.16	305	305			
1917	3,510.94	3,511	3,511			
1918	3,833.76	3,815	3,037	797	0.22	797
1919	4,923.16	4,861	3,869	1,054	0.56	1,054
1920	26,352.42	25,802	20,537	5,815	0.92	5,815
1921	303.41	295	235	68	1.29	53
1922	120.30	116	92	28	1.65	17
1923	6,095.01	5,815	4,628	1,467	2.02	726
1924	118.33	112	89	29	2.39	12
1925	9,559.98	8,961	7,133	2,427	2.76	879
1926	174.93	162	129	46	3.13	15
1927	28,397.57	26,131	20,799	7,599	3.51	2,165
1929	5,105.72	4,611	3,670	1,436	4.26	337
1930	19,322.21	17,284	13,757	5,565	4.64	1,199
1931	2,551.83	2,261	1,800	752	5.02	150
1932	768.67	674	536	233	5.40	43
1933	1,367.58	1,188	946	422	5.78	73
1934	3,807.14	3,273	2,605	1,202	6.17	195
1935	629.18	535	426	203	6.55	31
1937	2,243.83	1,870	1,488	756	7.33	103
1938	23,465.77	19,348	15,400	8,066	7.72	1,045
1939	2,367.99	1,932	1,538	830	8.11	102
1940	25,947.72	20,935	16,663	9,285	8.50	1,092
1941	49,406.66	39,412	31,370	18,037	8.90	2,027
1942	24,879.24	19,620	15,617	9,262	9.30	996
1943	23,900.23	18,630	14,829	9,071	9.70	935
1944	4,164.66	3,209	2,554	1,611	10.10	160
1945	27,447.37	20,898	16,634	10,813	10.50	1,030
1946	33,203.30	24,979	19,882	13,321	10.90	1,222
1947	79,391.61	58,988	46,952	32,440	11.31	2,868
1948	156,703.50	114,958	91,501	65,203	11.72	5,563
1949	240,946.97	174,518	138,909	102,038	12.13	8,412

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 368.1 LINE TRANSFORMERS - OVERHEAD

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 44-S0						
1950	163,182.02	116,643	92,843	70,339	12.55	5,605
1951	306,505.54	216,240	172,118	134,388	12.96	10,369
1952	672,868.17	468,249	372,706	300,162	13.38	22,434
1953	310,930.10	213,422	169,874	141,056	13.80	10,221
1954	178,599.02	120,840	96,183	82,416	14.23	5,792
1955	744,265.02	496,425	395,132	349,133	14.65	23,832
1956	310,640.23	204,184	162,521	148,119	15.08	9,822
1957	727,650.90	471,154	375,018	352,633	15.51	22,736
1958	678,965.86	432,841	344,522	334,444	15.95	20,968
1959	644,465.46	404,402	321,886	322,579	16.39	19,681
1960	702,008.03	433,490	345,039	356,969	16.83	21,210
1961	749,576.72	455,368	362,453	387,124	17.27	22,416
1962	907,836.92	542,251	431,608	476,229	17.72	26,875
1963	705,616.77	414,197	329,683	375,934	18.17	20,690
1964	481,258.60	277,590	220,949	260,310	18.62	13,980
1965	319,136.87	180,759	143,876	175,261	19.08	9,186
1966	406,480.24	225,962	179,856	226,624	19.54	11,598
1967	403,357.25	219,910	175,039	228,318	20.01	11,410
1968	114,367.61	61,129	48,656	65,712	20.48	3,209
1969	656,915.71	344,158	273,935	382,981	20.95	18,281
1970	1,676,252.30	859,917	684,456	991,796	21.43	46,281
1971	712,583.69	357,717	284,727	427,857	21.91	19,528
1972	1,621,947.79	796,214	633,751	988,197	22.40	44,116
1973	1,577,813.84	757,035	602,566	975,248	22.89	42,606
1974	2,409,406.47	1,128,566	898,289	1,511,117	23.39	64,605
1975	2,175,485.24	994,197	791,337	1,384,148	23.89	57,938
1976	2,122,158.01	945,421	752,513	1,369,645	24.40	56,133
1977	2,587,773.00	1,122,835	893,727	1,694,046	24.91	68,007
1978	2,342,985.81	988,740	786,993	1,555,993	25.43	61,187
1979	2,181,888.52	894,574	712,041	1,469,848	25.96	56,620
1980	1,492,186.92	593,890	472,710	1,019,477	26.49	38,485
1981	2,308,502.31	890,389	708,710	1,599,792	27.03	59,186
1982	1,513,004.59	564,956	449,680	1,063,325	27.57	38,568
1983	2,628,444.28	1,318,953	1,049,829	1,578,615	22.34	70,663
1984	3,227,487.29	1,568,236	1,248,247	1,979,240	22.75	87,000
1985	3,379,208.34	1,593,297	1,268,194	2,111,014	22.98	91,863
1986	2,999,071.52	1,368,476	1,089,247	1,909,825	23.24	82,178
1987	3,572,415.87	1,572,935	1,251,987	2,320,429	23.52	98,658

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 368.1 LINE TRANSFORMERS - OVERHEAD

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 44-S0						
1988	3,567,185.56	1,510,703	1,202,453	2,364,733	23.82	99,275
1989	5,432,794.42	2,205,171	1,755,219	3,677,575	24.15	152,281
1990	4,538,631.00	1,765,981	1,405,643	3,132,988	24.34	128,718
1991	4,141,989.30	1,531,708	1,219,172	2,922,817	24.71	118,285
1992	2,689,536.27	944,027	751,404	1,938,132	24.96	77,650
1993	2,780,634.37	924,561	735,910	2,044,724	25.09	81,496
1994	2,418,819.61	753,946	600,108	1,818,712	25.40	71,603
1995	2,686,067.29	781,377	621,942	2,064,125	25.60	80,630
1996	1,431,828.16	385,019	306,458	1,125,370	25.83	43,568
1997	1,536,128.52	377,427	300,415	1,235,714	26.10	47,345
1998	908,347.69	201,653	160,507	747,841	26.28	28,457
1999	6,162,415.45	1,213,996	966,287	5,196,128	26.50	196,080
2000	5,009,596.30	857,142	682,247	4,327,349	26.65	162,377
2001	4,113,192.46	592,300	471,445	3,641,747	26.75	136,140
2002	7,182,623.44	827,438	658,604	6,524,019	26.89	242,619
2003	3,832,531.34	325,765	259,295	3,573,236	26.91	132,785
2004	11,940,451.82	630,456	501,815	11,438,637	26.91	425,070
2005	22,011,989.63	405,021	322,379	21,689,611	26.75	810,827
	143,913,678.46	41,482,618	33,020,001	110,893,677		4,468,259
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					24.8	3.10

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 368.3 LINE TRANSFORMERS - CONVENTIONAL DISTRIBUTION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 46-R1						
1906	297.26	297	297			
1908	15.82	16	16			
1912	60.01	60	60			
1913	205.02	205	205			
1916	644.84	631	502	143	0.98	143
1917	366.66	356	283	84	1.31	64
1918	5,804.74	5,596	4,454	1,351	1.65	819
1919	276.11	264	210	66	1.99	33
1920	1,768.22	1,679	1,336	432	2.32	186
1921	1,134.86	1,070	852	283	2.64	107
1922	1,262.40	1,181	940	322	2.95	109
1923	3,650.29	3,392	2,700	950	3.25	292
1924	10,198.77	9,411	7,491	2,708	3.55	763
1925	11,765.49	10,781	8,582	3,183	3.85	827
1926	12,235.60	11,134	8,863	3,373	4.14	815
1927	24,293.90	21,950	17,472	6,822	4.44	1,536
1928	31,723.95	28,456	22,651	9,073	4.74	1,914
1929	55,224.93	49,161	39,131	16,094	5.05	3,187
1930	56,475.87	49,896	39,717	16,759	5.36	3,127
1931	25,283.69	22,166	17,644	7,640	5.67	1,347
1932	9,231.22	8,029	6,391	2,840	5.99	474
1933	9,819.16	8,472	6,744	3,075	6.31	487
1934	105.14	90	72	33	6.63	5
1935	4,607.02	3,909	3,112	1,495	6.97	214
1936	14,871.04	12,511	9,959	4,912	7.30	673
1937	44,574.64	37,171	29,588	14,987	7.64	1,962
1938	7,882.13	6,513	5,184	2,698	7.99	338
1939	3,302.93	2,704	2,152	1,151	8.34	138
1940	10,608.92	8,603	6,848	3,761	8.70	432
1941	55,170.00	44,302	35,264	19,906	9.06	2,197
1942	16,886.13	13,424	10,685	6,201	9.43	658
1943	10,757.51	8,463	6,736	4,022	9.81	410
1944	7,747.21	6,031	4,801	2,946	10.19	289
1945	15,834.49	12,196	9,708	6,126	10.57	580
1946	9,080.54	6,915	5,504	3,577	10.97	326
1947	11,856.74	8,928	7,107	4,750	11.36	418
1948	72,846.24	54,205	43,146	29,700	11.77	2,523
1949	44,428.72	32,664	26,000	18,429	12.18	1,513

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 368.3 LINE TRANSFORMERS - CONVENTIONAL DISTRIBUTION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 46-R1						
1950	50,824.53	36,904	29,375	21,450	12.60	1,702
1951	107,457.11	77,047	61,328	46,129	13.02	3,543
1952	77,418.84	54,782	43,606	33,813	13.45	2,514
1953	88,521.13	61,788	49,182	39,339	13.89	2,832
1954	207,684.20	142,991	113,819	93,865	14.33	6,550
1955	251,657.74	170,800	135,954	115,704	14.78	7,828
1956	266,806.52	178,414	142,015	124,792	15.24	8,188
1957	112,133.91	73,863	58,794	53,340	15.70	3,397
1958	265,190.01	171,976	136,890	128,300	16.17	7,934
1959	274,500.10	175,131	139,402	135,098	16.65	8,114
1960	382,405.67	239,921	190,974	191,432	17.14	11,169
1961	232,240.49	143,223	114,003	118,237	17.63	6,707
1962	220,299.97	133,480	106,248	114,052	18.13	6,291
1963	230,244.57	136,949	109,009	121,236	18.64	6,504
1964	121,260.91	70,756	56,321	64,940	19.16	3,389
1965	151,840.96	86,883	69,158	82,683	19.68	4,201
1966	245,959.75	137,910	109,774	136,186	20.21	6,739
1967	457,286.29	251,004	199,796	257,490	20.75	12,409
1968	701,124.35	376,504	299,692	401,432	21.30	18,847
1969	284,691.70	149,463	118,970	165,722	21.85	7,585
1970	654,993.53	335,881	267,356	387,638	22.41	17,298
1971	326,678.54	163,470	130,120	196,559	22.98	8,553
1972	479,570.68	233,935	186,209	293,362	23.56	12,452
1973	779,016.70	370,189	294,665	484,352	24.14	20,064
1974	1,101,928.10	509,532	405,580	696,348	24.73	28,158
1975	849,712.80	381,776	303,888	545,825	25.33	21,549
1976	276,272.35	120,538	95,947	180,325	25.93	6,954
1977	451,764.49	191,006	152,038	299,726	26.55	11,289
1978	867,776.21	355,441	282,926	584,850	27.16	21,534
1979	533,183.26	211,087	168,022	365,161	27.79	13,140
1980	661,452.25	252,807	201,231	460,221	28.42	16,194
1981	549,694.49	202,452	161,149	388,545	29.06	13,370
1982	440,747.24	156,157	124,299	316,448	29.70	10,655
1983	582,566.02	276,602	220,171	362,395	24.89	14,560
1984	532,878.40	245,177	195,157	337,721	25.23	13,386
1985	847,516.15	377,060	300,134	547,382	25.58	21,399
1986	789,059.85	338,507	269,447	519,613	25.95	20,024
1987	1,048,035.42	432,419	344,199	703,836	26.34	26,721

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 368.3 LINE TRANSFORMERS - CONVENTIONAL DISTRIBUTION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 46-R1						
1988	827,730.09	327,367	260,579	567,151	26.75	21,202
1989	819,637.96	311,053	247,594	572,044	26.98	21,203
1990	1,070,345.41	386,609	307,735	762,610	27.42	27,812
1991	1,025,248.43	352,378	280,488	744,760	27.69	26,896
1992	524,382.37	170,634	135,822	388,560	27.99	13,882
1993	27,801.28	8,549	6,805	20,996	28.15	746
1994	71,493.63	20,640	16,429	55,065	28.34	1,943
1995	89,522.36	24,064	19,155	70,367	28.56	2,464
1996	146,061.53	36,355	28,938	117,124	28.67	4,085
1997	243,022.54	55,361	44,067	198,956	28.81	6,906
1998	201,113.03	41,490	33,025	168,088	28.86	5,824
1999	1,170,071.07	215,995	171,929	998,142	28.71	34,766
2000	1,564,452.33	252,190	200,740	1,363,712	28.63	47,632
2001	1,597,814.73	218,581	173,987	1,423,828	28.39	50,152
2002	1,837,771.48	205,279	163,399	1,674,372	27.85	60,121
2003	1,923,236.75	162,514	129,359	1,793,878	27.09	66,219
	30,234,398.43	11,305,716	8,999,306	21,235,092		854,502
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					24.9	2.83

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 368.5 LINE TRANSFORMERS - NETWORK

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2						
1926	448.75	416	331	118	3.62	33
1927	25,926.32	23,899	19,024	6,902	3.91	1,765
1928	32,913.73	30,156	24,004	8,910	4.19	2,126
1929	87,078.05	79,276	63,103	23,975	4.48	5,352
1930	31,482.94	28,473	22,664	8,819	4.78	1,845
1931	38,200.52	34,327	27,324	10,877	5.07	2,145
1932	2,006.90	1,792	1,426	581	5.36	108
1933	1,410.61	1,251	996	415	5.65	73
1935	2,770.36	2,425	1,930	840	6.24	135
1936	13,796.55	11,992	9,546	4,251	6.54	650
1937	10,526.25	9,086	7,232	3,294	6.84	482
1938	5,076.71	4,351	3,463	1,614	7.15	226
1939	3,207.28	2,729	2,172	1,035	7.46	139
1940	12,305.48	10,391	8,271	4,034	7.78	519
1941	24,400.47	20,448	16,277	8,123	8.10	1,003
1942	6,076.22	5,052	4,021	2,055	8.43	244
1943	1,402.05	1,156	920	482	8.77	55
1944	6,284.62	5,140	4,091	2,194	9.11	241
1945	3,376.71	2,737	2,179	1,198	9.47	127
1946	4,044.21	3,249	2,586	1,458	9.83	148
1947	5,528.60	4,400	3,502	2,027	10.21	199
1948	28,102.19	22,150	17,631	10,471	10.59	989
1949	77,949.56	60,816	48,409	29,541	10.99	2,688
1950	42,387.28	32,731	26,054	16,333	11.39	1,434
1951	44,056.13	33,650	26,785	17,271	11.81	1,462
1952	161,527.65	121,986	97,100	64,428	12.24	5,264
1953	145,484.18	108,589	86,436	59,048	12.68	4,657
1954	107,732.52	79,442	63,236	44,497	13.13	3,389
1955	156,886.52	114,213	90,913	65,974	13.60	4,851
1956	126,057.94	90,585	72,105	53,953	14.07	3,835
1957	147,526.17	104,567	83,235	64,291	14.56	4,416
1958	140,359.74	98,083	78,074	62,286	15.06	4,136
1959	136,872.18	94,250	75,023	61,849	15.57	3,972
1960	365,166.22	247,656	197,133	168,033	16.09	10,443
1961	117,457.36	78,391	62,399	55,058	16.63	3,311
1962	99,681.14	65,451	52,099	47,582	17.17	2,771
1963	168,361.39	108,660	86,493	81,868	17.73	4,617
1964	130,586.21	82,792	65,902	64,684	18.30	3,535

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 368.5 LINE TRANSFORMERS - NETWORK

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2						
1965	52,664.97	32,779	26,092	26,573	18.88	1,407
1966	117,945.67	71,994	57,307	60,639	19.48	3,113
1967	355,784.17	212,901	169,468	186,316	20.08	9,279
1968	250,237.66	146,639	116,724	133,514	20.70	6,450
1969	129,799.09	74,453	59,264	70,535	21.32	3,308
1970	65,687.52	36,838	29,323	36,365	21.96	1,656
1971	186,494.11	102,199	81,350	105,144	22.60	4,652
1972	966,842.21	517,067	411,584	555,258	23.26	23,872
1973	208,751.25	108,843	86,639	122,112	23.93	5,103
1974	227,111.58	115,373	91,837	135,275	24.60	5,499
1975	359,924.82	177,875	141,588	218,337	25.29	8,633
1976	230,228.86	110,602	88,039	142,190	25.98	5,473
1977	74,769.84	34,858	27,747	47,023	26.69	1,762
1978	422,850.30	191,128	152,137	270,713	27.40	9,880
1979	1,023,232.24	447,562	356,258	666,974	28.13	23,710
1980	242,084.87	102,353	81,473	160,612	28.86	5,565
1981	1,513,521.06	617,517	491,541	1,021,980	29.60	34,526
1982	1,688,035.84	663,398	528,062	1,159,974	30.35	38,220
1983	375,499.54	173,218	137,881	237,619	26.28	9,042
1984	682,075.13	303,592	241,658	440,417	26.81	16,427
1986	444,368.41	181,969	144,847	299,521	28.12	10,652
1987	977,471.03	383,364	305,156	672,315	28.67	23,450
1988	483,486.22	181,066	144,128	339,358	29.23	11,610
1989	406,311.98	145,500	115,817	290,495	29.58	9,821
1990	239,551.15	81,328	64,737	174,814	30.16	5,796
1991	410,753.80	131,647	104,791	305,963	30.75	9,950
1992	7,463.65	2,247	1,789	5,675	31.34	181
1993	8,559.26	2,418	1,925	6,634	31.75	209
1994	32,092.22	8,415	6,698	25,394	32.36	785
1995	12,035.47	2,920	2,324	9,711	32.79	296
1996	22,012.13	4,873	3,879	18,133	33.42	543
1997	11,258.22	2,258	1,797	9,461	33.87	279
1998	1,506.93	271	216	1,291	34.17	38
1999	330,521.04	52,222	41,569	288,952	34.65	8,339
2000	790,316.58	107,404	85,493	704,824	34.98	20,149
2001	3,014,206.96	341,811	272,080	2,742,127	35.18	77,946
2002	895,372.34	80,584	64,144	831,228	35.41	23,474
2003	2,327,940.72	154,342	122,856	2,205,085	35.23	62,591
	22,103,226.55	7,932,586	6,314,307	15,788,920		567,071

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 27.8 2.57

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 368.7 LINE TRANSFORMERS - UNDERGROUND RES. DISTR.

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-R2						
1961	19,765.16	16,207	12,901	6,864	6.48	1,059
1962	1,418.99	1,149	915	504	6.84	74
1964	1,720.41	1,358	1,081	639	7.59	84
1965	12,927.82	10,062	8,009	4,919	7.98	616
1966	57,676.31	44,232	35,208	22,468	8.39	2,678
1967	66,442.89	50,164	39,930	26,513	8.82	3,006
1968	41,222.37	30,620	24,373	16,849	9.26	1,820
1969	141,660.38	103,412	82,316	59,344	9.72	6,105
1970	159,230.06	114,120	90,839	68,391	10.20	6,705
1971	198,107.44	139,289	110,874	87,233	10.69	8,160
1972	143,436.21	98,813	78,655	64,781	11.20	5,784
1973	476,772.26	321,440	255,865	220,907	11.73	18,833
1974	711,068.68	468,736	373,112	337,957	12.27	27,543
1975	52,657.12	33,906	26,989	25,668	12.82	2,002
1976	311,268.41	195,414	155,549	155,719	13.40	11,621
1977	277,556.36	169,698	135,079	142,477	13.99	10,184
1978	352,393.85	209,569	166,816	185,578	14.59	12,720
1979	621,102.58	358,687	285,513	335,590	15.21	22,064
1980	445,339.71	249,257	198,408	246,932	15.85	15,579
1981	2,290.90	1,241	988	1,303	16.50	79
1982	6,100.12	3,192	2,541	3,559	17.16	207
1983	396,988.34	234,938	187,010	209,978	15.52	13,530
1984	319,415.36	182,674	145,408	174,007	16.09	10,815
1985	559,036.45	309,427	246,303	312,733	16.54	18,908
1986	506,047.19	269,420	214,457	291,590	17.13	17,022
1987	483,476.70	246,863	196,502	286,975	17.73	16,186
1988	510,127.38	249,962	198,969	311,158	18.21	17,087
1989	1,276,379.04	596,069	474,468	801,911	18.83	42,587
1990	557,610.11	248,081	197,471	360,139	19.34	18,621
1991	744,889.18	314,343	250,216	494,673	19.86	24,908
1992	253,479.30	100,606	80,082	173,397	20.51	8,454
1993	415,559.01	154,796	123,217	292,342	21.06	13,881
1994	336,874.58	116,997	93,129	243,746	21.61	11,279
1995	367,326.05	118,022	93,945	273,381	22.18	12,326
1996	273,672.50	80,870	64,372	209,301	22.65	9,241
1997	214,604.87	57,643	45,884	168,721	23.15	7,288
1998	45,689.76	11,002	8,758	36,932	23.65	1,562
1999	238,103.26	50,454	40,161	197,942	24.17	8,190

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 368.7 LINE TRANSFORMERS - UNDERGROUND RES. DISTR.

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-R2						
2000	291,202.97	53,174	42,326	248,877	24.62	10,109
2001	451,289.81	68,867	54,818	396,472	25.00	15,859
2002	1,272,581.65	154,619	123,076	1,149,506	25.32	45,399
2003	916,233.91	82,003	65,274	850,960	25.43	33,463
	14,530,745.45	6,321,396	5,031,807	9,498,936		513,638
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					18.5	3.53

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 369.2 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-R3						
1899	34,036.01	34,036	34,036			
1900	97.98	98	98			
1904	4,200.68	4,201	4,201			
1905	20,545.50	20,457	20,546			
1906	379.10	376	379			
1907	2,285.09	2,258	2,285			
1908	1,637.84	1,612	1,638			
1910	11,037.23	10,780	11,037			
1911	9,416.33	9,159	9,416			
1912	4,471.81	4,332	4,472			
1913	23,921.95	23,073	23,922			
1914	16,151.94	15,514	16,152			
1915	15,980.35	15,280	15,980			
1916	3,754.58	3,574	3,755			
1917	1,319.87	1,251	1,320			
1918	1,755.02	1,656	1,755			
1919	3,875.48	3,640	3,875			
1920	8,283.96	7,746	8,284			
1921	89,639.12	83,427	89,639			
1922	76,572.14	70,929	76,572			
1923	30,495.47	28,123	30,495			
1924	53,854.49	49,428	53,854			
1925	68,874.02	62,916	68,874			
1926	70,320.65	63,936	70,321			
1927	86,076.41	77,882	86,076			
1928	64,972.85	58,495	64,917	56	5.98	9
1929	57,688.48	51,677	57,351	337	6.25	54
1930	57,734.43	51,459	57,109	625	6.52	96
1931	58,573.63	51,937	57,639	935	6.80	138
1932	32,202.55	28,396	31,514	689	7.09	97
1933	24,582.46	21,559	23,926	656	7.38	89
1934	51,093.23	44,543	49,433	1,660	7.69	216
1935	32,700.72	28,342	31,454	1,247	8.00	156
1936	36,821.36	31,711	35,193	1,628	8.33	195
1937	47,310.54	40,474	44,918	2,393	8.67	276
1938	7,761.28	6,595	7,319	442	9.02	49
1939	42,046.72	35,475	39,370	2,677	9.38	285
1940	7,846.18	6,570	7,291	555	9.76	57

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 369.2 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-R3						
1941	22,380.65	18,594	20,635	1,746	10.15	172
1942	47,947.71	39,509	43,847	4,101	10.56	388
1943	6,963.20	5,689	6,314	649	10.98	59
1944	10,495.73	8,498	9,431	1,065	11.42	93
1945	20,333.61	16,312	18,103	2,231	11.87	188
1946	3,445.09	2,736	3,036	409	12.34	33
1947	20,429.47	16,062	17,825	2,604	12.83	203
1948	119,883.22	93,245	103,482	16,401	13.33	1,230
1949	167,652.78	128,959	143,117	24,536	13.85	1,772
1950	194,009.01	147,505	163,699	30,310	14.38	2,108
1951	266,696.08	200,342	222,337	44,359	14.93	2,971
1952	279,658.72	207,451	230,227	49,432	15.49	3,191
1953	311,495.17	228,077	253,117	58,378	16.07	3,633
1954	442,060.12	319,300	354,356	87,704	16.66	5,264
1955	633,099.13	450,893	500,396	132,703	17.27	7,684
1956	842,925.40	591,565	656,512	186,413	17.89	10,420
1957	907,743.96	627,433	696,318	211,426	18.53	11,410
1958	803,731.90	546,779	606,809	196,923	19.18	10,267
1959	721,571.88	482,948	535,970	185,602	19.84	9,355
1960	782,295.87	514,907	571,438	210,858	20.51	10,281
1961	607,645.50	393,025	436,175	171,471	21.19	8,092
1962	837,835.36	532,193	590,622	247,213	21.89	11,293
1963	751,270.05	468,267	519,678	231,592	22.60	10,247
1964	712,320.85	435,442	483,249	229,072	23.32	9,823
1965	892,446.47	534,754	593,464	298,982	24.05	12,432
1966	869,179.18	510,034	566,030	303,149	24.79	12,229
1967	865,390.09	497,167	551,751	313,639	25.53	12,285
1968	646,669.04	363,299	403,185	243,484	26.29	9,261
1969	972,950.65	534,150	592,794	380,157	27.06	14,049
1970	2,141,329.22	1,147,752	1,273,763	867,566	27.84	31,163
1971	1,212,612.06	633,954	703,555	509,057	28.63	17,781
1972	1,319,309.39	672,452	746,280	573,029	29.42	19,478
1973	1,301,099.36	645,606	716,487	584,612	30.23	19,339
1974	1,094,576.08	528,352	586,359	508,217	31.04	16,373
1975	1,325,404.06	621,615	689,862	635,542	31.86	19,948
1976	1,183,283.95	538,631	597,767	585,517	32.69	17,911
1977	1,091,692.43	481,655	534,535	557,157	33.53	16,617
1978	1,163,016.42	496,608	551,130	611,886	34.38	17,798

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 369.2 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-R3						
1979	1,327,172.11	547,857	608,006	719,166	35.23	20,413
1980	1,686,291.20	671,987	745,764	940,527	36.09	26,061
1981	1,407,218.45	540,372	599,699	807,519	36.96	21,848
1982	1,419,532.65	524,233	581,788	837,745	37.84	22,139
1983	1,662,040.45	661,991	734,670	927,370	33.99	27,284
1984	1,808,113.02	688,168	763,721	1,044,392	34.99	29,848
1985	1,580,747.73	576,815	640,143	940,605	35.68	26,362
1986	1,527,763.72	533,342	591,897	935,867	36.36	25,739
1987	1,538,507.22	512,323	568,571	969,936	37.06	26,172
1988	1,817,033.07	572,365	635,205	1,181,828	38.06	31,052
1989	2,194,198.22	655,407	727,364	1,466,834	38.75	37,854
1990	2,142,280.27	604,337	670,687	1,471,593	39.45	37,303
1991	2,425,132.09	643,630	714,294	1,710,838	40.14	42,622
1992	2,385,024.00	589,339	654,042	1,730,982	41.14	42,075
1993	2,792,177.86	642,201	712,708	2,079,470	41.85	49,689
1994	2,871,669.15	611,091	678,182	2,193,487	42.55	51,551
1995	1,452,103.63	282,144	313,120	1,138,984	43.55	26,153
1996	1,656,709.58	292,741	324,881	1,331,829	44.26	30,091
1997	3,231,269.58	513,772	570,178	2,661,092	44.97	59,175
1998	106,706.13	15,046	16,698	90,008	45.69	1,970
1999	1,178,665.02	144,033	159,846	1,018,819	46.69	21,821
2000	1,822,990.74	189,591	210,406	1,612,585	47.41	34,014
2001	671,992.08	57,455	63,763	608,229	48.13	12,637
2002	1,225,603.98	81,993	90,995	1,134,609	48.85	23,226
2003	1,447,437.07	69,477	77,105	1,370,332	49.58	27,639
2004	1,681,053.05	48,919	54,290	1,626,763	50.05	32,503
2005	2,185,488.75	21,636	24,011	2,161,478	50.26	43,006
	73,998,087.13	27,026,942	29,972,105	44,025,979		1,188,805
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					37.0	1.61

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 370 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R2.5						
1976	166,734.28	125,601	160,761	5,973	7.40	807
1977	172,684.07	127,268	162,894	9,790	7.89	1,241
1978	1,214,093.79	873,783	1,118,381	95,713	8.41	11,381
1979	1,573,457.78	1,104,095	1,413,165	160,293	8.95	17,910
1980	1,572,053.54	1,073,241	1,373,674	198,380	9.52	20,838
1981	1,671,747.06	1,107,867	1,417,992	253,755	10.12	25,075
1982	1,703,678.59	1,093,762	1,399,939	303,740	10.74	28,281
1983	1,755,131.42	1,208,408	1,546,678	208,453	10.18	20,477
1984	1,603,659.40	1,068,839	1,368,039	235,620	10.76	21,898
1985	2,571,284.31	1,660,535	2,125,369	445,915	11.24	39,672
1986	2,480,376.35	1,543,042	1,974,986	505,390	11.85	42,649
1987	2,929,135.16	1,750,451	2,240,455	688,680	12.46	55,271
1988	3,247,896.58	1,858,771	2,379,097	868,800	13.08	66,422
1989	3,193,496.28	1,744,288	2,232,567	960,929	13.71	70,090
1990	3,210,107.10	1,667,009	2,133,655	1,076,452	14.35	75,014
1991	2,787,397.32	1,370,285	1,753,869	1,033,528	15.00	68,902
1992	2,966,262.50	1,377,532	1,763,145	1,203,118	15.57	77,272
1993	3,509,326.86	1,526,557	1,953,887	1,555,440	16.24	95,778
1994	3,317,542.01	1,342,941	1,718,871	1,598,671	16.91	94,540
1995	1,842,089.93	688,573	881,325	960,765	17.59	54,620
1996	1,164,899.76	399,561	511,410	653,490	18.20	35,906
1997	1,209,178.58	375,208	480,240	728,939	18.90	38,568
1998	2,766.03	768	983	1,783	19.53	91
2000	1,384,541.15	289,369	370,372	1,014,169	20.82	48,711
2001	1,452,712.98	252,336	322,973	1,129,740	21.41	52,767
2002	2,182,040.40	300,249	384,298	1,797,742	21.94	81,939
2003	5,393,203.18	540,938	692,363	4,700,840	22.44	209,485
2004	1,065,172.46	65,828	84,255	980,917	22.77	43,079
2005	30,352,257.75	664,714	850,788	29,501,470	22.33	1,321,159
	87,694,926.62	27,201,819	34,816,431	52,878,495		2,719,843
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					19.4	3.10

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 370.1 METERS - COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUT. BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
SURVIVOR CURVE.. IOWA 10-S3						
2000	17,011,164.70	9,692,962	13,243,847	3,767,318	4.15	907,787
2001	1,332,742.33	633,986	866,239	466,503	4.96	94,053
2003	85,468.74	22,931	31,331	54,138	6.82	7,938
	18,429,375.77	10,349,879	14,141,417	4,287,959		1,009,778
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					4.2	5.48

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 373 STREET LIGHTING EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 25-S0						
1893	20.68	21	21			
1898	101.11	101	101			
1899	3,146.25	3,146	3,146			
1900	241.25	241	241			
1901	6,978.74	6,979	6,979			
1902	9,981.18	9,981	9,981			
1903	5,262.44	5,262	5,262			
1904	4,047.57	4,048	4,048			
1905	1,254.46	1,254	1,254			
1906	51.98	52	52			
1907	3,016.31	3,016	3,016			
1908	27.16	27	27			
1910	4,303.93	4,304	4,304			
1911	1,970.16	1,970	1,970			
1913	10,996.65	10,997	10,997			
1914	825.67	826	826			
1915	578.51	579	579			
1916	1,668.07	1,668	1,668			
1917	1,699.41	1,699	1,699			
1918	382.35	382	382			
1919	201.67	202	202			
1920	13,386.64	13,387	13,387			
1921	7,257.85	7,258	7,258			
1922	7,576.23	7,576	7,576			
1923	10,860.11	10,860	10,860			
1924	24,461.67	24,462	24,462			
1925	15,717.67	15,718	15,718			
1926	44,724.25	44,724	44,724			
1927	47,292.73	47,293	47,293			
1928	88,921.45	88,921	88,921			
1929	16,365.26	16,365	16,365			
1930	20,601.28	20,601	20,601			
1931	57,823.46	57,823	57,823			
1932	12,671.51	12,672	12,672			
1933	32,463.78	32,464	32,464			
1934	44,347.12	44,347	44,347			
1935	31,874.28	31,874	31,874			
1936	8,242.93	8,243	8,243			

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 373 STREET LIGHTING EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 25-S0						
1937	40,843.06	40,843	40,843			
1938	467.12	467	467			
1939	24,140.46	24,140	24,140			
1940	11,771.95	11,772	11,772			
1941	39,224.31	39,224	39,224			
1942	10,284.88	10,285	10,285			
1943	11,473.98	11,474	11,474			
1944	2,123.03	2,123	2,123			
1945	3,640.17	3,640	3,640			
1946	4,665.19	4,665	4,665			
1947	3,788.15	3,788	3,788			
1948	9,489.87	9,490	9,490			
1949	5,562.96	5,563	5,563			
1950	19,272.88	19,273	19,273			
1951	29,098.74	29,099	29,099			
1952	27,499.40	27,499	27,499			
1953	31,481.41	31,481	31,481			
1954	33,086.96	33,087	33,087			
1955	73,736.29	73,736	73,736			
1956	61,643.75	61,151	61,644			
1957	42,248.40	41,319	42,248			
1958	76,202.37	73,398	76,202			
1959	123,704.81	117,322	123,705			
1960	117,825.64	110,002	117,826			
1961	87,727.55	80,604	87,728			
1962	149,973.62	135,516	149,974			
1963	80,780.64	71,766	80,781			
1964	72,864.84	63,626	72,865			
1965	185,717.68	159,346	185,718			
1966	192,616.24	162,260	192,616			
1967	226,584.32	187,340	226,584			
1968	105,715.86	85,757	105,716			
1969	249,133.15	198,210	249,133			
1970	495,298.19	386,134	495,298			
1971	185,758.65	141,771	185,759			
1972	209,994.63	156,908	206,517	3,478	6.32	550
1973	414,774.42	303,117	398,952	15,822	6.73	2,351
1974	234,556.47	167,567	220,546	14,010	7.14	1,962

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 373 STREET LIGHTING EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 25-S0						
1975	237,863.72	165,934	218,397	19,467	7.56	2,575
1976	300,453.25	204,549	269,220	31,233	7.98	3,914
1977	201,896.79	133,979	176,339	25,558	8.41	3,039
1978	327,448.77	211,663	278,584	48,865	8.84	5,528
1979	796,739.53	500,990	659,386	137,354	9.28	14,801
1980	888,680.49	543,162	714,891	173,789	9.72	17,880
1981	927,722.37	550,696	724,807	202,915	10.16	19,972
1982	1,801,670.44	1,036,321	1,363,970	437,700	10.62	41,215
1983	2,129,297.48	1,490,082	1,961,194	168,103	9.65	17,420
1984	2,186,116.32	1,494,648	1,967,204	218,912	9.95	22,001
1985	1,379,190.31	918,955	1,209,497	169,693	10.27	16,523
1986	929,705.01	601,891	792,188	137,517	10.62	12,949
1987	609,037.25	383,084	504,202	104,835	10.91	9,609
1988	544,985.91	331,896	436,830	108,156	11.24	9,622
1989	367,888.44	216,098	284,421	83,467	11.59	7,202
1990	570,363.86	322,712	424,742	145,622	11.90	12,237
1991	601,562.05	326,227	429,369	172,193	12.24	14,068
1992	497,810.09	258,065	339,656	158,154	12.54	12,612
1993	873,711.11	431,439	567,845	305,866	12.82	23,859
1994	1,132,339.70	530,048	697,631	434,709	13.07	33,260
1995	927,418.85	408,064	537,080	390,339	13.37	29,195
1996	1,263,705.50	518,625	682,596	581,110	13.65	42,572
1997	316,304.31	119,911	157,823	158,481	13.92	11,385
1998	20,131.15	6,961	9,162	10,969	14.19	773
1999	2,573,505.02	799,588	1,052,389	1,521,116	14.42	105,487
2000	903,550.24	246,489	324,420	579,130	14.66	39,504
2001	182,361.28	42,344	55,732	126,629	14.88	8,510
2002	618,532.02	116,717	153,619	464,913	15.05	30,891
2003	267,402.89	37,784	49,730	217,673	15.20	14,321
2004	427,499.94	38,176	50,246	377,254	15.31	24,641
2005	3,238,701.66	102,991	135,553	3,103,149	15.25	203,485
	32,279,711.56	16,716,195	21,431,527	10,848,181		815,913
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					13.3	2.53

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MANCHESTER FACILITY						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2030						
1904	3,848.35	3,638	2,701	1,147	3.01	381
1925	20,907.09	17,738	13,168	7,739	8.34	928
1926	60,316.51	50,871	37,765	22,552	8.61	2,619
1927	460,923.45	386,392	286,846	174,077	8.89	19,581
1928	18,426.62	15,357	11,401	7,026	9.16	767
1929	48,165.28	39,905	29,624	18,541	9.43	1,966
1930	43,971.92	36,206	26,878	17,094	9.71	1,760
1932	251.29	204	151	100	10.26	10
1938	214.54	168	125	90	11.90	8
1939	12,899.85	10,032	7,447	5,453	12.17	448
1940	4,337.49	3,351	2,488	1,849	12.44	149
1941	18,775.52	14,405	10,694	8,082	12.72	635
1942	9,498.53	7,238	5,373	4,126	12.99	318
1943	13,454.29	10,182	7,559	5,895	13.26	445
1944	9,187.52	6,904	5,125	4,063	13.53	300
1945	28,447.31	21,225	15,757	12,690	13.80	920
1946	10,981.59	8,134	6,038	4,944	14.07	351
1947	1,080.23	794	589	491	14.34	34
1948	32,217.62	23,509	17,452	14,766	14.61	1,011
1949	11,124.82	8,054	5,979	5,146	14.88	346
1950	9,608.76	6,904	5,125	4,484	15.14	296
1951	15,133.20	10,785	8,006	7,127	15.41	462
1952	7,263.90	5,136	3,813	3,451	15.67	220
1953	5,010.90	3,513	2,608	2,403	15.93	151
1954	9,426.16	6,553	4,865	4,561	16.19	282
1955	21,541.18	14,848	11,023	10,518	16.44	640
1956	28,912.60	19,756	14,666	14,247	16.69	854
1957	39,816.58	26,960	20,014	19,803	16.94	1,169
1958	230,405.92	154,625	114,789	115,617	17.18	6,730
1959	78,075.92	51,905	38,533	39,543	17.42	2,270
1960	33,768.93	22,230	16,503	17,266	17.66	978
1961	14,210.86	9,264	6,877	7,334	17.89	410
1962	33,814.85	21,821	16,199	17,616	18.12	972
1963	58,081.32	37,097	27,540	30,541	18.34	1,665
1964	17,070.54	10,790	8,010	9,061	18.55	488
1965	46,626.90	29,142	21,634	24,993	18.77	1,332

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MANCHESTER FACILITY						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2030						
1966	37,760.18	23,343	17,329	20,431	18.97	1,077
1967	137,448.25	84,008	62,365	75,083	19.17	3,917
1968	101,440.99	61,270	45,485	55,956	19.36	2,890
1969	116,023.23	69,219	51,386	64,637	19.55	3,306
1970	13,431.44	7,910	5,872	7,559	19.74	383
1971	615,569.37	357,892	265,689	349,880	19.91	17,573
1972	56,567.79	32,430	24,075	32,493	20.09	1,617
1973	35,362.80	19,991	14,841	20,522	20.25	1,013
1974	59,630.14	33,214	24,657	34,973	20.41	1,714
1975	190,178.71	104,294	77,425	112,754	20.57	5,481
1976	58,531.93	31,590	23,452	35,080	20.72	1,693
1977	242,021.01	128,441	95,351	146,670	20.86	7,031
1978	89,548.26	46,682	34,655	54,893	21.00	2,614
1979	39,518.33	20,225	15,014	24,504	21.13	1,160
1980	200,259.32	100,510	74,616	125,643	21.26	5,910
1981	196,136.61	96,440	71,594	124,543	21.38	5,825
1982	192,222.64	92,478	68,653	123,570	21.50	5,747
1983	780,958.50	409,457	303,970	476,989	20.42	23,359
1984	47,420.36	24,265	18,014	29,406	20.52	1,433
1985	58,616.64	29,203	21,680	36,937	20.65	1,789
1986	415,246.18	201,644	149,695	265,551	20.66	12,853
1987	54,807.57	25,754	19,119	35,689	20.87	1,710
1988	421,896.19	191,963	142,508	279,388	20.96	13,330
1989	596,198.58	262,685	195,010	401,189	20.95	19,150
1990	1,434,736.03	609,332	452,351	982,385	21.00	46,780
1991	322,054.50	131,237	97,427	224,628	21.09	10,651
1992	210,416.44	82,104	60,952	149,464	21.10	7,084
1993	677,680.06	251,623	186,798	490,882	21.17	23,188
1994	469,516.50	165,223	122,657	346,860	21.18	16,377
1995	461,838.02	152,776	113,417	348,421	21.24	16,404
1996	335,783.06	103,690	76,977	258,806	21.27	12,168
1997	183,088.72	52,290	38,819	144,270	21.26	6,786
1998	475,587.31	124,128	92,149	383,438	21.24	18,053
1999	197,566.80	46,369	34,423	163,144	21.20	7,695
2000	500,239.41	103,450	76,798	423,441	21.10	20,068
2001	189,758.78	33,473	24,849	164,910	21.01	7,849

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MANCHESTER FACILITY						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2030						
2002	109,818.78	15,759	11,699	98,120	20.89	4,697
2003	91,571.65	9,890	7,342	84,230	20.65	4,079
2004	425,715.48	29,460	21,871	403,844	20.19	20,002
2005	961,656.74	24,907	18,490	943,167	18.84	50,062
	13,261,621.64	5,486,255	4,072,839	9,188,786		466,414
KIRKWOOD STREET HEADQUARTERS						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2011						
1927	104,130.64	95,686	71,034	33,097	4.40	7,522
1970	197,470.91	168,897	125,384	72,087	5.30	13,601
1971	252,062.08	214,757	159,430	92,632	5.31	17,445
1973	7,155.02	6,048	4,490	2,665	5.32	501
1974	696.49	586	435	261	5.33	49
1978	18,131.19	14,938	11,090	7,041	5.36	1,314
1980	3,731.18	3,035	2,253	1,478	5.37	275
1983	8,315.91	6,718	4,987	3,329	5.35	622
1984	11,619.57	9,293	6,899	4,721	5.38	878
1985	21,023.68	16,680	12,383	8,641	5.34	1,618
1988	45,089.98	34,485	25,600	19,490	5.38	3,623
	669,426.65	571,123	423,985	245,442		47,448
MCKEESPORT HEADQUARTERS						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2023						
1929	114,168.94	95,811	71,127	43,042	8.82	4,880
1930	40.06	33	24	16	9.03	2
1939	636.92	511	379	258	10.75	24
1940	62.29	50	37	25	10.93	2
1941	111.72	89	66	46	11.11	4
1942	139.72	110	82	58	11.28	5
1944	120.22	94	70	50	11.63	4

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MCKEESPORT HEADQUARTERS						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2023						
1945	60.57	47	35	26	11.81	2
1946	2,495.46	1,934	1,436	1,059	11.98	88
1948	8,863.30	6,800	5,048	3,815	12.32	310
1952	4,156.73	3,120	2,316	1,841	12.96	142
1953	6,628.95	4,947	3,673	2,956	13.12	225
1959	85.08	61	45	40	13.98	3
1960	302.11	216	160	142	14.11	10
1961	12,274.90	8,699	6,458	5,817	14.24	408
1962	813.36	572	425	388	14.36	27
1964	7,316.35	5,070	3,764	3,552	14.60	243
1965	15,163.59	10,426	7,740	7,424	14.71	505
1966	36,651.81	24,989	18,551	18,101	14.82	1,221
1967	15,026.78	10,160	7,543	7,484	14.92	502
1968	8,138.14	5,455	4,050	4,088	15.02	272
1971	1,321.47	861	639	682	15.30	45
1972	42,353.57	27,293	20,262	22,092	15.39	1,435
1974	1,517.34	956	710	807	15.56	52
1978	1,730.57	1,036	769	962	15.84	61
1979	1,549.44	913	678	871	15.91	55
1980	48,561.74	28,185	20,924	27,638	15.97	1,731
1981	2,848.25	1,626	1,207	1,641	16.03	102
1983	169,613.25	99,987	74,227	95,386	15.67	6,087
1984	155,314.65	89,834	66,690	88,625	15.67	5,656
1985	109,395.24	61,896	45,950	63,445	15.73	4,033
1987	18,457.51	9,938	7,378	11,080	15.86	699
1988	70,464.78	36,994	27,463	43,002	15.83	2,716
1989	78,715.48	40,003	29,697	49,018	15.97	3,069
1990	136,193.88	67,130	49,835	86,359	15.95	5,414
1991	26,486.47	12,597	9,352	17,134	15.99	1,072
1993	63,584.65	27,901	20,713	42,872	15.99	2,681
1994	29,335.12	12,247	9,092	20,243	16.05	1,261
2000	12,246.40	3,133	2,326	9,920	16.00	620
2001	4,012.92	883	655	3,358	15.95	211
2003	178,683.52	24,533	18,212	160,472	15.71	10,215
2004	25,922.91	2,292	1,702	24,221	15.48	1,565
2005	89,600.97	2,948	2,188	87,413	14.70	5,946
	1,501,167.13	732,380	543,698	957,469		63,605

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
EASTERN DIVISION HEADQUARTERS						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2018						
1963	824,025.99	624,859	463,877	360,149	11.01	32,711
1966	47,304.52	35,237	26,159	21,146	11.19	1,890
1967	8,816.25	6,527	4,845	3,971	11.24	353
1968	8,688.28	6,390	4,744	3,944	11.29	349
1969	398.78	291	216	183	11.34	16
1970	16,146.49	11,708	8,692	7,454	11.39	654
1971	2,935.02	2,112	1,568	1,367	11.43	120
1973	497.08	352	261	236	11.52	20
1974	58,067.82	40,752	30,253	27,815	11.56	2,406
1975	6,520.93	4,533	3,365	3,156	11.60	272
1979	4,975.42	3,315	2,461	2,514	11.73	214
1980	3,063.80	2,016	1,497	1,567	11.76	133
1981	36,605.16	23,764	17,642	18,963	11.79	1,608
1982	1,203.92	771	572	632	11.82	53
1983	218,990.24	144,380	107,184	111,806	11.63	9,614
1984	239,616.34	155,080	115,127	124,489	11.72	10,622
1986	585,306.18	365,231	271,137	314,169	11.75	26,738
1987	7,969.56	4,881	3,624	4,346	11.71	371
1988	162,305.73	97,140	72,114	90,192	11.74	7,682
1989	42,559.22	24,859	18,455	24,104	11.75	2,051
1990	261,183.66	148,169	109,996	151,188	11.82	12,791
1991	459,655.52	253,270	188,020	271,636	11.82	22,981
1992	109,592.22	58,446	43,389	66,203	11.82	5,601
1994	65,001.93	31,994	23,751	41,251	11.86	3,478
1995	172,803.05	81,287	60,345	112,458	11.82	9,514
1996	114,662.00	50,979	37,845	76,817	11.87	6,472
1997	34,103.73	14,235	10,568	23,536	11.87	1,983
1998	39,123.74	15,172	11,263	27,861	11.84	2,353
1999	61,540.30	21,804	16,187	45,353	11.85	3,827
2000	86,444.69	27,438	20,369	66,076	11.83	5,585
2002	8,474.75	1,943	1,442	7,033	11.77	598
2003	11,430.20	2,012	1,494	9,936	11.70	849
2004	791,163.92	90,826	67,427	723,737	11.57	62,553
2005	233,084.37	9,999	7,423	225,661	11.16	20,221
	4,724,260.81	2,361,772	1,753,312	2,970,949		256,683

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NORTHERN DIVISION HEADQUARTERS						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2019						
1963	4,207.27	3,134	2,327	1,880	11.75	160
1964	684,120.29	506,591	376,079	308,041	11.82	26,061
1967	5,445.99	3,954	2,935	2,511	12.02	209
1970	291,850.38	207,272	153,873	137,977	12.19	11,319
1972	13,721.57	9,583	7,114	6,608	12.30	537
1975	6,768.37	4,598	3,413	3,355	12.43	270
1977	22,763.82	15,133	11,234	11,530	12.52	921
1978	10,948.61	7,193	5,340	5,609	12.56	447
1979	35,017.57	22,733	16,876	18,142	12.59	1,441
1982	46,647.04	29,019	21,543	25,104	12.70	1,977
1983	73,273.43	47,151	35,004	38,269	12.47	3,069
1984	133,055.69	84,105	62,437	70,619	12.51	5,645
1986	486,823.75	296,184	219,879	266,945	12.55	21,271
1988	16,004.75	9,299	6,903	9,102	12.62	721
1989	3,321.57	1,880	1,396	1,926	12.65	152
1990	99,468.24	54,737	40,635	58,833	12.67	4,643
1991	44,799.19	23,905	17,746	27,053	12.67	2,135
1993	149,669.80	74,281	55,144	94,526	12.69	7,449
1994	47,686.25	22,651	16,815	30,871	12.71	2,429
1995	8,477.09	3,837	2,848	5,629	12.70	443
1996	124,704.45	53,311	39,577	85,127	12.72	6,692
1998	48,649.81	18,064	13,410	35,240	12.70	2,775
1999	18,342.22	6,213	4,612	13,730	12.69	1,082
2000	110,538.40	33,438	24,824	85,714	12.68	6,760
2001	4,012.92	1,053	782	3,231	12.65	255
2002	66,881.35	14,513	10,774	56,107	12.63	4,442
2003	71,739.29	11,930	8,857	62,882	12.54	5,015
2004	277,094.83	29,926	22,216	254,879	12.39	20,571
2005	114,340.82	4,608	3,421	110,920	11.91	9,313
	3,020,374.76	1,600,296	1,188,014	1,832,360		148,204

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
WESTERN DISTRICT HEADQUARTERS						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2023						
1968	557,788.70	373,886	277,562	280,227	15.02	18,657
1969	188.85	125	93	96	15.12	6
1976	14,704.21	9,040	6,711	7,993	15.71	509
1977	11,934.29	7,241	5,376	6,558	15.78	416
1978	255.94	153	114	142	15.84	9
1983	1,450.41	855	635	815	15.67	52
1984	215,204.85	124,474	92,406	122,799	15.67	7,837
1985	27,238.65	15,412	11,441	15,798	15.73	1,004
1992	123,857.87	56,690	42,085	81,773	16.00	5,111
1993	145,724.42	63,944	47,470	98,254	15.99	6,145
1994	5,242.13	2,189	1,625	3,617	16.05	225
1995	93,754.40	37,117	27,554	66,200	16.02	4,132
1996	3,656.21	1,358	1,008	2,648	16.07	165
1997	22,292.39	7,713	5,726	16,566	16.07	1,031
1998	22,292.39	7,107	5,276	17,016	16.03	1,062
1999	72,480.54	20,918	15,529	56,952	16.02	3,555
2000	426,623.07	109,130	81,015	345,608	16.00	21,601
	1,744,689.32	837,352	621,626	1,123,062		71,517
CENTRAL DOWNTOWN - UNDERGROUND						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2027						
1972	266,586.93	160,139	118,883	147,704	18.19	8,120
1973	137,931.25	81,793	60,721	77,210	18.32	4,215
1974	48,739.69	28,522	21,174	27,566	18.44	1,495
1975	117.35	68	50	67	18.56	4
1976	24,389.33	13,868	10,295	14,094	18.67	755
1977	4,207.81	2,356	1,749	2,459	18.78	131
1978	17,093.67	9,417	6,991	10,103	18.89	535
1979	10,897.30	5,902	4,381	6,516	18.99	343
1980	17,399.62	9,255	6,871	10,529	19.09	552
1981	62,176.98	32,450	24,090	38,087	19.18	1,986
1983	22,045.72	12,103	8,985	13,061	18.48	707
1984	97,869.42	52,399	38,900	58,969	18.66	3,160

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CENTRAL DOWNTOWN - UNDERGROUND						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2027						
1985	11,313.44	5,915	4,391	6,922	18.71	370
1986	165,872.32	84,429	62,678	103,194	18.81	5,486
1987	61,302.85	30,394	22,564	38,739	18.81	2,059
1988	149,847.53	72,122	53,541	96,307	18.86	5,106
1989	81,862.29	38,091	28,278	53,584	18.96	2,826
1990	11,704.86	5,261	3,906	7,799	18.98	411
1991	58,248.41	25,169	18,685	39,563	19.06	2,076
1992	36,577.74	15,161	11,255	25,323	19.07	1,328
1994	47,612.21	17,907	13,294	34,318	19.08	1,799
1995	122,371.17	43,430	32,241	90,130	19.09	4,721
1996	283,187.41	93,905	69,712	213,475	19.15	11,148
1998	76,370.92	21,537	15,988	60,383	19.10	3,161
1999	81,573.10	20,736	15,394	66,179	19.07	3,470
2000	16,587.49	3,722	2,763	13,824	19.01	727
2001	116,370.34	22,308	16,560	99,810	18.97	5,261
2004	183,078.20	13,896	10,316	172,762	18.26	9,461
	2,213,335.35	922,255	684,656	1,528,677		81,413
WOODS RUN #1 SS&S CENTRAL DISTRICT						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2027						
1980	19,288.25	10,259	7,616	11,672	19.09	611
1983	2,331.70	1,280	950	1,382	18.48	75
1988	9,342.33	4,496	3,338	6,004	18.86	318
1989	5,588.57	2,600	1,930	3,659	18.96	193
1992	10,467.21	4,339	3,221	7,246	19.07	380
1995	121,248.64	43,031	31,945	89,304	19.09	4,678
1996	19,712.60	6,537	4,853	14,860	19.15	776
2000	21,920.47	4,919	3,652	18,268	19.01	961
2001	616,166.71	118,119	87,688	528,479	18.97	27,859
2002	129,488.49	20,304	15,073	114,415	18.82	6,079
2003	393.51	47	35	359	18.64	19
2004	53,270.31	4,043	3,002	50,268	18.26	2,753
2005	29,421.83	833	618	28,804	17.17	1,678
	1,038,640.62	220,807	163,921	874,720		46,380

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUT. BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
WOODS RUN #2 SOC						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2035						
1978	392,091.21	188,713	140,095	251,996	24.16	10,430
1980	76,422.92	35,254	26,172	50,251	24.54	2,048
1981	11,189.13	5,042	3,743	7,446	24.73	301
1983	32,928.78	16,227	12,046	20,883	23.16	902
1985	24,290.54	11,305	8,393	15,898	23.55	675
1987	10,641.73	4,666	3,464	7,178	23.69	303
1989	1,571.49	641	476	1,095	23.98	46
1990	108,454.19	42,536	31,577	76,877	24.02	3,201
1991	24,869.57	9,341	6,934	17,936	24.11	744
1992	28,594.86	10,231	7,595	21,000	24.23	867
1994	20,576.93	6,603	4,902	15,675	24.34	644
1995	257,424.82	77,588	57,599	199,826	24.34	8,210
1996	62,222.38	17,441	12,948	49,274	24.40	2,019
1997	26,385.19	6,818	5,061	21,324	24.39	874
2000	208,158.66	38,468	28,558	179,601	24.26	7,403
2001	2,316,112.37	363,861	270,120	2,045,992	24.15	84,720
2002	1,215,838.96	154,898	114,992	1,100,847	23.97	45,926
2003	482,889.43	46,261	34,343	448,546	23.61	18,998
2004	62,803.36	3,844	2,854	59,949	23.01	2,605
2005	45,367.19	1,043	774	44,593	21.24	2,099
	5,408,833.71	1,040,781	772,646	4,636,187		193,015
WOODS RUN #3 OFFICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2033						
1980	15,557.38	7,410	5,501	10,056	23.28	432
1982	5,180.96	2,357	1,750	3,431	23.59	145
1983	36,626.27	18,460	13,704	22,922	22.14	1,035
1984	46,864.99	22,973	17,054	29,811	22.36	1,333
1985	13,289.66	6,348	4,713	8,577	22.42	383
1986	84,544.03	39,237	29,128	55,416	22.52	2,461
1987	600,164.39	269,834	200,317	399,847	22.65	17,653
1988	61,232.38	26,575	19,729	41,503	22.82	1,819
1989	106,558.83	44,659	33,154	73,405	22.87	3,210

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
WOODS RUN #3 OFFICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2033						
1990	2,041,172.15	822,592	610,669	1,430,503	22.96	62,304
1991	181,253.67	70,181	52,100	129,154	22.95	5,628
1992	161,072.40	59,581	44,231	116,841	23.00	5,080
1993	137,702.35	48,375	35,912	101,790	23.09	4,408
1994	130,908.20	43,514	32,304	98,604	23.10	4,269
1995	72,875.93	22,730	16,874	56,002	23.17	2,417
1996	454,209.21	132,039	98,022	356,187	23.18	15,366
1997	71,092.98	19,039	14,134	56,959	23.24	2,451
1998	54,785.65	13,395	9,944	44,842	23.17	1,935
1999	28,465.65	6,237	4,630	23,836	23.17	1,029
2000	648,980.10	124,929	92,744	556,236	23.07	24,111
2001	5,178,656.63	848,264	629,727	4,548,930	22.97	198,038
2002	506,218.24	67,530	50,132	456,086	22.75	20,048
2003	14,587.38	1,463	1,086	13,501	22.44	602
2004	293,940.73	18,842	13,988	279,953	21.92	12,772
2005	1,280,719.08	30,737	22,818	1,257,901	20.33	61,874
	12,226,659.24	2,767,301	2,054,365	10,172,293		450,803
WOODS RUN #4 COMMUNICATIONS HEADQUARTERS						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2035						
1980	10,712.51	4,942	3,669	7,044	24.54	287
1983	3,657.61	1,802	1,338	2,320	23.16	100
1986	35,933.38	16,256	12,068	23,865	23.60	1,011
1988	9,286.46	3,933	2,920	6,366	23.82	267
1994	20,620.18	6,617	4,912	15,708	24.34	645
1996	744.81	209	155	590	24.40	24
1997	54,555.88	14,097	10,465	44,091	24.39	1,808
2000	23,528.39	4,348	3,228	20,300	24.26	837
2001	795,962.89	125,046	92,830	703,133	24.15	29,115
2002	76,989.54	9,808	7,281	69,709	23.97	2,908
2003	442.71	42	31	412	23.61	17
2004	2,944.70	180	134	2,811	23.01	122
	1,035,379.06	187,280	139,031	896,349		37,141

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
WOODS RUN GUARD HOUSE						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2035						
1978	1,456.15	701	520	936	24.16	39
1980	527,586.95	243,376	180,676	346,911	24.54	14,137
1985	814,275.66	378,964	281,332	532,944	23.55	22,630
1986	14,436.99	6,531	4,848	9,589	23.60	406
1987	3,846.01	1,686	1,252	2,594	23.69	109
1988	8,030.81	3,401	2,525	5,506	23.82	231
1990	60,792.87	23,843	17,700	43,093	24.02	1,794
1991	852.26	320	238	614	24.11	25
1996	24,149.01	6,769	5,025	19,124	24.40	784
1998	15,769.11	3,703	2,749	13,020	24.45	533
2000	6,001.12	1,109	823	5,178	24.26	213
2001	15,255.18	2,397	1,780	13,475	24.15	558
	1,492,452.12	672,800	499,468	992,984		41,459
RACCOON T & D HEADQUARTERS						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2037						
1980	4,466.63	1,999	1,484	2,983	25.73	116
1982	6,477,306.43	2,759,980	2,048,930	4,428,376	26.14	169,410
1987	9,723.43	4,156	3,085	6,638	24.79	268
1988	44,445.57	18,356	13,627	30,819	24.87	1,239
1989	146,031.48	58,077	43,115	102,916	24.99	4,118
1990	46,056.95	17,562	13,038	33,019	25.15	1,313
1991	11,020.00	4,011	2,978	8,042	25.34	317
1995	17,797.40	5,177	3,843	13,954	25.60	545
2000	62,880.79	11,174	8,295	54,586	25.46	2,144
2001	4,012.94	607	451	3,562	25.26	141
2002	5,351.86	656	487	4,865	25.07	194
2003	44,811.29	4,123	3,061	41,750	24.67	1,692
2004	91,719.17	5,393	4,003	87,716	24.01	3,653
2005	21,456.35	474	352	21,104	22.12	954
	6,987,080.29	2,891,745	2,146,749	4,840,330		186,104

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
RACCOON S & S HEADQUARTERS						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2037						
1982	2,412,571.26	1,027,997	763,156	1,649,415	26.14	63,099
1988	11,180.00	4,617	3,427	7,753	24.87	312
1991	12,027.76	4,378	3,250	8,778	25.34	346
1996	35,462.54	9,603	7,129	28,334	25.59	1,107
2000	44.99	8	6	39	25.46	2
2002	5,351.86	656	487	4,865	25.07	194
2003	2,719.34	250	186	2,533	24.67	103
	2,479,357.75	1,047,509	777,641	1,701,717		65,163
RACCOON GARAGE						
INTERIM SURVIVOR CURVE.. IOWA 55-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2037						
1982	1,518,371.46	646,978	480,298	1,038,073	26.14	39,712
1987	2,732.66	1,168	867	1,866	24.79	75
1988	7,957.55	3,286	2,439	5,519	24.87	222
1991	60,628.56	22,069	16,384	44,245	25.34	1,746
1996	10,477.93	2,837	2,106	8,372	25.59	327
1998	32,432.02	7,372	5,473	26,959	25.50	1,057
2004	1,773.48	104	77	1,696	24.01	71
	1,634,373.66	683,814	507,644	1,126,730		43,210
OTHER SMALL STRUCTURES						
SURVIVOR CURVE.. IOWA 45-R3						
1905	8,881.12	8,881	8,881			
1925	737.36	737	737			
1926	15.05	15	15			
1931	16,963.00	16,815	12,354	4,609	0.39	4,609
1935	421.35	409	300	121	1.32	92
1940	19.26	18	13	6	2.57	2
1942	180.69	168	123	58	3.09	19
1948	22,914.33	20,547	15,096	7,818	4.65	1,681
1949	4,128.17	3,677	2,701	1,427	4.92	290

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OTHER SMALL STRUCTURES						
SURVIVOR CURVE.. IOWA 45-R3						
1950	1,448.04	1,280	940	508	5.21	98
1952	451.75	394	289	163	5.80	28
1958	4,032.50	3,318	2,438	1,595	7.97	200
1965	539.23	402	295	244	11:41	21
1967	6,665.75	4,804	3,530	3,136	12.57	249
1969	11,087.35	7,682	5,644	5,443	13.82	394
1970	11,759.50	7,981	5,864	5,896	14.46	408
1976	6,822.07	3,990	2,931	3,891	18.68	208
1977	22,254.33	12,640	9,287	12,967	19.44	667
1984	794.00	391	287	507	22.17	23
1986	8,506.94	3,849	2,828	5,679	23.60	241
1990	30,264.92	11,119	8,169	22,096	26.69	828
1993	1,317.79	397	292	1,026	28.99	35
1995	63,828.64	16,353	12,015	51,814	30.48	1,700
1996	253,546.74	59,026	43,366	210,181	31.31	6,713
1999	88,722.68	14,364	10,553	78,170	33.66	2,322
2000	210,057.04	28,883	21,220	188,837	34.50	5,474
2001	533,821.56	60,535	44,476	489,346	35.18	13,910
2002	56,285.11	4,987	3,664	52,621	36.02	1,461
2003	580,996.90	37,068	27,234	553,763	36.71	15,085
2004	47,494.24	1,833	1,347	46,147	37.41	1,234
2005	36,113.62	473	347	35,767	37.67	949
	2,031,071.03	333,036	247,236	1,783,836		58,941
	61,468,723.14	22,356,506	16,596,831	44,871,891		2,257,500
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					19.9	3.67

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 391.1 OFFICE FURNITURE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
1986	465,202.17	453,572	450,098	15,104	0.50	15,104
1987	606,669.57	561,169	556,871	49,799	1.50	33,199
1988	166,052.69	145,296	144,183	21,870	2.50	8,748
1989	580,711.29	479,087	475,417	105,294	3.50	30,084
1990	1,832,529.35	1,420,210	1,409,332	423,197	4.50	94,044
1991	376,029.02	272,621	270,533	105,496	5.50	19,181
1992	420,343.35	283,732	281,558	138,785	6.50	21,352
1993	64,599.88	40,375	40,066	24,534	7.50	3,271
1994	92,380.18	53,119	52,712	39,668	8.50	4,667
1995	63,128.57	33,142	32,888	30,241	9.50	3,183
1998	54,120.57	20,295	20,140	33,981	12.50	2,718
2001	20,471.30	4,606	4,571	15,900	15.50	1,026
2002	5,904.89	1,033	1,025	4,880	16.50	296
2003	206,707.26	25,838	25,640	181,067	17.50	10,347
2004	15,493.02	1,162	1,153	14,340	18.50	775
2005	6,724,059.06	168,101	166,813	6,557,246	19.50	336,269
	11,694,402.17	3,963,358	3,933,000	7,761,402		584,264
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					13.3	5.00

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 391.2 E.D.P. EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 5-SQUARE						
1999	133,819.20	133,819	133,819			
2000	2,065.77	2,066	2,066			
2001	686,768.66	618,092	575,675	111,094	0.50	111,094
2002	582,425.11	407,698	379,720	202,705	1.50	135,137
2003	2,354,264.49	1,177,132	1,096,352	1,257,912	2.50	503,165
2004	400,371.31	120,111	111,868	288,503	3.50	82,429
	4,159,714.54	2,458,918	2,299,500	1,860,214		831,825
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					2.2	20.00

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 391.3 USED EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 7-SQUARE						
1993	33,169.83	33,170	33,170			
	33,169.83	33,170	33,170			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					0.0	0.00

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 392.1 TRANSPORTATION EQUIPMENT - PASSENGER CARS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 6.5-S2.5						
1993	115,971.47	115,971	115,971			
1994	50,566.20	50,243	49,466	1,100	0.07	1,100
1995	1,863.30	1,816	1,788	75	0.28	75
1997	253,578.17	233,647	230,033	23,545	0.73	23,545
2000	147,066.80	112,594	110,853	36,214	1.68	21,556
2003	160,792.34	66,568	65,538	95,254	3.54	26,908
	729,838.28	580,839	573,649	156,188		73,184
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					2.1	10.03

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - OTHER THAN CARS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 12-S2						
1955	20,673.43	20,673	20,673			
1956	10,937.07	10,937	10,937			
1957	7,160.24	7,160	7,160			
1958	61,048.76	61,049	61,049			
1965	20,293.78	20,294	20,294			
1969	61,889.17	61,889	61,889			
1970	37,075.79	37,076	37,076			
1971	2,535.95	2,536	2,536			
1972	40,021.98	40,022	40,022			
1973	22,058.62	22,059	22,059			
1977	14,673.17	14,673	14,673			
1978	11,965.49	11,965	11,965			
1979	2,997.68	2,998	2,998			
1980	34,560.14	34,560	34,560			
1981	131,224.36	131,224	131,224			
1982	115,297.30	114,525	113,065	2,232	0.08	2,232
1983	79,538.43	79,284	78,273	1,265	0.07	1,265
1984	248,876.60	245,616	242,484	6,393	0.29	6,393
1985	370,483.94	361,518	356,908	13,576	0.51	13,576
1986	329,515.72	317,422	313,374	16,142	0.74	16,142
1987	773,383.19	734,018	724,657	48,726	0.99	48,726
1988	452,297.67	422,672	417,282	35,016	1.23	28,468
1989	32,340.17	29,724	29,345	2,995	1.45	2,066
1993	829,191.74	687,234	678,470	150,722	2.58	58,419
1994	5,220,232.69	4,166,268	4,113,137	1,107,096	2.91	380,445
1995	525,308.61	400,443	395,336	129,973	3.27	39,747
1996	380,900.65	274,667	271,164	109,737	3.67	29,901
1997	377,147.66	254,235	250,993	126,155	4.11	30,695
1998	1,053,713.52	652,776	644,452	409,262	4.61	88,777
1999	3,739,278.65	2,083,152	2,056,587	1,682,692	5.17	325,472
2000	3,609,678.83	1,758,996	1,736,564	1,873,115	5.79	323,509
2001	2,665,426.05	1,091,492	1,077,573	1,587,853	6.49	244,661
2002	951,093.00	308,915	304,976	646,117	7.28	88,752
2003	1,675,756.97	393,803	388,781	1,286,976	8.14	158,105
2004	7,935,767.24	1,125,292	1,110,941	6,824,826	9.08	751,633
2005	8,219,082.98	389,585	384,617	7,834,466	10.06	778,774
	40,063,427.24	16,370,752	16,168,094	23,895,335		3,417,758
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					7.0	8.53

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 393 STORES EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 30-SQUARE						
1973	0.05					
1976	52,414.87	51,540	51,284	1,131	0.50	1,131
1977	10,302.35	9,787	9,738	564	1.50	376
1978	55,033.56	50,449	50,199	4,835	2.50	1,934
1979	56,301.97	49,732	49,485	6,817	3.50	1,948
1980	6,174.38	5,248	5,222	952	4.50	212
1981	4,252.42	3,473	3,456	796	5.50	145
1982	145,352.38	113,855	113,290	32,062	6.50	4,933
1983	114,917.73	86,188	85,761	29,157	7.50	3,888
1984	52,494.51	37,623	37,436	15,059	8.50	1,772
1985	30,684.98	20,967	20,863	9,822	9.50	1,034
1986	177,767.94	115,549	114,976	62,792	10.50	5,980
1987	14,796.06	9,125	9,080	5,716	11.50	497
1988	271,628.35	158,441	157,655	113,973	12.50	9,118
1989	233,968.90	128,683	128,045	105,924	13.50	7,846
1990	263,249.75	136,021	135,347	127,903	14.50	8,821
1991	34,116.35	16,488	16,406	17,710	15.50	1,143
1993	107,936.90	44,977	44,754	63,183	17.50	3,610
1994	102,887.68	39,437	39,242	63,646	18.50	3,440
2000	130,828.73	23,981	23,862	106,967	24.50	4,366
2001	8,530.94	1,280	1,274	7,257	25.50	285
2003	61,839.75	5,151	5,125	56,715	27.50	2,062
	1,935,480.55	1,107,995	1,102,500	832,981		64,541
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					12.9	3.33

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 394 TOOLS, SHOP AND GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
1981	231,861.66	227,224	226,469	5,393	0.50	5,393
1982	537,989.39	505,710	504,031	33,958	1.50	22,639
1983	181,158.97	163,043	162,502	18,657	2.50	7,463
1984	155,602.51	133,818	133,374	22,229	3.50	6,351
1985	2,006,950.75	1,645,700	1,640,235	366,716	4.50	81,492
1986	496,700.61	387,426	386,139	110,562	5.50	20,102
1987	184,990.21	136,893	136,438	48,552	6.50	7,470
1988	510,290.21	357,203	356,017	154,273	7.50	20,570
1989	204,432.87	134,926	134,478	69,955	8.50	8,230
1990	591,157.13	366,517	365,300	225,857	9.50	23,774
1991	570,224.57	330,730	329,632	240,593	10.50	22,914
1992	516,074.80	278,680	277,754	238,321	11.50	20,724
1993	380,114.64	190,057	189,426	190,689	12.50	15,255
1994	393,988.58	181,235	180,633	213,356	13.50	15,804
1995	105,127.29	44,153	44,006	61,121	14.50	4,215
1996	63,672.70	24,196	24,116	39,557	15.50	2,552
1997	183,835.64	62,504	62,296	121,540	16.50	7,366
2000	195,075.03	42,917	42,774	152,301	19.50	7,810
2001	378,459.71	68,123	67,897	310,563	20.50	15,149
2002	583,922.00	81,749	81,478	502,444	21.50	23,369
2003	298,630.88	29,863	29,764	268,867	22.50	11,950
2004	321,887.03	19,313	19,249	302,638	23.50	12,878
2005	414,543.82	8,291	8,263	406,281	24.50	16,583
	9,506,691.00	5,420,271	5,402,271	4,104,423		380,053
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					10.8	4.00

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 395 LABORATORY EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
1986	218,842.95	213,372	211,871	6,972	0.50	6,972
1987	240,513.54	222,475	220,910	19,604	1.50	13,069
1988	133,243.15	116,588	115,768	17,475	2.50	6,990
1989	355,062.82	292,927	290,867	64,196	3.50	18,342
1990	355,482.86	275,499	273,561	81,922	4.50	18,205
1991	302,860.93	219,574	218,030	84,831	5.50	15,424
1992	378,936.96	255,782	253,983	124,954	6.50	19,224
1993	612,016.76	382,510	379,819	232,198	7.50	30,960
1994	471,241.54	270,964	269,058	202,184	8.50	23,786
1995	179,481.33	94,228	93,565	85,916	9.50	9,044
1996	233,708.27	111,011	110,230	123,478	10.50	11,760
1997	500,403.76	212,672	211,177	289,227	11.50	25,150
1998	20,718.80	7,770	7,715	13,004	12.50	1,040
1999	455,605.57	148,072	147,031	308,575	13.50	22,857
2000	336,713.96	92,596	91,945	244,769	14.50	16,881
2001	45,223.40	10,175	10,103	35,120	15.50	2,266
2002	79,984.00	13,997	13,899	66,085	16.50	4,005
2005	139,720.33	3,493	3,468	136,252	19.50	6,987
	5,059,760.93	2,943,705	2,923,000	2,136,762		252,962
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					8.4	5.00

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 396 POWER OPERATED EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 19-S0.5						
1948	2,126.77	2,127	2,127			
1949	793.12	793	793			
1950	2,840.43	2,840	2,840			
1956	5,139.69	5,140	5,140			
1964	13,322.24	13,322	13,322			
1965	13,465.82	13,466	13,466			
1973	121,771.57	109,655	113,357	8,415	1.89	4,452
1974	46,187.08	40,765	42,141	4,046	2.23	1,814
1975	51,782.93	44,808	46,321	5,462	2.56	2,134
1979	25,533.08	20,238	20,921	4,612	3.94	1,171
1980	37,038.37	28,657	29,625	7,413	4.30	1,724
1983	93,763.43	77,008	79,608	14,155	4.90	2,889
1984	32,712.05	26,304	27,192	5,520	5.24	1,053
1988	33,272.02	24,222	25,040	8,232	6.54	1,259
1994	285,989.02	163,471	168,991	116,998	8.62	13,573
2004	52,835.00	5,653	5,844	46,991	12.52	3,753
2005	197,280.91	7,378	7,627	189,654	12.87	14,736
	1,015,853.53	585,847	604,355	411,498		48,558
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					8.5	4.78

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 397 COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
1989	452,893.50	452,894	452,894			
1990	29,812.36	29,812	29,812			
1991	4,457,155.50	4,308,732	4,230,578	226,578	0.50	226,578
1992	4,624,230.75	4,161,808	4,086,319	537,912	1.50	358,608
1993	1,885,436.57	1,571,134	1,542,636	342,801	2.50	137,120
1994	3,638,826.88	2,789,889	2,739,285	899,542	3.50	257,012
1995	2,461,664.44	1,723,165	1,691,910	769,754	4.50	171,056
1996	947,402.97	599,990	589,107	358,296	5.50	65,145
1997	4,626,035.15	2,621,574	2,574,023	2,052,012	6.50	315,694
1998	618,474.57	309,237	303,628	314,847	7.50	41,980
1999	1,801,011.28	780,378	766,223	1,034,788	8.50	121,740
2000	5,698,782.20	2,089,743	2,051,838	3,646,944	9.50	383,889
2001	749,437.64	224,831	220,753	528,685	10.50	50,351
2002	2,612,289.00	609,447	598,393	2,013,896	11.50	175,121
2003	3,236,090.60	539,456	529,671	2,706,420	12.50	216,514
2004	3,882,053.09	388,205	381,163	3,500,890	13.50	259,325
2005	13,205,489.02	439,743	431,767	12,773,722	14.50	880,946
	54,927,085.52	23,640,038	23,220,000	31,707,087		3,661,079
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					8.7	6.67

DUQUESNE LIGHT COMPANY
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 398 MISCELLANEOUS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
1986	22,181.88	21,627	21,400	782	0.50	782
1987	8,133.11	7,523	7,444	689	1.50	459
1988	14,764.26	12,919	12,784	1,980	2.50	792
1989	29,686.45	24,491	24,234	5,452	3.50	1,558
1990	11,764.84	9,118	9,022	2,743	4.50	610
1991	24,077.77	17,456	17,273	6,805	5.50	1,237
1992	44,139.14	29,794	29,482	14,657	6.50	2,255
1993	25,413.74	15,884	15,718	9,696	7.50	1,293
1996	4,448.76	2,113	2,091	2,358	10.50	225
2000	140,159.51	38,544	38,140	102,020	14.50	7,036
2002	77,503.00	13,563	13,420	64,083	16.50	3,884
2004	60,334.98	4,525	4,478	55,857	18.50	3,019
2005	45,054.60	1,126	1,114	43,941	19.50	2,253
	507,662.04	198,683	196,600	311,063		25,403
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					12.2	5.00

COMMONWEALTH OF PENNSYLVANIA

ORIGINAL

OFFICE OF SMALL BUSINESS ADVOCATE
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, Pennsylvania 17101

William R. Lloyd, Jr.
Small Business Advocate

(717) 783-2525
(717) 783-2831 (FAX)

July 5, 2006

HAND DELIVERED

ORIGINAL

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

Re: Pennsylvania Public Utility Commission v. Duquesne Light Company
Docket No. R-00061346

Dear Secretary McNulty:

I am delivering for filing today the original plus three copies of the Notice of Appearance, on behalf of the Small Business Advocate in the above captioned matter.

Two copies have been served today on all known parties in this proceeding. A Certificate of Service to that effect is enclosed.

If you have any questions, please do not hesitate to contact me.

Sincerely,

DOCUMENT FOLDER

Sharon E. Webb
Assistant Small Business Advocate
Attorney ID No. 73995

RECEIVED
2006 JUL -5 PM 3:53
PA PUC
SECRETARY'S BUREAU

Enclosures
cc: Hon. Larry Gesoff
Hon. Michael Nemec
Parties of Record
Brian Kalcic

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	DOCKET NO. R-00061346
DUQUESNE LIGHT COMPANY	:	

NOTICE OF APPEARANCE

The Office of Small Business Advocate, pursuant to 52 Pa. Code § 1.24, hereby enters the appearance of Sharon E. Webb, in addition to Steven C. Gray, in the above-captioned proceedings.

Documents in this proceeding should continue to be served on the following. However, OSBA requests that parties add Ms. Webb to their e-mail distribution lists (swebb@state.pa.us).

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(717) 783-2831
sgray@state.pa.us

in the above-captioned proceeding.

Sharon E. Webb
Assistant Small Business Advocate
Attorney ID No. 73995

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300 North Second Street – Suite 1102
Harrisburg, PA 17101
(717) 783-2525
(717) 783-2831 (fax)

Dated: July 5, 2006

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	DOCKET NO. R-00061346
DUQUESNE LIGHT COMPANY	:	

CERTIFICATE OF SERVICE

I certify that I am serving two copies of the Notice of Appearance, on behalf of the Office of Small Business Advocate, by e-mail and first class mail (unless otherwise noted) upon the persons addressed below:

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Sharon E. Webb
Assistant Small Business Advocate
Attorney ID No. 73995

Date: July 5, 2006

DOCUMENT FOLDER

July 7, 2006

PennFUTURE
Every environmental victory grows the economy.

Citizens for Pennsylvania's Future
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ORIGINAL

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

Re: Duquesne Light Company Base Rate Case
Docket No. R-00061346

Dear Secretary McNulty:

Enclosed please find a certificate of service in the above matter, which certifies that PennFuture served the following documents on the parties to this proceeding: the Direct Testimony of John Hanger (PennFuture Statement 1 w/attachment); Direct Testimony of John Plunkett (PennFuture Statement 2 w/attachments); and Direct Testimony of Paul Chernick (PennFuture Statement 3 w/attachment).

If you have any questions, please contact me at (412) 258-6684.

Sincerely,

George Jugovic Jr.
Senior Attorney

cc: Hon. Larry Gesoff
Hon. Michael Nemec
Parties of Record

ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission,	:	
	:	
v.	:	Docket No. R-00061346
	:	
Duquesne Light Company	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the following listed documents by electronic mail and first class mail, upon the participants in the Service List attached hereto.

Documents served:

PennFuture Statement No. 1 – Direct Testimony of John Hanger
Exhibit 1 to Direct Testimony of John Hanger
PennFuture Statement No. 2 – Direct Testimony of John Plunkett
Exhibits 1 through 4 to Direct Testimony of John Plunkett
PennFuture Statement No. 3 – Direct Testimony of Paul Chernick
Exhibit 1 to Direct Testimony of Paul Chernick

George Jugovic, Jr., Senior Attorney
Pa. Bar Id. No. 39586
PennFuture
425 Sixth Avenue, Suite 2770
Pittsburgh, Pennsylvania 15219
Phone: 412-258-6684
Fax: 412-258-6685
Jugovic@pennfuture.org

DATE: July 7, 2006

SERVICE LIST: R-00061346

ORIGINAL

Served electronically and by First Class mail

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Anthony D. Kanagy, Esquire
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Thomas F. Burke, Sr. (1932-1972)

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July 7, 2006

Mr. James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, Second Floor
P.O. Box 3265
Harrisburg, PA 17105

RE: In Re: Application of Duquesne Light Company
Docket No: R-00061346

Dear Secretary McNulty:

Enclosed please find an original and two copies of a Certificate of Service indicating service of Community Action Association of Pennsylvania's Statement No. 1, the Direct Testimony of John A. Wilson, on the presiding officers and all parties of record.

If you need anything further in order to effect filing, please do not hesitate to contact me.

Sincerely yours,

Joseph L. Vullo

JLV/jar
encls.

ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN RE: Application of Duquesne Light Co. for a Rate Increase	:	Docket No. R-00061346

CERTIFICATE OF SERVICE

The undersigned certified that he served a copy of the Community Action Association of Pennsylvania's Statement No. 1, Direct Testimony of John A. Wilson upon the following participants this 7th day of July, 2006, via first-class mail:

Charles Shields, Esquire
Robert Eckenrod, Esquire
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Pennsylvania Public Utility Commission
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Respectfully submitted,

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File No.

ORIGINAL

July 7, 2006

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PA PUC
SECRETARY'S BUREAU

VIA HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: **Pennsylvania Public Utility Commission v. Duquesne Light Company**
Docket No. R-00061346

Dear Secretary McNulty:

Enclosed for filing, please find an original and three (3) copies of the "**Intervenor Testimony on behalf of Wal-Mart Stores East, L.P.**" in the above referenced proceeding.

As indicated on the enclosed Certificate of Service, copies have been served on the parties in the manner indicated.

DOCUMENT
FOLDER

Sincerely,

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SHD/ Enclosures

10

ORIGINAL

Before the

Pennsylvania Public Utility Commission

PUC Docket No. R-00061346

DUQUESNE LIGHT COMPANY

Direct Testimony and Exhibits of

James T. Selecky

On Behalf of

Wal-Mart Stores East, LP

July 7, 2006
Project 8602

BRUBAKER & ASSOCIATES, INC.
ST. LOUIS, MO 63141-2000

DUQUESNE LIGHT COMPANY

Before the
Pennsylvania Public Utility Commission

PUC Docket No. R-00061346

Direct Testimony of James T. Selecky

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A James T. Selecky; 1215 Fern Ridge Parkway, Suite 208; St. Louis, MO 63141-2000.

Q WHAT IS YOUR OCCUPATION AND BY WHOM ARE YOU EMPLOYED?

A I am a consultant in the field of public utility regulation and a principal in the firm of Brubaker & Associates, Inc., energy, economic and regulatory consultants.

Q PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A These are set forth in Appendix A to my testimony.

Q ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A I am testifying on behalf of Wal-Mart Stores East, LP (Wal-Mart). Wal-Mart purchases electricity from Duquesne Light Company (DLC or Company) primarily on Rate Schedules GM and GL.

Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A The purpose of my testimony is to discuss the results of DLC's cost of service study and the allocation of any rate increase that the Pennsylvania Public Utility

Commission (Commission) may grant. I will also discuss the proposed rate design for General Service Small and Medium Rate GS/GM and General Service Large Rate GL. In addition, I will also address DLC's proposed mechanisms to recover FERC jurisdictional transmission service-related costs and costs associated with distribution system improvements and relocation projects. These mechanisms are designated as the Transmission Service Charge (TSC) tracker and the Distribution System Improvement Charge (DSIC), respectively. The fact that an issue is not addressed should not be construed as an endorsement of DLC's position.

Q PLEASE SUMMARIZE YOUR CONCLUSIONS AND RECOMMENDATIONS.

A A summary of my conclusions and recommendations is as follows:

1. DLC's distribution cost of service study (COSS) comports with generally accepted cost of service study methods. However, the classification and allocation of certain distribution plant accounts in DLC's distribution cost of service study should be modified to classify a portion of primary voltage distribution lines as customer related.

2. With the above-mentioned modification, the Commission should utilize the results of DLC's distribution COSS for allocation of any approved increase in this case. If the Commission does not direct the Company to modify the COSS in this proceeding, the Company should be directed to modify the classification and allocation of primary distribution plant in the next general rate case.

3. The results of the cost of service study presented by DLC indicate significant rate revenue shortfalls exist for certain customer classes. Certain rate classes are paying rates that are significantly in excess of the cost to serve the class. Other classes are paying rates that are below cost of service. Steps should be taken to reduce those disparities between rate revenue and cost of service.

4. DLC's evaluation of the proposed increase by rate class relative to total cost of service, including the cost of generation and transmission as well as distribution cost is inappropriate. The proposed revenue increase at issue in this proceeding is related to distribution only and any increase approved by the Commission should be evaluated relative to distribution cost of service.

5. I do not support DLC's allocation of the proposed distribution rate increase. If the Commission awards DLC the $143.7 million it has requested in this proceeding, it should allocate the increase uniformly to all rate classes based only on distribution revenues.

6. If the Commission determines that DLC's overall revenue requirement or cost of service is less than the amount requested, the rate increase for rate classes below cost of service should remain at the level resulting from my recommended allocation of the $143.7 million increase. Any reduction in the revenue requirement from the level requested by DLC should be allocated to the other classes based on the cost of service study to bring rates more in line with the actual cost to service.

7. Transmission charges reflected in DLC's rates should reflect cost causation principles. Transmission costs are classified as demand-related costs and are allocated using a demand allocation factor in the COSS. These costs should be recovered from demand-metered rate classes such as General Service Medium using a demand charge only and not a combination of demand and kilowatthour charges.

8. DLC should be directed to file a revised tariff separating rate class GS/GM in the next general rate case. It is my understanding that there are a large number of customers in this class with very diverse load characteristics. At minimum, the class should be split between those customers with demand meters and those without.

9. The Commission should reject DLC's proposal to create a Transmission Service Charge (TSC) tracker and a Distribution Service Improvement Charge (DSIC) mechanism to automatically recover costs related to transmission service and certain distribution system improvements.

10. However, if the Commission approves DLC's proposed TSC and DSIC mechanisms, the costs should be allocated to the various rate classes recognizing cost of service principles. That is, these costs should be recovered recognizing demand cost causation, wherever possible. Distribution costs are classified as demand related and customer related in the Company's COSS. Collection of these costs as a kWh surcharge will send incorrect price signals to demand-metered customers.

Cost of Service Overview

Q WOULD YOU PLEASE COMMENT ON THE BASIC PURPOSE OF A COST OF SERVICE STUDY?

A After determining the total company cost of service or revenue requirement, a cost of service study is used to allocate the revenue requirement or cost responsibility among the customer classes. A cost of service study compares the cost that each customer class imposes on the system to the revenues each class contributes. For example, when a customer class produces the same rate of return as the total system

rate of return, it is paying revenue to the utility just sufficient to cover the costs incurred in serving that class. If a class produces a below-average rate of return, it may be concluded that the revenues provided by the class are insufficient to cover all relevant costs to serve that class. On the other hand, if a class produces a rate of return above the system average, it is not only paying revenues sufficient to cover the cost attributable to it, but in addition, it is paying part of the cost attributable to other classes who produce a below system average rates of return. The class cost of service study is important, because it shows the cost to serve each rate class reflecting cost causation, as well as the rate of return from each class under current and proposed rates.

Q WOULD YOU PLEASE COMMENT ON THE PROPER FUNDAMENTALS OF A COST OF SERVICE STUDY?

A Yes. Cost of service is a basic and fundamental ingredient in the ratemaking process. In all cost of service studies, certain fundamental concepts should be recognized. Of primary importance among these concepts is the cost causation principle.

The first step in the process is to functionalize the costs according to major functions, such as production, transmission and distribution. Another vital step in a cost of service study is classification of the nature of these costs as to whether they vary with the quantity of energy consumed, the demand placed upon the system or the number of customers being served.

Fixed costs are those costs that tend to remain constant irrespective of changes in output and are generally considered to be demand-related. Fixed costs include those costs that are incurred to serve customers that are not related to usage. Variable costs on the other hand are basically those costs that tend to vary with

output and are generally considered to be energy-related. Customer-related costs are those that are closely related to the number of customers served, rather than the quantity of energy consumed or the peak demands placed upon the system. An understanding of these concepts is essential to cost of service studies, as well as appropriate rate design. In this case, all the costs that are at issue are either demand or customer-related.

Q WHY IS IT IMPORTANT TO ADHERE TO BASIC COST OF SERVICE PRINCIPLES IN THE RATE DESIGN PROCESS?

A The basic reasons for using cost of service as the primary factor in the revenue allocation/rate design process are equity, cost causation, appropriate price signals, conservation and revenue stability.

Q HOW IS THE EQUITY PRINCIPLE ACHIEVED BY BASING RATES ON COSTS?

A To the extent practical, when rates are based on cost, each customer pays what it costs the utility to serve them, no more and no less. If rates are not based on cost of service, then some customers contribute disproportionately to the utility's revenue requirement and provide contributions to the cost to serve other customers. This is inherently inequitable.

Q HOW DO COST-BASED RATES PROVIDE APPROPRIATE PRICE SIGNALS TO CUSTOMERS?

A Rate design is the step that follows the allocation of costs to classes, so it is important that the proper amounts and types of costs be allocated to the customer classes so that they may ultimately be reflected in the rates.

When the rates are designed so that the energy costs, demand costs, and customer costs are properly reflected in the energy, demand and customer components of the rate schedules, respectively, customers are provided with the proper incentives to manage their loads appropriately. This, in turn, provides the correct signal to the utility (and other competitive power suppliers) about the need for new investment. When customers impose a certain level of demand on the system, they should pay for the prudent cost that the utility incurs to supply that demand and the energy charge that they pay should reflect the cost of providing that energy.

From a rate design perspective, overpricing the energy portion of the rate and underpricing the fixed components of the rate, such as customer and demand charges, will result in a disproportionate share of revenues being collected from high energy consuming or high load factor customers and send erroneous price signals to all customers.

Q HOW DO COST-BASED RATES FURTHER THE GOAL OF CONSERVATION?

A Conservation occurs when wasteful or inefficient uses of electricity are discouraged or minimized. Only when rates are based on actual costs do customers receive an accurate and appropriate price signal against which to make their consumption decisions. If rates are not based on costs, then customers may be induced to use electricity inefficiently in response to the distorted price signals.

Q **PLEASE DISCUSS THE REVENUE STABILITY CONSIDERATION.**

A When rates are closely tied to costs, the impact on the utility's earnings due to changes in customer use patterns will be minimized. Rates that are designed to track changes in the level of costs result in revenue changes that mirror cost changes. Thus, cost-based rates provide an important enhancement to a utility's earnings stability, reducing its need to file for rate increases.

From the perspective of the customer, cost-based rates provide a more reliable means of determining future levels of power costs. If rates are based on factors other than the cost to serve, it becomes much more difficult for customers to translate expected utility-wide cost changes, such as expected increases in overall revenue requirements, into changes in the rates charged to particular customer classes and to customers within the class. This situation reduces the attractiveness of expansion, as well as continued operations, in the utility's service territory because of the limited ability to plan and budget for future power cost.

Duquesne Light Company's Cost of Service Study

Q **PLEASE COMMENT ON DLC'S PENNSYLVANIA JURISDICTIONAL COST OF SERVICE STUDY.**

A Although I have not performed a specific analysis of the various allocation factors, I support the classification and allocation methods employed by DLC with one exception. I generally support DLC's allocation of distribution cost to the various rate classes on demands and number of customers. However, DLC's COSS overstates the portion of distribution plant investment that should be classified and allocated as demand related and understates the customer related portion.

The Company's COSS separates distribution plant investment between primary and secondary voltage. Primary voltage distribution plant is classified as 100% demand related. A major factor governing the classification of distribution plant investment is the necessity to provide distribution capacity sufficient to meet the individual demands of customers. However, a portion of distribution investment is necessary just to connect a customer to the system. These investments are customer-related. DLC's COSS makes this distinction for secondary voltage distribution plant. The same distinction should be made for primary voltage distribution plant investment and related expenses.

Q COULD YOU PLEASE IDENTIFY WHICH PRIMARY VOLTAGE DISTRIBUTION PLANT COSTS DLC CLASSIFIED/ALLOCATED ONLY AS DEMAND-RELATED?

A Yes. Table 1 below lists the classification of primary voltage distribution plant Accounts 360 through 367 showing DLC's COSS classification and the classification recommended by the National Association of Regulatory Commissioners (NARUC) as presented in their Electric Utility Cost Allocation Manual (NARUC Manual). DLC did not classify any of the cost in these accounts as customer-related.

TABLE 1

Classification of Primary Voltage Distribution Plant

			Per NARUC Manual *		Per DLC COSS **	
Line	Description	FERC Account	Demand Related	Customer Related	Demand Related	Customer Related
1	Land & Land Rights	360	X	X	X	-
2	Structures & Improvements	361	X	X	X	-
3	Station Equipment	362	X	-	X	-
4	Storafe Battery Equipment	363	X	-	X	-
5	Poles, Towers & Fixtures	364	X	X	X	-
6	Overhead Conductors & Devices	365	X	X	X	-
7	Underground Conduit	366	X	X	X	-
8	Underground Conductors & Devices	367	X	X	X	-

* Source: NARUC Electric Utility Cost Allocation Manual, January 1992, Table 6-1, page 87.
** Source DLC cost of service study, Exhibit HSG-2, Exhibit HSG -3 and Exhibit HSG-4A

Q **WHICH PRIMARY VOLTAGE DISTRIBUTION PLANT ACCOUNTS SHOULD INCLUDE A CUSTOMER COMPONENT FOR COST ALLOCATION PURPOSES?**

A The distribution plant investment cost for Accounts 364, 365, 366 and 367 should have a customer component. DLC must incur costs to construct a distribution line irrespective of the amount (i.e., energy) or rate (i.e., demand) of electricity usage. Therefore, a portion of these distribution line costs is properly classified and allocated as customer-related. The remaining distribution investment is needed to provide sufficient capacity to meet customers' demand when they arise. This portion of the distribution investment is demand-related.

The NARUC Manual clearly recognizes that a portion of primary voltage distribution plant investment should be classified as customer related, as well as demand related. The NARUC Manual describes a typical classification of distribution plant that shows primary voltage overhead and underground lines and line transformers classified as both demand and customer related.

Q **WHAT IS YOUR RECOMMENDATION WITH RESPECT TO THE PRIMARY VOLTAGE DISTRIBUTION COST CLASSIFICATION IN THIS PROCEEDING?**

A I recommend that the Commission direct DLC to modify its existing COSS to recognize the customer-related as well as the demand-related costs in primary voltage distribution plant Accounts 364, 365, 366 and 367. The customer-related portion should be determined based on a minimum distribution study. DLC used this type of study to classify the secondary voltage distribution plant investment between demand and customer-related cost. The same type of analysis is appropriate for primary voltage distribution plant investment.

If, however, the Commission accepts the Company's distribution plant classification as filed in this proceeding, I suggest that DLC be directed to reflect the customer-related portion of primary voltage distribution plant in the COSS filed in the next general rate case.

At this time, the Company's COSS as filed is reasonably reflective of cost causation. Therefore, I have utilized the results of the Company's COSS to discuss the allocation of any Commission approved revenue increase and rate design.

Q DO YOU HAVE ANY ADDITIONAL COMMENTS WITH RESPECT TO THE COST OF SERVICE STUDY?

A Yes. DLC points out the diverse nature of the customers on rate schedule GS/GM. The peak monthly metered demand of these customers ranges from 0 kW to over 300 kW. Rate GS/GM has the second largest number of customers of all DLC's rate schedules. Non-demand metered customers account for 25% of the class. DLC states that there is no material difference in either load profiles or the way delivery service is designed, constructed or operated between a typical residential customer and a typical small GS/GM customer. Therefore, the Company proposed to bill the non-demand metered GS/GM customer at the fixed monthly charge and variable energy charge proposed for residential rate RS.

DLC claims that it is proposing to separate the rate into general service small and general service medium with two rate structures to address the diversity of the rate class. However, the proposed tariff does not clearly distinguish between customers on rate GS and customers on rate GM. There is a distinction between customer with demand meters and customers without demand meters. These customers are combined in the Company's COSS. This masks the cost distinctions between the two groups of customers. I recommend that the Commission direct DLC

to 1) separate rate class GS/GM into two separate classes in the COSS in the next general rate case and 2) file separate tariffs rather than one tariff for the combined group of customers.

Results of Cost of Service Study

Q HAVE YOU REVIEWED THE RESULTS OF DLC'S COST OF SERVICE STUDY?

A Yes. I reviewed the results of DLC's cost of service study for the 12-month period ending December 31, 2006. The results of the cost of service study are summarized for the major rate classes on **Exhibit JTS-1**. These rate classes comprise approximately 94% of DLC's Pennsylvania jurisdictional rate base.

Q WHAT DO THE RESULTS OF THE COST OF SERVICE STUDY SHOW?

A **Exhibit JTS-1** shows the results of the Company's cost of service study at both the current and the proposed rates. The COSS results include the rate of return, the index of return, and the revenue under or over-collection. **Exhibit JTS-1** also shows the proposed revenue increase by amount and as a percent of present distribution revenue. **Exhibit JTS-1** reflects distribution revenues only, since the only cost components at issue in this proceeding are distribution-related.

The results of DLC's distribution cost of service study indicate that some rate classes, such as residential, are currently paying rates that are less than the cost of serving the customers in that class. Other rate classes are paying rates in excess of cost of service. The customers in rate classes GS/GM and GL are paying rates in excess of the cost to serve them and making up the revenue shortfall from other rate classes.

Q **DOES DLC'S FILING INCLUDE A PROPOSED INCREASE IN TRANSMISSION RATES?**

A Yes, although the proposal seems premature. DLC's filing indicates that there will be a proposed increase in transmission revenue of $19 million. However, this increase, if approved, would be the result of a FERC proceeding. DLC has not yet filed for an increase in transmission revenue at the FERC. The Company is not requesting permission to implement an increase in transmission rates in January 2007 when the distribution rates resulting from this proceeding would go into effect. Any changes to the transmission rates and rate structure would not be made until after the Company's FERC filing has been approved. Therefore, my analysis of the revenue increase is limited to the proposed increase of $143.7 million for distribution rates only. However, I address the design of transmission rates and the proposed Transmission Service Charge tracker later in this testimony.

Q **HOW DOES DLC PROPOSE TO ALLOCATE THE PROPOSED REVENUE INCREASE AMONG THE RATE CLASSES?**

A The COSS set the base parameters for revenue allocation. However, DLC claims that strict application of the COSS results would produce a very wide range of class revenue increases and decreases. Therefore, the Company utilized other revenue allocation principles to moderate the potential rate impacts. DLC chose to evaluate the effect of the proposed increase of $143.7 million in distribution rates on a total bill basis including the cost of generation, transmission and distribution service.

Q WHAT PRINCIPLES IN ADDITION TO COST OF SERVICE DID DLC UTILIZE IN DEVELOPING ITS REVENUE ALLOCATION PROPOSAL?

A DLC's filing listed the following principles for allocating the proposed rate increase:

- The increase should result in no rate class have a ROR on distribution rate base of less than 1% or greater than 25%,
- The overall rate increase to any rate class on a total bill basis should not exceed 1.4 times the overall system average increase on a total bill basis,
- No rate class should receive a revenue decrease on a total bill basis,
- Each rate class' ROR relative to system average should move closer to system average ROR or "unity", and
- Retail transmission rates will be set to recover each customer class' transmission related cost of service. (Direct Testimony of William V. Pfrommer, Page 6)

As a result of these arbitrary limitations on cost based revenue allocation, even though the cost of service results show that the GS/GM rate schedule should be reduced, it is still receiving a proposed increase. On the basis of distribution costs alone, Rate GS/GM customers are proposed to receive an increase of roughly 36%. Rate GL customers would receive a distribution rate increase of about 110%. DLC's approach significantly increases the disparity between rates and cost of service, i.e., the over collection, for customers on rate GL. In this instance, the over-collection nearly triples from the level at present rates to the level at DLC's proposed rates.

Although it is correct that this "total bill" approach is representative of the impact that a customer would see on its monthly bill, distribution costs are the only costs directly at issue in this proceeding and customers should know how much this portion of their bill is changing. DLC acknowledges that rates should reflect the costs to serve customers to be consistent with fundamental cost allocation principles. Therefore, the impact of the proposed distribution revenue increase should be evaluated relative to distribution costs only and not total costs. This is the only case

that provides the Commission with the opportunity to implement cost-based distribution rates and the Commission should seize this opportunity to bring the distribution rate closer to cost of service.

Q WHAT IS YOUR OPINION ON THE PRINCIPLES THAT DLC USED TO ALLOCATE THE REVENUE INCREASES TO THE VARIOUS RATE CLASSES?

A First, the desire to have no rate class have an ROR on distribution rates of less than 1%, or greater than 25%, strays too far away from the basic tenets of cost-based ratemaking.

Second, the criteria that no rate class receives an increase of more than 1.4 times the system average increase on a total bill basis do not result in bringing every rate class closer to cost of service. As a result of the application of this criteria, some rate classes move further away from cost of service at proposed rates as compared to present rates, as measured by the over and under-collections by rate class.

Third, the criteria stating that no rate class should receive a revenue decrease is supportable assuming that the Company receives its requested level of increase of approximately $143.7 million. However, if the Commission is to purely allocate the increase based on the results of the cost of service, that should not prevent a rate class from seeing no increase.

Finally, the fourth criteria states that each class' rate of return relative to the system average should move closer to the system average rate of return, or unity. Based on this measure, DLC's COSS results appear to reflect that proposed rates are moving closer to cost of service relative to present rates. However, a more accurate measure is the over or under-collection that each rate class is paying or receiving.

Q **WAS DLC ABLE TO ACHIEVE ITS REVENUE ALLOCATION PRINCIPLES?**

A No. The Company admits that present rates for certain classes were not reflective of cost of service. Even though DLC can claim that its proposed allocation of the revenue increase is generally consistent with the principles that they established for allocation, the results are not desirable.

Q **DO YOU HAVE ANY COMMENTS TO MAKE REGARDING THE ALLOCATION OF DLC'S PROPOSED RATE INCREASE?**

A As I have previously testified, my preference is to move all rates to cost of service. However, if the Commission grants DLC's requested level of revenue requirement increase, I would be willing to support an allocation of the distribution rate increase based on an equal percentage of present distribution revenues to all customer rate classes.

Q **WHAT IS YOUR RECOMMENDATION WITH RESPECT TO THE ALLOCATION OF THE PROPOSED REVENUE INCREASE?**

A My recommendation is that each rate class would see the same percentage increase based on present distribution revenues, not an estimate of total bill. That means at the Company's requested level of increase, each class would see a 51% increase in their distribution revenues. The result of my recommended allocation of the increase at the level the Company is proposing is shown on **Exhibit JTS-2**.

Q **IF THE COMMISSION DETERMINES THAT DLC'S OVERALL REVENUE INCREASE SHOULD BE LESS THAN ITS $143.7 MILLION REQUESTED, HOW SHOULD THE INCREASE BE ALLOCATED?**

A If the Commission determines the total increase should be less than DLC's requested amount, I recommend that any reduction from the requested amount should be allocated to those classes whose rates are above cost of service or have a rate of return in excess of the overall rate of return that DLC is proposing. Under this scenario, rates would move closer to cost of service.

Q **HAVE YOU PREPARED AN EXHIBIT THAT SHOWS HOW YOU WOULD ALLOCATE ANY RATE REDUCTION FROM THE AMOUNT REQUESTED BY DLC?**

A Yes. **Exhibit JTS-3** provides an example of how a reduction of $70 million from the amount that DLC is requesting in this case would be allocated to customer classes based on my recommendation.

The allocation of a $70 million reduction from DLC's requested amount would be based on the cost of service results as shown on **Exhibit JTS-2**. The reduction in the revenue requirement would be used to reduce DLC's proposed revenue for those rate classes that are above cost of service, while maintaining my recommended revenue responsibility for those rate classes that are below cost of service. Once the rate class' revenues of rate classes that are over-collecting are at cost of service, any excess reduction would be allocated to all rate classes based on distribution rate base.

Exhibit JTS-3 shows the allocation of a revenue reduction in DLC's proposed revenue based on the Company's filed cost of service study. This analysis would

need to be revised if the Commission directed DLC to modify its COSS distribution plant classification methodology as discussed above.

Q PLEASE BRIEFLY DESCRIBE EXHIBIT JTS-3.

A **Exhibit JTS-3** shows a reduction in the proposed revenues for DLC of $70 million. This reduction in the proposed revenue is for illustration purposes only. The revenue reduction is first allocated to eliminate the revenues that a rate class is providing above cost of service. For example, the first $46.5 million (the total of the over-collection from rate classes above cost of service) of the assumed $70 million revenue reduction is utilized to eliminate the amount by which rates GS/GM, GL, LP and SM are above cost of service. This analysis is for illustration purposes and only shows DLC's major classes. The additional classes, mainly lighting related, are not included on the exhibit, but would be included in a final analysis. The remainder of the revenue requirement reduction, $23.5 million, is allocated to all rate classes based on rate base.

Q WHAT IS YOUR RECOMMENDATION IF THE DECREASE IN DLC'S PROPOSED REVENUE REQUIREMENT IS INSUFFICIENT TO BRING ALL RATES TO COST OF SERVICE?

A If the reduction to DLC's requested revenue requirement is insufficient to bring all rate classes to cost of service, then the decrease or reduction should be allocated based solely on the over collections or revenue in excess of cost of service.

Rate Design

Q HAVE YOU REVIEWED DLC'S PROPOSED CHANGES TO THE RATE SCHEDULES FOR THE GENERAL SERVICE RATE CLASSES, RATE SCHEDULES GS/GM AND GL?

A *Yes. Consistent with the results of its cost of service study, DLC is proposing to* move the rates closer to demand-oriented rates and away from energy or kWh-based rates. As a result, the demand charges are being increased and the energy charges are reduced. The long-term plan of the Company is to migrate toward rates that reflect the services provided by a delivery company, the way transmission and distribution systems are designed and operated and the way in which fixed costs are incurred. I strongly support this proposal.

Q DO YOU AGREE WITH DLC'S APPROACH TO PROPOSED DISTRIBUTION RATE DESIGN FOR RATES GS/GM AND GL?

A Not entirely. I believe that a greater proportion of the total distribution revenue requirement should be shifted from the energy charges to the demand charges for rate schedule GM. This would be more consistent with the cost allocation methodology and result in price signals to customers that are more reflective of cost causation principles. The proposed rates for rate schedule GM recovers approximately 67% of the overall distribution revenue requirement through the customer and demand charges. The present rates for rate GM recover approximately 54% of the overall distribution revenues through the customer and demand charges. The proposed rate GL recovers approximately 82% of the overall distribution revenue requirement through the demand charge. The present rate GL recovers approximately 52% of the overall distribution revenues through the demand charge.

The shift in cost from energy charge to demand charge is much greater for Rate GL than it is for Rate GM.

Q DO YOU HAVE A RECOMMENDATION FOR THE RATE DESIGN OF RATES GS/GM AND GL?

A I recommend that the split between demand/customer and energy cost used for Rate GL also be applied to Rate GM. That is, 82% of the overall distribution revenue requirement for Rate GM should be recovered through the demand and customer charges, and the remaining 18% should be recovered through the energy charge. The customer charge should remain at $30.00, the level proposed by DLC.

Distribution System Improvement Charge

Q *PLEASE DESCRIBE THE PROPOSED DISTRIBUTION SERVICE IMPROVEMENT CHARGE.*

A The Distribution Service Improvement Charge (DSIC) is a proposed mechanism to allow the Company to recover the investment cost of eligible delivery system improvement and restoration projects. The DSIC includes depreciation and pre-tax return for non-revenue producing distribution system improvement projects completed and placed in service. DLC is requesting an additional $3.1 million increase in annual distribution revenues in 2007 and $12.3 million in 2008 under the proposed DSIC mechanism.

Q SHOULD THE COMMISSION APPROVE THE DSIC MECHANISM?

A No. The reasons that this mechanism should not be approved are as follows:

1. Distribution investment costs are not as volatile as fuel costs, and do not need to be updated on a more frequent basis than a comprehensive rate proceeding.

2. Providing for an automatic pass through eliminates incentives for the utility to control these costs.

3. An increase in sales will provide revenues that will offset some or all of the additional distribution-related costs.

4. The proposed DSIC constitutes single-issue ratemaking.

5. The proposed DSIC would not permit appropriate regulatory review.

6. If DLC is authorized to automatically pass through costs, the rate revenues the Company collects could exceed its revenue requirement or cost of service.

7. The proposed treatment of costs would result in increasing and decreasing the rates of return of the various rate classes.

8. DLC has not submitted any evidence of financial necessity with respect to the proposed DSIC.

Q HAS THE COMMISSION REJECTED A DSIC MECHANISM IN A RECENT PROCEEDING?

A Yes. A DSIC mechanism was rejected by the Commission in a recent PPL Electric Utilities proceeding. The Order stated:

> "The Company has not demonstrated a need for the DSIC or a need to by-pass the normal ratemaking process.....the Company did not submit evidence that the repairs would not be made if the DSIC is not available. Nor did PPL demonstrate it was approaching serious reliability problems.... Additionally, the Commission notes the current uncertainty associated with its authority to approve automatic adjustment mechanisms beyond our water utilities." (Pennsylvania Public Utility Commission, et. al. v. PPL Electric Utilities Corporation, R-00049255, Opinion and Order, December 2, 2004, Page 23)

Q WHAT IS YOUR RECOMMENDATION WITH RESPECT TO THE DSIC?

A My recommendation is that the Commission reject DLC's request to implement the DSIC, for the same reasons that it rejected the DSIC request of PPL Electric.

Transmission Service Charges

Q PLEASE DESCRIBE DLC'S PROPOSED TRANSMISSION REVENUE ALLOCATION AND RATE DESIGN.

A DLC is proposing that retail transmission rates be designed to recover each customer class' transmission related cost of service. The Company claims that this will promote retail competition and mitigate opportunities for arbitrage by customers that shop for electricity. In addition, the Company wants to redesign retail transmission rates to reflect rates for transmission service to all load serving entities within PJM. According to the Company, current retail transmission rates produce the potential for rate differences depending on whether a customer shops for supply service.

Q DO YOU AGREE WITH DLC'S PROPOSED DESIGN OF TRANSMISSION RATES?

A Yes, with one exception. I support the allocation of the transmission costs on the basis of cost of service. DLC states that the cost of transmission service for the total system is $1.465 per kW per month before gross receipts tax (GRT). Since this cost is allocated to the customer classes on a demand basis, transmission service cost recovery should be via a demand charge where possible. It is clear that non-demand metered rate classes such as residential customers will pay for transmission service on a per kWh basis. However, DLC is proposing to recover transmission costs from demand metered Rate GS/GM customers based on both demand and energy

charges. The proposed demand charge is $0.45/kW and the proposed energy charge is $0.001489/kWh. This is not reflective of cost causation.

The proposed rate schedule GM recovers approximately 49% of the overall transmission revenue requirement through the demand charge and 51% through the energy charge. Transmission costs are allocated in the COSS on a demand related basis and should be recovered using a demand charge for those customers with demand meters, such as customers on rate GM. I recommend that the charge for rate GM transmission service be set equal to the total system cost of $1.465 per kW per month adjusted for GRT ($1.55 per kW).

Q PLEASE EXPLAIN DLC'S PROPOSED TRANSMISSION SERVICE CHARGE TRACKER.

A The Transmission Service Charge Tracker (TSC) is intended to recover transmission service charges incurred by DLC under the PJM Open Access Transmission Tariff (OATT) as a provider of transmission service to retail customers who take Provider of Last Resort (POLR) service from the Company. According to DLC, this will help provide more competitively neutral retail transmission rates over time.

Q SHOULD THE COMMISSION APPROVE THE TSC MECHANISM?

A No. The reasons that this mechanism should be rejected are similar to the reasons for rejecting the DSIC. Transmission costs are not as volatile as fuel costs, and do not need to be updated on a more frequent basis than a comprehensive rate proceeding. Also, providing for an automatic pass through eliminates incentives to control costs by the utility.

Q HAS THE COMMISSION APPROVED A TSC MECHANISM IN A RECENT PROCEEDING?

A Yes. A transmission tracker was approved in a recent PPL Electric Utilities proceeding.

Q IF THE COMMISSION APPROVES THE TSC, HOW SHOULD THE TSC COSTS BE COLLECTED FROM RATEPAYERS?

A These costs should not be recovered on a cents per kWh basis for customer classes that are demand metered. The transmission costs for GS/GM customers that are demand metered should be recovered through demand charges. The cost recovery should reflect cost causation and the fact that these costs are generally demand-related as opposed to energy-related.

Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY AT THIS TIME?

A Yes, it does.

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Qualifications of James T. Selecky

Q **PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A James T. Selecky. My business address is 1215 Fern Ridge Parkway, Suite 208, St. Louis, Missouri 63141.

Q **PLEASE STATE YOUR OCCUPATION.**

A I am a consultant in the field of public utility regulation and am a principal with the firm of Brubaker & Associates, Inc. (BAI), energy, economic and regulatory consultants.

Q **PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EMPLOYMENT EXPERIENCE.**

A I graduated from Oakland University in 1969 with a Bachelor of Science degree with a major in Engineering. In 1978, I received the degree of Master of Business Administration with a major in Finance from Wayne State University.

I was employed by The Detroit Edison Company (DECo) in April of 1969 in its Professional Development Program. My initial assignments were in the engineering and operations divisions where my responsibilities included evaluation of equipment for use on the distribution and transmission system; equipment performance testing under field and laboratory conditions; and troubleshooting and equipment testing at various power plants throughout the DECo system. I also worked on system design and planning for system expansion.

In May of 1975, I transferred to the Rate and Revenue Requirement area of DECo. From that time, and until my departure from DECo in June 1984, I held various positions which included economic analyst, senior financial analyst, supervisor of the Rate Research Division, supervisor of the Cost-of-Service Division

and director of the Revenue Requirement Department. In these positions, I was responsible for overseeing and performing economic and financial studies and book depreciation studies; developing fixed charge rates and parameters and procedures used in economic studies; providing a financial analysis consulting service to all areas of DECo; developing and designing rate structure for electrical and steam service; analyzing profitability of various classes of service and recommending changes therein; determining fuel and purchased power adjustments; and all aspects of determining revenue requirements for ratemaking purposes.

In June of 1984, I joined the firm of Drazen-Brubaker & Associates, Inc. (DBA). In April 1995 the firm of Brubaker & Associates, Inc. (BAI) was formed. It includes most of the former DBA principals and staff. At DBA and BAI I have testified in electric, gas and water proceedings involving almost all aspects of regulation. I have also performed economic analyses for clients related to energy cost issues.

In addition to our main office in St. Louis, the firm also has branch offices in Phoenix, Arizona; Chicago, Illinois; Corpus Christi, Texas; and Plano, Texas.

Q **HAVE YOU PREVIOUSLY APPEARED BEFORE A REGULATORY COMMISSION?**

A Yes. I have testified on behalf of DECo in its steam heating and main electric cases. In these cases I have testified to rate base, income statement adjustments, changes in book depreciation rates, rate design, and interim and final revenue deficiencies.

In addition, I have testified before the regulatory commissions of the States of Colorado, Connecticut, Georgia, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Massachusetts, Missouri, New Hampshire, New Jersey, North Carolina, Ohio, Oklahoma, Oregon, Tennessee, Texas, Utah, Washington, Wisconsin, and Wyoming, and the Provinces of Alberta, Nova Scotia and Saskatchewan. I also have testified before the Federal Energy Regulatory Commission. In addition, I have filed testimony

in proceedings before the regulatory commissions in the States of Florida, Montana, New York, Oregon and Pennsylvania and the Province of British Columbia. My testimony has addressed revenue requirement issues, cost of service, rate design, financial integrity, accounting-related issues, merger-related issues, and performance standards. The revenue requirement testimony has addressed book depreciation rates, decommissioning expense, O&M expense levels, and rate base adjustments for items such as plant held for future use, working capital, and post test year adjustments. In addition, I have testified on deregulation issues such as stranded cost estimates and rate design.

Q **ARE YOU A REGISTERED PROFESSIONAL ENGINEER?**

A Yes, I am a registered professional engineer in the State of Michigan.

DUQUESNE LIGHT COMPANY

Comparison of Cost of Service Components and Proposed Increase
By Major Rate Class for Distribution Only at Present and Proposed Rates $(000)
Twelve Months Ended December 31, 2006

Line	Description	System Total (1)	RS (2)	GS/GM (3)	GMH (4)	GL (5)	GLH (6)	LP (7)	SM (8)
	Present Rates								
1	Present Operating Revenue	$ 294,235	$ 155,833	$ 68,146	$ 4,305	$ 33,343	$ 3,184	$ 10,621	$ 9,262
2	Rate of Return	2.74%	-0.54%	12.27%	1.49%	5.21%	-3.78%	4.94%	18.91%
3	Index of Return	100	(20)	449	54	190	(138)	181	691
4	Over / (Under) Collection	$ -	$ (38,095)	$ 39,149	$ (568)	$ 7,789	$ (3,976)	$ 2,247	$ 7,524
	Proposed Rates								
5	Proposed Operating Revenue	$ 437,917	$ 212,442	$ 91,589	$ 7,319	$ 68,131	$ 9,092	$ 21,543	$ 9,277
6	Rate of Return	9.08%	5.30%	14.60%	8.62%	16.04%	8.62%	15.47%	12.55%
7	Index of Return	100	58	161	95	177	95	170	138
8	Over / (Under) Collection	$ -	$ (43,867)	$ 22,677	$ (207)	$ 21,891	$ (280)	$ 6,519	$ 1,615
	Proposed Revenue Increase								
9	Present Distribution Revenue	$ 279,955	$ 147,575	$ 65,831	$ 4,089	$ 31,636	$ 2,903	$ 10,068	$ 9,129
10	Proposed Increase	$ 143,682	$ 56,609	$ 23,443	$ 3,014	$ 34,788	$ 5,908	$ 10,922	$ 15
11	Percent Increase	51.3%	38.4%	35.6%	73.7%	110.0%	203.5%	108.5%	0.2%
12	Relative to Total System	100	75	69	144	214	397	211	0

Note: An under collection indicates that a customer class rates are below cost of service.
An over collection indicates that a customer class rates are above cost of service.

DUQUESNE LIGHT COMPANY

Alternative Allocation of Company Proposed Revenue Increase
By Major Rate Class - Distribution Only ($000)
Twelve Months Ended December 31, 2006

Line	Description	System Total (1)	RS (2)	GS/GM (3)	GMH (4)	GL (5)	GLH (6)	LP (7)	SM (8)
1	**Present Distribution Revenue**	$ 279,955	$ 147,575	$ 65,831	$ 4,089	$ 31,636	$ 2,903	$ 10,068	$ 9,129
	Alternative Allocation of Proposed Revenue								
2	**Proposed Operating Revenue**	$ 437,917	$ 231,573	$ 101,933	$ 6,404	$ 49,580	$ 4,674	$ 15,788	$ 13,947
3	**Rate of Return**	9.08%	6.95%	17.12%	6.60%	10.14%	1.38%	9.83%	22.59%
4	**Index of Return**	100	77	189	73	112	15	108	249
5	**Over / (Under) Collection**	$ -	$ (24,735)	$ 33,021	$ (1,123)	$ 3,340	$ (4,698)	$ 765	$ 6,286
	Alternative Allocation of Proposed Revenue Increase								
6	**Proposed Increase**	$ 143,682	$ 75,740	$ 33,787	$ 2,099	$ 16,237	$ 1,490	$ 5,167	$ 4,685
7	**Percent Increase**	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%

Note: An under collection indicates that a customer class rates are below cost of service.
An over collection indicates that a customer class rates are above cost of service.

DUQUESNE LIGHT COMPANY

Allocation of Reduction to DLC Proposed Revenue Based on DLC COSS ($000)
Based on Walmart Recommended Allocation of Increase
Twelve Months Ended December 31, 2006

Line	Description	System Total (1)	RS (2)	GS/GM (3)	GMH (4)	GL (5)	GLH (6)	LP (7)	SM (8)
1	**Rate Base (Distribution)**	$ 1,232,857	$ 630,118	$ 222,791	$ 24,641	$ 170,729	$ 33,138	$ 55,307	$ 25,244
2	**Rate Base Allocation**	100.0%	51.1%	18.1%	2.0%	13.8%	2.7%	4.5%	2.0%
3	**Walmart Proposed Revenue Allocation**	437,917	231,573	101,933	6,404	49,580	4,674	15,788	13,947
4	**Revenue Over / (Under) Collection ***	$ -	(24,736)	33,020	(1,123)	3,340	(4,698)	764	6,286
5	**Revenue Reduction**	$ 70,000							
6	**Allocation to Reduce Over Collection**	$ 46,535	$ -	$ 33,020	$ -	$ 3,340	$ -	$ 764	$ 6,286
7	**Allocation of Remainder on Rate Base**	$ 23,465	$ 11,993	$ 4,240	$ 469	$ 3,249	$ 631	$ 1,053	$ 480
8	**Total Revenue Reduction**	$ 70,000	$ 11,993	$ 37,261	$ 469	$ 6,589	$ 631	$ 1,817	$ 6,766
9	**Adjusted DLC Proposed Revenue**	$ 367,917	$ 219,580	$ 64,672	$ 5,935	$ 42,991	$ 4,043	$ 13,971	$ 7,181

* A negative number indicates that a rate class revenue responsibility is below its cost of service.

BEFORE THE
PUBLIC UTILITY COMMISSION OF THE COMMONWEALTH OF PENNSYLVANIA

PENNSYLVANIA PUBLIC UTILITY COMMISSION v. DUQUESNE LIGHT COMPANY	DOCKET NO. R-00061346

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant) in **Docket No. R-00061346**, this day on all parties of record in this proceeding or their attorneys of record:

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Honorable Michael Nemec
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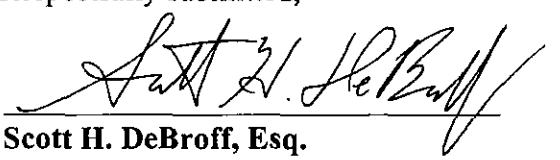
Respectfully submitted,

Dated: **July 7, 2006**

By: 

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ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
v.	:	Docket No. R-00061346
Duquesne Light Co.	:	

Direct Testimony Of
Martha A. Duggan

On Behalf of
Constellation NewEnergy, Inc.

Constellation Statement No. 1

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Martha A. Duggan, and my business address is Constellation NewEnergy, Inc., 111 Market Place, Suite 700, Baltimore, MD 21202.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Constellation NewEnergy, Inc. ("CNE") as Vice President, Business Development.

Q. PLEASE DESCRIBE YOUR EDUCATION AND PROFESSIONAL EXPERIENCE.

A. I hold a Bachelor of Science degree from Georgetown University and a Masters in Business Administration from The George Washington University. I have approximately 25 years of professional experience in the energy industry. I have been employed by Constellation NewEnergy since November, 2003. Initially I served as Director of Regulatory Affairs for the Mid-Atlantic region of Constellation New Energy. I was promoted to Vice President, Regional Government and Regulatory Affairs in December, 2005. In that capacity I had oversight responsibility for the regulatory and legislative activities of the mid-Atlantic, Metro North (New York and New Jersey) and New England regions of the company. I assumed my present position (Vice President, Business Development) in May 2006.

Prior to joining Constellation NewEnergy, I served as Regional Manager, Regulatory Affairs for Reliant Energy. As such, I represented Reliant, a national merchant generator and retail electricity marketer to regulatory commissions in the Mid-Atlantic States. Before I joined Reliant, I served as Director, Government Affairs for The New Power Company. In this role, I represented this national retail energy marketing company serving residential and small commercial customers before regulatory bodies and legislatures in Pennsylvania, Maryland, Virginia and Georgia. From 1997 to 2001 I served as Director, Regulatory Affairs for Amerada Hess Corporation and its predecessor companies, Statoil Energy and The Eastern Group. As Director of Regulatory Affairs, I represented the company in natural gas regulatory issues that affected industrial and large commercial customers of natural gas.

In addition, I was employed by Washington Gas Light from 1988 to 1997 in a variety of positions including Director of Customer Accounts, Manager of Rates and Regulatory Affairs, Manager of Rate Accounting, and Area Manager for Public Affairs.

Prior to joining Washington Gas Light I was employed by Whitfield Russell Associates from 1980 to 1988. As a Senior Associate I worked on a variety of consulting assignments including fuels procurement, cost of service, rate of return, incentive rates, utility diversification, cogeneration, transmission line

siting, wholesale electric issues, power pooling, economic dispatch, and antitrust matters.

Q. WHAT ARE YOUR RESPONSIBILITIES AS VICE PRESIDENT, BUSINESS DEVELOPMENT?

A. As Vice President, Business Development, I am responsible for managing the *retail energy sales activities of Constellation NewEnergy in Pennsylvania*, Maryland, Delaware, and the District of Columbia. I am responsible for developing and implementing sales strategies throughout the Mid-Atlantic territory as well as setting and meeting sales goals. I review retail energy supply proposals prepared by Constellation NewEnergy Business Development Managers prior to contract award. I directly supervise 11 Business Development Managers. I report directly to the Vice President and General Manager of Constellation NewEnergy's Mid-Atlantic region.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE A REGULATORY COMMISSION?

A. Yes. I submitted Direct, Rebuttal and Surrebuttal to this Commission in Penn Power's recent POLR case at Docket No. P-00052188. I have testified before the Maryland Public Service Commission in Case No. 8660 on cost of service issues and in Case No. 9037 regarding Standard Offer Service issues. Standard Offer Service is the term used in Maryland to describe provider of last resort ("POLR") or default service. I testified before the New Jersey Board of Public

Utilities in Docket No. EO03050394 concerning Basic Generation Service. Basic Generation Service is the term used in New Jersey to describe POLR service. In addition, I have testified before the Georgia Public Service Commission and before numerous state legislatures. I have appeared as a guest speaker and panelist at industry seminars.

Q. PLEASE DESCRIBE THE BUSINESS INTEREST OF CONSTELLATION NEWENERGY IN THIS PROCEEDING.

A. *Constellation NewEnergy is a leading national competitive energy supplier to* commercial and industrial customers, serving more than 10,000 customers in 17 states (including Pennsylvania) and 2 Canadian provinces. These 10,000 *customers represent 15,000 MW of non-coincident peak demand.* The Company is committed to providing customized energy-related products and services to customers in the competitive electricity marketplace.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CASE?

A. The purpose of my testimony in this case is to comment on Duquesne Light Company's ("Duquesne Light" or "Company") transmission and distribution rate increase request in the context of the developing retail electric market in western Pennsylvania.

Q. PLEASE EXPLAIN WHY THE COMMISSION SHOULD VIEW THE INSTANT PROCEEDING IN THE CONTEXT OF THE DEVELOPING RETAIL ELECTRIC MARKET.

A. Duquesne Light has requested that the Commission grant the Company the opportunity to earn a Return on Equity (ROE) in a range of 11.25% - 11.75%.[1] However, Duquesne Light has requested that the level be 11.75% (the higher end of the range) and states that this increase should be granted "(I)n order to provide recognition of the exemplary performance of the Company's management."[2] Duquesne Light also goes on to say that, "(t)he Company requested the high end of the cost of equity range to provide recognition of the quality of its service."[3] Therefore, I recommend that the Commission carefully review all components of Duquesne Light's performance before establishing an appropriate Return on Equity.

II. RECOMMENDATIONS

Q. PLEASE DISCUSS HOW YOUR TESTIMONY IS ORGANIZED AND THE RECOMMENDATIONS THAT YOU ARE MAKING TO THE COMMISSION.

A. My testimony addresses four issues related to Duquesne Light's filing in this proceeding. If properly resolved, these issues will lead to a more competitive retail market in Duquesne Light's service territory. The issues include the development of a dispute resolution process, the need for better communication

[1] Paul R. Moul statement page 3, line 17; page 5, line 9 and page 59, line 8.
[2] Paul R. Moul statement page 6, lines 1-5.
[3] Paul R. Moul statement, page 59, line 8-10.

among all parties (Duquesne Light, customers and retail suppliers), improvements to Duquesne Light's current customer choice operations and the establishment of market development metrics.

Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.

A. I recommend that the Commission:

- Order Duquesne Light to hold 4 meetings per calendar with all interested EGSs. The purpose of the meetings is to improve communication between Duquesne Light and EGSs and to exchange information about the state of the retail market on Duquesne Light's system and raise issues related thereto.
- Order Duquesne Light Company to hold 2 meetings each calendar year with all interested EGSs and interested Commercial and Industrial customers to enhance the communications between market participants.
- Order Duquesne Light to initiate a Working Group process to review and improve Duquesne's Supplier Coordination tariff.
- Order Duquesne Light to develop and implement, in collaboration with EGSs, metrics to measure Duquesne's customer service levels to EGSs.
- Order Duquesne Light to host an annual meeting of its Supplier Service Center team and the operational personnel of EGSs that are serving customers in Duquesne Light's service territory.

- Order Duquesne Light to report quarterly on the status of shopping in its territory. Specifically, Duquesne Light should report on the market share of its EGS affiliate Duquesne Light Energy.
- Order Duquesne Light to establish a dispute resolution process so that issues can be expeditiously addressed and resolved.
- *Carefully consider Duquesne Light's overall performance as it considers* Duquesne Light's request for an appropriate return on equity.

I explain in detail below each of the recommendations and the basis therefore.

III. THE COMPETITIVE MARKET IN DUQUESNE LIGHT COMPANY'S SERVICE TERRITORY

Q. CAN YOU PLEASE DESCRIBE THE DEVELOPMENT OF THE MARKET IN THE DUQUESNE LIGHT COMPANY SERVICE TERRITORY?

A. Pursuant to the Electric Generation Customer Choice and Competition Act[4] ("Choice Act" or "Act") and the settlement in Docket No. R-00974104[5], the Commission approved Duquesne Light's plan to divest its generating assets on May 21, 1998. The Commission also approved a plan under which Duquesne Light would procure its Provide Of Last Resort ("POLR") requirements at a price equal to the then existing generation rate levels. On June 30, 2000, Duquesne Light filed its POLR II petition to address post transition POLR service. The

[4] 66 Pa.C.S. §§ 2801-2812

[5] Application of Duquesne Light Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code, PA. P.U.C. Docket No. R-00974104 (Order entered May 29, 1998).

Commission approved Duquesne Light's POLR II petition at Docket No. R-00974104 on November 30, 2000. POLR II service ended on December 31, 2004. On December 9, 2003, Duquesne Light filed a petition with the Commission requesting approval of its POLR III plan. POLR III began on January 1, 2005 and ends on December 31, 2010. POLR is the service that is taken by electric customers that do not choose an electric generation supplier ("EGS") or can not be served by an EGS. POLR service is to be a "plain vanilla" or backstop service.

Q. HOW SUCCESSFUL HAS THE COMPETITIVE RETAIL MARKET BEEN IN THE DUQUESNE LIGHT SERVICE TERRITORY?

A. Shopping statistics give one a limited view of the success of retail market development in the Duquesne Light territory. I focus here on the commercial and industrial market as that portion of the market is more developed in Duquesne than the smaller customer classes. On April 1, 2002, 27.4% of the commercial load and 12.6% of the industrial load (MW) was being supplied by EGSs. On April 1, 2004 these numbers had grown to 38.7% commercial and 29.7% industrial. As of April 1, 2006, 48.7% of the commercial load and 87.4% of the industrial load (MW) was being supplied by EGSs according to the Pennsylvania Office of Consumer Advocate. One can conclude from these statistics that the competitive market has been somewhat successful in Duquesne Light's territory.

Q. DO YOU HAVE ANY SUGGESSTIONS ON WHAT CAN BE DONE TO IMPROVE COMPETITON IN DUQUESNE LIGHT'S TERRITORY?

A. Yes. As I stated earlier in my testimony there are several issues that need to be addressed. Theses issues include: the development of a dispute resolution process, the need for better communication among all parties (Duquesne Light, customers, and EGSs), improvements to Duquesne Light's current customer choice operations and the establishment of market development metrics. Duquesne Light Company has not lived up to the spirit of the Choice Act and has at times exhibited behavior that is harmful to competitive retail markets. Duquesne Light should respect the Choice Act and assist the Commission in developing electric choice, rather than hindering the development of electric choice. To the extent that Duquesne Light is requesting a healthy return on equity, the level of that return component should be a function of (among other elements) Duquesne Light's management committing to advancing a competitive retail market.

IV. NEED FOR IMPROVED COMMUNICATIONS

Q. WHAT DO YOU PROPOSE IN THE WAY OF COMMUNICATIONS THAT WOULD IMPROVE COMPETION IN THE DUQUESNE MARKET?

A. I recommend that the Commission order Duquesne to hold 4 meetings per calendar year with any interested EGSs. This would include both those EGSs that currently serve customers in Duquesne's territory and those that are contemplating doing so. Further, to the extent that less than 2 non-affiliated

EGSs are available to attend the meeting, then Duquesne should reschedule the meeting and give notice to all licensed EGSs of the rescheduled meeting date.

Q. WHAT WOULD BE THE PURPOSE OF THESE MEETINGS?

A. The purpose of these meetings would be to exchange information about the state of the retail market on Duquesne Light's system and raise issues related thereto. Currently EGSs have no direct access to management at Duquesne Light in order to make suggestions on how Duquesne Light's electric choice program can be improved. Electric Generation Suppliers are in a unique position in that they operate in a variety of markets and can easily identify best practices. A well managed company interested in supporting the development of competitive markets would welcome and leverage that expertise to its benefit and the benefit of its customers.

Q. WHO FROM DUQUESNE LIGHT COMPANY DO YOU RECOMMEND SHOULD ATTEND THESE MEETINGS?

A. The meetings should be facilitated by a member of the Duquesne Light management team who has the authority to make decisions on how customer choice operations should be structured. That individual should be an officer of the company and committed to addressing concerns that EGSs raise. The meetings with EGSs should provide valuable input into process improvements which then should be acted upon by Duquesne Light. This is not to say that Duquesne Light must accept every suggestion made by EGSs; I am simply looking to create a forum where a discussion could take place. This seems to

me to be a simple request but one that, to date, Duquesne Light has resisted. Those issues that cannot be resolved would then be addressed using the dispute resolution process I recommend below.

Q. WHAT SHOULD HAPPEN IF DUQUESNE LIGHT DOES NOT INCORPORATE EGS SUGGESTIONS?

A. Those issues that can not be resolved would then be addressed using the dispute resolution process I recommended in Section VII of my testimony.

Q. ARE THERE OTHER ANY OTHER COMMUNICATION RELATED ISSUES THAT SHOULD BE ADDRESSED?

A. Yes. The Commission should order Duquesne Light to hold 2 meetings per calendar year with EGSs and interested Commercial & Industrial customers. The agenda for the meetings should be jointly developed by Duquesne Light, EGSs and customers. Again, the meetings should be facilitated by a member of Duquesne Light's management team who is capable of making decisions as they relate to customer choice. In these meetings, Duquesne Light would receive feedback not only from EGSs but also from commercial and industrial customers. Note that this recommendation is focused on commercial and industrial customers. This is not to exclude smaller customers but at this point in Duquesne's retail market development, Commercial and Industrial customers would benefit most from such meetings. The information gleaned from these meetings should be extremely valuable and actively sought out by Duquesne

Light Company. Again, this seems to me to be a simple request. Unfortunately, Duquesne Light has actively resisted the idea.

Q. HAVE SUCH MEETINGS OCCURRED IN THE PAST?

A. Duquesne Light has held customer meetings but has not invited the EGS community to any such meetings. For instance, on September 22, 2004 Duquesne Light held an Energy Supply Seminar shortly after the Commission's Order in the POLR III proceeding. Duquesne Light invited its large customers to the meeting, allegedly to explain the Commission's Order and to advise customers of their options. Some customers informed me of the meeting. I called Duquesne Light to inquire about attendance and was told that the meeting was only for customers and that EGSs were specifically prohibited from attending. I began an "appeal" process so that I could attend the meeting and traveled to the meeting location because I could not believe that Duquesne Light really intended to lock EGSs out of the meeting. When I arrived at the meeting, I was informed by security hired by Duquesne Light that I was expressly prohibited from attending. Regardless of what was said or not said at the meeting, I and other EGSs that were similarly denied entrance to the meeting were certainly left with several negative impressions: 1) that EGSs were not welcome on the Duquesne Light system; 2) that Duquesne Light would go to great lengths to demonstrate that customers "belong" to Duquesne Light and 3) that some competitive advantage was likely being conferred on Duquesne Light's recently formed affiliate EGS.

Q. DO YOU CONSIDER YOURSELF A CUSTOMER OF DUQUESNE LIGHT?

A. Yes. In order for Constellation NewEnergy to sell our products to our customers, we must use the regulated distribution system to deliver our product. Thus, I am a customer of the utility. I should not have been denied access to that meeting.

Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS CONCERNING DUQUESNE LIGHT'S COMMUNICATION WITH EGSS AND CUSTOMERS?

A. I recommend that Duquesne Light should improve its communications with both EGSs and customers. In changing markets more communication is always better. Ordering Duquesne Light to hold the meetings I discuss above would represent a good start towards improving communications and the development of the retail market in Duquesne Light's territory.

V. IMPROVED OPERATIONS

Q. WHAT CHANGES TO CURRENT CUSTOMER CHOICE OPERATIONS ARE YOU PROPOSING?

A. The Commission should order Duquesne Light to make a number of changes to its supplier tariff. Notably, the tariff should be revised to delete the requirement that credit challenged EGSs pre-pay to obtain customer data. This requirement is outmoded and unnecessary. To my knowledge, no other EDC in the Mid-Atlantic region has this kind of requirement. Not only is this requirement outmoded but Duquesne Light has been misapplying this requirement in contravention of the tariff requirements.

Q. PLEASE EXPLAIN.

A. Operations personnel inform me that they are required to prepay for customer data despite Constellation NewEnergy's excellent credit.

Q. ARE YOU RECOMMENDING OTHER CHANGES TO DUQUESNE'S SUPPLIER TARIFF?

A. I have some thoughts on additional changes to the tariffs but I am recommending that the Commission order Duquesne Light to initiate a process under which Duquesne Light and EGSs could discuss changes to the tariff. The Commission should order Duquesne Light to file a report with the Commission detailing the discussions and the changes to be made to the supplier tariff.

Q. ARE THERE ANY ADDITIONAL OPERATIONS RELATED ISSUES THAT NEED TO BE RESOLVED?

A. Yes, there are several additional issues. First, the Commission should order Duquesne Light to develop in consultation with EGSs, metrics to measure customer service to EGSs. Metrics should include such items as response time to supplier day-to-day questions and issues. Constellation NewEnergy's experience too often is that calls made to the Supplier Service Center by our operations personnel go unanswered for several days. This is not a surprise given the skeleton staff that Duquesne Light has assigned to the Supplier Service

Center and the increased number of calls the center has been receiving.[6] Electric Generation Suppliers must be provided a level of service such that issues are resolved in a timely and responsive manner. The lack of response not only makes it difficult for EGSs to operate in Duquesne Light's service territory, it denies the benefits of retail competition to customers; who pay the price for the inefficiencies of unresolved issues surrounding data, enrollment, billing, and other matters. As an example of an operational issue that has thus far eluded resolution, when a customer is not on Duquesne Light's eligibility list yet requests pricing by an EGS, Duquesne Light's process is such that the EGS must request the data twice. This does not appear to be a complicated issue to resolve and to do so would be for the benefit of customers.

Finally, the Commission should order Duquesne Light to host a meeting once per year for Duquesne Light's supplier support staff and EGSs' operational personnel. The purpose of the meeting should be to discuss improvements to Duquesne Light's supplier support. Bringing the operational personnel together in a working group environment, to exchange ideas and experiences, will benefit the individuals involved in the day-to-day functions and for the overall process.

VI. MARKET DEVELOPMENT METRICS

Q. WHAT MARKET DEVELOPMENT METRICS ARE YOU PROPOSING?

[6] See Duquesne Light's response to Constellation NewEnergy's Set I, questions 36-43

A. The Commission has expressed an interest in collecting and analyzing data regarding retail market development.[7] Constellation NewEnergy supports the Commission's access to market development data. Regardless of any final Order in that Docket, the Commission should order Duquesne Light to report now on a quarterly basis the status of shopping in its territory. In the report, Duquesne Light should report its affiliate's market share and then the market share of other suppliers without identifying the non-affiliated suppliers by name.

Q. HOW WOULD THIS INFORMATION BE USEFUL?

A. This information will be important for the Commission to monitor the progress of electric choice in Duquesne Light's territory. Electric choice cannot be considered successful if there are a limited number of participating EGSs, particularly if that EGS is an affiliate of the EDC. These reports would gauge the strength of competition and would allow the Commission to implement changes to spur competition if required. The on-going meetings that should occur between Duquesne Light, EGSs and customers could also serve as a forum to decide if the reports I recommend here are duplicative of any required by the Commission in a final Order at Docket No. M-00061939.

VII. DISPUTE RESOLUTION

[7] *Development and Production of Retail Electricity Choice Activity Reports*, Pa. P.U.C. Docket Number M-00061939.

Q. DO YOU HAVE A RECOMMENDATION REGARDING THE EFFICIENT AND EXPEDIENT RESOLUTION OF COMPETITIVE RETAIL MARKET ISSUES?

A. Yes I do.

Q. PLEASE EXPLAIN YOUR RECOMMENDATION TO ESTABLISH A DISPUTE RESOLUTION PROCESS FOR COMPETITIVE RETAIL MARKET ISSUES.

A. The Commission should order Duquesne Light to establish an informal process whereby participants in the competitive retail market can efficiently and expeditiously resolve operational and other relevant issues that could delay or impede a fully successful competitive retail market. Among the chief obstacles to the development of a successful competitive retail electric generation market are the uncertainties and the potential delays with respect to the resolution of market issues. Uncertainty and delay cause potential market participants to pause and to delay actions that would engage them in a robust market. Effective competitive markets, however, cannot wait until participants deal with uncertainty. For a competitive market to be successful, issues must be resolved with certainty in a timely manner.

Presently, there is no process for resolving issues that arise between Duquesne Light and EGSs. The formal complaint process does not lend itself to resolving issues arising from an evolving competitive retail market. A competitive retail market is dynamic and demands immediate resolution of issues. When potential market participants hesitate, due to uncertainties or impediments, competitive

opportunities will be lost. An effective dispute resolution process will give all market participants the tools with which to remove uncertainty and delay. The goal of this process is to achieve a fair and just resolution with the participating parties efficiently and expeditiously.

For this to work, all parties must be committed to the process and to the statutory goals of developing competitive retail markets. I acknowledge that the devil is in the details. However, with a cooperative approach and philosophy, this process can be implemented in a clear, succinct and effective manner. For this process to be successful, all parties must commit to the philosophy that the Commonwealth will be a better place to be if competitive retail markets are successful. A successful process will be a tribute to the Commission's dedication to the development of competitive retail markets. As an EGS, I recognize and appreciate that the Commission is dedicated to the development of a successful competitive retail market.

Q. WHAT TYPE OF COMPETITIVE MARKET ISSUES WOULD BE RAISED IN THIS PROCESS?

A. The issues expected to be raised would range from operational problems and delays, such as enrollment, to EGSs' concerns regarding Duquesne Light's level of corporate support for the development of a fully competitive retail market.

Q. PLEASE EXPLAIN HOW THE DISPUTE RESOLUTION PROCESS WOULD WORK IN DUQUESNE'S TERRITORY.

A. I envision a two-step process. The first step should be for Duquesne Light and the EGS to attempt to amicably resolve their issues. In the event the parties cannot reach a consensus, the EGS has the option to present its issues to a designated high level Duquesne Light executive, i.e., a Vice President level or higher, who serves as the Company's "Market Development Officer" ("MDO"). The MDO would *not* be an individual who has been "on the front lines" interacting with the EGS up to this point. Duquesne Light would vest the MDO with authority to resolve issues. The MDO could conceivably wear different hats. At times the MDO could act as a go-between to facilitate negotiations and to abate the inherent friction that exists between Duquesne and the EGS. At other times, when appropriate, the MDO would hear from each interested party and immediately issue a decision to govern the parties' behavior going forward.

Q. IF A PARTICIPANT IS DISSATISFIED WITH THE MDO'S DECISION, WOULD THEY HAVE ANY RECOURSE?

A. Yes. A dissatisfied participant could raise the issue with the Commission's Director of Operations ("DOO") who would timely schedule a telephone conference to permit the participants an opportunity to articulate their concerns and issues. The DOO would promptly resolve the issues and provide a brief written statement, to avoid any potential confusion or noncompliance. This would give the parties clear, concrete, distinct resolution of the issue. This enables the

parties to comply with the DOO's decision in a timely manner so as not to impede the competitive retail market. Only those issues that are critical to the development of a competitive retail market should be raised with the DOO. This process requires participants to adopt an attitude and a willingness to resolve retail market issues efficiently and expeditiously without the expense and time delay of an adjudicated proceeding. The lynchpin for the success of this proposal is that decisions are timely raised and expeditiously resolved.

Q. WHAT HAPPENS IF A PARTICIPANT IS DISSATISFIED WITH THE DOO'S DECISION?

A. A participant dissatisfied with the DOO's decision has the ability to raise the issue to a single Commissioner, subject to the Commissioner's discretion to refuse to consider it. A participant could seek review of the DOO's decision in a manner analogous to that set forth in the Commission's Regulations addressing emergency orders. The dissatisfied participant could request the DOO to submit the DOO's decision to the Commission for review. Each month the Commission would assign a different Commissioner to address these matters; the designation should not be disclosed to the participants or made public, to prevent "forum-" or "Commissioner-shopping." The designated Commissioner would have absolute discretion to refuse to consider the matter. If the Commissioner determines that it is appropriate and necessary to hear the matter, the Commissioner would issue a succinct written decision. That Commissioner would have discretion to resolve

the matter without further information, or to seek further information from any participant, if needed.

Q. DO YOU HAVE A RECOMMENDATION AS TO THE TIMELINESS OF THIS PROCESS?

A. Yes. My recommendation is that the MDO, the DOO and the designated Commissioner resolve the issue expeditiously, but in no event should the time period exceed five days. A five day time period would be appropriate unless the Parties agree to s longer period.

Q. WHY IS A SHORT TIMEFRAME CRITICAL?

A. For the competitive retail market to evolve, issues must be expeditiously resolved to remove uncertainty or to correct anticompetitive behavior.

Q. IF THESE ISSUES ARE ULTIMATELY RESOLVED BY A SINGLE COMMISSIONER AND THE DESIGNATED COMMISSIONER ROTATES EACH MONTH, ARE YOU CONCERNED ABOUT THE POSSIBILITY OF INCONSISTENT DECISIONS?

A. No. While there is a possibility that the same issue could arise twice, generally no two issues raised will be identical. No two EGSs are alike. Each EGS has different business plans, infrastructure, historical business relationships with the utility, etc. The competitive retail market recognizes and embraces those differences. Therefore, while on their face, some issues may appear very similar,

nearly every issue presented will be unique to the EGS and circumstances involved. It is unlikely that a one-size-fits-all resolution would ever be appropriate.

Q. ARE YOU AWARE OF ANY SIMILAR ALTERNATIVE DISPUTE RESOLUTION MODELS OR CONCEPTS PREVIOUSLY UTILIZED BY THE COMMISSION?

A. Yes. This process is comparable to the process used by the Commission to introduce restructuring of the electric industry. The Pilot Implementation Committee ("PIC") program, which was successfully implemented at the beginning of electric restructuring, was a process that permitted timely resolution of operational issues and concerns regarding restructuring. The PIC is no longer directly applicable in today's environment, since the competitive retail market has developed to the point that the issues that arise are more likely to be between Duquesne Light and a specific EGS. While today's issues are different, the concept of a neutral, timely resolution of discrete issues and conflicts is comparable and warranted.

Q. COULD THESE DISCRETE ISSUES AND CONFLICTS BE RESOLVED SATISFACTORILY BY THE COMMISSION'S EXISTING ALTERNATIVE DISPUTE RESOLUTION ("ADR") PROCESSES?

A. No. While the Commission has a highly effective ADR policy, the parameters of the process do not lend themselves to handling these discrete issues on such a fast-tracked timeframe. The concept behind the ADR process is to mediate

conflicts. The process I am recommending, however, requires someone at times to act as a decision maker, not a facilitator. The goal of this process must be to get a resolution that is definitive, fair and, equally as important, fast. A successful competitive retail market demands that issues and concerns be resolved quickly and not linger.

Q. WOULD STAKEHOLDERS HAVE ANY INPUT INTO THE DEVELOPMENT OF THIS PROCESS?

A. Yes. I recommend that the Commission adopt this proposed competitive retail market issue resolution process on the Duquesne Light system as a pilot program for one year. At the conclusion of one year, the Commission should convene interested stakeholders to evaluate the program's success over the previous year and to make recommendations for changes, where appropriate.

VIII. SUMMARY AND CONCLUSIONS

Q. PLEASE SUMMARIZE THE RECOMMENDATIONS CONTAINED IN YOUR TESTIMONY.

A. Duquesne Light has done a poor job of advancing retail choice. In order to remedy this fact, the Commission should order Duquesne Light to undertake the recommendations above concerning communication with EGSs and C&I customers, operational improvements and market development metrics.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	**Docket No. R-00061346**
	:	
Duquesne Light Company	:	

PREPARED DIRECT TESTIMONY

OF

TIMOTHY W. MERRILL
VICE PRESIDENT AND GENERAL MANAGER
NRG ENERGY CENTER PITTSBURGH LLC

NRG Statement No. 1

Q. Please state your name and business address for the record.

A. My name is Timothy W. Merrill. My business address is NRG Energy Center Pittsburgh LLC, ("NRG" or "Company") 111 South Commons, Pittsburgh, PA 15212.

Q. By whom are you employed and in what capacity?

A. I am employed by NRG as its Vice President and General Manager. In this capacity, I am responsible for all aspects of the business of producing, distributing, and selling steam, hot water, and chilled water in the greater Pittsburgh area. These responsibilities include procuring the necessary fuels at the lowest price, overseeing the operational management of the facility, maintaining customer relations, and being responsible for all regulatory affairs.

Q. How long have you been NRG's General Manager?

A. I have been General Manager for three years.

Q. Please describe NRG's business.

A. NRG Energy Center Pittsburgh is a district energy plant. It uses both natural gas and electricity as fuel sources for making steam and chilled water. Those products are then distributed to customers through a network of underground pipes. Our customers are primarily commercial accounts, from Allegheny General Hospital to PNC Park, from the Community College of Allegheny County to the Warhol Museum. Our products are delivered around the clock, seven days a week. The plant is supplied electricity from

Duquesne Light's distribution system, though at voltages that are considered sub-transmission (23,000 volts) circuits.

Q. Please describe your educational and professional experience.

A. I was graduated from Yale University with a BE in Metallurgy, and obtained an MBA from the University of Pittsburgh. After working in several steel mills (gaining knowledge of the industrial use of electricity by being involved with making steel in electric arc furnaces and managing the operation of an electrostatic precipitator), I began buying energy for a large steel company in 1972. In that capacity, I was involved in contributing an industrial viewpoint to the making of energy policies through a number of industrial groups, and through the submission of testimony to various state commissions and the Federal Power Commission ("FPC").

In 1976, I started one of the country's first natural gas marketing companies. That firm, Industrial Energy Services Company ("IESCO"), eventually employed 32 people and had offices in Pittsburgh, Philadelphia, and Houston. Throughout the late 1970's and 1980's, I was very involved in helping to establish and grow the competitive gas market through my participation with various advocacy groups. Additionally, I led the Independent Oil and Gas Association's efforts to have the Pennsylvania Public Utility Commission ("PUC" or "Commission") establish gas transportation guidelines for its gas utilities. Those guidelines led to the spread of competitive Commercial and Industrial ("C&I") gas markets in Pennsylvania. In addition to owning and managing IESCO's gas marketing

business, I performed energy consulting services for clients. That work kept me engaged in and familiar with the efforts to restructure the electricity industry.

After selling IESCO in 1993, I founded Competitive Energy Strategies Company ("CESCO") an energy consulting firm. I consulted for several energy marketing companies. For these clients, I represented them in the ongoing restructuring of the gas and power industries. I participated in numerous utility commission-led collaborative proceedings in New York, Massachusetts, New Jersey, Ohio, and West Virginia. In Pennsylvania, I was involved with one of the PUC generic rulemakings that implemented the 1996 Electricity Generation Customer Choice and Competition Act ("Electricity Competition Act"). I also was a part of the collaborative group that designed the 1999 Natural Gas Choice and Competition Act ("Gas Competition Act"), and I was a party in various gas utility restructuring proceedings.

Q. What is the purpose of your testimony in this proceeding?

A. I want to make three points in this testimony. First, I want to explain my concerns about the competitive market for electricity purchasing on the Duquesne Light Company system today. Second, I want to describe my recent experiences as a customer on the Duquesne Light system. Finally, I want to describe the interruptions and outages that my facility has experienced, and my conviction that Duquesne Light should place its primary focus on becoming a first class wires company.

Q. What are your concerns about the competitive retail market on Duquesne Light's system?

A. Initially, it should be noted that I have previously participated in the development of competitive energy markets in Pennsylvania. In this respect, I believe that my years of experience in running a gas marketing company are relevant. At the outset of the competitive retail gas market, I worked with all participants in the industry – including utilities – to develop a framework which would allow a competitive natural gas market to develop. Working cooperatively for the benefit of customers, we quickly made significant progress.

In contrast, for a variety of reasons (e.g., rising fuel prices, rate caps), the development of a robust retail electricity market in Duquesne has not proceeded at an adequate pace. My participation in what's going on, both as a buyer of electricity, and as one who talks with his customers about their own electricity buying experiences, continues to give me insight about the developing retail market in Duquesne. I know that buyers and marketers/Electric Generation Suppliers have different opinions about this market, stemming from their particular circumstances. Some customers, for example, as a result of an RFP and the ensuing process involving competing suppliers, see competitors competing on price in order to get the business. "Competition works" they say, as they accept the lowest price offered. Some customers are not concerned at all that the Duquesne Light marketing affiliate is often offering what appears to be the lowest price available because the utility by its actions has made it difficult for a variety of suppliers to participate in the market, and as a result no fully competitive market exists. Still others

are concerned with price volatility and the relative newness of the marketplace, and simply want to do business the old way and buy from their utility.

It is important to recognize that in any competitive marketplace, a dominant participant that is an affiliate of the incumbent utility can affect market results in many ways. When the utility gives preferential treatment to the affiliated dominant participant, the results can be devastating to the development of a robust market. That is to say, for competition to work, a fully-functioning market needs lots of buyers and an adequate number of sellers with a variety of product offerings. In an instance where a utility and its affiliate control the marketplace, it is extremely difficult for this essential dynamic to occur. Notwithstanding this obstacle, there are always limited exceptions, and to that end, I am very comfortable with the offerings of my current Electric Generation Supplier. Regardless of the market structure, however, energy markets always work best when the incumbent utility does not interfere with the development of competitive retail markets. In my opinion, those circumstances do not exist in Duquesne Light's service territory. Thus, in order to maximize the development of the Pittsburgh market, Duquesne Light's principle focus should be on the operation of a first-class wires company rather than the promotion of its own energy affiliate.

Q. Do you have any further comments with regard to Duquesne Light's actions with respect to the development of a competitive market in its service territory?

A. Yes. A primary reason that retail competition has not fully developed in the Duquesne Light service territory is that Duquesne Light's actions speak louder than its words. In

my opinion, the reason is that Duquesne Light does not want competition to develop on its system.

Q. What are the Duquesne Light actions that you see that inhibit the growth of competitive markets?

A. My answer can be summed up in two words: **commitment** and **communication.** Based upon my considerable experience in this service territory, I do not believe that Duquesne is committed to the growth of competitive retail energy markets. They see every customer who chooses a marketing company as a "lost" customer. In my opinion, Duquesne Light is not convinced that they can become a viable wires company with no merchant responsibilities. They believe that in the end, the Commission will require them to be the provider of last resort. However, rather than viewing the POLR obligation as the provision of "backstop" energy service, Duquesne Light, in my opinion, intends to use this obligation as an opportunity to be the primary provider of energy services in its territory. For instance, one need look no further than Duquesne Light's most recent POLR filing to see that the Company proposed to provide a menu of energy services that went well beyond a "backstop" service, to the detriment of the competitive energy market. This lack of commitment, in my opinion, is THE most critical challenge to the further development of a retail market for electricity in Duquesne Light's territory.

Second, with regard to communication, I have seen how Duquesne Light has inhibited communication among its customers and their potential suppliers. After the Duquesne Light POLR III decision, I repeatedly asked Duquesne Light to schedule informational

meetings that would include its customers and the marketers that would be supplying them electricity. At an initial meeting of customers, from which marketers were explicitly banned, I requested an opportunity to convey the perspective of Duquesne Light Industrial Interveners, and was denied the opportunity to participate. Subsequent attempts to arrange meetings between Duquesne, the marketers, and users were rebuffed by Duquesne.

Absent communications between the utility, marketers, and end-user customers, the full benefits of competition will be denied, resulting in harm to customers.

Q. What do you conclude as a result of your evaluation of Duquesne Light's commitment and communication with regard to competitive markets?

A. I believe that Duquesne's restricted communications program with users and marketers conveys its lack of commitment to competitive markets. Duquesne Light is simply not interested in developing competition on its system.

Q. What do you think that Duquesne Light should be doing to enhance competition on its system?

A. Duquesne Light should be communicating to its customers that its top priority is to be a transmission and distribution company, that it is committed to developing a competitive generation market, and that its role as their provider of last resort will be limited to that function, rather than conducting itself in a way that could result in its affiliate being the only provider of generation service. Communicating this policy could be accomplished

through regular meetings with its C&I customers, with bill stuffers, and media campaigns. In addition, it should be constantly meeting with marketers who are active on its system and engaging in dialogues with marketers on ways to improve their business interactions. I remember sitting in (representing a potential marketer) on the early meetings when Duquesne Light's supplier tariff was developed. It didn't seem to be a very marketer friendly instrument as it was then being developed. In order to promote the goal of competitive generation markets, Duquesne Light must support the concept that its customers will be better served by competition than by regulation.

Q. What is your opinion of Duquesne's current rate increase request?

A. The $163.7 million increase in rates represents a significant increase to NRG and its customers (NRG's distribution charge would almost double). While not expressing a view on the appropriateness of the size of the increase requested, I consider Duquesne Light's decision to make investments to upgrade its distribution system as being a recognition of where it needs to be headed – reprioritizing itself as a wires company. Its focus ought to be on distributing electricity, not selling it. If the interruption and outage experiences of my company are in way similar to those of other C&I customers, such a focus is way overdue.

Q. What are the experiences to which you refer?

A. From the outset of my service at NRG in 2003, our distribution circuit has experienced numerous interruptions. Such interruptions can be momentary or they can last for hours. The plant has a secondary circuit feed, but the switch to it is manually operated by

Duquesne Light personnel. Because of the critical nature of our service to our customers, especially Allegheny General Hospital, I have been working with Duquesne Light to expedite their response to the interruption of our primary circuit. The two most recent outages, which occurred over the last month or so, were appropriately addressed by Duquesne Light. In other instances, however, Duquesne Light's response to outages has been unacceptable. For example, a March, 2005 Duquesne Light interruption led to some early morning (2 a.m.) phone calls between me and my largest customer, Allegheny General Hospital. In one of those calls, the hospital informed me that lest we start producing steam within the next half-hour, they would have to commence evacuating the hospital! It was not the most comfortable moment in my career.

Q. Why are Duquesne Light's distribution circuits interrupted so often?

A. I have asked that question many times. The first response to why an interruption occurred is that equipment was damaged as a result of electrical storms. As a residential consumer of Duquesne Light, I can accept that explanation, though often it seems that our power goes out when there's only a slight breeze. Many times, our plant's power has been interrupted when there are no thunderstorms in the area. The answer I am receiving lately has to do with old equipment and switches and/or transformers overheating. Such a rationale certainly supports the need for Duquesne Light to make upgrades to their system. There are many aspects to being a wires company that Duquesne Light will have to learn. Our increased dependence on electricity (from computerization of the economy to the internet to water and soap dispensers in washrooms!) is requiring a higher quality of delivery than ever before. The adequacy and accuracy of the duration and frequency

of interruption indices the industry uses will come under increased scrutiny. Being a highly functioning wires company will take a lot of work and this should be the primary focus of their efforts.

Q. Would you please summarize your testimony?

A. Duquesne Light needs to focus on becoming a wires company. Along with upgrading its distribution system, it has to organize its priorities so that its system is workable for the marketers that are currently participating, as well as those who may be awaiting the elimination of further barriers to invest in this market. I think the Commission has a role to play in helping make this transition happen.

Q. Does this conclude your Direct Testimony?

A. Yes, it does.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on this 7th day of July, 2006, a true and correct copy of the foregoing document was served upon the persons listed below, in accordance with the requirements of 52 Pa. Code § 1.54.

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July 7, 2006

VIA HAND-DELIVERY

2006 JUL -7 PM 4:04
PA PUC
SECRETARY'S BUREAU

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
Harrisburg, PA 17105-3265

Re: Petition of Duquesne Light Company General Base Rate Increase, Pa. P.U.C. Tariff No. 24; Docket No. ~~P-00061346~~ R-00061346

Dear Secretary McNulty:

This Firm represents Constellation NewEnergy, Inc., NRG Energy Center Pittsburgh LLC, and Reliant Energy, Inc. in this proceeding. I am enclosing for filing the following:

1. Direct Testimony of Martha A. Duggan; and
2. Direct Testimony of Timothy W. Merrill.

Copies have been served on the parties in the manner indicated on the attached Certificate of Service.

DOCUMENT FOLDER

Very truly yours,

Thomas P. Brogan

Thomas P. Brogan
For BUCHANAN INGERSOLL & ROONEY
A PROFESSIONAL CORPORATION

TPB/eh

Enclosures

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ORIGINAL

July 7, 2006

RECEIVED

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

BY FEDERAL EXPRESS

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

Re: Pennsylvania Public Utility Commission, et al. v. Duquesne Light Company, Docket Nos. R-00061346, et al.

Dear Secretary McNulty:

Enclosed for filing in the above referenced proceeding are the original and five copies of: (1) the direct testimony including exhibits of Paul H. Raab on behalf of Comcast of California/Pennsylvania/Utah/Washington, Inc.; and (2) a certificate of service for this submission. Please date stamp the two extra copies and return them to the undersigned in the enclosed envelope.

If there are any problems with the filing, please contact me at the phone number or E-mail address above. Thank you.

DOCUMENT FOLDER

Respectfully Submitted,

MORRIS NICHOLS ARSHT & TUNNELL LLP

Geoffrey A. Sawyer III

Enclosures
cc: The Honorable Larry Gesoff (w/ enclosures)
The Honorable Michael A. Nemec (w/ enclosures)
All participants to this proceeding (w/ enclosures per certificate of service)

45

ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission,	:	R-00061346
Duquesne Industrial Intervenors and Industrial Energy Consumers of Pennsylvania,	:	R-00061346C0001
Irwin A. Popowsky, Consumer Advocate, Office of Small Business Advocate,	:	R-00061346C0002 R-00061346C0005
v.	:	
Duquesne Light Company	:	
International Brotherhood of Electrical Workers Local 29,	:	
Constellation NewEnergy, Inc. and NRG Energy Center, Pittsburgh,	:	
Citizen Power, Inc., Citizens for Pennsylvania's Future, Retail Energy Supply Association, Strategic Energy, LLC, Direct Energy, LLC, Reliant Energy, Inc., Comcast of California/Pennsylvania/ Utah/Washington, Inc., Community Action Association of Pennsylvania, *Wal-Mart Stores East, LP.*	:	
Intervenors, and	:	
Office of Trial Staff, Statutory Party	:	

DIRECT TESTIMONY OF PAUL H. RAAB

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July 7, 2006

DIRECT TESTIMONY OF PAUL H. RAAB

Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS ADDRESS.

A. My name is Paul H. Raab. I am a member of Cablesave, LLC. My business address is 5313 Portsmouth Rd., Bethesda, MD 20816.

Q. PLEASE DESCRIBE CABLESAVE, LLC.

A. Cablesave, LLC is an energy consulting company created to assist cable television operators with managing energy expenses. Among other assistance that we provide, we review how cable operators are billed by electric utilities under various rate schedules and work with cable operators to obtain rates for electric service more in-line with the costs utilities incur to serve the various types of cable loads.

Q. ON WHOSE BEHALF ARE YOU APPEARING TODAY?

A. I am appearing on behalf of Comcast of California/Pennsylvania/Utah/ Washington Inc. ("Comcast"). Comcast of California/Pennsylvania/Utah/ Washington Inc. is a cable television operator owned by Comcast Cable Communications, Inc. ("Comcast Cable") located in the Duquesne Light Company (the "Company") service territory.

I. QUALIFICATIONS

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

A. I have a B.A. in Economics from Rutgers University and an M.A. from the State University of New York at Binghamton with a concentration in

Econometrics. While attending Rutgers, I studied as a Henry Rutgers Scholar.

Q. PLEASE DESCRIBE YOUR BUSINESS EXPERIENCE.

A. I have been providing consulting services to the utility industry for thirty years, having assisted electric, gas, telephone, and water utilities; Commissions; and intervenor clients in a variety of areas. I am trained as a quantitative economist so that most of this assistance has been in the form of mathematical and economic analysis and information systems development. My particular areas of focus are planning issues, costing and rate design analysis, and depreciation and life analysis. I began my career with the professional services firm that is now known as Ernst & Young, where I was employed for ten years.

Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE THIS COMMISSION?

A. No. However, I have provided expert testimony before the state regulatory authorities of the District of Columbia, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Missouri, Nevada, New Jersey, New Mexico, New York, Ohio, Oklahoma, Tennessee, Virginia, West Virginia, and Wisconsin. Also, I have presented expert testimony before the Federal Energy Regulatory Commission, the Michigan House Economic Development and Energy Committee, the Province of Saskatchewan, and the United States Tax Court. Details on the subject matter of the testimony presented are provided in Exhibit 1 (PHR-1).

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. Comcast is a Duquesne Light Company customer, the majority of whose electrical load requirements are associated with devices called "power supplies." The Company includes these loads in the Municipal Traffic Signal class for cost of service purposes.

Power supply devices are distributed across the Company's distribution system and operate at a very high load factor. Because of their high load factor (individually and collectively) and the fact that these loads are unmetered, the Company's historical realized return on rate base to serve these loads has been well in excess of the system average rate of return. The Company has partially remedied this problem by placing power supply loads in a more appropriate class. However, the Company's class revenue allocation at proposed rates leaves substantial rate inequities in place for these and a number of other loads across multiple rate classes. This occurs because the Company inconsistently applies its own criteria for spreading the revenue increase and because there are more fundamentally sound criteria that could be used to spread the revenue increase. The result of applying the Company's criteria is a level of rate disparity that cannot be justified on traditional ratemaking principles and should not be approved by this Commission. Thus, the purpose of my testimony is to recommend alternative allocations of the

proposed revenue increase that are, in my view, more consistent with proper rate design.

III. IDENTIFICATION OF EXHIBITS

Q. DO YOU SPONSOR ANY EXHIBITS IN SUPPORT OF YOUR TESTIMONY?

A. Yes, I sponsor three exhibits with this testimony. Exhibit 1 (PHR-1) is my detailed resume. Exhibit 2 (PHR-2) shows the assignment of proposed distribution revenues resulting from a correct implementation of the Company's rate criteria outlined by Mr. Pfrommer in his testimony. Exhibit 3 (PHR-3) contains my alternative proposal for the assignment of the Company's proposed change in distribution revenue requirements to each customer class using the alternative criteria that I propose.

IV. ORGANIZATION OF TESTIMONY

Q. HOW IS YOUR TESTIMONY ORGANIZED?

A. My testimony is organized into four additional sections, labeled V through VIII. The first section, Section V, provides basic rate design criteria that are generally adhered to when developing rates and spreading rate changes that the Commission may order. Section VI discusses the specific rate design criteria to which the Company adhered in developing its proposed rate designs. Section VII presents alternative rate design criteria that promote additional rate equity and still protect against unduly large increases to any class. Finally, my testimony ends with a summary of my conclusions and recommendations.

V. GENERAL RATEMAKING PRINCIPLES

Q. PLEASE DESCRIBE THE MAJOR PRINCIPLES GENERALLY USED TO EVALUATE THE APPROPRIATENESS OF A GIVEN SET OF RATES OR RATE STRUCTURE.

A. The list of potential rate principles, or criteria, can vary, depending upon the specifics of the rate and situation under consideration. However, there exists a set of general principles that are used to evaluate the appropriateness of the utility ratemaking process and the rates that result. While enumerated, categorized or segmented differently by different analysts, these include revenue sufficiency, revenue stability, rate stability, rate predictability, rate efficiency and rate equity. The first two criteria largely protect the utility. The first criterion, revenue sufficiency, argues that the rate structure must allow for the collection of revenues sufficient to equal the utility's revenue requirement. The second criterion, revenue stability, argues that rates in place should be designed so that the revenues collected over time remain stable, at least with respect to changes in costs, and that the revenues do not vary greatly as a result of unforeseen events beyond the utility's control. Rate stability and rate predictability are customer-related criteria. Whenever possible, customers should have stable and predictable rates, both to allow them to budget properly and to make longer term decisions with respect to purchases of or investments in electric-using appliances and equipment. Large

increases in rate levels, commonly referred to as "rate shock," should be avoided to the extent possible.

Rate efficiency is a more societal-oriented criterion. Rates should be designed to be economically efficient so that proper consumption decisions are made and no wasteful consumption occurs. Customers should be charged rates equal to the costs resulting from their consumption. Ideally, though rarely in practice, rate efficiency takes into account any economic "externalities" of consumption that might have welfare effects on others such as pollution. Finally, rate equity, or fairness, argues that there should be no undue discrimination among customers in how rates are set. This principle is also referred to as "rate parity." Customers who impose similar costs on the system should be charged in a similar manner and those who impose dissimilar costs should pay different rates reflecting the difference in costs imposed. As a general rule, whenever possible, existing rate disparities among customer classes should be reduced or eliminated.

Q. CAN ANY RATE STRUCTURE SIMULTANEOUSLY SATISFY ALL OF THESE CRITERIA?

A. Not entirely. The development of a sound rate structure will have considered all of these criteria and will have adopted elements of each. However, in the context of traditional rate of return-based regulation, a number of these criteria will compete against one another. For example, revenue sufficiency argues that the rates must generate sufficient revenue

to allow the utility to recover its revenue requirement. The principle of rate efficiency, however, argues that, other things being equal, rates should be set so as to equal the costs imposed by customers' consumption decisions. At the time all of these consumption decisions are being made, the costs thereby imposed may be greater than, less than, or (in a very unlikely event) equal to the utility's embedded revenue requirement. This is particularly true if the measurement of costs includes economic externalities. Both principles cannot be fully satisfied simultaneously.

Q. ARE THERE OTHER EXAMPLES OF CONFLICTING RATE CRITERIA?

A. Yes. In particular, there is one situation that almost always arises in rate cases, particularly when, as with this proceeding, significant time has passed since the last change in rates. Simultaneously achieving rate equity while preserving rate stability can be especially difficult. Rates in effect at any time incorporate a number of historical factors, measurements and situations that no longer exist or exist in a significantly different way. That is particularly true in this case in that the Company has not had a rate case in twelve years. Updating the rates for a test year based on current and projected information requires changes to be made to most, if not all, of the rates. If rates are set to equal cost of service, some classes can see significantly greater changes than others. Utilities and regulators usually attempt to balance rate equity and "rate shock" considerations when assigning the change in system revenue requirements to classes.

VI. THE COMPANY'S ALLOCATION PROPOSAL

Q. WHAT CRITERIA HAS THE COMPANY USED IN ALLOCATING ITS PROPOSED RATE INCREASE TO CUSTOMER CLASSES?

A. Mr. Pfrommer lists five criteria that he uses to determine proposed class increases. These are:

1. The increase should result in no rate class having a Rate of Return ("ROR") on distribution rate base of less than 1% or greater than 25%.
2. The overall rate increase to any rate class on a total bill basis should not exceed 1.4 times the overall system average increase on a total bill basis.
3. No rate class should receive a revenue decrease on a total bill basis.
4. Each rate class' rate of return relative to system average should move closer to system average ROR.
5. Retail transmission rates will be set to recover each customer class' transmission-related cost of service.

I will refer to these as Criterion 1, Criterion 2, etc. Mr. Pfrommer argues that these criteria enable the Company to balance its objectives of "reflecting cost of service" and mitigating disparate rate impacts, or in the context of the above discussion, balance the ratemaking goals of rate equity and rate stability.

Q. DO YOU AGREE WITH THE COMPANY'S CRITERIA?

A. No. Although Mr. Pfrommer does address rate equity in his proposal, I do not think the Company's criteria adequately correct for existing rate disparities. There are alternative criteria that promote additional rate equity and still protect against unduly large increases to any class. I introduce these criteria and demonstrate their performance in the following section of my testimony.

Q. NOTWITHSTANDING THIS FACT, DO YOU AGREE WITH MR. PFROMMER'S APPLICATION OF THESE CRITERIA IN THIS CASE?

A. No. The Company has inconsistently applied certain of its criteria and, in cases where the Company's criteria are in conflict, the controlling criterion has not been consistently chosen.

Q. HOW HAS THE COMPANY INCONSISTENTLY APPLIED ITS CRITERIA?

A. As I noted earlier in my testimony, ratemaking objectives often conflict with one another. In specific instances, Mr. Pfrommer was forced to violate three of his rate criteria. Because of low historical rates of return, Mr. Pfrommer had to assign a somewhat greater than 1.4 times the system overall average increase on a total bill basis (Criterion 2) to certain classes in order for them to meet Criterion 1, generating at least a 1% rate or return on distribution rate base. In some cases, Mr. Pfrommer chose to violate Criterion 1 for four other classes, generating no more than a 25% rate of return on distribution assets, presumably in order to preserve Criterion 3, that no class should see a revenue decrease on a total bill

basis. And yet, he does propose a revenue decrease for at least one lighting class.

This is not entirely unwarranted. As I have noted, certain ratemaking objectives frequently conflict with one another. It is always difficult and usually impossible to satisfy all rate objectives simultaneously. When objectives do conflict, professional judgment must be applied to determine how to assign changes in revenue and how to design rates for specific classes so that the entirety of a utility's ratemaking goals are best accomplished. I believe that the Company tried to do that in this case. When deciding which objectives to pursue, however, care must be taken to ensure consistency across rate classes. In this case, I believe that the Company has been inconsistent as to how it has decided to apply certain of the criteria to different classes. For example, Mr. Pfrommer admits that he had to violate Criterion 3 in order to get certain classes up to a 1% return on distribution rate base. These classes are Residential Service Heating (RH) and Residential Service Add-On Heat Pump (RA). What he doesn't discuss is that he also violates the same criterion in assigning increased revenues to the Street Lighting Highways (SH) class.[1] This class is assigned an increase approximately 2.5 times the system average on a total bill basis. Unlike with the RH and RA classes, however, there was no need to violate Criterion 2 as class revenues at present rates are

[1] Mr. Pfrommer avoids the discussion by indicating that he combined all lighting classes together for purposes of revenue assignment. However, as I will discuss, he makes specific, and different, decisions with respect to revenue allocation on a lighting class-by-class basis.

already sufficient to generate a greater than 1% return on requested distribution rate base.

Similarly, Mr. Pfrommer has been inconsistent in how he has treated different classes that fall outside of the 25% upper end of the "acceptable" range for rate of return on distribution rate base. Four classes fall above this number at present rates: Street Lighting Energy (SE), Unmetered Service (UMS), Private Area Lighting (PAL) and High Voltage Power Service (HVPS). Each class has been treated differently in the proposed revenue allocation. HVPS has a rate of return at present rates on distribution rate base of 47.55%. The Company has proposed a 7.3% decrease in distribution rates to bring the HVPS class target rate of return on distribution down to approximately the 25% target. It can do so without violating Criterion 3, that no class should see a decrease on a total bill basis, because HPVS has been given a proposed transmission rate increase larger than the reduction in its proposed distribution rate. The UMS class has a roughly equivalent distribution return at present rates of 45.51%. Unlike HVPS, however, the Company has proposed no distribution rate decrease for UMS, presumably so that it does not violate Criterion 3. The proposed distribution rate of return at proposed rates for UMS is 29.84%, violating Criteria 1. The Company's proposal does not even take into account the fact that it is proposing to increase UMS transmission rates by roughly 24%. Thus, the Company could have at least built in a distribution decrease equivalent to the transmission

increase and still not violated Criterion 3. By not doing so, the Company is actually proposing an overall bill increase for this class, despite the fact that UMS customers will generate a distribution rate of return in excess of 3 times the system average.

Q. DOES THE COMPANY TREAT THE OTHER TWO LIGHTING CLASSES WITH DISTRIBUTION RATES OF RETURN ABOVE 25% SIMILAR TO UMS WITH RESPECT TO ITS FIVE CRITERIA?

A. No. The SE class, though, has been treated most similarly to UMS. A small distribution increase has been assigned to offset a decrease in transmission rates, again to satisfy Criterion 3. The only difference is that changes to transmission and distribution revenues are offset so that the class is left with no change in rates on a total bill basis. The UMS class is left with an increase, however, since the increase in transmission revenue requirements was not offset by a corresponding decrease in assigned distribution revenues.

Interestingly enough, and despite the Company using Criterion 3 as controlling in proposing UMS revenues, the PAL class has been given a decrease on an overall bill basis, in violation of Criterion 3 despite the Company's use of Criterion 3 as the controlling criterion in proposing UMS and SE revenues. Proposed distribution revenues for the PAL class are approximately 36% lower than revenues at present rates and proposed transmission revenues have been eliminated (admittedly, from a very small level). Proposed rates represent over a 25% reduction in rates on a

total bill basis. This leaves the PAL class with a target rate of return of just over 37%. Thus, unlike with UMS and SE, the Company has clearly chosen to violate both Criterions 1 and 3.

Q. WHY DO YOU SAY THAT THE COMPANY HAS ALSO BEEN INCONSISTENT IN HOW IT RANKS ITS CRITERIA?

A. Mr. Pfrommer provides no ordinal ranking of the relative importance of his five criteria. Nonetheless, from the discussion in his testimony, it is clear that this first consideration was to establish a range of class rates of return that he feels is reasonable. He determines that the reasonable range is the 1% to 25% contained in Criterion 1. He then considers whether moving classes into this range will result in changes in rates that are too large either in the upward direction (Criterion 2) or the downward direction (Criterion 3). In that sense, Criteria 2 and 3 are very closely related in an inverse way. They are both designed with the purpose of limiting the magnitudes of the changes in rates assigned to customer classes.

If a conflict results, he then makes a decision as to which of his criteria he must violate. It is interesting that when a customer class rate of return falls below the range specified in Criterion 1, he chooses to violate Criterion 2. In other words, he has implicitly ranked Criterion 1 as being *more* important than Criterion 2 when equity considerations argue that rates should rise. On the other hand, when the mirror image problem arises, i.e. that when a customer class rate of return exceeds the maximum of Criterion 1, he doesn't choose to violate Criterion 3. Rather

he chooses to violate Criterion 1 instead. Thus, he has implicitly ranked Criterion 1 as *less* important than Criterion 3 when similar equity considerations argue that rates should fall. I believe this application to be inconsistent, and it serves to perpetuate large class rate inequities unnecessarily.

Q. WHAT WOULD BE THE COMPANY'S PROPOSED DISTRIBUTION REVENUES BY CLASS IF IT CORRECTED FOR THE INCONSISTENCIES YOU HAVE IDENTIFIED?

A. Exhibit 2 (PHR-2) shows the revenue allocation that results from correcting for the inconsistencies in how the Company applied its criteria. Criterion 1 has been preserved in all cases such that every customer has a targeted distribution rate of return between 1% and 25%. Because the classes that have rates of return in excess of 25% are all relatively small, the total amount of the distribution revenue requirement that has been re-assigned from the Company's proposal is only $669,000. The result is a slightly more equitable assignment that does not result in excessively large increases to any class.

VII. ALTERNATIVE RATE CRITERIA

Q. ARE YOU PROPOSING THAT THE COMMISSION ADOPT THE RATE CHANGE BY CUSTOMER CLASS SHOWN ON EXHIBIT 2 (PHR-2)?

A. No. As I stated earlier, I do not think the Company's criteria adequately address existing rate disparities and I therefore propose alternative criteria

that I believe promote additional rate equity while still protecting against unduly large increases to any class.

Q. WHAT SPECIFIC CHANGES WOULD YOU MAKE TO THE COMPANY'S CRITERIA?

A. Lest I appear too *critical* of the Company's efforts, it is important to recognize that choosing the right criteria by which to balance the concerns of rate equity and rate stability is inherently a somewhat arbitrary process, and depends on the unique circumstances of a particular case. For example, no two observers will have exactly the same definition of how much of an increase is too large, or results in "rate shock," for example. Similarly, individuals will disagree as to how much rate inequity is "too much." Nonetheless, I think some of the Company's criteria are overly arbitrary and ill suited to accomplish their stated intent. For example, the Company's Criterion 2 argues that the overall rate increase to any rate class on a total bill basis should not exceed 1.4 times the overall system average increase on a total bill basis. Presumably, this criterion is designed to prevent unacceptable rate increases to individual customer classes. If so, however, it would have been *better* to design such a criterion as a maximum percentage rate increase, not one relative to the average system increase. For example, the Company could have limited the increase to any particular class to 35% regardless of the overall system increase, or some other level it deemed appropriate. Rate shock results from the size of an increase faced by a particular customer, not

from the relative size of an increase to the system average. A particular rate class can absorb a very large relative increase if the overall system average increase is small. Conversely, if the overall system average increase is large, that same class could absorb only a small deviation from the system average. Thus, without knowing the size of the system increase that will be approved, it is impossible to determine what relative increase will be too large. Furthermore, the particular value selected by the Company, 1.4 times the system average, appears not to be an *a priori* determination based on professional judgment of the upper limit on an acceptable increase. Rather, it not so coincidentally equals the increase assigned to the Residential Service (RS) class and thus appears to be a retroactively determined amount to justify the increase proposed for RS customers.

Q. WHAT OTHER CHANGES WOULD YOU MAKE TO THE COMPANY'S CRITERIA?

A. Criterion 1, which sets the target class rates of return between 1% and 25%, is too wide a range. Recognizing that the Company hasn't adjusted retail rates in quite some time, this still results in significant rate inequities among classes. Classes that have been paying substantially in excess of the costs to serve them over the last 12 to 18 years are effectively being asked to continue to do so, albeit to a slightly smaller extent. I recommend that class target revenues be set using a range of class rates of return relative to the system average return, e.g., 75% to 150% of the

system average. Thus, if the system average allowed rate of return were 10%, target class rates of return would fall between 7.5% and 15%. The selection of the most appropriate range is never obvious, and depends on the situation at hand. In this case, I would argue that a broader range be implemented because existing wide rate disparities might otherwise result in overly large rate increases to one or more classes. For this proceeding, *I therefore recommend a range of 50%-200% around the system average.* At the Company proposed rate of return of 9.08%, this range would result in targeted class rates of return from 4.54% to 18.16%. In future cases, the range can be progressively narrowed.

Q. WOULDN'T EVEN THE LOW END OF THIS RANGE RESULT IN UNACCEPTABLY LARGE INCREASES FOR RH AND RA CUSTOMERS?

A. Yes. In this case, I agree with the Company that the low end of its range of appropriate class rates of return, 1%, is about as high as one can go for the RH class, since even this very low rate of return would result in overall bill increase of 37.5% to the Residential Heating class. To treat all other customer classes consistently, I would therefore modify the Company's Criterion 2 to limit all increases to 37.5% on a total bill basis.

Q. **DO YOU HAVE ANY OTHER SUGGESTED CHANGES TO THE COMPANY'S CRITERIA?**

A. Yes. I have one other proposed change. I would eliminate Criterion 3. It seems to accomplish none of the generally accepted ratemaking

objectives I discuss earlier in my testimony, and only serves to preserve unacceptably large rate inequities contained in the Company's existing rate structure. Mr. Pfrommer makes the curious statement that Criterion 3 "promotes inter-class equity by ensuring that no rate class receives a revenue decrease at the same time that other rate classes are receiving significant rate increases." Yet rate equity is maximized when all classes pay revenues equal to the cost to serve them. Inequities result when rate classes pay either more or less than the cost to serve. The greater the difference between revenues and cost of service, the greater the inequity for any given class. Any criterion that prevents movement towards more equalized class rates of return actually serves to lessen inter-class equity, not promote it. Not allowing a class to receive a decrease only hurts those customer classes who are most disadvantaged in the first place. Those customers who have provided the greatest subsidies to other ratepayers over the historic period are the only ones penalized, and ironically penalized for having provided those subsidies in the first place. It may be politically expedient to not allow a class to have a rate decrease while others are getting increases, but it certainly does not promote rate equity.

Q. DID YOU MAKE CHANGES TO THE COMPANY'S CRITERIA 4 AND 5?

A. No. I believe these two rate criteria are appropriate as structured.

Q. PLEASE SUMMARIZE THE CRITERIA YOU WOULD RECOMMEND BE EMPLOYED TO ASSIGN THE OVERALL REVENUE INCREASE APPROVED BY THIS COMMISSION.

A. I propose the following criteria be used in this case:

1. The increase should result in no rate class having a Rate of Return ("ROR") on distribution rate base of less than 50 percent or greater than 200 percent of the system average.

2. The overall rate increase to any rate class on a total bill basis should not exceed 37.5 percent. This criterion shall apply in the event of a conflict between this criterion and the first.

3. Each rate class' rate of return relative to system average should move closer to system average ROR or "unity," i.e., measured as class distribution ROR divided by system average distribution ROR.

4. Retail transmission rates will be set to recover each customer class' transmission-related cost of service.

A schedule demonstrating the effect of applying these criteria to the Company's proposed revenue increase is provided as Exhibit 3 (PHR-3). That exhibit shows distribution rates of return range from 1% for the RH class to 18.08% for five classes including Municipal Traffic Signals. This revenue assignment results in considerably greater rate equity than does the Company's proposed assignment without resulting in significantly greater increases for other classes.

VIII. SUMMARY

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. In my opinion, the Company's criteria to allocate the proposed rate increase among customer classes do not adequately address existing

rate disparities. There are alternative criteria that promote additional rate equity and still protect against unduly large increases to any class. Furthermore, the Company has inconsistently applied certain of its own criteria and, in cases where the Company's criteria are in conflict, the controlling criterion has not been consistently chosen.

Q. BASED ON THIS TESTIMONY, WHAT IS YOUR RECOMMENDATION TO THE COMMISSION?

A. I respectfully recommend that the Commission adopt a revenue distribution in this case consistent with the criteria I have developed and applied in Exhibit 3 (PHR-3). In the event that the Commission determines that the Company's criteria are more appropriate in this case, I recommend that the Company be directed to apply these criteria consistently as shown in Exhibit 2 (PHR-2).

Q. DOES THAT COMPLETE YOUR DIRECT TESTIMONY AT THIS TIME?

A. Yes, it does.

Respectfully submitted,

COMCAST OF CALIFORNIA/PENNSYLVANIA/ UTAH/WASHINGTON, INC.

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July 7, 2006

EXHIBIT 1 (PHR-1)

ORIGINAL

PAUL H. RAAB

Mr. Raab's consulting focus is on the regulated public utility industry. His experience includes mathematical and economic analyses and system development and his areas of expertise include regulatory change management, load forecasting, supply-side and demand-side planning, management audits, mergers and acquisitions, costing and rate design, and depreciation and life analysis.

PROFESSIONAL EXPERIENCE

Mr. Raab has directed or has had a key role in numerous engagements in the areas listed above. Representative clients are provided for each of these areas in the subsections below.

Regulatory Change Management. Mr. Raab has recently been assisting both electric and natural gas utilities as they prepare to operate in an environment that is significantly different from the one they operate in today. This work has involved the development of unbundled cost of service studies; the development of strategies that will allow companies to prosper in a restructured industry; retail access program development, implementation, and evaluation; and the development of innovative ratemaking approaches to accompany changes in the regulatory structure. Representative clients for whom he has performed such work include:

- Kansas Corporation Commission
- Atmos Energy Corporation
- Electric Cooperatives' Association
- Central Louisiana Electric Company
- Washington Gas
- Western Resources
- Kansas Gas Service
- Mid Continent Market Center.

Load Forecasting. Mr. Raab has broad experience in the review and development of forecasts of sales forecasts for electric and natural gas utilities. This work has also included the development of elasticity of demand measures that have been used for attrition adjustments and revenue requirement reconciliations. Representative clients for whom he has performed such work include:

- Washington Gas Energy Services
- Central Louisiana Electric Company
- Washington Gas
- Saskatchewan Public Utilities Review Commission

- Union Gas Limited
- Nova Scotia Power Corporation
- Cajun Electric Power Cooperative
- Cincinnati Gas & Electric
- Commonwealth Edison Company
- Cleveland Electric Illuminating
- Public Service of Indiana
- Atlantic City Electric Company
- Detroit Edison Company
- Sierra Pacific Power
- Connecticut Natural Gas Corporation
- Appalachian Power Company
- Missouri Public Service Company
- Empire District Electric Company
- Public Service Company of Oklahoma
- Wisconsin Electric Power Company
- Northern States Power Company
- Iowa State Commerce Commission
- Missouri Public Service Commission.

Supply Side Planning. Mr. Raab has assisted clients to determine the most appropriate supply-side resources to meet future demands. This assistance has included the determination of optimal sizes and types of capacity to install, determination of production costs including and excluding the resource, and an assessment of system reliability changes as a result of different resource additions. Much of this work for the following clients has been done in conjunction with litigation:

- Washington Gas
- Soyland Electric Cooperative
- Houston Lighting and Power
- City of Farmington, New Mexico
- Big Rivers Electric Cooperative
- City of Redding, California
- Brown & Root
- Kentucky Joint Committee on Electric Power Planning Coordination
- Sierra Pacific Power.

Demand Side Planning. *Demand Side Planning involves the forecasting* of future demands; the design, development, implementation, and evaluation of demand side management programs; the determination of future supply side costs; and the integration of cost effective demand side management programs into an Integrated Least Cost Resource Plan. Mr. Raab has performed such work for the following clients:

- Washington Gas Light Company

- Piedmont Natural Gas Company
- Chesapeake Utilities
- Pennsylvania & Southern Gas
- Montana-Dakota Utilities.

Management Audits. Mr. Raab has been involved in a number of management audits. Consistent with his other experience, the focus of his efforts has been in the areas of load forecasting, demand- and supply-side planning, integrated resource planning, sales and marketing, and rates. Representative commission/utility clients are as follows:

- Public Utilities Commission of Ohio/East Ohio Gas
- *Kentucky Public Service Commission/Louisville Gas & Electric*
- New Hampshire Public Service Commission/Public Service Company of New Hampshire
- New Mexico Public Service Commission/Public Service of New Mexico
- New York Public Service Commission/New York State Electric & Gas
- Missouri Public Service Commission/Laclede Gas Company
- New Jersey Board of Public Utilities/Jersey Central Power & Light
- New Jersey Board of Public Utilities/New Jersey Natural Gas
- Pennsylvania Public Utilities Commission/ Pennsylvania Power & Light
- California Public Utilities Commission/San Diego Gas & Electric Company.

Mergers and Acquisitions. Mr. Raab has been involved in a number of merger and acquisition studies throughout his career. Many of these were conducted as confidential studies and cannot be listed. Those in which his involvement was publicly known are:

- ONEOK, Inc./Southwest Gas Corporation
- Western Resources
- Constellation.

Costing and Rate Design Analysis. Mr. Raab has prepared generic rate design studies for the National Governor's Conference, the Electricity Consumer's Resource Council, the Tennessee Valley Industrial Committee, the State Electricity Commission of Western Australia, and the State Electricity Commission of Victoria. These generic studies addressed advantages and disadvantages of alternative costing approaches in the electric utility industry; the strengths and weaknesses of commonly encountered costing methodologies; future tariff policies to promote equity, efficiency, and fairness criteria; and the advisability of changing tariff policies. Mr. Raab has performed specific costing and rate design studies for the following companies:

- Aquila
- Oklahoma Natural Gas
- Semco Energy Gas Company
- Laclede Gas
- Western Resources
- Kansas Gas Service Company
- Central Louisiana Electric Company
- Washington Gas Light Company
- Piedmont Natural Gas Company
- Chesapeake Utilities
- Pennsylvania & Southern Gas
- KPL Gas Service Company
- Allegheny Power Systems
- Northern States Power
- Interstate Power Company
- Iowa-Illinois Gas & Electric Company
- Arkansas Power and Light
- Iowa Power & Light
- Iowa Public Service Company
- Southern California Edison
- Pacific Gas & Electric
- New York State Electric & Gas
- Middle South Utilities
- Missouri Public Service Company
- Empire District Electric Company
- Sierra Pacific Power
- Commonwealth Edison Company
- South Carolina Electric & Gas
- State Electricity Commission of Western Australia
- State Electricity Commission of Victoria, Australia
- Public Service Company of New Mexico
- Tennessee Valley Authority.

Depreciation and Life Analysis. Mr. Raab has extensive experience in depreciation and life analysis studies for the electric, gas, rail, and telephone industries and has taught a course on depreciation at George Washington University, Washington, DC. Representative clients in this area include:

- Champaign Telephone Company
- Plains Generation & Transmission Cooperative
- CSX Corporation (Includes work for Seaboard Coast Line, Louisville & Nashville, Baltimore & Ohio, Chesapeake & Ohio, and Western Maryland Railroads)
- Lea County Electric Cooperative, Inc.
- North Carolina Electric Membership Cooperative

- Alberta Gas Trunk Lines (NOVA)
- Federal Communications Commission.

TESTIMONY

The following table summarizes Mr. Raab's testimony experience.

Jurisdiction	Docket Number	Subject
District of Columbia	834	Demand Side Planning
	905	Costing/Rate Design
	917	Costing/Rate Design
	921	Demand Side Planning
	922	Rate Design
	934	Rate Design
	989	Rate Design
	1016	Rate Design
Georgia	18300-U	Costing/Rate Design
Indiana	36818	Capacity Planning
Kansas	174,155-U	Retail Competition
	176,716-U	Costing/Rate Design
	98-KGSG-822-TAR	Rate Design
	99-KGSG-705-GIG	Restructuring
	01-KGSG-229-TAR	Rate Design
	02-KGSG-018-TAR	Rate Design
	02-WSRE-301-RTS	Cost of Service
	03-KGSG-602-RTS	Cost of Service/Rate Design
	03-AQLG-1076-TAR	Rate Design
Kentucky	9613	Capacity Planning
	97-083	Management Audit
Louisiana	U-21453	Restructuring/Market Power
Maryland	8251	Costing/Rate Design
	8259	Demand Side Planning
	8315	Costing/Rate Design
	8720	Demand Side Planning
	8791	Costing/Rate Design
	8920	Costing/Rate Design
	8959	Costing/Rate Design

Jurisdiction	Docket Number	Subject
Michigan	U-6949	Load Forecasting
	U-13575	Costing/Rate Design
Missouri	GR-2002-356	Rate Design
Nebraska	NG-0001, NG-0002, NG-0003	Rate Design
Nevada	81-660	Load Forecasting
New Jersey	OAL# PUC 1876-82 BPU# 822-0116	Load Forecasting
New Mexico	2087	Capacity Planning
New York	27546	Costing/Rate Design
Ohio	81-1378-EL-AIR	Load Forecasting
Oklahoma	27068	Load Forecasting
Tennessee	PURPA Hearings	Costing/Rate Design
US Tax Court	4870	Life Analysis
	4875	Life Analysis
Virginia	PUE900013	Demand Side Planning
	PUE920041	Costing/Rate Design
	PUE940030	Costing/Rate Design
	PUE940031	Costing/Rate Design
	PUE950131	Capacity Planning
	PUE-2002-00364	Costing/Rate Design
West Virginia	79-140-E-42T	Capacity Planning
	90-046-E-PC	Demand Side Planning
Wisconsin	05-EP-2	Capacity Planning

In addition, Mr. Raab has presented expert testimony before the Michigan House Economic Development and Energy Committee and the Province of Saskatchewan. He is a member of the Advisory Board of the Expert Evidence Report, published by The Bureau of National Affairs, Inc.

EDUCATION

Mr. Raab holds a B.A. (with high distinction) in Economics from Rutgers University and an M.A. from SUNY at Binghamton with a concentration in Econometrics. While attending Rutgers, he studied as a Henry Rutgers Scholar.

PUBLICATIONS AND PRESENTATIONS

Mr. Raab has published in a number of professional journals and spoken at a number of industry conferences. His publications/ presentations include:

- "Responses to Arrearage Problems From High Natural Gas Bills," American Gas Association Rate and Regulatory Issues Seminar, Phoenix, AZ, April 8, 2004.
- "Factors Influencing Cooperative Power Supply," National Rural Utilities Cooperative Finance Corporation Independent Borrower's Conference, Boston, MA, July 3, 1997.
- "Current Status of LDC Unbundling," American Gas Association Unbundling Conference: Regulatory and Competitive Issues, Arlington, VA, June 19, 1997.
- "Balancing, Capacity Assignment, and Stranded Costs," American Gas Association Rate and Strategic Planning Committee Spring Meeting, Phoenix, AZ, March 26, 1997.
- "Gas Industry Restructuring and Changes: The Relationship of Economics and Marketing" (with Jed Smith), National Association of Business Economists, 38th Annual Meeting, Boston, MA September 10, 1996.
- "Improving Corporate Performance By Better Forecasting," 1996 Peak Day Demand and Supply Planning Seminar, San Francisco, CA, April 11, 1996.
- "Natural Gas Price Elasticity Estimation," AGA Forecasting Review, Vol. 6, No. 1, November 1995.
- "Assessing Price Competitiveness," Competitive Analysis & Benchmarking for Power Companies, Washington, DC, November 13, 1995.
- "Avoided Cost Concepts and Management Considerations," Workshop on Avoided Costs in a Post 636 Gas Industry: Is It Time

to Unbundle Avoided Cost? Sponsored by the Gas Research Institute and Wisconsin Center for Demand-Side Research, Milwaukee, WI, June 29, 1994.

- "Estimating Implied Long- and Short-Run Price Elasticities of Natural Gas Consumption," Atlantic Economic Conference, Philadelphia, PA, October 10, 1993.

- "Program Evaluation and Marginal Cost," The Natural Gas Least Cost Planning Conference, Washington, DC, April 7, 1992.

- "The New Environmentalism & Least Cost Planning," Institute for Environmental Negotiation, University of Virginia, May 15, 1991.

- "Development of Conditional Demand Estimates of Gas Appliances," AGA Forecasting Review, Vol. 1, No. 1, October 1988.

- "The Feasibility Study: Forecasting and Sensitivities," Municipal Wastewater Treatment Facilities, The Energy Bureau, Inc., November 18, 1985.

- "The Development of a Gas Sales End-Use Forecasting Model," Third International Forecasting Symposium, The International Institute of Forecasting, July 1984.

- "New Forecasting Guidelines for REC's - A Seminar," (Chairman), Kansas City, Missouri, June 1984.

- "A Method and Application of Estimating Long Run Marginal Cost for an Electric Utility," Advances in Microeconomics, Volume II, 1983.

- "Forecasting Under Public Scrutiny," Forecasting Energy and Demand Requirements, University of Wisconsin - Extension, October 25, 1982.

- "Forecasting Public Utilities," The Journal of Business Forecasting, Vol. 1, No. 4, Summer, 1982.

- "Are Utilities Underforecasting," Electric Ratemaking, Vol. 1. No. 1, February, 1982.

- "A Polynomial Spline Function Technique for Defining and Forecasting Electric Utility Load Duration Curves," First International Forecasting Symposium, Montreal, Canada, May, 1981.

- "Time-of-Use Rates and Marginal Costs," ELCON Legal Seminar, March 20, 1980.

- "The Ernst & Whinney Forecasting Model," Forecasting Energy & Demand Requirements, University of Wisconsin - Extension, October 8, 1979.

- "Marginal Cost in Electric Utilities--A Multi-Technology Multi-Period Analysis" (with Frederick McCoy), ORSA/Tims Joint National Meeting, Los Angeles, California, November 13-15, 1978.

EXHIBIT 2 (PHR-2)

ORIGINAL

Distribution Rate of Return at Proposed Rates

Classes Limited to 25% ROR

Line No	(A)	System (B)	Residential (C)	Residential Heating (D)	Residential Add-On Heat Pump (E)	General Small / General Medium (F)	General Medium Heating (G)	General Large (H)	General Large Heating (I)	Large (J)	High Voltage Power Service (K)	Architectural Lighting (L)	Street Lighting Energy (M)	Street Lighting Municipal (N)	Street Lighting Highway (O)	Municipal Traffic Signals (P)	Private Area Lighting (Q)
1	Tariff Revenue at Proposed Rates	423,625	204,520	13,602	1,364	89,421	7,115	66,533	8,826	21,025	393	1	939	9,159	123	520	84
2	Wholesale, Other	14,282	8,259	670	68	2,315	216	1,707	281	553	25	-	35	133	1	15	3
3	Total Distribution Revenue	437,907	212,779	14,272	1,432	91,736	7,331	68,241	9,107	21,578	418	1	974	9,292	124	535	87
4																	
5	Operating Expenses	166,290	108,837	8,785	935	23,269	2,239	19,773	2,389	4,122	228	1	152	2,410	35	111	19
6	Depreciation	66,400	35,405	3,320	295	11,715	1,263	8,503	1,627	2,751	34	1	89	1,320	20	48	6
7	General Taxes	7,997	4,639	390	37	1,337	136	847	161	274	9	-	9	149	2	6	1
8	Gross Receipts Tax	25,237	12,267	824	83	5,288	423	3,934	525	1,244	24	0	55	528	7	30	5
9	Total Expenses	265,924	161,148	13,319	1,350	41,600	4,055	28,057	4,702	8,391	295	2	305	4,407	64	195	33
10																	
11	Return before Income Taxes	171,983	51,632	953	82	50,136	3,276	42,183	4,404	13,187	123	(1)	669	4,885	60	340	54
12	Income Tax	60,089	18,040	333	29	17,517	1,145	14,738	1,539	4,607	43	(0)	234	1,707	21	119	19
13	After-Tax Return	111,894	33,592	620	54	32,619	2,131	27,445	2,866	8,579	80	(1)	435	3,178	39	221	35
14																	
15	Distribution Rate Base	1,232,857	630,118	62,030	5,369	222,791	24,641	170,729	33,138	55,307	321	16	1,740	25,244	398	885	140
16																	
17	After-Tax ROR	9.08%	5.33%	1.00%	1.00%	14.64%	8.65%	16.08%	8.65%	15.51%	24.99%	-4.29%	25.00%	12.59%	10.09%	25.00%	25.00%
18																	
19	Relative Rate of Return	100.0%	58.7%	11.0%	11.0%	161.3%	95.3%	177.1%	95.3%	170.9%	275.4%	-47.3%	275.4%	138.7%	111.1%	275.4%	275.4%

EXHIBIT 3 (PHR-3)

ORIGINAL

Distribution Rate of Return at Proposed Rates
Classes Limited to 200% of System Average ROR

Line No.	(A)	System (B)	Residential (C)	Residential Heating (D)	Residential Add-On Heat Pump (E)	General Small / General Medium (F)	General Medium Heating (G)	General Large (H)	General Large Heating (I)	Large (J)	High Voltage Power Service (K)	Architectural Lighting (L)	Street Lighting Energy (M)	Street Lighting Municipal (N)	Street Lighting Highway (O)	Municipal Traffic Signals (P)	Private Area Lighting (Q)
1	Tariff Revenue at Proposed Rates	423,625	204,692	13,602	1,367	89,496	7,121	66,589	8,833	21,042	358	1	745	9,167	123	422	68
2	Wholesale, Other	14,282	8,259	670	68	2,315	216	1,707	281	553	25	-	35	133	1	15	3
3	Total Distribution Revenue	437,907	212,951	14,272	1,435	91,811	7,337	68,296	9,114	21,595	383	1	780	9,300	124	437	71
4																	
5	Operating Expenses	166,290	108,837	8,785	935	29,259	2,283	12,773	2,389	4,122	228	1	152	2,410	35	111	19
6	Depreciation	66,400	35,405	3,320	295	11,715	1,263	6,903	1,627	2,751	34	1	89	1,320	20	48	8
7	General Taxes	7,997	4,639	390	37	1,337	136	847	161	974	9	-	9	149	2	6	1
8	Gross Receipts Tax	25,237	12,276	825	83	5,293	429	3,937	525	1,245	22	0	44	528	7	25	4
9	Total Expenses	265,924	161,157	13,320	1,350	41,604	4,056	25,061	4,702	8,392	293	2	294	4,407	64	190	32
10																	
11	Return before Income Taxes	171,983	51,794	952	86	50,207	3,282	42,236	4,411	13,203	90	(1)	485	4,892	60	247	39
12	Income Tax	60,089	18,096	333	30	17,542	1,147	14,757	1,541	4,613	31	(0)	170	1,709	21	86	14
13	After-Tax Return	111,894	33,697	619	56	32,665	2,135	27,479	2,870	8,590	58	(1)	316	3,183	39	161	25
14																	
15	Distribution Rate Base	1,232,857	630,118	62,030	5,369	222,791	24,641	170,729	33,138	55,307	321	16	1,740	25,244	388	885	140
16																	
17	After-Tax ROR	9.08%	5.35%	1.00%	1.04%	14.66%	8.66%	16.10%	8.66%	15.53%	18.14%	-4.29%	18.15%	12.61%	10.10%	18.15%	18.15%
18																	
19	Relative Rate of Return	100.0%	58.9%	11.0%	11.4%	161.5%	95.5%	177.3%	95.4%	171.1%	199.9%	-47.3%	200.0%	138.9%	111.3%	200.0%	200.0%

CERTIFICATE OF SERVICE

I, Geoffrey A. Sawyer III, Esquire, hereby certify that I have this day served a true copy of the foregoing **DIRECT TESTIMONY OF PAUL H. RAAB** on July 7, 2006 upon the following by electronic mail and by First-Class Mail, in accordance with the requirements of § 1.54 (relating to service by a participant):

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The Honorable Michael A. Nemec
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Formerly Burke & Burke
Thomas F. Burke, Sr. (1932-1972)

JOSEPH L. VULLO
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July 11, 2006

ORIGINAL

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

RE: In Re: Application of National Fuel Gas Distribution Corporation for a Rate Increase
Docket No: R-00061346

DOCUMENT FOLDER

Dear Secretary McNulty:

Enclosed for filing please find an original and four (4) copies of Petition to Intervene on behalf of the Community Action Association of Pennsylvania in the above-referenced proceeding. I would ask that you provide me with a time-stamped copy of the Petition in the self-addressed, stamped envelope enclosed.

By copy of this correspondence, I am serving all parties of record.

If you need anything further from me, please do not hesitate to contact me.

Respectfully submitted,

Joseph L. Vullo

JLV/jar

cc: All Parties of Record
ALJ John H. Corbett, Jr.
ALJ Mark A. Hoyer

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21

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN RE: Application of National Fuel Gas Distribution Corporation for a Rate Increase	:	Docket No. R-00061493

COMMUNITY ACTION ASSOCIATION OF PENNSYLVANIA'S PETITION TO INTERVENE

NOW COMES, the Community Action Association of Pennsylvania (CAAP), by and through counsel, Joseph L. Vullo, Esquire, and petitions to intervene in the above-captioned matter, averring as follows:

1. The Petitioner, Community Action Association of Pennsylvania, is a statewide association representing Pennsylvania's community action agencies that provide anti-poverty planning and community development activities for low income communities and services to individuals and families.

2. For more than 25 years, one of CAAP's primary missions has been to represent the energy interests of low income citizens in proceedings before the Pennsylvania Public Utility Commission and as such, CAAP has a direct and substantial interest in this proceeding that cannot be adequately represented by any other party.

3. CAAP is comprised of 43 member agencies including agencies in the Company's service areas.

4. CAAP seeks permission to intervene in the Company's request for a rate increase filed with the Commission pursuant to the above-captioned docket number.

5. CAAP seeks permission to intervene in National Fuel Gas Distribution Corporation's request for a rate increase to examine the effect of the proposed rate increase on their customers, particularly low income customers.

6. CAAP is also intervening to investigate whether the Company's universal service programs are appropriately funded and available and if those programs will be appropriately funded and available if the proposed rate increase is granted.

7. CAAP additionally will address the "conservation rider" submitted with the current request.

8. CAAP's participation as an active party in this proceeding is required to protect its substantial interests and the substantial interests of the low income citizens it represents in ensuring that utility rates remain affordable to its clients. Accordingly, CAAP's participation in this proceeding will serve the public interest.

9. Because CAAP represents low income citizens in the Company's service areas, the interests of its clients are not protected by any other party to this action.

POSITIONS

10. CAAP takes no position at this time regarding the Company's requests for rate increases but CAAP's participation in this proceeding is, in part, to study the effect of the proposed rate increase on the Company's low income customers, whether the Company's universal service programs will be appropriately funded and available and the appropriateness of the Company's "conservation rider".

11. The Pennsylvania Gas Restructuring Act requires that universal service programs be appropriately funded and available. There is a substantial public interest in ensuring that the

Companies' universal service programs are appropriately funded and available and the effect, if any, on those programs if the rate increase is granted.

REQUEST FOR RELIEF

WHEREFORE, CAAP respectfully requests that the Commission:

1. Receive for filing and docket this Petition to Intervene and order that CAAP be an active party to such proceedings and be placed on all services lists.

2. Order that the following individuals be designated as CAAP's recipients for service:

A. Eugene M. Brady
Community Action Association of Pennsylvania
165 Amber Lane
P.O. Box 1127
Wilkes-Barre, PA 18703-1127
Phone: (570) 826-0510
Fax: (570) 829-1665
e-mail: hebegebe@sunlink.net

B. Joseph L. Vullo, Esquire
1460 Wyoming Avenue
Forty Fort, PA 18704
Phone: (570) 288-0700
Fax: (570) 288-4598
e-mail: jlvullo@aol.com

3. Order that each party to the proceedings provide CAAP's designated recipient with copies of all papers filed.

4. Order that public hearings be conducted in National Fuel Gas' service territories.

5. Order that the matter be referred to the Office of Administrative Law Judges for an investigation and hearing on the Company's proposed request.

6. Grant such other relief as the Commission may deem necessary and proper.

Respectfully submitted,

JOSEPH L. VULLO, ESQUIRE
I.D. No. 41279
1460 Wyoming Avenue
Forty Fort, PA 18704
(570) 288-0700
e-mail: jlvullo@aol.com
Attorney for Community Action Association of Pennsylvania

VERIFICATION

I, JOSEPH L. VULLO, ESQUIRE, hereby verify that as counsel for the Community Action Association of Pennsylvania, I reviewed the facts set forth in the foregoing Petition with CAAP Board Member, Eugene M. Brady, am authorized to execute this Verification and that the facts set forth in the foregoing are true and correct to the best of my knowledge, information and belief.

JOSEPH L. VULLO, ESQUIRE

Dated: 7/11/06

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN RE: Application of National Fuel Gas Distribution Corporation for a Rate Increase	:	Docket No. R-00061493

CERTIFICATE OF SERVICE

The undersigned certified that he served a copy of the Community Action Association of Pennsylvania's Petition to Intervene upon the following participants this 11th day of July, 2006, via first-class mail:

John H. Isom, Esquire
Michael W. Gang, Esquire
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Respectfully submitted,

JOSEPH L. VULLO, ESQUIRE
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e-mail: jlvullo@aol.com
Attorney for Community Action Association of Pennsylvania

OALJ Hearing Report

Docket No.:	R-00061346; R-00061346C0001, 2, 5 & 7
Case Name:	Pennsylvania Public Utility Commission
	v.
	Duquesne Light Company
Location:	Beaver Falls, PA
Date:	July 12, 2006; 7:00 p.m.
ALJ:	Michael A. Nemec
Reporting Firm:	Commonwealth Reporting

Please Check Those Blocks Which Apply

	YES	NO
Prehearing Held:	☐	☑
Hearing Held:	☑	☐
Testimony Taken:	☑	☐
Transcript Due:	☑	☐
Hearing Concluded:	☐	☑
Further Hearing Needed:	☑	☐
Estimated Add'l Days:	As scheduled	
RECORD CLOSED:	☐	☑
DATE:		
Briefs to be Filed:	☑	☐
DATE:	As scheduled	
Bench Decision:	☐	☑

REMARKS: Public Input; 7 persons Testified; Approximately 20 persons in attendance.

PLEASE PRINT CLEARLY - Incomplete Information may result in delay of processing.

Name and Telephone Number	Address			Who are you representing?
Gary Jack	411 Seventh Avenue, 16-2			Duquesne Light Company
	City: Pittsburgh	State: PA	Zip: 15219	
Telephone:	E-mail Address:			Fax Number:
David MacGregor	Post & Schell, P.C. Four Penn Centre 1600 John F. Kennedy Blvd.			Duquesne Light Company
	City: Philadelphia	State: PA	Zip: 19103-2808	
Telephone:	E-mail Address:			Fax Number:
Robert V. Eckenrod	P.O. Box 3265			Public Utility Commission Office of Trial Staff
	City: Harrisburg	State: PA	Zip: 17105-3265	
Telephone: 717-783-6155	E-mail Address: roeckenrod@state.pa.us			Fax Number: 717-783-3458

☒ Check this box if additional parties or attendees appear on back of form.

elp

Karen L. Cook
Reporter's Signature

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

Name and Telephone Number	Address			Who are you representing?
David T. Evrard	Forum Place, 5th Floor 555 Walnut Street			Office of Consumer Advocate
	City Harrisburg	State PA	Zip 17101-1923	
Telephone: 717-783-5048	E-mail Address: devrard@paoca.org			Fax Number: 717-783-7152
Sharon E. Webb	Suite 1102, Commerce Building 300 North Second Street			Office of Small Business Advocate
	City Harrisburg	State PA	Zip 17101	
Telephone: 717-783-2525	E-mail Address: swebb@state.pa.us			Fax Number: 717-783-2831
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.