

CAPTION SHEET

CASE MANAGEMENT SYSTEM

- 1. REPORT DATE: 00/00/00
- 2. BUREAU: AUD
- 3. SECTION(S):
- 5. APPROVED BY:
 - DIRECTOR:
 - SUPERVISOR:
- 6. PERSON IN CHARGE:
- 8. DOCKET NO: R-00072391
- 4. PUBLIC MEETING DATE: 00/00/00
- 7. DATE FILED: 05/15/07
- 9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT: PUC

RESPONDENT/APPLICANT: DUQUESNE LIGHT COMPANY

COMP/APP COUNTY:

UTILITY CODE: 110150

ALLEGATION OR SUBJECT

DUQUESNE LIGHT COMPANY FILED ITS ANNUAL TRANSMISSION SERVICE CHARGE UPDATE, SUPPLEMENT NUMBER 8 TO TARIFF ELECTRIC PA PUC NUMBER 24.....

DOCUMENT
FOLDER

DOCKETED

MAY 18 2007

** Corrected*

CAPTION SHEET

MANAGEMENT SYSTEM

- 1. REPORT DATE: 00/00/00
- 2. BUREAU: FUS
- 3. SECTION(S):
- 5. APPROVED BY: DIRECTOR: SUPERVISOR:
- 6. PERSON IN CHARGE:
- 8. DOCKET NO: R-00072391
- 4. PUBLIC MEETING DATE: 00/00/00
- 7. DATE FILED: 05/15/07
- 9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT: PUC

RESPONDENT/APPLICANT: DUQUESNE LIGHT COMPANY

COMP/APP COUNTY: UTILITY CODE: 110150

ALLEGATION OR SUBJECT

DUQUESNE LIGHT COMPANY FILED ITS ANNUAL TRANSMISSION SERVICE CHARGE UPDATE, SUPPLEMENT NUMBER 8 TO TARIFF ELECTRIC PA PUC NUMBER 24.....

DOCUMENT FOLDER

BTL



Duquesne Light

Our Energy...Your Power

Gary A. Jack

Assistant General Counsel

411 Seventh Avenue
8th Floor
Pittsburgh, PA 15219

ORIGINAL
TEL 412-393-1541
Fax 412-393-1418
gjack@duqlight.com

May 15, 2007

VIA OVERNIGHT DELIVERY

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

DOCUMENT
FOLDER

RECEIVED

MAY 15 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

RE: Duquesne Light Company - Annual Transmission Service Charge Update
Docket No. - R-00072391

Dear Secretary McNulty:

Enclosed for filing on behalf of Duquesne Light Company ("Duquesne Light" or "Company") are eight (8) copies of Supplement No. 8 to Tariff Electric - Pa. P.U.C. No. 24 ("Supplement No. 8"). Supplement No. 8 is being filed to update the Transmission Service Charge ("TSC") in Duquesne Light's tariff. Under the terms and conditions of Duquesne Light's tariff, Supplement No. 8 will become effective on June 1, 2007. Duquesne Light is filing the TSC update contemporaneously with its Federal Energy Regulatory Commission ("FERC") Annual Update, which is due on or before May 15, 2007, because the data contained in the FERC Annual Update also is necessary for calculating the updated TSC rates. A copy of the FERC Annual Update is available on Duquesne Light's website at www.duquesnelight.com and on PJM's website at www.pjm.com.

The Pennsylvania Public Utility Commission ("Commission") approved the TSC in Duquesne Light's most recent base rate proceeding at Docket No. R-00061346. The TSC is a reconcilable charge that is designed to recover the Company's cost for providing transmission service as reflected under the PJM Interconnection, LLC ("PJM") Open Access Transmission Tariff ("OATT").

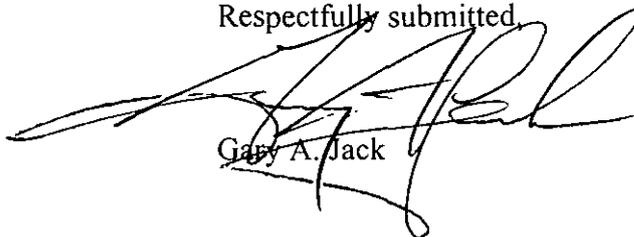
60

Under the terms and conditions of Duquesne Light's tariff, the rates contained in Supplement No. 8 reflect the Company's projected transmission revenue requirement for June 1, 2007, through May 31, 2008, as well as the under collection for the initial stub period ending February 28, 2007. In subsequent annual TSC filings effective June 1 of each year, the over/under collection will be determined for the period March 1 through February 28 preceding the filing date. A summary of the calculations for the updated TSC rates is attached hereto as Appendix A.

Duquesne Light notes that ancillary service and PJM administrative costs are not currently recovered through the TSC. However, the settlement of Duquesne Light's default service proceeding at Docket No. P-00072247 provides that these costs will be recovered through the TSC when the new default service rates become effective on January 1, 2008. In the event that the Commission approves the settlement of Duquesne Light's default service proceeding, Duquesne Light intends to update the TSC to reflect ancillary service and PJM administrative costs in November or December 2007, with an effective date of January 1, 2008.

Duquesne Light has served a copy of this filing on all Parties in its most recent base rate proceeding at Docket No. R-00061346. Additionally, notice of this TSC charge will be provided to Duquesne's customers in their bills beginning on or about July 1, 2007.

Respectfully submitted,



Gary A. Jack

Enclosures

c: Certificate of Service
Paul T. Diskin
Robert A. Rosenthal
Robert F. Wilson

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this tariff filing 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):

R-00072391

VIA FIRST-CLASS MAIL AND/OR E-MAIL

Charles Daniel Shields, Esquire
Robert V. Eckenrod, Esquire
Office of Trial Staff
P. O. Box 3265
Harrisburg, PA 17105-3265

Steven C. Gray, Esquire
Office of Small Business Advocate
1102 Commerce Building
300 North Second Street
Harrisburg, PA 17101

Tanya J. McCloskey
David T. Evrard
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Pamela C. Polacek, Esquire
Adam Benshoff, Esquire
McNees, Wallace & Nurick
P. O. Box 1166
100 Pine Street
Harrisburg, PA 17101-1166

Kevin J. Moody, Esquire
Daniel Clearfield, Esquire
Wolf Block Schorr & Solis-Cohen LLP
213 Market Street, 9th Floor
Harrisburg, PA 17108-0865

Thomas Brogan, Esquire
Brian J. Knipe, Esquire
Klett Rooney Lieber & Schorling
17 North Second Street, 15th Floor
Harrisburg, PA 17101-1503

Timothy W. Merrill
NRG Energy, Inc.
111 S. Commons
Pittsburgh, PA 15212

Scott J. Rubin
Public Utility Consulting
3 Lost Creek Drive
Selinsgrove, PA 17870-9357

Gregory Rhodes
One Oxford Centre, 40th Floor
Pittsburgh, PA 15219

George Jugovic, Jr., Senior Attorney
PennFuture
425 Sixth Avenue, Suite 2770
Pittsburgh, PA 15219

David I. Fein, Sr.
Martha A. Duggan
Gregory Urbin
Constellation NewEnergy, Inc.
111 Market Place, Suite 700
Baltimore, MD 21202

Geoffrey A. Sawyer III
Morris Nichols Arsht & Tunnell LLP
1201 North Market Street
P. O. Box 1347
Wilmington, DE 19899-1347

Joseph L. Vullo
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704

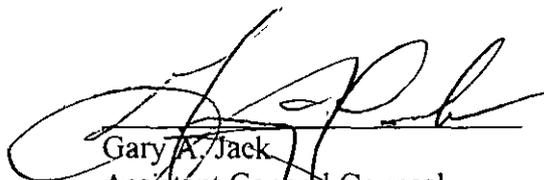
John E. McCaffrey
Harvey L. Reiter
Jaime S. Dibble
Stinson Morrison Hecker LLP
1150 18th Street NW
Suite 800
Washington, DC 20036-3816

PA PUBLIC UTILITY COMMISSION
RECEIVED
MAY 15 2007

Scott H. DeBroff, Esq.
Stuart S. Sacks, Esq.
Smigel, Anderson & Sacks
River Chase Office Center
4431 North Front Street
Harrisburg, PA 17110

Theodore H. Jobes
Fox Rothschild LLP
2000 Market Street
Tenth Floor
Philadelphia, PA 19103-3291

Paul F. Forshay
Sutherland, Asbill & Brennan, LLP
1275 Pennsylvania Avenue, NW
Washington, DC 20004



Gary A. Jack
Assistant General Counsel
Duquesne Light Company
411 Seventh Avenue, 8th Floor
Pittsburgh, PA 15219
412-393-1541 (phone)/412-393-1418 (fax)
gjack@duqlight.com

Dated: May 15, 2007

ORIGINAL

SUPPLEMENT NO. 8
TO ELECTRIC - PA. P.U.C. NO. 24

R-00022391



DOCUMENT
FOLDER

SCHEDULE OF RATES

For Electric Service in Allegheny and Beaver Counties

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

Issued By

DUQUESNE LIGHT COMPANY

411 Seventh Avenue
Pittsburgh, PA 15219

Morgan K. O'Brien
President and Chief Executive Officer

RECEIVED

MAY 15 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ISSUED: May 15, 2007

EFFECTIVE: June 1, 2007

DOCKETED

MAY 18 2007

NOTICE

THIS TARIFF SUPPLEMENT INCREASES AN EXISTING APPENDIX

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

INCREASE

Appendix A – Transmission Service Charges

Third Revised Page No. 113
Cancelling Second Revised Page No. 113

This supplement is filed to revise the transmission rates stated in Appendix A. The modified rates contained in this supplement reflect Duquesne's revised Open Access Transmission Tariff (OATT) rate filing with the Federal Energy Regulatory Commission dated May 15, 2007.

APPENDIX A

TRANSMISSION SERVICE CHARGES

(Applicable to All Rates)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission (FERC) for customers who receive Provider of Last Resort (POLR) Service from the Company. Customers taking POLR service from the Company shall be charged in accordance with the charges of the applicable rate schedules stated below. These charges shall also apply to riders applicable to each rate schedule.

MONTHLY RATES

Rate Schedule	Transmission Service Charge	
RS	\$0.008700 per kWh	(I)
RH	\$0.003624 per kWh	(I)
RA	\$0.008261 per kWh	(I)
GS/GM Non-Demand Metered	\$0.006154 per kWh	(I)
<u>GS/GM Demand Metered</u>		
Demand	\$1.05 per kW	(I)
Energy	\$0.003463 per kWh	(I)
<u>GMH</u>		
Demand (June through September)	\$2.59 per kW	(I)
Energy	\$0.002507 per kWh	(I)
GL	\$2.31 per kW	(I)
GLH	\$2.34 per kW	(I)
L	\$1.93 per kW	(I)
HVPS	\$1.93 per kW	(I)
UMS	\$2.46 per kW	(I)

BILLING DEMAND

Billing Demand subject to Transmission Service Charges for customers taking service under Rate Schedules GS/GM and GMH shall be the same as that determined for distribution and generation charges under the applicable rate schedules.

(I) Indicates Increase

APPENDIX A

Duquesne Light Company
Transmission Service Charges (TSC) - Retail Tariff Appendix A
Proposed Rates - Effective June 1, 2007

A	B	C	D	E	F	G
Rate Class	Rate Component to Recover Projected PJM Charges (Page 2)		Rate Component to Recover Undercollection of Charges (Page 8)		Proposed Rates Effective June 1, 2007 B+D C+E	
Rate Class	Energy Rate \$/kWh	Demand Rate \$/kW/mo.	Energy Rate \$/kWh	Demand Rate \$/kW/mo.	Energy Rate \$/kWh	Demand Rate \$/kW/mo.
RS	\$0.007126	n/a	\$0.001574	n/a	\$0.008700	n/a
RH	\$0.003187	n/a	\$0.000437	n/a	\$0.003624	n/a
RA	\$0.006817	n/a	\$0.001444	n/a	\$0.008261	n/a
GS	\$0.004749	n/a	\$0.001405	n/a	\$0.006154	n/a
GM	\$0.002795	\$0.84	\$0.000668	\$0.21	\$0.003463	\$1.05
GMH	\$0.002012	\$2.07	\$0.000495	\$0.52	\$0.002507	\$2.59
GL	n/a	\$1.93	n/a	\$0.38	n/a	\$2.31
GLH	n/a	\$1.93	n/a	\$0.42	n/a	\$2.34
L	n/a	\$1.93	n/a	n/a	n/a	\$1.93
HVPS	n/a	\$1.93	n/a	n/a	n/a	\$1.93
AL	n/a	n/a	n/a	n/a	n/a	n/a
SE	n/a	n/a	n/a	n/a	n/a	n/a
SM	n/a	n/a	n/a	n/a	n/a	n/a
SH	n/a	n/a	n/a	n/a	n/a	n/a
UMS	n/a	\$1.93	n/a	\$0.53	n/a	\$2.46
PAL	n/a	n/a	n/a	n/a	n/a	n/a

RECEIVED

MAY 15 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

APPENDIX A

Duquesne Light Company
Transmission Service Charges (TSC) - Tariff Appendix A
Calculation of Rates to Recover Projected PJM Charges

A	B	C	D	E	G	H	I	J
Projected Charges (1)		\$66,360,485						
Rate Class	Class 1CP kW (2)	Allocated Charges (3)	PA GRT at 5.90%	Adjusted Revenue Requirement	Sales kWh (4)	Demand kW (4)	Energy Rate \$/kWh	Demand Rate \$/kW/mo.
RS	1,158,666	\$25,188,214	\$1,579,282	\$26,767,497	3,756,475,506	0	\$0.007126	n/a
RH	46,861	\$1,018,707	\$63,872	\$1,082,579	339,667,344	0	\$0.003187	n/a
RA	13,192	\$286,785	\$17,981	\$304,766	44,708,128	0	\$0.006817	n/a
GS	20,814	\$452,483	\$28,370	\$480,853	101,261,423	0	\$0.004749	n/a
GM	737,977	\$16,042,881	\$1,005,877	\$17,048,757	3,050,333,560	10,133,999	\$0.002795	\$0.84
GMH	53,312	\$1,158,949	\$72,665	\$1,231,615	306,001,248	297,980	\$0.002012	\$2.07
GL	549,673	\$11,949,344	\$749,215	\$12,698,558	3,303,873,906	0	n/a	\$1.93
GLH	93,752	\$2,038,074	\$127,786	\$2,165,860	550,966,795	0	n/a	\$1.93
L	203,090	\$4,414,971	\$276,815	\$4,691,787	1,339,868,458	0	n/a	\$1.93
HVPS	172,102	\$3,741,333	\$234,579	\$3,975,912	1,386,312,000	0	n/a	\$1.93
AL	0	\$0	\$0	\$0	102,260	0	n/a	n/a
SE	0	\$0	\$0	\$0	27,255,732	0	n/a	n/a
SM	0	\$0	\$0	\$0	30,219,228	0	n/a	n/a
SH	0	\$0	\$0	\$0	967,032	0	n/a	n/a
UMS	3,162	\$68,743	\$4,310	\$73,053	25,490,182	0	n/a	\$1.93
PAL	0	\$0	\$0	\$0	1,067,112	0	n/a	n/a
TOTAL	3,052,602	\$66,360,485	\$4,160,753	\$70,521,238	14,264,569,915	10,431,979		

1/ Total projected charges per the Company's FERC Formula Filing submitted May 15, 2007.

Includes Reliability Must Run ("RMR") Charges assuming 100% POLR load. See Page 9.

2/ Rate class 2007 1CP at 100% POLR load.

3/ Revenue requirement allocated to each rate class based on class share of total 1CP.

4/ Forecast 2007 sales and billing demand assuming 100% POLR load.

Rates are calculated at 100% POLR load. Any over/(under) collection will be reconciled in the subsequent year transmission service charge ("TSC") filing through the e-factor charge.

APPENDIX A

**Duquesne Light Company
Transmission Service Charges (TSC) - Retail Tariff Appendix A
PJM Charges for Reconciliation Period**

	<u>Jan. 2007</u>	<u>Feb. 2007</u>	<u>Total</u>
A. Network Integration Transmission Service (NITS) Charges (1)			
Total Small Customers	\$1,445,606	\$2,802,903	\$4,248,510
Total Large Customers	\$19,652	\$42,705	\$62,357
Total NITS	\$1,465,258	\$2,845,609	\$4,310,867
B. Reliability Must Run Charges (RMR) (1)			
Total Small Customers	\$2,978,154	\$3,876,573	\$6,854,727
Total Large Customers	\$74,296	\$49,767	\$124,063
Total RMR	\$3,052,450	\$3,926,341	\$6,978,790
C. Total Charges			
Total Small Customers	\$4,423,760	\$6,679,477	\$11,103,237
Total Large Customers	\$93,948	\$92,473	\$186,420
Total PJM Charges	\$4,517,708	\$6,771,949	\$11,289,657

1/ Summarized by PJM sub-account.

Small customer classes include RS,RH,RA,GS,GM,GMH,AL,SE,SM,SH,UMS and PAL.

Large customer classes include GL, GLH, L and HVPS.

APPENDIX A

Duquesne Light Company
Transmission Service Charges (TSC) - Retail Tariff Appendix A
Calculation of Allocation Factors for Reconciliation Period

A. Actual POLR Single Coincident Peak (1CP) by Rate Class - kW

	<u>Jan. 2007</u>	<u>Feb. 2007</u>
<u>Small Customer Rate Classes</u>		
RS	910,354	912,420
RH	47,173	47,305
RA	11,119	11,121
GS	20,298	20,273
GM	596,639	598,554
GMH	50,299	50,423
AL	0	0
SE	0	0
SM	0	0
SH	0	0
UMS	2,829	2,829
PAL	0	0
Total Small Customers	1,638,710	1,642,924
<u>Large Customer Rate Classes</u>		
GL	24,149	23,860
GLH	5,848	5,848
L	0	0
HVPS	0	0
Total Large Customers	29,996	29,708
<u>Total POLR 1CP (kW)</u>	<u>1,668,706</u>	<u>1,672,632</u>

B. Allocation Factor for 1CP (rate class share of 1CP for each segment)

	<u>Jan. 2007</u>	<u>Feb. 2007</u>
<u>Small Customer Rate Classes</u>		
RS	0.56	0.56
RH	0.03	0.03
RA	0.01	0.01
GS	0.01	0.01
GM	0.36	0.36
GMH	0.03	0.03
AL	0.00	0.00
SE	0.00	0.00
SM	0.00	0.00
SH	0.00	0.00
UMS	0.00	0.00
PAL	0.00	0.00
Total Small Customers	1.00	1.00
<u>Large Customer Rate Classes</u>		
GL	0.81	0.80
GLH	0.19	0.20
L	0.00	0.00
HVPS	0.00	0.00
Total Large Customers	1.00	1.00

APPENDIX A

Duquesne Light Company
Transmission Service Charges (TSC) - Retail Tariff Appendix A
Allocated PJM Charges for Reconciliation Period

A. Allocation Factor for 1CP (from page 4)

	<u>Jan. 2007</u>	<u>Feb. 2007</u>
A1. Small Customer Rate Classes		
RS	0.56	0.56
RH	0.03	0.03
RA	0.01	0.01
GS	0.01	0.01
GM	0.36	0.36
GMH	0.03	0.03
AL	0.00	0.00
SE	0.00	0.00
SM	0.00	0.00
SH	0.00	0.00
UMS	0.00	0.00
PAL	0.00	0.00
Total Small Customers	1.00	1.00
A2. Large Customer Rate Classes		
GL	0.81	0.80
GLH	0.19	0.20
L	0.00	0.00
HVPS	0.00	0.00
Total Large Customers	1.00	1.00

B. Allocated PJM Charges

	<u>Jan. 2007</u>	<u>Feb. 2007</u>	<u>Total</u>
B1. Small Customer Charges (page 3)			
	\$4,423,760	\$6,679,477	\$11,103,237
RS	\$2,457,535	\$3,709,537	\$6,167,072
RH	\$127,344	\$192,323	\$319,668
RA	\$30,017	\$45,214	\$75,231
GS	\$54,794	\$82,420	\$137,214
GM	\$1,610,651	\$2,433,481	\$4,044,132
GMH	\$135,783	\$205,000	\$340,783
AL	\$0	\$0	\$0
SE	\$0	\$0	\$0
SM	\$0	\$0	\$0
SH	\$0	\$0	\$0
UMS	\$7,637	\$11,501	\$19,138
PAL	\$0	\$0	\$0
Total Small	\$4,423,760	\$6,679,477	\$11,103,237
B2. Large Customer Charges (page 3)			
	\$93,948	\$92,473	\$186,420
GL	\$75,633	\$74,270	\$149,903
GLH	\$18,315	\$18,203	\$36,518
L	\$0	\$0	\$0
HVPS	\$0	\$0	\$0
Total Large	\$93,948	\$92,473	\$186,420
C. Total Allocated Charges	\$4,517,708	\$6,771,949	\$11,289,657

APPENDIX A

Duquesne Light Company
Transmission Service Charges (TSC) - Retail Tariff Appendix A
Retail Tariff Revenue for the Reconciliation Period

A. POLR Transmission Revenue (per retail tariff Appendix A rates)

	<u>Jan. 2007</u>	<u>Feb. 2007</u>	<u>Total</u>
<u>Small Customer Rate Classes</u>			
RS	\$774,253	\$1,051,964	\$1,826,217
RH	\$81,876	\$108,717	\$190,593
RA	\$10,892	\$14,642	\$25,534
GS	\$8,652	\$9,306	\$17,958
GM	\$518,848	\$598,007	\$1,116,856
GMH	\$48,258	\$46,755	\$95,013
AL	\$0	\$0	\$0
SE	\$0	\$0	\$0
SM	\$0	\$0	\$0
SH	\$0	\$0	\$0
UMS	\$1,899	\$1,245	\$3,144
PAL	\$0	\$0	\$0
Total Small Customers	\$1,444,679	\$1,830,636	\$3,275,315
<u>Large Customer Rate Classes</u>			
GL	\$20,305	\$31,615	\$51,920
GLH	\$4,277	\$6,692	\$10,969
L	\$0	\$0	\$0
HVPS	\$0	\$0	\$0
Total Large Customers	\$24,582	\$38,307	\$62,889
Total Revenue	\$1,469,261	\$1,868,944	\$3,338,205

B. Net Tariff POLR Transmission Revenue less PA gross receipts tax (GRT)

	<u>Jan. 2007</u>	<u>Feb. 2007</u>	<u>Total</u>
<u>Small Customer Rate Classes</u>			
RS	\$728,572	\$989,898	\$1,718,470
RH	\$77,045	\$102,302	\$179,348
RA	\$10,249	\$13,778	\$24,028
GS	\$8,142	\$8,757	\$16,899
GM	\$488,236	\$562,725	\$1,050,961
GMH	\$45,411	\$43,996	\$89,407
AL	\$0	\$0	\$0
SE	\$0	\$0	\$0
SM	\$0	\$0	\$0
SH	\$0	\$0	\$0
UMS	\$1,787	\$1,172	\$2,959
PAL	\$0	\$0	\$0
Total Small Customers	\$1,359,443	\$1,722,629	\$3,082,072
<u>Large Customer Rate Classes</u>			
GL	\$19,107	\$29,750	\$48,857
GLH	\$4,025	\$6,297	\$10,322
L	\$0	\$0	\$0
HVPS	\$0	\$0	\$0
Total Large Customers	\$23,132	\$36,047	\$59,179
C. Total Revenue Less GRT	\$1,382,575	\$1,758,676	\$3,141,251

APPENDIX A

Duquesne Light Company
Transmission Service Charges (TSC) - Retail Tariff Appendix A
Calculated "e" Factor for Reconciliation Period

	Expenses (page 5)	Revenue (page 6)	Over/(Under) Collection (Rev-Exp)	Interest Rate	Interest Weight	Interest (1)	Total Over/(Under) Collection
A. January 2007							
<u>Small Customer Rate Classes</u>							
RS	\$2,457,535	\$728,572	(\$1,728,963)	6.0%	11/12	(\$95,093)	(\$1,824,056)
RH	\$127,344	\$77,045	(\$50,299)	6.0%	11/12	(\$2,766)	(\$53,065)
RA	\$30,017	\$10,249	(\$19,767)	6.0%	11/12	(\$1,087)	(\$20,854)
GS	\$54,794	\$8,142	(\$46,652)	6.0%	11/12	(\$2,566)	(\$49,218)
GM	\$1,610,651	\$488,236	(\$1,122,415)	6.0%	11/12	(\$61,733)	(\$1,184,148)
GMH	\$135,783	\$45,411	(\$90,372)	6.0%	11/12	(\$4,970)	(\$95,342)
AL	\$0	\$0	\$0	6.0%	11/12	\$0	\$0
SE	\$0	\$0	\$0	6.0%	11/12	\$0	\$0
SM	\$0	\$0	\$0	6.0%	11/12	\$0	\$0
SH	\$0	\$0	\$0	6.0%	11/12	\$0	\$0
UMS	\$7,637	\$1,787	(\$5,850)	6.0%	11/12	(\$322)	(\$6,172)
PAL	\$0	\$0	\$0	6.0%	11/12	\$0	\$0
Total Small Customers	\$4,423,760	\$1,359,443	(\$3,064,317)			(\$168,537)	(\$3,232,855)
<u>Large Customer Rate Classes</u>							
GL	\$75,633	\$19,107	(\$56,526)	6.0%	11/12	(\$3,109)	(\$59,635)
GLH	\$18,315	\$4,025	(\$14,290)	6.0%	11/12	(\$786)	(\$15,076)
L	\$0	\$0	\$0	6.0%	11/12	\$0	\$0
HVPS	\$0	\$0	\$0	6.0%	11/12	\$0	\$0
Total Large Customers	\$93,948	\$23,132	(\$70,816)			(\$3,895)	(\$74,711)
Total - January	\$4,517,708	\$1,382,575	(\$3,135,134)			(\$172,432)	(\$3,307,566)
B. February 2007							
<u>Small Customer Rate Classes</u>							
RS	\$3,709,537	\$989,898	(\$2,719,639)	6.0%	10/12	(\$135,982)	(\$2,855,621)
RH	\$192,323	\$102,302	(\$90,021)	6.0%	10/12	(\$4,501)	(\$94,522)
RA	\$45,214	\$13,778	(\$31,436)	6.0%	10/12	(\$1,572)	(\$33,008)
GS	\$82,420	\$8,757	(\$73,663)	6.0%	10/12	(\$3,683)	(\$77,346)
GM	\$2,433,481	\$562,725	(\$1,870,756)	6.0%	10/12	(\$93,538)	(\$1,964,294)
GMH	\$205,000	\$43,996	(\$161,004)	6.0%	10/12	(\$8,050)	(\$169,054)
AL	\$0	\$0	\$0	6.0%	10/12	\$0	\$0
SE	\$0	\$0	\$0	6.0%	10/12	\$0	\$0
SM	\$0	\$0	\$0	6.0%	10/12	\$0	\$0
SH	\$0	\$0	\$0	6.0%	10/12	\$0	\$0
UMS	\$11,501	\$1,172	(\$10,329)	6.0%	10/12	(\$516)	(\$10,846)
PAL	\$0	\$0	\$0	6.0%	10/12	\$0	\$0
Total Small Customers	\$6,679,477	\$1,722,629	(\$4,956,848)			(\$247,842)	(\$5,204,690)
<u>Large Customer Rate Classes</u>							
GL	\$74,270	\$29,750	(\$44,520)	6.0%	10/12	(\$2,226)	(\$46,746)
GLH	\$18,203	\$6,297	(\$11,905)	6.0%	10/12	(\$595)	(\$12,501)
L	\$0	\$0	\$0	6.0%	10/12	\$0	\$0
HVPS	\$0	\$0	\$0	6.0%	10/12	\$0	\$0
Total Large Customers	\$92,473	\$36,047	(\$56,425)			(\$2,821)	(\$59,247)
Total - February	\$6,771,949	\$1,758,676	(\$5,013,273)			(\$250,664)	(\$5,263,937)

1/ Interest calculated at statutory rate of 6% for the period beginning January 1, 2007 to November 30, 2007. November 30, 2007 is the mid point of the reconciliation period June 1, 2007 to May 31, 2008. For calculation purposes, the effective rate for January 2007 is 5.50% (11/12 of 6.0% for 11 months from January through November) and the effective rate for February 2007 is 5.00% (10/12 of 6.0% for 10 months from February through November).

APPENDIX A

Duquesne Light Company
Transmission Service Charges (TSC) - Retail Tariff Appendix A
Calculated "e" Factor Rate to Recover Undercollection of Charges for Reconciliation Period

A	B	C	D	E	G	H	I
<u>Rate Class</u>	<u>Revenue Increase/ (Decrease)</u>	<u>PA GRT at 5.90%</u>	<u>Adjusted Revenue Requirement</u>	<u>POLR Sales kWh (1)</u>	<u>POLR Demand kW (1)</u>	<u>Energy Rate \$/kWh</u>	<u>Demand Rate \$/kW/mo.</u>
RS	\$4,679,677	\$293,412	\$4,973,089	2,973,008,511	0	\$0.001574	n/a
RH	\$147,587	\$9,254	\$156,841	338,064,035	0	\$0.000437	n/a
RA	\$53,862	\$3,377	\$57,239	37,304,568	0	\$0.001444	n/a
GS	\$126,564	\$7,935	\$134,500	90,070,795	0	\$0.001405	n/a
GM	\$3,148,442	\$197,405	\$3,345,847	2,503,878,139	7,825,078	\$0.000668	\$0.21
GMH	\$264,397	\$16,577	\$280,974	283,940,451	267,967	\$0.000495	\$0.52
GL (2)	\$106,381	\$6,670	\$113,051	136,452,571	295,773	n/a	\$0.38
GLH (2)	\$27,577	\$1,729	\$29,306	31,192,270	70,173	n/a	\$0.42
L	\$0	\$0	\$0	0	0	n/a	n/a
HVPS	\$0	\$0	\$0	0	0	n/a	n/a
AL	(\$0)	(\$0)	(\$0)	14,930	0	n/a	n/a
SE	\$0	\$0	\$0	27,255,732	0	n/a	n/a
SM	\$0	\$0	\$0	29,404,536	0	n/a	n/a
SH	(\$0)	(\$0)	(\$0)	967,032	0	n/a	n/a
UMS	\$17,017	\$1,067	\$18,084	21,137,481	34,063	n/a	\$0.53
PAL	(\$0)	(\$0)	(\$0)	1,061,484	0	n/a	n/a
Total	\$8,571,503	\$537,427	\$9,108,930	6,473,752,535	8,493,054		

1/ Forecast 2007 POLR sales and billing demand.

2/ Estimated class POLR 1CP load based on March 2007 rate class POLR 1CP.

APPENDIX A

Duquesne Light Company
Transmission Service Charges (TSC) - Tariff Appendix A
Summary of Proposed Transmission Revenue

<u>Scope of Charges</u>	<u>Amount</u>	<u>Notes</u>
A. Projected Charges for Computation Year		
For the period June 1, 2007 to May 31, 2008		
		Projected charges assuming 100% POLR load for rate calculation purposes. Rates are calculated at 100% POLR load. Any over/(under) collection will be reconciled in the subsequent year transmission service charge ("TSC") filing through the e-factor charge.
1 Projected PJM Charges	\$62,433,732	Total DLC zone revenue requirement for June 1, 2007 to May 31, 2008. Per the Company's FERC Formula Filing submitted May 15, 2007. Assume 100% POLR load for rate calculation purposes.
2 Reliability Must Run ("RMR") Charges	\$3,926,753	Projected RMR charges for the period June 1, 2007 through August, 2008. Assume 100% POLR load for rate calculation purposes.
3 <u>Total Projected PJM Charges</u>	<u>\$66,360,485</u>	Projected charges for the period June 1, 2007 to May 31, 2008.
4 PA Gross Receipts Tax (5.90%)	\$4,160,753	PA GRT on projected charges. (Charges * 0.059/(1-.059))
5 <u>Subtotal-Projected Charges</u>	<u>\$70,521,238</u>	For the period from June 1, 2007 to May 31, 2008.
B. Projected Charges for Reconciliation Period		
For the period January 1, 2007 to February 28, 2007		
		Actual PJM charges and revenue for the reconciliation period.
6 Total Expenses	\$11,289,657	Per PJM monthly billing for NITS and RMR expenses.(Page 3,5)
7 POLR Revenue per Retail Tariff Appendix A	\$3,141,251	Retail tariff revenue per Appendix A rates. (Page 6) Based on retail tariff rates effective 1/1/07 to 1/5/07; 1/6/07 to 2/19/07 and 2/2/07 to 2/28/07
8 <u>Over/(Under) Collection</u>	<u>(\$8,148,407)</u>	Line 7 minus line 6.
9 Weighted Interest on Over/(Under) Collection	(\$423,096)	Interest at weighted statutory rate of 6.0%. (Page 7)
10 <u>Total Over/(Under) Collection</u>	<u>(\$8,571,503)</u>	Over/(under) collection including interest.
11 Projected Increase/(Decrease) in Revenue	\$8,571,503	Change in revenues to recover undercollection.
12 PA Gross Receipts Tax (5.90%)	\$537,427	PA GRT on projected revenue. (Revenue * 0.059/(1-.059))
13 <u>Subtotal-Revenue Increase to Recover Undercollection</u>	<u>\$9,108,930</u>	Change in revenues to recover undercollection of charges, including GRT.
C. Revenue Assuming 100% POLR Load and Sales		
14 Revenue to cover projected costs	\$70,521,238	Line 5
15 <u>Revenue to recover under-collection</u>	<u>\$9,108,930</u>	Line 13
16 <u>Total Projected Revenue</u>	<u>\$79,630,167</u>	
17 Projected Charges - Current Rates	\$61,892,299	Per Company's January 8, 2007 PA PUC filing, Appendix B. Includes PA gross receipts tax.
18 Increase	\$17,737,868	
D. Transmission Tracker Revenue at Forecast POLR Load and Sales		
19 Projected Tracker Revenue - Proposed Rates	\$47,213,921	Projected transmission tracker (TSC) revenue at proposed retail tariff Appendix A rates and forecast POLR load and sales. Includes revenue to recover under-collection of charges. (Line 15)
20 Projected Tracker Revenue - Current Rates	\$35,277,773	Revenue at current retail tariff Appendix A rates effective 2/20/07 and forecast POLR load and sales.
21 Increase in Transmission Tracker Revenue	\$11,936,148	Line 19 minus line 20.