

Tishekia E. Williams
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October 5, 2016

Via Overnight Delivery

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

**Re: Securities Certificate of Duquesne Light Company related to the Issuance of
Financial Instruments
Docket No. S-2016-_____**

Dear Secretary Chiavetta:

Enclosed please find Duquesne Light Company's request for approval and issuance of a Securities Certificate for the issuance of financial instruments in an amount not to exceed \$500 million through December 31, 2019. I have also enclosed a check in the amount of \$350 representing the filing fee for the certificate, and a CD with an electronic copy of the filing.

Please feel free to contact me with any questions, comments or concerns.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Tishekia Williams", with a long horizontal line extending to the right.

Tishekia E. Williams
Attorney ID#208997

Enclosures

RECEIVED
OCT - 5 2016
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Securities Certificate of :
DUQUESNE LIGHT COMPANY : Securities Certificate
in respect to the issuance of :
Financial Instruments in an : No. S-2016-_____
Aggregate Principal Amount Not to :
Exceed \$500 Million :

RECEIVED

OCT - 5 2016

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

SECURITIES CERTIFICATE

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

1. Name and address of the public utility filing this securities certificate:

Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219-1905

2. Duquesne Light Company ("Duquesne Light" or "Company") is a duly incorporated Pennsylvania public utility that was formed in 1912 and is engaged in the distribution and transmission of electric service to the public, primarily within Allegheny and Beaver Counties in Pennsylvania. Duquesne Light is a subsidiary of Duquesne Light Holdings, Inc. ("DLH") and DLH is a wholly owned subsidiary of DQE Holdings LLC (Duquesne Light's ultimate parent). Duquesne Light's principal business is the transmission and distribution of electricity to customers within its service territory. Duquesne Light delivers electricity to approximately 590,000 customers, of which nearly 90% are residential customers. The Company's transmission and delivery system consists of approximately 45,000 miles of overhead power lines, 250,000 utility poles and 103,000 transformers over a territory of approximately 817 square miles.

3. On August 21, 2014 the Pennsylvania Public Utility Commission registered a Securities Certificate for Duquesne Light (S-2014-2432387) allowing it to issue debt in the form of First Mortgage Bonds (“FMBs”), Pollution Control Revenue Refunding Bonds (“PCRRBs”), and long-term intercompany loans from its parent, DLH, in an aggregated amount not to exceed \$600,000,000 through December 31, 2017. Currently there is \$140,000,000 remaining available under the existing certificate which is insufficient for Duquesne Light’s near term needs. Accordingly, Duquesne Light desires to replace and cancel the existing Securities Certificate and have a new Certificate issued with an authorization of \$500,000,000 of new debt. Duquesne Light requests authority to issue debt under this Securities Certificate through December 31, 2019.

4. The purposes of Duquesne Light’s proposed aggregate debt issuances of up to \$500 million are as follows:

- To help defray a portion of the significant upcoming capital expenditures currently estimated at approximately \$1 billion from 2016-2019, including capital expenditures associated with the Company’s Advanced Metering Infrastructure (“AMI”) and the Long-term Infrastructure Improvement Plan (“LTIIP”);
- to potentially redeem or repurchase up to \$33 million of outstanding preferred stock;
- to potentially refinance \$44.25 million of Pollution Control Revenue Refunding Bonds (“PCRRBs”) callable on January 1, 2017 ;

- to potentially refinance up to \$66 million in additional PCRRBs before their put date on May 1, 2018; and,
- general corporate purposes.

Duquesne Light's financing needs are discussed in detail below:

(a) Duquesne Light expects capital expenditures to average approximately \$255 million annually from 2016 to 2019. The estimated capital expenditures are for the significant transmission and distribution infrastructure improvements that the Company has planned necessary to maintain reliability for customers and meet regulatory requirements. Exhibit C provides additional details regarding the upcoming major capital expenditures. A portion of these capital expenditures would need to be financed by debt from this Securities Certificate.

(b) Given the current low interest rate environment, it may be economical for Duquesne Light to consider redeeming or repurchasing approximately \$33 million of remaining preferred stock with the proceeds from a long-term debt issuance. A listing of Duquesne Light's currently outstanding preferred stock is provided in Exhibit B.

(c) As shown in Exhibit B, Duquesne Light has \$44.25 million in PCRRBs which are callable at par value on January 1, 2017. Due to the current level of low interest rates, Duquesne Light is considering the option of refinancing these PCRRBs on or after the stated call date. Furthermore, Duquesne Light has approximately \$66 million in additional PCRRBs with a put date on May 1, 2018 which the company currently plans to refinance.

(d) As shown in Exhibit G, as of December 31, 2015, Duquesne Light maintained a ratio of equity to total capitalization of approximately 52%. Further debt issuances will allow Duquesne Light to maintain an appropriate capital structure.

(e) All funds issued under this Securities Certificate will be used solely for utility purposes.

5. As of the date of this request, the Security Certificate S-2014-2432387, registered by the Commission on August 21, 2014 and referenced above, represents the most recent permission to issue debt. Pursuant to that authority, \$460,000,000 of debt has been issued. Duquesne Light issued \$300,000,000 of FMBs in two separate tranches on March 2, 2015 and \$160,000,000 of FMBs on July 15, 2015. Total debt outstanding as of June 30, 2016 included FMBs in the amount of \$950,000,000 and PCRRBs in the amount of \$109,905,000 equating to a total of \$1,059,905,000.

6. The particulars of debt issuances are as follows:

(a) Exact title of security:

The title of each series of FMBs, PCRRBs, unsecured notes, bank borrowings, and/or similar securities will be determined at the time of the establishment of such series. A listing of currently outstanding debt and available PCRRBs is provided in Exhibit B.

(b) Aggregate amount to be issued:

Up to \$500,000,000 of FMBs, unsecured notes, PCRRBs, bank borrowings, and/or similar securities.

(c) In the case of FMBs, unsecured notes and PCRRBs or similar securities:

(i) Nominal date(s) of issuance:

To be determined based on overall market conditions at the time of issuance.

(ii) Date(s) of maturity:

Varying, to be determined by market conditions at the time of the debt offering(s).

(iii) Interest rate and payment dates:

The actual interest rate and payment dates will be determined by market conditions at the time of the debt offering(s).

(iv) Extent to which taxes on securities are assumed by the

issuer:

None.

(v) Callability provisions:

Call provisions will depend on market conditions at the time of issuance.

(vi) Conversion provisions:

Conversion provisions will depend on market conditions at the time.

(vii) Maintenance, depreciation and sinking fund provisions:

To be determined.

(viii) Name and address of Trustee for FMBs, PCRRBs and whether affiliated:

The Trustee for the FMBs and PCRRBs is The Bank of New York Mellon (successor by acquisition from J.P. Morgan Chase Bank, which was successor by merger to the Chase Manhattan Bank, successor in Trust to Mellon Bank, N.A.), 500 Ross Street, 12th Floor, Pittsburgh, PA 15262. The Bank of New York Mellon is not

an "affiliated interest" of Duquesne Light as that term is defined in Section 2101 of the Public Utility code, 66 Pa. C.S. § 2101. The Trustee of any future FMBs, unsecured notes or PCRRBs will be determined at the time of issuance.

7. Subject to the approval of the Commission, as evidenced by the registration of this Securities Certificate, the Company proposes to issue and sell the new debt in one or more series from time to time directly to investors, through agents or to one or more underwriters for public offering or in private placements directly to one or more institutional investors or through agents, in all cases on terms to be determined by market conditions at the time of the sale and Commission requirements. As necessary, Duquesne Light will enter into one or more underwriting agreements, agency agreements or purchase agreements with underwriters, agents, or other purchasers. The price to be paid to the Company by the underwriters, agents or other purchasers of any bonds and the compensation received by such parties will be determined at the time of sale.

8. While the exact type of debt to be issued is not known at this time and will be determined at a later date after comparing market rates, issuance costs, and other factors, the Company, at the time of this filing, expects to issue the debt in the following forms: First Mortgage Bonds - \$300 million and reissuance of Pollution Control Revenue Refunding Bonds - \$200 million.

With regard to issuance expenses, assuming two separate FMB issuances without registration rights of \$150 million and \$150 million respectively, and one PCRRB remarketing of \$200 million, the issuance expenses to be incurred are estimated as follows:

<i>Issuance Expenses - \$150m FMB</i>	\$ 1,200,000
<i>Issuance Expenses - \$150m FMB</i>	1,200,000
<i>Issuance Expenses - \$200m PCRRB</i>	<u>1,400,000</u>
	\$ 3,800,000

Expenses will vary with the number of sales of debt securities and the type of debt securities sold.

9. The following exhibits are attached and made part of this Securities Certificate:

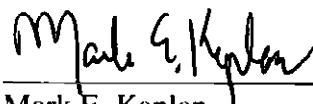
- EXHIBIT A Balance sheets of Duquesne Light Company as of December 31, 2015 and December 31, 2014, and statements of operations and cash flows for the year ended December 31, 2015 both on a comparative basis with the year ended December 31, 2014
- EXHIBIT B Duquesne Light Company outstanding long term debt, available PCRRBs, and outstanding preferred stock
- EXHIBIT C Estimated capital expenditures from 2016 to 2019
- EXHIBIT D Statement of Utility Plant by Classified Accounts of Duquesne Light as of December 31, 2015
- EXHIBIT E Journal entries showing all charges and credits to be made on the books of account of Duquesne Light as a result of a proposed debt issuance
- EXHIBIT F Source and Uses of Funds estimate 2016 to 2019
- EXHIBIT G Duquesne Light Company capital structure as of December 31, 2015 and the December 31, 2015 capital structure adjusted to reflect the securities activity contemplated in this petition
- EXHIBIT H Duquesne Light Company history of credit ratings

- EXHIBIT I Current and projected selected financial ratios for Duquesne Light Company
- EXHIBIT J Unregulated affiliates of Duquesne Light Company
- EXHIBIT K Duquesne Light Company Pension Update
- EXHIBIT L Responses to Standard Data Requests

WHEREFORE, Duquesne Light Company requests issuance of a Securities Certificate authorizing the issuance of debt in the amount of \$500,000,000 through December 31, 2019, to grant authority to enter into any act incidental to related issuances and to grant such other relief as may be required or appropriate to conduct the transactions described herein.

Dated this 5th day of October 2016

DUQUESNE LIGHT COMPANY

By: 
Mark E. Kaplan
Senior Vice President and
Chief Financial Officer

By Counsel:



Tishekia E. Williams (ID#)
Duquesne Light Company
411 Seventh Ave, 15th Floor
Pittsburgh, PA 15219
Phone: 412-393-1541
Fax: 412-393-5757
twilliams@duqlight.com

VERIFICATION

I, Mark Kaplan, being the Senior Vice President and Chief Financial Officer at Duquesne Light Company, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect that Duquesne Light Company will be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 PA C.S. §4904 (relating to unsworn falsification to authorities).

Date: 10/5/2016



Mark E. Kaplan

Duquesne Light Company and Subsidiaries
Consolidated Balance Sheets (Millions of Dollars)

Assets	As of December 31,	
	2015	2014
Current Assets:		
Cash and cash equivalents	\$ 40.3	\$ 20.6
Restricted cash	1.5	1.3
Receivables:		
Electric customers	99.8	91.9
Unbilled electric customers	51.2	50.6
Other	14.8	14.0
Affiliate receivables	15.2	27.0
Less: Allowance for uncollectible accounts	(22.4)	(19.6)
Total Receivables - Net	158.6	163.9
Deferred income taxes - net	13.6	15.5
Materials and supplies (at average cost)	25.8	29.2
Regulatory assets	12.3	7.7
Other	7.6	3.4
Total Current Assets	259.7	241.6
Long-Term Investments	2.5	2.5
Property, Plant and Equipment:		
Electric plant in service	3,688.1	3,573.0
Construction work in progress	167.0	97.6
Gross property, plant and equipment	3,855.1	3,670.6
Less: Accumulated depreciation and amortization	(1,165.9)	(1,117.6)
Total Property, Plant and Equipment - Net	2,689.2	2,553.0
Other Non-Current Assets:		
Regulatory assets	602.7	628.9
Other	8.9	8.4
Total Other Non-Current Assets	611.6	637.3
Total Assets	\$ 3,563.0	\$ 3,434.4

Duquesne Light Company and Subsidiaries
Consolidated Balance Sheets (Millions of Dollars)

Liabilities and Capitalization	As of December 31,	
	2015	2014
Current Liabilities:		
Accounts payable	92.8	78.9
Payable to affiliates	4.9	9.2
Accrued taxes	10.4	16.6
Accrued compensation	14.7	13.9
Derivative instruments	-	2.1
Accrued interest	15.4	8.6
Other	53.2	53.0
Total Current Liabilities	191.4	182.3
Non-Current Liabilities:		
Deferred income taxes - net	781.6	750.7
Pension liability	246.6	261.8
Other postretirement benefits	48.6	54.9
Legacy liabilities	20.0	25.3
Regulatory liabilities	31.3	27.0
Other	10.4	13.3
Total Non-Current Liabilities	1,138.5	1,133.0
Capitalization:		
Long-term debt	1,059.9	699.9
Long-term borrowings from affiliates	-	200.0
Preferred stock	33.1	108.1
Common Shareholder's Equity:		
Common stock (authorized - 90,000,000 shares; issued and outstanding 10 :)	-	-
Capital surplus	988.2	986.3
Retained earnings	159.9	136.6
Accumulated other comprehensive loss	(8.0)	(11.8)
Total Common Shareholder's Equity	1,140.1	1,111.1
Total Capitalization	2,233.1	2,119.1
Total Liabilities and Capitalization	\$ 3,563.0	\$ 3,434.4

Duquesne Light Company and Subsidiaries
Consolidated Statements of Cash Flows (Millions of Dollars)

	Years Ended December 31,	
	2015	2014
Cash Flows From Operating Activities:		
Net income	\$ 121.4	\$ 116.5
Adjustments to reconcile net income to net cash provided from operating activities:		
Depreciation and amortization	133.4	116.9
(Gain) loss on derivative instruments	(0.8)	0.9
Deferred taxes and non-current taxes	27.2	34.5
Pension contribution	-	(17.8)
Other	4.9	36.6
Changes in working capital other than cash	(11.2)	(18.6)
Changes in affiliate receivable/payable	7.5	(31.0)
Net Cash Provided from Operating Activities	282.4	238.0
Cash Flows From Investing Activities:		
Capital expenditures	(247.5)	(207.7)
Other	(2.6)	(3.5)
Net Cash Used in Investing Activities	(250.1)	(211.2)
Cash Flows From Financing Activities:		
Issuance of long-term debt obligations	460.0	230.0
Repayments of long-term debt obligations	(100.0)	(100.0)
Redemption of preferred stock	(75.0)	-
Distributions to parent	(93.6)	(93.0)
Affiliated borrowing repayments to parent	(200.0)	(100.0)
Dividends on preferred stock	(2.6)	(6.2)
Debt issuance costs	(1.4)	(0.4)
Net Cash Used in Financing Activities	(12.6)	(69.6)
Net (decrease) increase in cash and cash equivalents	19.7	(42.8)
Cash and cash equivalents at beginning of year	20.6	63.4
Cash and cash equivalents at end of year	\$ 40.3	\$ 20.6
Supplemental Cash Flow Information		
Cash paid during the year:		
Interest (net of amount capitalized)	\$ 50.2	\$ 44.7
Income taxes paid (refunded) - net	\$ 54.4	\$ 93.2

Duquesne Light Company and Subsidiaries
Consolidated Statements of Common Shareholder's Equity (Millions of Dollars)

	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balances at December 31, 2013	\$ 986.3	\$ 119.3	\$ (12.4)	\$ 1,093.2
Net income	-	116.5	-	116.5
Dividends on preferred stock	-	(6.2)	-	(6.2)
Distributions to parent	-	(93.0)	-	(93.0)
Other comprehensive income	-	-	0.6	0.6
Balances at December 31, 2014	\$ 986.3	\$ 136.6	\$ (11.8)	\$ 1,111.1
Net income	-	\$ 121.4	-	\$ 121.4
Dividends on preferred stock	-	(4.5)	-	\$ (4.5)
Distributions to parent	-	(93.6)	-	\$ (93.6)
Other comprehensive income	-	-	3.8	\$ 3.8
Other	1.9	-	-	\$ 1.9
Balances at December 31, 2015	\$ 988.2	\$ 159.9	\$ (8.0)	\$ 1,140.1

Exhibit B

Duquesne Light Company - Long-term Debt

Instrument Type	CUSIP	Amount	Term	Maturity	Optional Redemption	Rate	Authority
Revolving Credit Facility	266229AH6	\$175,000,000	5	11/25/2020		LIBOR+1.00%	N/A (B)
4.76% Series S First Mortgage Bond	266228C@2	\$200,000,000	30	2/3/2042	Make Whole	4.76%	N/A
4.97% Series T First Mortgage Bond	266228C#0	\$160,000,000	30	11/14/2043	Make Whole	4.97%	N/A
5.02% Series U First Mortgage Bond	266228D*3	\$45,000,000	30	2/4/2044	Make Whole	5.02%	N/A
5.12% Series V First Mortgage Bond	266228D@1	\$85,000,000	40	2/4/2054	Make Whole	5.12%	N/A
3.78% Series W First Mortgage Bond	266228E*2	\$100,000,000	30	3/2/2045	Make Whole	3.78%	N/A
3.93% Series X First Mortgage Bond	266228D#9	\$200,000,000	40	3/2/2055	Make Whole	3.93%	N/A
3.93% Series Y First Mortgage Bond	266228E@0	\$160,000,000	30	7/15/2045	Make Whole	3.93%	N/A
4.50% PCRB BCIDA Series 1999D	074876GD9	\$44,250,000	30	11/1/2029	Callable at Par on 1/1/17	4.50%	BCIDA
4.75% PCRB BCIDA Series 1999B	074876GZ0	\$13,700,000	7	8/1/2020	Extraordinary	4.75%	BCIDA (C)
4.75% PCRB BCIDA Series 1999C	074876HA4	\$18,000,000	7	8/1/2033	Extraordinary	4.75%	BCIDA (C)
4.75% PCRB OWDA Series 1999C	677660TY8	\$33,955,000	7	3/1/2031	Extraordinary	4.75%	OWDA (C)
PCRB BCIDA Series 1999A	074876FL2	\$25,000,000	TBD	4/1/2031	Per Mode	TBD	BCIDA (A)
PCRB BCIDA Series 1999E	074876FH1	\$75,500,000	TBD	3/1/2031	Per Mode	TBD	BCIDA (A)
PCRB OWDA Series 1999A	677660RY0	\$49,500,000	TBD	3/1/2031	Per Mode	TBD	OWDA (A)
PCRB OWDA Series 1999B	677660RZ7	\$13,500,000	TBD	3/1/2031	Per Mode	TBD	OWDA (A)
PCRB OAQDA Series 1999A	677525PN1	\$21,500,000	TBD	3/1/2031	Per Mode	TBD	OAQDA (A)
PCRB OAQDA Series 1999B	677525PJ0	\$20,500,000	TBD	10/1/2027	Per Mode	TBD	OAQDA (A)
PCRB OAQDA Series 1999C	677525PP6	\$4,655,000	TBD	3/1/2031	Per Mode	TBD	OAQDA (A)

(A) Bond currently owned by Duquesne Light Company.

(B) Adjusted issuance date due to extension of the credit facility

(C) Bond has a put date option on 5/1/18

Duquesne Light Company - Preferred Stock

Instrument Type	CUSIP	Amount	\$/Share	# of Shares	Maturity	Mode	Rate
DLC 3.75% Series	266228303	\$7,400,000	\$50	148,000	Perpetual	Fixed	3.75%
DLC 4.10% Series	266228501	\$5,993,000	\$50	119,860	Perpetual	Fixed	4.10%
DLC 4.15% Series	266228600	\$6,622,500	\$50	132,450	Perpetual	Fixed	4.15%
DLC 4.20% Series	266228709	\$5,000,000	\$50	100,000	Perpetual	Fixed	4.20%
DLC \$2.10 Series	266228204	\$7,970,000	\$50	159,400	Perpetual	Fixed	\$0.04

Duquesne Light Company - Estimated Capital Expenditures
(\$ in millions)

Business Plan Category	Additional Description	2016	2017	2018	2019	Total 2016-2019	Average 2016-2019
Capital Programs							
Restoration of Service	Restoration of service to our customer outages resulting from major storms, weather, equipment failure, and other events that cause damage to our system.	\$ 38.9	\$ 39.6	\$ 41.9	\$ 42.5	\$ 162.9	\$ 40.7
Customer Commitments	Capital work to meet customer requests ranging from simple overhead services to complex commercial and industrial installations.	26.1	26.7	26.7	26.8	\$ 106.3	\$ 26.6
Overhead Programs	Overhead distribution and transmission programs including replacement of failed equipment or equipment that is approaching end of life and extension of distribution circuits with available capacity to relieve overloaded circuits.	13.5	13.5	21.9	21.5	\$ 70.3	\$ 17.6
Pole Replacement Program	Replace poles that are identified as needing replacement through our routine inspection program.	9.0	4.9	5.9	5.9	\$ 25.7	\$ 6.4
URD Rehabilitation Program	Rehabilitate older Underground Residential Distribution plans. Generally this involves replacing submersible transformer units with aboveground pad mounted transformers.	0.9	0.9	0.9	0.9	\$ 3.6	\$ 0.9
Underground Programs	The Underground Program replaces, rehabilitates, and improves obsolete, eligible property approaching the end of its expected useful life. This Program includes an Underground Cable Replacement Initiative, Network Transformers & Protector Replacement Initiative, and Underground Residential Distribution Rehabilitation Initiative.	5.4	5.3	16.8	16.3	\$ 43.8	\$ 11.0
Substation Programs	The Substation Program addresses eligible property associated with its substations that are approaching the end of expected useful life. The eligible property under this LTIP includes circuit breakers, associated switches, line protection devices, and substation infrastructure.	10.4	10.6	16.9	17.2	\$ 55.2	\$ 13.8
Breaker Replacements	Replacement of transmission and distribution breakers due to age or to meet increasing load requirements.	2.4	2.4	2.4	2.4	\$ 9.5	\$ 2.4
Subtotal - Capital Programs		\$ 106.6	\$ 103.8	\$ 133.4	\$ 133.5	\$ 477.3	\$ 119.3
Capital Projects							
345 kV Shunt Reactors	Address high voltage on the 345 kV buses and underground circuits in the Pittsburgh area.	11.2	-	-	-	11.2	\$ 2.8
North Shore Rehab		8.4	4.2	-	-	12.6	\$ 3.2
Replace Breakers at Crescent Substation	PJM baseline project to replace 15 breakers to allow newly installed 3rd autotransformer to operate in parallel.	3.7	2.3	0.18	-	6.2	\$ 1.5
Reconductor and Tower Replacement on BI-Crescent	Reconductor four transmission lines (PJM Supplemental project) to increase capacity and replace 100 aged transmission towers.	2.5	2.1	11.63	16.87	33.1	\$ 8.3
West Deer Substation	Build West Deer substation, install 138kV line between Pine Creek substation to West Deer, and install distribution to relieve load.	2.1	3.5	16.22	-	21.8	\$ 5.5
Establish Z15 & Z117	Reconductor 6.9 miles of transmission line and reestablish path from Dravosburg to Wilson to address PJM identified congestion.	0.9	4.3	1.20	-	6.4	\$ 1.6
Transmission Tower Repairs	Replace aged lattice transmission towers.	0.4	3.4	3.85	5.33	13.0	\$ 3.2
Universal - Plum 138 kV Transmission Line	Transmission line to provide 3rd source to Universal Substation and 2nd source to Plum Substation.	0.4	12.7	3.40	-	16.5	\$ 4.1
Replace Structures at Beaver Valley Substation	Project to replace structures at the Beaver Valley Substation that are exhibiting significant "back-out".	0.6	0.8	4.45	6.14	11.9	\$ 3.0
Brady 2B Project	Accomplishes the 345 kV transmission objectives of the original Brady project that included addressing overload issues in long-term transmission planning.	8.3	-	-	-	8.3	\$ 2.1
4kV Eliminations	The 4kV Program eliminates, converts and/or upgrades various 4kV distribution system assets at or approaching the end of expected useful life. The Substation Eliminations Initiative and the Stepdown Conversion Initiative are intended to replace the aged 4kV infrastructure on DLC's system. In certain instances, renewal of the 4kV substation infrastructure may be prudent as opposed to substation elimination or conversion.	-	12.5	33.34	65.54	111.4	\$ 27.8
Microgrid	This program includes the installation of a microgrid at DLC Woods Run location and contemplates a second microgrid, with the type and scope yet to be determined. DLC will deploy a microgrid within our service territory for the provision of "premium reliability" electrical service to critical community infrastructure assets in Allegheny and Beaver Counties.	-	7.5	-	-	7.5	\$ 1.9
Subtotal - Capital Projects		\$ 38.4	\$ 53.4	\$ 74.3	\$ 93.9	\$ 260.0	\$ 65.0
Utility Support							
Facilities	Rehabilitation and installation of buildings and related assets.	\$ 5.3	\$ 5.0	\$ 7.2	\$ 7.3	\$ 24.9	\$ 6.2
Transportation Services	Replacement of vehicles that are at or approaching end of life.	1.3	1.2	1.2	1.5	\$ 5.2	\$ 1.3
Metering	Replacement or installation of customer meters.	3.5	3.6	6.6	6.6	\$ 20.3	\$ 5.1
Subtotal - Utility Support		\$ 10.1	\$ 9.8	\$ 15.0	\$ 15.4	\$ 50.4	\$ 12.6
Information Technology							
Information Technology	Replacement or installation of information technology systems to support business operations.	\$ 27.5	\$ 20.5	\$ 25.8	\$ 25.4	99.2	\$ 24.8
Telecommunications	Replacement or installation of business communication systems as well as transmission and distribution system communication systems.	2.1	2.0	2.2	2.5	8.9	\$ 2.2
Outage Management System	Electric model and Outage Management System.	2.7	4.5	5.9	6.8	19.9	\$ 5.0
Smart Meters	Project to implement smart meters including installation of infrastructure required for communications and data management.	46.6	28.9	25.6	1.8	102.9	\$ 25.7
CIPIV5	Costs required to meet CIPIV5 compliance.	1.0	0.6	-	-	1.7	\$ 0.4
Subtotal - Information Technology		\$ 79.9	\$ 56.6	\$ 59.6	\$ 36.5	\$ 232.5	\$ 58.1
Total Capital Plan		\$ 235.0	\$ 223.7	\$ 282.2	\$ 279.3	\$ 1,020.2	\$ 255.0
Non-cash capitalized pension costs		9.3	9.7	8.2	7.4	34.5	8.6
Total Utility Capital (per Northstar Report)		\$ 244.3	\$ 233.3	\$ 290.4	\$ 286.7	\$ 1,054.7	\$ 263.7
AFUDC		6.1	3.7	4.6	4.6	19.0	4.8
* Total Utility Capital (including AFUDC)		\$ 250.5	\$ 237.0	\$ 295.0	\$ 291.2	\$ 1,073.7	\$ 268.4

* Exhibit C reflects the Company's current projections of capital spending from 2016-2019. These projections are subject to change.

Exhibit D

Duquesne Light Company - Statement of Utility Plant

		12/31/15
		Plant In Service
301	Organization	100,275
302	Franchises and Consents	6,830
303	Miscellaneous Intangible Plant	178,292,690
INTANGIBLE PLANT		178,399,795
350.0	Land and Land Rights	14,372,954
352.0	Structures and Improvements	19,961,002
353.0	Station Equipment	349,421,098
354.0	Towers and Fixtures	67,743,082
355.0	Poles and Fixtures	51,144,784
356.0	Overhead Conductors and Devices	88,854,316
357.0	Underground Conduit	67,475,102
358.0	Underground Conductors and Devices	109,243,538
359.0	Roads and Trails	9,214,606
TRANSMISSION PLANT		777,430,482
360.0	Land and Land Rights	13,038,454
361.0	Structures and Improvements	63,911,601
362.0	Station Equipment	431,115,098
364.0	Poles, Towers, and Fixtures	412,821,391
365.0	Overhead Conductors and Devices	429,486,218
366.0	Underground Conduit	129,991,116
367.0	Underground Conductors and Devices	346,619,856
368.0	Line Transformers	362,225,977
369.0	Services	93,430,599
370.0	Meters	98,912,847
373.0	Street Lighting and Signal Systems	39,893,104
374.0	ARO for Distribution Plant	515,592
DISTRIBUTION PLANT		2,421,961,853
382.0	Computer Hardware	2,629,916
383.0	Computer Software	3,628,782
REGIONAL TRANS PLANT		6,258,698
389.1	Land and Land Rights	6,144,796
390.1	Structures and Improvements	121,228,249
391.0	Office Furniture and Equipment	10,031,383
392.0	Transportation Equipment	58,333,565
393.0	Stores Equipment	2,374,941
394.0	Tools, Shop, and Garage Equipment	18,716,640
395.0	Laboratory Equipment	3,030,409
396.0	Power Operated Equipment	3,401,975
397.0	Communication Equipment	73,131,874
398.0	Miscellaneous Equipment	374,624
SUB-TOTAL General plant		296,768,456
399.1	ARO for General Plant	74,249
GENERAL PLANT		296,842,705
Plant Purchased or sold		0
TOTAL PLANT-IN-SERVICE		3,680,893,533

Exhibit E

Duquesne Light Company - Pro Forma Journal Entries

	<u>Debit</u>	<u>Credit</u>
Current Assets:		
Cash and Cash Equivalents	\$ 496,200,000	
Deferred Credits:		
Debt Issuance Costs	\$ 3,800,000	
Capitalization:		
Long-Term Debt		\$ 500,000,000

To record the proposed issuance of \$500,000,000 of 10 Year debt with an interest rate of 4.50%

	<u>Debit</u>	<u>Credit</u>
Capitalization:		
Retained Earnings	\$ 13,387,000	
Current Liabilities:		
Accrued Taxes	\$ 9,493,000	
Current Assets:		
Cash and Cash Equivalents		\$ 22,500,000
Deferred Credits:		
Debt Issuance Costs		\$ 380,000

To record the annual effect on retained earnings resulting from the increase in interest requirements associated with the above transaction.

	<u>Debit</u>	<u>Credit</u>
Interest on Long-Term Debt:		
Annual increase in interest requirements resulting from the proposed financing of \$500,000,000 of 10 Year debt with an interest rate of 4.50%		\$ 22,500,000
Other Interest Expense:		
Annual amortization of debt issuance costs		\$ 380,000
		<u>\$ 22,880,000</u>
Income Taxes:		
Annual decrease in state and federal income taxes based on 9.99% and 35.00% state and federal tax rates, respectively, and the net increase in interest expense.	\$ 9,493,000	
	<u>\$ 9,493,000</u>	
Decrease in net income:		<u>\$ 13,387,000</u>

Exhibit F

Duquesne Light Company - Sources and Uses Statement

(\$ in millions)	2016	2017	2018	2019	TOTAL
Application of Funds					
Capital Expenditures (excluding AFUDC)	\$ 235	\$ 224	\$ 282	\$ 279	\$ 1,020
Pension Contributions	50	4	40	42	135
Long-Term Debt Redemptions/Maturities	-	44	66	-	110
Preferred Stock Redemptions	-	33	-	-	33
Short-Term Debt Refinancings	-	-	-	-	-
Dividends	109	112	99	110	431
Financing Costs (Interest expense)	54	58	65	68	245
Taxes	45	68	52	50	215
Total Applications	\$ 493	\$ 543	\$ 604	\$ 549	\$ 2,189
Sources of Funds					
EBITDA	\$ 394	\$ 412	\$ 419	\$ 456	\$ 1,680
Long-term Debt - FMB	-	125	80	95	300
Long-term Debt - PCRRB	95	-	105	-	200
Subtotal Long-term Debt	\$ 95	\$ 125	\$ 185	\$ 95	\$ 500
Short-Term Debt - Affiliated	\$ -	\$ -	\$ -	\$ -	\$ -
Short-Term Debt - Non-Affiliated	-	-	-	-	-
Subtotal Short-Term Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Working Capital/Other	\$ 1	\$ (1)	\$ 3	\$ 1	\$ 4
Total Sources	\$ 490	\$ 536	\$ 607	\$ 552	\$ 2,184
Difference	\$ 4	\$ 7	\$ (3)	\$ (2)	\$ 5

Duquesne Light Company - Capital Structure

	ACTUAL As of December 31, 2015		AS ADJUSTED (1)*		AS ADJUSTED (2)**	
	Amount Outstanding	Percent	Amount Outstanding	Percent	Amount Outstanding	Percent
Long Term Debt:						
Total Long-term Debt Before Adjustment	\$ 1,059,905,000		\$ 1,414,905,000		\$ 1,264,905,000	
Unamortized Loss on Reacquired Debt	(27,192,032)		(27,192,032)		(27,192,032)	
Total Adjusted Long Term Debt	\$ 1,032,712,968	46.81%	\$ 1,387,712,968	54.90%	\$ 1,237,712,968	52.05%
Preferred Stock:						
Total Preferred Stock	\$ 33,122,844	1.50%	\$ -	0.00%	\$ -	0.00%
Common Equity:						
Capital Surplus	\$ 988,163,591		\$ 988,163,591		\$ 988,163,591	
Retained Earnings	159,920,475		159,920,475		159,920,475	
Accumulated Other Comprehensive Income (AOCI)	(7,967,838)		(7,967,838)		(7,967,838)	
Total Common Equity	\$ 1,140,116,228	51.68%	\$ 1,140,116,228	45.10%	\$ 1,140,116,228	47.95%
Total Book Capitalization	\$ 2,205,952,040	100.00%	\$ 2,527,829,196	100.00%	\$ 2,377,829,196	100.00%

* The 'As Adjusted (1)' numbers assume the issuance of \$500 million of new debt and reflect the redemption of \$110 million of currently outstanding debt and \$33 million of preferred stock (plus a premium). This will result in a net increase of roughly \$355 million in long-term debt outstanding.

** The 'As Adjusted (2)' numbers assume the issuance of \$350 million of new debt and the redemption of \$110 million of currently outstanding debt. It also assumes full redemption of the preferred stock outstanding, therefore resulting in a \$205 million net increase in long-term debt.

Note: The pro forma capitalization is based on the December 31, 2015 balance sheet. The Company believes the actual projected capital structure of Duquesne Light Company will be as shown on Exhibit I.

Exhibit H

Duquesne Light Company - Historical Credit Ratings

S&P	Rating	Date of Change
Issuer Credit Rating	BBB	6/30/2014
	BBB-	12/17/2009
Outlook	Stable	6/30/2014
	Positive	6/13/2013
	Stable	12/17/2009
Senior Secured	A-	6/30/2014
	BBB+	12/15/2010
Preferred Stock	BB+	6/30/2014
	BB	5/29/2007

Moody's	Rating	Date of Change
Issuer Credit Rating	A3	1/30/2014
	Baa1	3/4/2013
	Baa2	2/13/2002
Outlook	Stable	1/30/2014
	Review for Upgrade	11/8/2013
	Stable	3/4/2013
	Review for Upgrade	11/8/2012
	Stable	5/22/2007
Senior Secured	A1	1/30/2014
	A2	3/4/2013
	A3	8/3/2009
Preferred Stock	Baa2	1/30/2014
	Baa3	3/4/2013
	Ba1	2/13/2002

Exhibit I

Duquesne Light Company - Selected Financial Ratios

(in millions)

	<i>Actual (Year-End)</i>			<i>Projected (Year-End)</i>	
	2014	2015	2016	2017	2018
Dividend Payout Ratio					
Net Income	116.5	121.4	130.0	132.9	118.3
Dividend Payout	99.2	96.2	109.3	111.8	99.4
Dividend Payout Ratio	85.2%	79.2%	84.1%	84.1%	84.0%
Capital Expenditures to Depreciation and Amortization					
Capital Expenditures	207.7	247.5	235.0	223.7	282.2
Depreciation & Amortization	116.9	133.4	141.9	153.6	163.4
Capital Expenditures to Depreciation and Amortization	1.8x	1.9x	1.7x	1.5x	1.7x
Capitalization Ratio					
Debt	899.9	1,059.9	1,059.9	1,059.9	1,179.3
Preferred Stock	108.1	33.1	33.1	33.1	33.1
Common Equity	1,111.1	1,140.1	1,142.9	1,163.2	1,181.3
Capitalization	2,119.1	2,233.1	2,235.9	2,256.2	2,393.7
Debt/Capitalization	42.5%	47.5%	47.4%	47.0%	49.3%
Pref. Stock/Capitalization	5.1%	1.5%	1.5%	1.5%	1.4%
Equity/Capitalization	52.4%	51.1%	51.1%	51.6%	49.3%
Interest Coverage Ratio					
Operating Income	232.1	251.2	251.7	258.1	255.7
Depreciation & Amortization	116.9	133.4	141.9	153.6	163.4
EBITDA	349.0	384.6	393.6	411.7	419.1
Interest and Other Charges	41.9	58.1	54.0	58.0	65.0
EBITDA / Interest (x)	8.3x	6.6x	7.3x	7.1x	6.4x

Exhibit J

Duquesne Light Company - Affiliated Unregulated Companies

	<u>Jurisdiction of Organization</u>
DQE Holdings LLC	Delaware
Duquesne Light Holdings, Inc.	Pennsylvania
AquaSource, LLC	Delaware
DQE Capital Corporation	Delaware
DQE Enterprises, Inc.	Pennsylvania
BodyMedia, Inc.	Delaware
Lab Cor, Inc.	Oregon
NWP Services Corp.	Delaware
DQE Financial LLC	Delaware
Duquesne Power, LLC	Delaware
Mariner Investment Strategies, LLC	Delaware
Duquesne Fiber Co. f/k/a Diemen-Flevo Co.	Delaware
DQE Systems, Inc.	Pennsylvania
DQE Communications LLC	Pennsylvania
Duquesne Broadband, LLC	Delaware
Montauk Synfuels, LLC	Delaware
North Shore Affordable Housing, LLC	Delaware
Duquesne Energy Solutions, LLC	Delaware
DES Corporate Services, Inc.	Delaware
DH Energy, L.P.	Pennsylvania
DQE Synfuels LLC	Delaware
DH Canada Holdings, LLC	Delaware
DH Canada Corporation	Nova Scotia
DQE Synfuels, L.P.	Pennsylvania
MT Energy, Inc.	Pennsylvania
Duquesne Generation, LLC	Pennsylvania
Duquesne Conemaugh LLC	Delaware
Duquesne Keystone LLC	Delaware
Duquesne Light Energy, LLC	Delaware
Monongahela Light and Power Company*	Pennsylvania
DataCom Information Systems, LLC*	Delaware
Maglev, Inc.*	Pennsylvania

*Monongahela Light and Power Company ("Monogahela") is wholly owned by Duquesne Light, DataCom Information Systems, LLC is wholly owned by Monongahela and Monogahela owns a minority interest in Maglev, Inc.

Exhibit K

Duquesne Light Company - Pension Update

(in millions - as of 6/30/16)

Pension Benefit Obligation	\$	1,221.7
Fair Value of Plan Assets	\$	895.1
Current Funded Percentage		73.3%

Historical and Projected Contributions

2008A	\$	10.0
2009A	\$	20.0
2010A	\$	50.0
2011A	\$	66.5
2012A	\$	43.5
2013A	\$	55.0
2014A	\$	17.8
2015A	\$	-
2016P	\$	50.0
2017P	\$	3.7
2018P	\$	39.7
2019P	\$	41.7
2020P	\$	33.1

Exhibit K

Duquesne Light Company - Pension Update

(in millions - as of 6/30/16)

Pension Benefit Obligation	\$	1,221.7
Fair Value of Plan Assets	\$	895.1
Current Funded Percentage		73.3%

Historical and Projected Contributions

2008A	\$	10.0
2009A	\$	20.0
2010A	\$	50.0
2011A	\$	66.5
2012A	\$	43.5
2013A	\$	55.0
2014A	\$	17.8
2015A	\$	-
2016P	\$	50.0
2017P	\$	3.7
2018P	\$	39.7
2019P	\$	41.7
2020P	\$	33.1

UPS CampusShip: View/Print Label

1. **Ensure there are no other shipping or tracking labels attached to your package.** Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.

2. **Fold the printed label at the solid line below.** Place the label in a UPS Shipping Pouch. If you do not have a pouch, affix the folded label using clear plastic shipping tape over the entire label.

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Your driver will pickup your shipment(s) as usual.

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PITTSBURGH, PA 15210

FOLD HERE

TISHEKIA WILLIAMS 412.393.1541 DUQUESNE LIGHT 411 7TH AVENUE, 15-7 PITTSBURGH PA 15219		0.0 LBS LTR	1 OF 1
SHIP TO: ROSEMARY CHIAVETTA, SEC. PA PUBLIC UTILITY COMMISSION COMMONWEALTH KEYSTONE BUILDING 2ND FLOOR, ROOM-N201 400 NORTH STREET HARRISBURG PA 17120-0200			
	PA 171 9-20 		
UPS NEXT DAY AIR		1	
TRACKING #: 1Z 187 399 01 9240 5590			
			
BILLING: P/P			
Cost Center: 004			
CS 18.5.48. WNTNVS0 78.0A 07/2016			