



**Tishekia E. Williams**  
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November 28, 2016

*Via Electronic Filing*

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-2016-2570685**

Dear Secretary Chiavetta:

Enclosed please find updated balance and income sheet statements. Please feel free to contact me with any questions, comments or concerns.

Respectfully Submitted,

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

Tishekia E. Williams  
Attorney ID#208997

Cc: Certificate of Service  
Andrew Herster (via email)

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing 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):

**FIRST-CLASS MAIL**

Bureau of Investigation & Enforcement  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor West  
PO Box 3265  
Harrisburg, PA 17105-3265

Office of Small Business Advocate  
300 North Second Street, Suite 1102  
Harrisburg, PA 17101

Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923  
cappleby@paoca.org

Dated: November 28, 2016



Tishekia Williams, Esquire.  
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## Exhibit - A

**Duquesne Light Company and Subsidiaries**  
**Consolidated Statements of Operations (Millions of Dollars)**

	Six Months Ended June 30,	
	2016	2015
<b>Operating Revenues:</b>		
Retail sales of electricity	\$ 420.9	\$ 445.4
Other	8.7	8.7
<b>Total Operating Revenues</b>	<b>429.6</b>	<b>454.1</b>
<b>Operating Expenses:</b>		
Purchased power	108.9	123.6
Other operating and maintenance	117.0	124.3
Depreciation and amortization	68.2	65.3
Taxes other than income taxes	24.8	28.3
<b>Total Operating Expenses</b>	<b>318.9</b>	<b>341.5</b>
<b>Operating Income</b>	<b>110.7</b>	<b>112.6</b>
Investment and Other Income	4.8	4.4
Interest and Other Charges	(23.7)	(34.7)
Change in fair value of interest rate swaps	-	0.8
Income Before Income Taxes	91.8	83.1
Income Tax Expense	39.3	34.2
<b>Net Income</b>	<b>52.5</b>	<b>48.9</b>
Dividends on Preferred Stock	0.7	2.0
<b>Earnings Available for Common Stock</b>	<b>\$ 51.8</b>	<b>\$ 46.9</b>

## Exhibit A

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

	(Unaudited) June 30, 2016	As of December 31, 2015
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 6.6	\$ 40.3
Restricted cash	0.8	1.5
Receivables:		
Electric customers	92.3	99.8
Unbilled electric customers	52.2	51.2
Affiliate receivables	9.9	15.2
Other	15.0	14.8
Less: Allowance for uncollectible accounts	(20.8)	(22.4)
<b>Total Receivables - Net</b>	<b>148.6</b>	<b>158.6</b>
Materials and supplies (at average cost)	24.2	25.8
Regulatory assets	9.6	12.3
Other	29.7	7.6
<b>Total Current Assets</b>	<b>219.5</b>	<b>246.1</b>
<b>Long-Term Investments</b>	<b>2.5</b>	<b>2.5</b>
<b>Property, Plant and Equipment:</b>		
Electric plant in service	3,831.3	3,688.1
Construction work in progress	111.0	167.0
Gross property, plant and equipment	3,942.3	3,855.1
Less: Accumulated depreciation and amortization	(1,193.8)	(1,165.9)
<b>Total Property, Plant and Equipment - Net</b>	<b>2,748.5</b>	<b>2,689.2</b>
<b>Other Non-Current Assets:</b>		
Regulatory assets	569.9	575.5
Other	2.2	2.3
<b>Total Other Non-Current Assets</b>	<b>572.1</b>	<b>577.8</b>
<b>Total Assets</b>	<b>\$ 3,542.6</b>	<b>\$ 3,515.6</b>

## Exhibit A

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

	(Unaudited) June 30, 2016	As of December 31, 2015
<b>Liabilities and Capitalization</b>		
<b>Current Liabilities:</b>		
Accounts payable	73.5	92.8
Accrued interest	15.4	15.4
Accrued compensation	13.5	14.7
Accrued taxes	5.9	10.4
Payable to affiliates	2.4	4.9
Other	54.5	53.2
<b>Total Current Liabilities</b>	<b>165.2</b>	<b>191.4</b>
<b>Non-Current Liabilities:</b>		
Deferred income taxes - net	790.3	768.0
Pension liability	244.4	246.6
Other postretirement benefits	49.6	48.6
Regulatory liabilities	39.7	31.3
Legacy liabilities	18.7	20.0
Other	10.1	10.4
<b>Total Non-Current Liabilities</b>	<b>1,152.8</b>	<b>1,124.9</b>
<b>Capitalization:</b>		
<b>Long-term debt</b>	<b>1,047.4</b>	<b>1,026.1</b>
<b>Preferred stock</b>	<b>33.1</b>	<b>33.1</b>
<b>Common Shareholder's Equity:</b>		
Common stock (authorized - 90,000,000 shares; issued and outstanding 10 :)	-	-
Capital surplus	988.2	988.2
Retained earnings	163.7	159.9
Accumulated other comprehensive loss	(7.8)	(8.0)
<b>Total Common Shareholder's Equity</b>	<b>1,144.1</b>	<b>1,140.1</b>
<b>Total Capitalization</b>	<b>2,224.6</b>	<b>2,199.3</b>
<b>Total Liabilities and Capitalization</b>	<b>\$ 3,542.6</b>	<b>\$ 3,515.6</b>

## Exhibit A

**Change in Classification:** In 2016, the Duquesne Light Company and Subsidiaries (the Company) adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2015-03, which requires the presentation of debt issuance and other related costs as an offset to the outstanding long-term debt balance presented on the consolidated balance sheets. The implementation of this ASU resulted in a reduction to Regulatory assets, Other Non-Current Assets, and Long-term debt on the condensed consolidated balance sheets at June 30, 2016 and December 31, 2015.

In 2016, the Company adopted FASB ASU 2015-17, which requires the presentation of deferred income taxes, net, as non-current on the consolidated balance sheets. The implementation of this ASU resulted in a reduction to deferred income tax assets and liabilities presented on the condensed consolidated balance sheets at June 30, 2016 and December 31, 2015.

## Exhibit - A

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

	Six Months Ended June 30,	
	2016	2015
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 52.5	\$ 48.9
Adjustments to reconcile net income to net cash provided from operating activities	106.0	108.5
Gross receipt taxes paid	(50.3)	(44.7)
Changes in working capital other than cash	25.4	(1.6)
Changes in affiliate receivable/payable	2.8	19.1
<b>Net Cash Provided from Operating Activities</b>	<b>136.4</b>	<b>130.2</b>
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(138.9)	(100.9)
Other	(2.5)	(1.0)
<b>Net Cash Used in Investing Activities</b>	<b>(141.4)</b>	<b>(101.9)</b>
<b>Cash Flows From Financing Activities:</b>		
Issuance of long-term debt obligations	-	300.0
Repayments of long-term debt obligations	-	(100.0)
Redemption of preferred stock	-	(75.0)
Revolving credit facility borrowings	40.0	-
Revolving credit facility repayments	(20.0)	-
Distributions to parent	(48.0)	(65.0)
Affiliated borrowing repayments to parent	-	(80.0)
Dividends on preferred stock	(0.7)	(2.0)
Debt issuance costs	-	(1.3)
<b>Net Cash Used in Financing Activities</b>	<b>(28.7)</b>	<b>(23.3)</b>
Net (decrease) increase in cash and cash equivalents	(33.7)	5.0
Cash and cash equivalents at beginning of period	40.3	20.6
Cash and cash equivalents at end of period	\$ 6.6	\$ 25.6
<b>Supplemental Cash Flow Information</b>		
Cash paid during the year:		
Interest (net of amount capitalized)	\$ 23.7	\$ 29.0
Income taxes paid (refunded) - net	\$ 1.5	\$ 2.2

## Exhibit - A

## 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, 2014	\$ 986.3	\$ 136.6	\$ (11.8)	\$ 1,111.1
Net income	-	48.9	-	48.9
Dividends on preferred stock	-	(2.0)	-	(2.0)
Distributions to parent	-	(65.0)	-	(65.0)
Other comprehensive income	-	-	0.3	0.3
Balance at June 30, 2015 (Unaudited)	\$ 986.3	\$ 118.5	\$ (11.5)	\$ 1,093.3
Balances at December 31, 2015	\$ 988.2	\$ 159.9	\$ (8.0)	\$ 1,140.1
Net income	-	\$ 52.5	-	\$ 52.5
Dividends on preferred stock	-	(0.7)	-	(0.7)
Distributions to parent	-	(48.0)	-	(48.0)
Other comprehensive income	-	-	0.2	0.2
Balance at June 30, 2016 (Unaudited)	\$ 988.2	\$ 163.7	\$ (7.8)	\$ 1,144.1

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	11/25/2021		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	S/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
<b>Capital Programs</b>							
Restoration of Service	Restoration of service to our customers resulting from major storms, weather, equipment failure, and other events that cause damage to our system	\$ 30.9	\$ 30.6	\$ 41.0	\$ 42.5	\$ 145.0	\$ 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 laded equipment or equipment that is approaching end of life and increases of distribution capacity with available capacity to relieve overloaded circuits	13.5	13.5	21.0	21.5	\$ 70.5	\$ 17.6
Pole Replacement Program	Replace poles that are identified as needing replacement through our routine inspection program	0.0	4.0	5.0	5.0	\$ 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	0.0	0.0	0.0	0.0	\$ 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	18.0	18.3	\$ 43.0	\$ 11.0
Substation Programs	The Substation Program addresses eligible property associated with the substations that are approaching the end of expected useful life. The eligible property under the LTRP includes circuit breakers, associated switches, bus protection devices, and substation infrastructure	10.4	10.8	18.0	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
<b>Subtotal - Capital Programs</b>		<b>\$ 108.6</b>	<b>\$ 123.8</b>	<b>\$ 123.0</b>	<b>\$ 123.5</b>	<b>\$ 477.3</b>	<b>\$ 119.3</b>
<b>Capital Projects</b>							
345 kV Short Reactors	Address high voltage on the 345 kV buses and underground circuits in the Pittsburgh area					\$ 11.2	\$ 2.8
North Shore Rehab	PJM baseline project to replace 15 breakers to allow newly installed 3rd subtransformer to operate in parallel	11.2	4.2			\$ 12.8	\$ 3.2
Replace Breakers at Concord Substation	Reconductor bus transmission lines (PJM Supplemental project) to increase capacity and replace 100 aged transmission towers	3.7	2.3	0.18		\$ 33.1	\$ 8.3
Reconductor and Tower Replacement on BI Crescent		2.8	2.1	11.83	16.87		\$ 21.8
West Dam Substation	Build West Dam substation, install 120kV line between Pine Creek substation to West Dam, and install distribution to relieve load	2.1	3.5	18.22			\$ 6.4
Establish Z15 & Z117	Reconductor 6.9 miles of transmission line and reestablish path from Dravosburg to Wrenn to address PJM identified congestion	0.9	4.3	1.20			\$ 3.3
Transmission Tower Reinforcements	Replace aged lattice transmission towers	0.4	3.4	3.85	5.33		\$ 4.1
Universal - Phase 1 (26 kV Transmission Line)	Transmission line to provide 3rd source to Universal Substation and 2nd source to Plum Substation	0.4	12.7	3.40			\$ 3.0
Replace Structures at Beaver Valley Substation - Study 30 Project	Project to replace structures at the Beaver Valley Substation that are exhibiting significant "back out"	0.8	0.8	4.45	8.14		\$ 2.1
	Accomplishes the 345 kV transmission objectives of the original Study project that included addressing overload issues in long term transmission planning	0.3					\$ 27.8
4kV Eliminators	The 4kV Program eliminates, converts and/or upgrades various 4kV distribution system assets at or approaching the end of expected useful life. The Substation Elimination Initiative and the Station Conversion Initiative are intended to replace the aged, 4kV infrastructure on DCL's systems. In certain instances, removal of the 4kV substation infrastructure may be prudent as opposed to substitutive elimination or conversion		12.5	33.34	85.54		\$ 7.5
Microgrid	This program includes the installation of a microgrid at DCL Woods Run location and contemplates a second microgrid, with the type and scope yet to be determined. DCL 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				\$ 1.9
<b>Subtotal - Capital Projects</b>		<b>\$ 38.4</b>	<b>\$ 33.4</b>	<b>\$ 74.3</b>	<b>\$ 83.8</b>	<b>\$ 208.0</b>	<b>\$ 55.0</b>
<b>Utility Support</b>							
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	1.2	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
<b>Subtotal - Utility Support</b>		<b>\$ 10.1</b>	<b>\$ 9.8</b>	<b>\$ 15.0</b>	<b>\$ 15.4</b>	<b>\$ 49.4</b>	<b>\$ 12.4</b>
<b>Information Technology</b>							
Information Technology	Replacement or installation of information technology systems to support business operations	\$ 27.5	\$ 20.5	\$ 25.0	\$ 25.4	\$ 80.2	\$ 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 incident 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	20.0	25.6	1.0	\$ 102.0	\$ 25.7
CRPS	Costs required to meet CRPS compliance	1.0	0.0			\$ 1.7	\$ 0.4
<b>Subtotal - Information Technology</b>		<b>\$ 78.9</b>	<b>\$ 46.0</b>	<b>\$ 59.6</b>	<b>\$ 36.3</b>	<b>\$ 221.5</b>	<b>\$ 55.1</b>
<b>Total Capital Plan</b>		<b>\$ 208.6</b>	<b>\$ 223.7</b>	<b>\$ 242.3</b>	<b>\$ 271.3</b>	<b>\$ 1,004.3</b>	<b>\$ 253.6</b>
Non-cash capitalized pension costs		3.3	3.7	8.2	7.4	\$ 14.5	\$ 3.6
<b>Total Utility Capital (per Horwath Report)</b>		<b>\$ 244.9</b>	<b>\$ 225.9</b>	<b>\$ 298.4</b>	<b>\$ 286.7</b>	<b>\$ 1,054.7</b>	<b>\$ 263.7</b>
AFUDC		6.1	3.7	4.6	4.6	\$ 19.0	\$ 4.8
<b>Total Utility Capital (including AFUDC)</b>		<b>\$ 256.8</b>	<b>\$ 237.0</b>	<b>\$ 298.0</b>	<b>\$ 291.3</b>	<b>\$ 1,072.7</b>	<b>\$ 268.4</b>

\* 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
<b>INTANGIBLE PLANT</b>		<b>178,399,795</b>
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
<b>TRANSMISSION PLANT</b>		<b>777,430,482</b>
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
<b>DISTRIBUTION PLANT</b>		<b>2,421,961,853</b>
382.0	Computer Hardware	2,629,916
383.0	Computer Software	3,628,782
<b>REGIONAL TRANS PLANT</b>		<b>6,258,698</b>
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
<b>SUB-TOTAL General plant</b>		<b>296,768,456</b>
399.1	ARO for General Plant	74,249
<b>GENERAL PLANT</b>		<b>296,842,705</b>
Plant Purchased or sold		0
<b>TOTAL PLANT-IN-SERVICE</b>		<b>3,680,893,533</b>

Exhibit E

**Duquesne Light Company - Pro Forma Journal Entries**

	<u>Debit</u>	<u>Credit</u>
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 496,200,000	
<b>Deferred Credits:</b>		
Debt Issuance Costs	\$ 3,800,000	
<b>Capitalization:</b>		
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>
<b>Capitalization:</b>		
Retained Earnings	\$ 13,387,000	
<b>Current Liabilities:</b>		
Accrued Taxes	\$ 9,493,000	
<b>Current Assets:</b>		
Cash and Cash Equivalents		\$ 22,500,000
<b>Deferred Credits:</b>		
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>
<b>Interest on Long-Term Debt:</b>		
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
<b>Other Interest Expense:</b>		
Annual amortization of debt issuance costs		\$ 380,000
		\$ 22,880,000
<b>Income Taxes:</b>		
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	
	\$ 9,493,000	
<b>Decrease in net income:</b>		\$ 13,387,000

Exhibit F

**Duquesne Light Company - Sources and Uses Statement**

(\$ in millions)

	2016	2017	2018	2019	TOTAL
<b>Application of Funds</b>					
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
<b>Total Applications</b>	<b>\$ 493</b>	<b>\$ 543</b>	<b>\$ 604</b>	<b>\$ 549</b>	<b>\$ 2,189</b>
<b>Sources of Funds</b>					
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
<b>Total Sources</b>	<b>\$ 490</b>	<b>\$ 536</b>	<b>\$ 607</b>	<b>\$ 552</b>	<b>\$ 2,184</b>
<b>Difference</b>	<b>\$ 4</b>	<b>\$ 7</b>	<b>\$ (3)</b>	<b>\$ (2)</b>	<b>\$ 5</b>

Exhibit G

**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
<b>Long Term Debt:</b>						
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)	
<b>Total Adjusted Long Term Debt</b>	<b>\$ 1,032,712,968</b>	<b>46.81%</b>	<b>\$ 1,387,712,968</b>	<b>54.90%</b>	<b>\$ 1,237,712,968</b>	<b>52.05%</b>
<b>Preferred Stock:</b>						
<b>Total Preferred Stock</b>	<b>\$ 33,122,844</b>	<b>1.50%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Common Equity:</b>						
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)	
<b>Total Common Equity</b>	<b>\$ 1,140,116,228</b>	<b>51.68%</b>	<b>\$ 1,140,116,228</b>	<b>45.10%</b>	<b>\$ 1,140,116,228</b>	<b>47.95%</b>
<b>Total Book Capitalization</b>	<b>\$ 2,205,952,040</b>	<b>100.00%</b>	<b>\$ 2,527,829,196</b>	<b>100.00%</b>	<b>\$ 2,377,829,196</b>	<b>100.00%</b>

\* 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**

<b>S&amp;P</b>	<b>Rating</b>	<b>Date of Change</b>
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

<b>Moody's</b>	<b>Rating</b>	<b>Date of Change</b>
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>		2016	<i>Projected (Year-End)</i>	
	2014	2015		2017	2018
<b>Dividend Payout Ratio</b>					
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%
<b>Capital Expenditures to Depreciation and Amortization</b>					
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
<b>Capitalization Ratio</b>					
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%
<b>Interest Coverage Ratio</b>					
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><i>Jurisdiction of Organization</i></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 Monogahela 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