



Emily M. Farah  
Counsel, Regulatory

411 Seventh Avenue  
Mail drop 15-7  
Pittsburgh, PA 15219

Tel: 412-393-6431  
efarah@duqlight.com

January 29, 2019

**Via Electronic Filing**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Keystone Bldg. 2nd Floor W  
400 N. Street  
Harrisburg, PA 17120

**RE: Duquesne Light Company Administrative Services Agreement  
Docket No. G-2018-3002809**

Dear Secretary Chiavetta:

Enclosed please find the redlined and clean versions of Duquesne Light Company's Administrative Services Agreement currently under review by the Commission's Bureau of Technical Utility Services ("TUS"), electronically filed at the request of TUS staff. The clean version filed on January 24, 2019 inadvertently omitted the redlines reflected on Appendix C. If you have any questions, comments, or concerns, please do not hesitate to contact me.

Respectfully,

A handwritten signature in blue ink, appearing to read "Emily M. Farah", is written over a light blue circular stamp or watermark.

Emily M. Farah  
Counsel, Regulatory

Enclosure

cc: Jeffrey McCracken (via email, with enclosure)  
Jeremy Haring (via email, with enclosure)

**REDLINED**

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ADMINISTRATIVE SERVICES  
AGREEMENT

THIS ADMINISTRATIVE SERVICES AGREEMENT (this "Agreement") is made as of June 18, 2018 by and among DUQUESNE LIGHT HOLDINGS, INC., a Pennsylvania corporation ("Parent"), DUQUESNE LIGHT COMPANY, a Pennsylvania corporation ("Duquesne"), and the affiliates of Parent and Duquesne named on the signatures pages hereto (each, an "Affiliate" and collectively, the "Affiliates").

WITNESSETH:

WHEREAS, Duquesne is a public utility providing electric service subject to regulation by the Pennsylvania Public Utility Commission (the "Commission" or "PUC");

WHEREAS, Parent, f/k/a DQE, Inc., pursuant to its articles of incorporation, has unlimited power to engage in any lawful act concerning any lawful business for which corporations may be incorporated under the Pennsylvania Business Corporation Law and was formed for the purpose of engaging in energy-related diversification opportunities which could arise from time to time in the marketplace;

WHEREAS, Duquesne companies desire, need and require from time to time the administrative, management and other services as described in **Appendix A**.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings herein contained, the parties hereto agree as follows:

**1. DESCRIPTION OF SERVICES**

Any affiliated members of the Parent may from time to time perform, on a regular or temporary basis administrative, management, and other services for one or more of the other companies. An exclusive list of services that may be provided is included within **Appendix A** to this Agreement. Those affiliates that receive services from, or provide services to, the Parent are listed within **Appendix B** to this Agreement. No service shall be performed in contravention of any applicable law, regulation, rule, order, judgment, or decision of

any governmental entity.

## **2. PERSONNEL**

In order to provide the services, the Parties will employ executive officers, accountants, financial advisors, technical advisers, attorneys, and other persons with the necessary qualifications. If necessary, the Parties may also arrange for the services of nonaffiliated experts, consultants and attorneys in connection with the performance of any of the services provided under this agreement.

## **3. ALLOCATION**

In consideration of services rendered, the party receiving administrative services ("Receiving Party") under this Agreement agrees to reimburse the party providing such services ("Providing Party") the fully-loaded cost of such service, including charges for interest where appropriate. The allocation methodologies for directly charging and allocating costs between affiliates are detailed in **Appendix C**. Generally, the following allocation methods shall be used:

- a) The Providing Party will allocate to any administrative services provided the direct costs associated with performing such services.
- b) Direct labor costs of any employee of the Providing Party who provides identifiable services to the Receiving Party will be charged to the Receiving Party's operation based on such employee's total compensation, including salary and fringe benefits.
- c) Other identifiable direct costs, including third party service fees and supplies, will be charged to the Receiving Party's operations at the actual cost incurred by the Providing Party.
- d) All costs charged are subject to periodic review and adjustment, as appropriate.

The Providing Party shall directly assign costs when practicable. National Association of Regulatory Utility Commissioners (NARUC) Guidelines for Cost Allocation and Affiliate Transactions are followed to assign costs to the Receiving Party. If it is not practicable to directly assign costs for completed services, such costs shall be allocated based on such NARUC guidelines.

## **4. PAYMENT FOR SERVICES**

A Receiving Party agrees to pay the Providing Party the actual cost of providing the services. In

this regard, the Providing Party shall deliver monthly to the Receiving Party written documentation of the cost of providing services under this Agreement, which invoice shall be due and payable within 30 days after its receipt. When it is not reasonably possible or practical to determine actual costs, the Providing Party may substitute allocation factors for actual costs as set forth within Section 3 of this Agreement.

All such costs incurred by the Providing Party on behalf of the Receiving Party shall become the liability of the Receiving Party when incurred by the Providing Party, shall be determined in accordance with generally accepted accounting principles and shall be determined in accordance with the cost allocation procedures set forth within Section 3 of this Agreement; provided however that if a particular transaction is subject to regulation by the FERC or another federal regulatory agency, and the rules of these agencies require a pricing mechanism that is different than provided herein, the Parties will follow the rules required by the federal agency, as applicable.

#### **5. INTEREST ON PAST DUE AMOUNTS**

From and after the Effective Date (as hereinafter defined), in the event any amount payable under Section 4 of this Agreement is not paid by a Receiving Party when due, such unpaid amount shall bear interest, from the due date shown in the invoice therefor (or, if no such due date is shown, from the date that is 30 days after the Receiving Party receives such invoice), at a rate equal to the then-current average monthly rate of interest applicable to DQE Capital Corporation's cash pool arrangement.

#### **6. AGENT STATUS OF PROVIDING PARTY**

All services, materials, equipment, and supplies purchased by a Providing Party at the request of a Receiving Party shall be purchased by the Providing Party on behalf of and as agent for the Receiving Party. In that regard, the Receiving Party hereby appoints the Providing Party as its agent, and the Providing Party hereby agrees as such agent to negotiate, execute and enforce contracts (including purchase order contracts) providing for the purchase of services, materials, equipment and supplies.

Each such contract shall be made in the name of the Receiving Party and shall provide, among other things, that the Providing Party shall be the agent for the Receiving Party concerning the administration of the contract and that performance of the contract shall be for the account of, title to all property acquired thereunder shall vest in, and charges therefore shall be paid by, the Receiving Party.

**7. JOINDER TO AGREEMENT**

Any future subsidiary or other affiliate of Parent or Duquesne may elect to participate in this Agreement by executing a joinder or similar agreement indicating such entity's willingness to be bound by the terms of this Agreement. Duquesne Light Holdings will file an updated listing of subsidiaries with the PUC, as necessary and appropriate. Subject to PUC approval, new Duquesne Light subsidiaries that are added prior to the annual update will be subject to this Agreement.

**8. SEVERAL OBLIGATIONS; NO RIGHTS TO BIND**

The duties, obligations and liabilities of the parties under this Agreement are intended to be several and not joint or collective, and nothing in this Agreement shall ever be construed to create an association, joint venture, trust or partnership between the parties or to impose a trust or partnership duty, obligation or liability on or with regard to any of the parties. Each party shall be individually responsible for its own obligations as herein provided. No party shall be under the control of or shall be deemed to control the other party solely by virtue of this Agreement. No party shall have a right or power to bind another party without its express written consent, except as expressly provided in this Agreement.

**9. WITHDRAWAL FROM AGREEMENT**

Any party shall have the right at any time to withdraw from this Agreement by giving 90 days' prior written notice of withdrawal. In the event any Affiliate desires to withdraw from this Agreement, it shall send written notice of withdrawal to Parent and Duquesne. In the event Parent desires to withdraw from this Agreement, it shall send written notice of withdrawal to Duquesne. In the event Duquesne desires to withdraw from this Agreement, it shall send written notice of withdrawal. This Agreement automatically shall terminate upon the effective date of Duquesne's withdrawal from this Agreement.

## **10. NOTICES**

Any notice required or permitted to be given to a party hereunder shall be in writing and shall be sent to such party at its address set forth below (or to such other address as such party may notify the other parties by notice given in accordance with the requirements of this Section 10):

### **If to Parent:**

Duquesne Light Holdings, Inc.  
411 Seventh Avenue  
Pittsburgh, PA 15219  
Attn: Chief Legal Officer

### **If to Duquesne:**

Duquesne Light Company  
411 Seventh Avenue  
Pittsburgh, PA 15219  
Attn: Chief Legal Officer

### **If to any Affiliate:**

c/o Duquesne Light Holdings, Inc.  
411 Seventh Avenue  
Pittsburgh, PA 15219  
Attn: Chief Legal Officer

## **11. APPROVAL BY COMMISSION**

This Agreement is subject to the approval of the Commission and shall be effective on the entry date of the Commission's order approving this Agreement or on such other date that this Agreement is deemed approved by the Commission (such date, the "Effective Date').

## **12. GOVERNING LAW**

This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws principles.

## **13. COUNTERPARTS**

This Agreement may be executed in two or more counterparts, and by the different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

IN WITNESS WHEREOF, the parties hereto have caused this Administrative Services Agreement to be duly executed by their duly authorized representatives as of the date first written above.

DQE HOLDINGS, LLC

By: \_\_\_\_\_  
Its: Senior Vice President & CFO

DUQUESNE LIGHT HOLDINGS, INC.

By: \_\_\_\_\_  
Its: Senior Vice President & CFO

DUQUESNE ENERGY SOLUTIONS, LLC

By: \_\_\_\_\_  
Its: Vice President

DES CORPORATE SERVICES, INC.

By: \_\_\_\_\_  
Its: President and Treasurer

DQE SYNFUELS, LLC

By: \_\_\_\_\_  
Its: President

DQE SYNFUELS, LP

By: \_\_\_\_\_  
Its: President

DH CANADA HOLDINGS, LLC

By: \_\_\_\_\_  
Its: President

DH CANADA CORPORATION

By: \_\_\_\_\_  
Its: President

DQE ENTERPRISES, INC.

By: \_\_\_\_\_  
Its: President

DQE CAPITAL CORPORATION

By: \_\_\_\_\_  
Its: President

DQE FINANCIAL LLC

By: \_\_\_\_\_  
Its: President and Treasurer

MARINER INVESTMENT STRATEGIES, LLC

By: \_\_\_\_\_  
Its: President

DUQUESNE FIBER COMPANY

By: \_\_\_\_\_  
Its: President

DQE SYSTEMS, LLC

By: \_\_\_\_\_  
Its: President

DUQUESNE BROADBAND, LLC

By: \_\_\_\_\_  
Its: President

DQE COMMUNICATIONS, LLC

By: \_\_\_\_\_  
Its: President

NORTH SHORE AFFORDABLE HOUSING, LLC

By: \_\_\_\_\_  
Its: President

MONTAUK SYNFUELS, LLC

By: \_\_\_\_\_  
Its: President

DUQUESNE POWER, LLC

By: \_\_\_\_\_  
Its: President

DUQUESNE LIGHT COMPANY

By: \_\_\_\_\_  
Its: Senior Vice President & CFO

## Appendix A

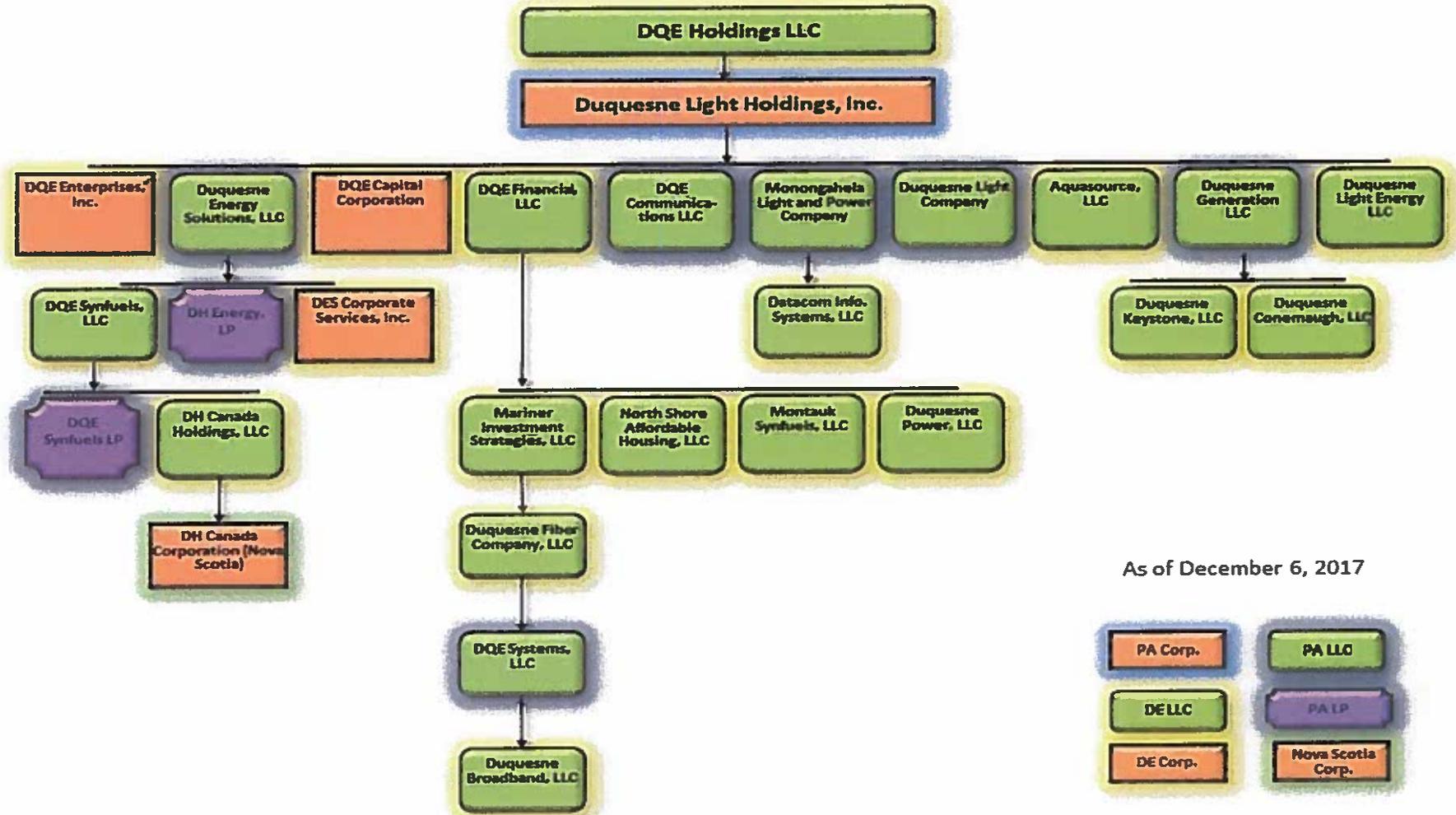
### Description of Services

This Appendix provides a description of services provided under the Administrative Service Agreement dated June 18, 2018. Listed below are services provided. All services listed are allocated directly when possible. If direct allocation is not possible, the indirect allocation method that is used is listed.

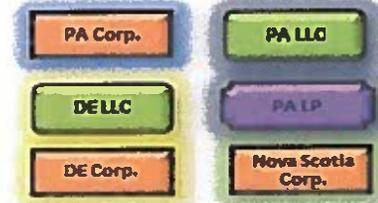
Service	Description	Basis of Allocation
<u>Alarm Monitoring Services</u>	<u>Provides alarm monitoring services for the Company.</u>	<u>The allocation for these services is based on the Average Asset allocation method.</u>
Audit Services	Provide services including coordinating the examination of accounting records with the external auditors.	The allocation for these services is based on the Average Asset allocation method.
Compliance Services	Provide enterprise-wide compliance and consultation to the Company as well as to specific corporate projects on compliance matters.	The allocation for these services is based on the EBITDA allocation method.
<u>Disbursement Services</u>	<u>Provides Company-wide disbursement processing functions.</u>	<u>The allocations for these services are allocated based on the Direct method.</u>
Executive Services	Provide leadership and strategic services for the Company.	The allocation for these services is based on the EBITDA allocation method.
Finance / Accounting Services	Provide services including the setting accounting policies and practices, preparation and dissemination of consolidated financial results, research of new financial reporting requirements, maintenance of the general ledger system, management of the budget and forecasting process and preparation and review all external financial reporting.	The allocation for these services is based on the EBITDA allocation method.
Financial Planning & Analysis Services	Provide services related to the preparation and development of budgets and budgetary controls.	The allocation for these services is based on the EBITDA allocation method.
Human Resources	Provide services to manage and maintain employee policy and program development and oversight of all human resource initiatives.	The allocation for these services is based the Headcount allocation method.
Information Services	Provide services including, but not limited to, service and IT support, maintenance and support of existing corporate business applications, system implementation costs, report coordination, consultative support, and mail and printer/copier services.	The allocation for these services is based on the Average Asset allocation method.
Internal Audit Services	Provide audit plans and strategies for the Company for financial, compliance, information technology and operational audits. Additionally provide services related to control risk assessments and special investigations.	The allocation for these services is based on the EBITDA allocation method.

Legal Services	Provide the Company with legal services, including, but not limited to, general corporate matters and internal corporate maintenance, contract drafting and negotiation, litigation, liability and risk assessment, financing, state and federal regulatory compliance, state and federal regulatory support and rule interpretation and advice, bankruptcy and collection matters, union contracting and all other matters requiring legal services.	The allocation for these services is based on the EBITDA allocation method.
Materials	Provides the Company with non-inventory related materials, which are materials relating to the Company's office supplies that do not flow through inventory accounts.	The allocation for these materials is based on total materials per employee. The listing of materials is updated annually.
<u>New Hire Background Services</u>	<u>Provide new hire background check processes.</u>	<u>The allocation for these charges are based on Headcount allocation.</u>
<del>Payroll Services &amp; Disbursements</del>	<del>Provides Company-wide payroll and accounts payable processing functions.</del>	<del>The allocation for these charges are based on Headcount allocation.</del>
Pension Administration Services	Provide services for the management and administration of all pension and savings plan assets for the Company. Services provided include, but are not limited to, the implementation of investment policies, monitoring of investment performance, and coordination of actuarial valuation reviews.	The allocation for these charges are based on Headcount allocation.
Rent Services	Provides office space at the headquarters building. <u>For all employee time that is charged directly to a subsidiary, the Company allocates a portion of DLC rent expense to the associated subsidiary in connection with the direct charge. The annual rent expense is updated in accordance with changes in lease terms. Additionally, the number of employees per floor is updated annually with an employee by location listing.</u>	The allocation for these services is based on total cost per employee per floor.
Safety & Workforce Development	Provides Company-wide safety and workforce development reporting and initiatives.	The allocation for these services is based on the EBITDA allocation method.
<del>Security Services</del>	<del>Provides new hire background process and alarm monitoring services for the Company.</del>	<del>The allocation for these services is based on the EBITDA allocation method.</del>
Tax Services	Provide services related to preparation of tax returns and other filings, consultation services, research of tax planning initiatives, coordination of audits, and various other tax related accounting functions.	The allocation for these services is based on the EBITDA allocation method.
Treasury Services	Provide services including, but not limited to, daily banking transactions, monitoring of cash holdings, monitoring of credit facilities, forecasting cash requirements, various reporting requirements, management of bank, investor and agency relationships, and management of insurance policies.	The allocation for these services is based on the Average Asset allocation method.

Appendix B



As of December 6, 2017



## Appendix C

The allocation factors described below will be used by the Accounting and Reporting department for apportioning project charges to DQE Holdings LLC and subsidiaries (the Company).

### Allocation 1 – DIRECT COSTS

Project charges will be allocated to each benefited affiliate on the basis of the relation of its direct costs billed by the shared service to the total of all direct costs billed by the shared service. All affiliates may be included in this allocation.

### Allocation 2 – NUMBER OF REGULAR EMPLOYEES

Project charges will be allocated to each benefited affiliate on the basis of the relation of its number of regular employees to the total number of all regular employees of the benefited affiliates. All affiliates may be included in this allocation. Part time, temporary and full time employees will record their time into the timekeeping system and their time will be allocated based on the employee's charge code that is selected. All contractor and subcontractors will be billed through invoices received and would be excluded from this calculation. Contractor and subcontractor time will be billed directly to the subsidiary. In the event that the contractor's time cannot be directly charged, the charges will be manually recorded through a monthly journal entry.

### Allocation 3 – FIXED ALLOCATION

Project charges will be allocated to each benefited affiliate on the basis of fixed percentages on an individual project basis. All affiliates may be included in this allocation.

### Allocation 4 – EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

Project charges will be allocated to each benefited affiliate on the basis of the relation of its total EBITDA to the sum of the total EBITDA of all benefited affiliates. All affiliates may be included in this allocation. On an annual basis, EBITDA balances of each company will be updated using 12/31 balances. This will be updated subsequent to the finalization of year-end financial statements. The total EBITDA will be reduced by the previous year's administration fee allocation per company and then the balance will be translated to the absolute value. Then, utilizing the absolute value, a percent of total EBITDA per company will be calculated. All discontinued operations will be removed from the overall calculation. Note: The 'administration fee allocation' refers to the entry made to reallocate costs to the relevant affiliate. It is the summary of all of the outlined allocation methods. Each month, the Company calculates all costs to be reallocated and records a manual journal entry (i.e. the administration fee allocation). This ensures all appropriate costs are recorded and invoiced at the subsidiary. When determining the EBITDA percentages, the impact of the previous year allocation from EBITDA is removed in order to neutralize the calculation.

### Allocation 5 – AVERAGE ASSETS

Project charges will be allocated to each benefited affiliate on the basis of the relationship of its total average assets to the sum of the total average assets of all benefited affiliates. All affiliates may be included in this allocation. On an annual basis, the average asset calculation will be updated utilizing November balances. The current asset balances will be adjusted by removing cash, intercompany, goodwill, and investment in subsidiaries in order to calculate an adjusted asset balance per company. The previous 12 months (including November) will be used to determine an average asset balance per company. Then, utilizing the 12 month average asset balances, a percent of total average assets will be calculated per company. All discontinued operations will be removed from the overall calculation.

## Allocation 6 – REVENUE

Project charges will be allocated to each benefited affiliate on the basis of the relationship of its total revenue to the sum of the total revenue of all benefited affiliates. All affiliates may be included in this allocation. On an annual basis, revenue balances per company will be updated utilizing November balances. A percent of total revenue per company will be calculated to determine to the percentage of allocation.

## Allocation 7 – CAPITALIZATION

Project charges will be allocated to each benefited affiliate on the basis of the relationship of its capitalization (debt and equity) to the sum of the total capitalization of all benefited affiliates. All affiliates may be included in this allocation

## Allocation 8 – NUMBER OF TRANSACTIONS

Project charges will be allocated to each benefited affiliate on the basis of the relationship of the number of transactions to the affiliate to the sum of the total transactions of all benefited affiliates. All affiliates may be included in this allocation.

## Allocation 9 - MASSACHUSETTS METHOD

The Massachusetts Method allocates costs based on the benefiting company's revenue, total assets, and payroll or labor relative to the totals for all companies benefiting from a service. All affiliates may be included in this allocation.

## Allocation 10 – PENNSYLVANIA METHOD

The Pennsylvania Method allocates the costs of a service based on the relevant company's invested capital, operation and maintenance expenses, and number of employees relative to all other affiliates receiving the service at issue. All affiliates may be included in this allocation.

## Direct Time Allocations - e-Time Procedures

The Company has identified certain shared service employees which are employees of DLC. These employees utilize the eTime process described below in order to directly allocate time to affiliates or charge projects requiring additional allocation. A listing of shared service cost centers is maintained by the accounting department and reviewed on a quarterly basis to ensure the proper allocation of time to affiliates.

eTime – eTime is an internet scheduling tool used by employees of the Company. eTime was established in order for employees to track and assign time based on the actual hours spent performing tasks for a particular project or affiliate.

As described above, all shared service employees of the Company are considered DLC employees and are required to complete a timesheet or submit their time via eTime for each period whether they are paid hourly or receive a salary. Employees who utilize eTime must enter their time based on the activities that were performed during the pay period. A screen within eTime allows the employee to select certain projects and/or affiliates. Employees are required to select the entity or project to which their time should be charged. If an employee does not select an entity or project, eTime will not be submitted. An eTime file is then generated monthly with all allocations and a manual entry is recorded within the accounting department to transfer the labor charges to the appropriate affiliate.

Employees are encouraged to enter their time in one quarter hour increments. Employees are also encouraged to keep their timesheets updated on a regular basis, so that they do not have to enter an entire pay period of time on the last day of the pay period. It is best if they enter their time on a daily basis, when feasible, so that it is as accurate as possible. Employees may face disciplinary action for not adhering to the Company's policies regarding eTime.

Employees who fail to submit their eTime at the end of a pay-period receive an initial automated email reminding them to submit their time via eTime. If the employee does not submit their time after receiving the initial reminder, the employee is sent a second automated email communicating that they have committed a compliance violation for eTime non-submittal. This second email prompts the employee to immediately report their time. If the employee continues to delay, a notice is sent to the employees direct Supervisor for follow-up and possible disciplinary action. Multiple delays in eTime submissions are considered a performance issue and may warrant disciplinary action.

eTime allocations will be reviewed on an annual basis to ensure that shared service employees are properly allocating time to benefiting affiliates.

**CLEAN**

ADMINISTRATIVE SERVICES  
AGREEMENT

THIS ADMINISTRATIVE SERVICES AGREEMENT (this "Agreement") is made as of June 18, 2018 by and among DUQUESNE LIGHT HOLDINGS, INC., a Pennsylvania corporation ("Parent"), DUQUESNE LIGHT COMPANY, a Pennsylvania corporation ("Duquesne"), and the affiliates of Parent and Duquesne named on the signatures pages hereto (each, an "Affiliate" and collectively, the "Affiliates").

WITNESSETH:

WHEREAS, Duquesne is a public utility providing electric service subject to regulation by the Pennsylvania Public Utility Commission (the "Commission" or "PUC");

WHEREAS, Parent, f/k/a DQE, Inc., pursuant to its articles of incorporation, has unlimited power to engage in any lawful act concerning any lawful business for which corporations may be incorporated under the Pennsylvania Business Corporation Law and was formed for the purpose of engaging in energy-related diversification opportunities which could arise from time to time in the marketplace;

WHEREAS, Duquesne companies desire, need and require from time to time the administrative, management and other services as described in **Appendix A**.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings herein contained, the parties hereto agree as follows:

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any governmental entity.

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In order to provide the services, the Parties will employ executive officers, accountants, financial advisors, technical advisers, attorneys, and other persons with the necessary qualifications. If necessary, the Parties may also arrange for the services of nonaffiliated experts, consultants and attorneys in connection with the performance of any of the services provided under this agreement.

## **3. ALLOCATION**

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- a) The Providing Party will allocate to any administrative services provided the direct costs associated with performing such services.
- b) Direct labor costs of any employee of the Providing Party who provides identifiable services to the Receiving Party will be charged to the Receiving Party's operation based on such employee's total compensation, including salary and fringe benefits.
- c) Other identifiable direct costs, including third party service fees and supplies, will be charged to the Receiving Party's operations at the actual cost incurred by the Providing Party.
- d) All costs charged are subject to periodic review and adjustment, as appropriate.

The Providing Party shall directly assign costs when practicable. National Association of Regulatory Utility Commissioners (NARUC) Guidelines for Cost Allocation and Affiliate Transactions are followed to assign costs to the Receiving Party. If it is not practicable to directly assign costs for completed services, such costs shall be allocated based on such NARUC guidelines.

## **4. PAYMENT FOR SERVICES**

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this regard, the Providing Party shall deliver monthly to the Receiving Party written documentation of the cost of providing services under this Agreement, which invoice shall be due and payable within 30 days after its receipt. When it is not reasonably possible or practical to determine actual costs, the Providing Party may substitute allocation factors for actual costs as set forth within Section 3 of this Agreement.

All such costs incurred by the Providing Party on behalf of the Receiving Party shall become the liability of the Receiving Party when incurred by the Providing Party, shall be determined in accordance with generally accepted accounting principles and shall be determined in accordance with the cost allocation procedures set forth within Section 3 of this Agreement; provided however that if a particular transaction is subject to regulation by the FERC or another federal regulatory agency, and the rules of these agencies require a pricing mechanism that is different than provided herein, the Parties will follow the rules required by the federal agency, as applicable.

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#### **6. AGENT STATUS OF PROVIDING PARTY**

All services, materials, equipment, and supplies purchased by a Providing Party at the request of a Receiving Party shall be purchased by the Providing Party on behalf of and as agent for the Receiving Party. In that regard, the Receiving Party hereby appoints the Providing Party as its agent, and the Providing Party hereby agrees as such agent to negotiate, execute and enforce contracts (including purchase order contracts) providing for the purchase of services, materials, equipment and supplies.

Each such contract shall be made in the name of the Receiving Party and shall provide, among other things, that the Providing Party shall be the agent for the Receiving Party concerning the administration of the contract and that performance of the contract shall be for the account of, title to all property acquired thereunder shall vest in, and charges therefore shall be paid by, the Receiving Party.

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IN WITNESS WHEREOF, the parties hereto have caused this Administrative Services Agreement to be duly executed by their duly authorized representatives as of the date first written above.

DQE HOLDINGS, LLC

By: \_\_\_\_\_  
Its: Senior Vice President & CFO

DUQUESNE LIGHT HOLDINGS, INC.

By: \_\_\_\_\_  
Its: Senior Vice President & CFO

DUQUESNE ENERGY SOLUTIONS, LLC

By: \_\_\_\_\_  
Its: Vice President

DES CORPORATE SERVICES, INC.

By: \_\_\_\_\_  
Its: President and Treasurer

DQE SYNFUELS, LLC

By: \_\_\_\_\_  
Its: President

DQE SYNFUELS, LP

By: \_\_\_\_\_  
Its: President

DH CANADA HOLDINGS, LLC

By: \_\_\_\_\_  
Its: President

DH CANADA CORPORATION

By: \_\_\_\_\_  
Its: President

DQE ENTERPRISES, INC.

By: \_\_\_\_\_  
Its: President

DQE CAPITAL CORPORATION

By: \_\_\_\_\_  
Its: President

DQE FINANCIAL LLC

By: \_\_\_\_\_  
Its: President and Treasurer

MARINER INVESTMENT STRATEGIES, LLC

By: \_\_\_\_\_  
Its: President

DUQUESNE FIBER COMPANY

By: \_\_\_\_\_  
Its: President

DQE SYSTEMS, LLC

By: \_\_\_\_\_  
Its: President

DUQUESNE BROADBAND, LLC

By: \_\_\_\_\_  
Its: President

DQE COMMUNICATIONS, LLC

By: \_\_\_\_\_  
Its: President

NORTH SHORE AFFORDABLE HOUSING, LLC

By: \_\_\_\_\_  
Its: President

MONTAUK SYNFUELS, LLC

By: \_\_\_\_\_  
Its: President

DUQUESNE POWER, LLC

By: \_\_\_\_\_  
Its: President

DUQUESNE LIGHT COMPANY

By: \_\_\_\_\_  
Its: Senior Vice President & CFO

MONOGAHELA LIGHT & POWER COMPANY

By: \_\_\_\_\_  
Its: President

DATACOM INFORMATION SYSTEMS, LLC

By: \_\_\_\_\_  
Its: President

AQUASOURCE, LLC

By: \_\_\_\_\_  
Its: President

DUQUESNE LIGHT ENERGY, LLC

By: \_\_\_\_\_  
Its: President & Treasurer

DUQUESNE GENERATION, LLC

By: \_\_\_\_\_  
Its: President

DUQUESNE CONEMAUGH, LLC

By: \_\_\_\_\_  
Its: President

DUQUESNE KEYSTONE, LLC

By: \_\_\_\_\_  
Its: President

DH Energy, LP

By: \_\_\_\_\_  
Its: **President** \_\_\_\_\_

## Appendix A

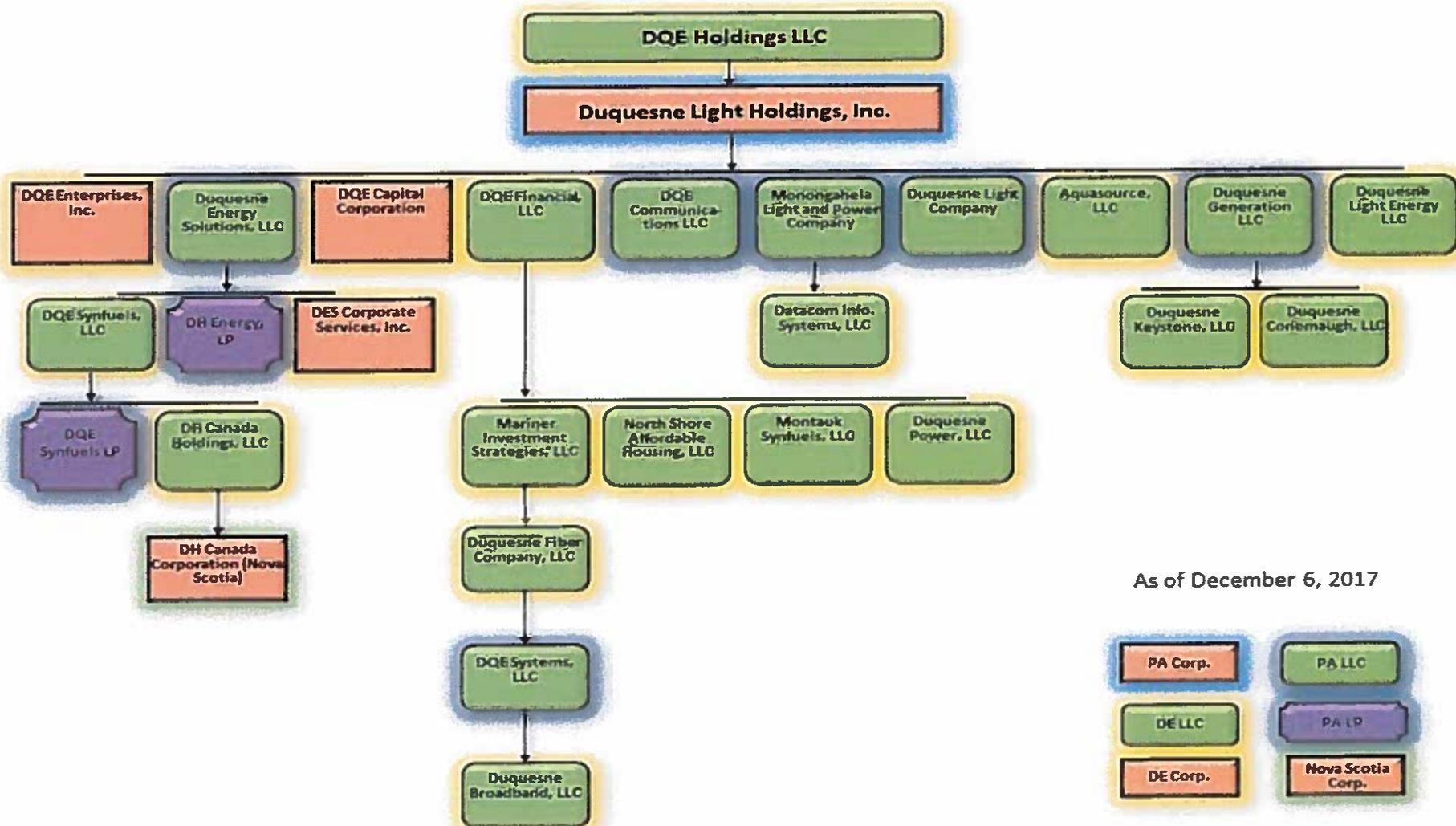
### Description of Services

This Appendix provides a description of services provided under the Administrative Service Agreement dated June 18, 2018. Listed below are services provided. All services listed are allocated directly when possible. If direct allocation is not possible, the indirect allocation method that is used is listed.

Service	Description	Basis of Allocation
Alarm Monitoring Services	Provides alarm monitoring services for the Company.	The allocation for these services is based on the Average Asset allocation method.
Audit Services	Provide services including coordinating the examination of accounting records with the external auditors.	The allocation for these services is based on the Average Asset allocation method.
Compliance Services	Provide enterprise-wide compliance and consultation to the Company as well as to specific corporate projects on compliance matters.	The allocation for these services is based on the EBITDA allocation method.
Disbursement Services	Provides Company-wide disbursement processing functions.	The allocations for these services are allocated based on the Direct method.
Executive Services	Provide leadership and strategic services for the Company.	The allocation for these services is based on the EBITDA allocation method.
Finance / Accounting Services	Provide services including the setting accounting policies and practices, preparation and dissemination of consolidated financial results, research of new financial reporting requirements, maintenance of the general ledger system, management of the budget and forecasting process and preparation and review all external financial reporting.	The allocation for these services is based on the EBITDA allocation method.
Financial Planning & Analysis Services	Provide services related to the preparation and development of budgets and budgetary controls.	The allocation for these services is based on the EBITDA allocation method.
Human Resources	Provide services to manage and maintain employee policy and program development and oversight of all human resource initiatives.	The allocation for these services is based the Headcount allocation method.
Information Services	Provide services including, but not limited to, service and IT support, maintenance and support of existing corporate business applications, system implementation costs, report coordination, consultative support, and mail and printer/copier services.	The allocation for these services is based on the Average Asset allocation method.
Internal Audit Services	Provide audit plans and strategies for the Company for financial, compliance, information technology and operational audits. Additionally provide services related to control risk assessments and special investigations.	The allocation for these services is based on the EBITDA allocation method.

Legal Services	Provide the Company with legal services, including, but not limited to, general corporate matters and internal corporate maintenance, contract drafting and negotiation, litigation, liability and risk assessment, financing, state and federal regulatory compliance, state and federal regulatory support and rule interpretation and advice, bankruptcy and collection matters, union contracting and all other matters requiring legal services.	The allocation for these services is based on the EBITDA allocation method.
Materials	Provides the Company with non-inventory related materials, which are materials relating to the Company's office supplies that do not flow through inventory accounts.	The allocation for these materials is based on total materials per employee. The listing of materials is updated annually.
New Hire Background Services	Provide new hire background check processes.	The allocation for these charges are based on Headcount allocation.
Payroll Services	Provides Company-wide payroll processing functions.	The allocation for these charges are based on Headcount allocation.
Pension Administration Services	Provide services for the management and administration of all pension and savings plan assets for the Company. Services provided include, but are not limited to, the implementation of investment policies, monitoring of investment performance, and coordination of actuarial valuation reviews.	The allocation for these charges are based on Headcount allocation.
Rent Services	Provides office space at the headquarters building. For all employee time that is charged directly to a subsidiary, the Company allocates a portion of DLC rent expense to the associated subsidiary in connection with the direct charge. The annual rent expense is updated in accordance with changes in lease terms. Additionally, the number of employees per floor is updated annually with an employee by location listing.	The allocation for these services is based on total cost per employee per floor.
Safety & Workforce Development	Provides Company-wide safety and workforce development reporting and initiatives.	The allocation for these services is based on the EBITDA allocation method.
Tax Services	Provide services related to preparation of tax returns and other filings, consultation services, research of tax planning initiatives, coordination of audits, and various other tax related accounting functions.	The allocation for these services is based on the EBITDA allocation method.
Treasury Services	Provide services including, but not limited to, daily banking transactions, monitoring of cash holdings, monitoring of credit facilities, forecasting cash requirements, various reporting requirements, management of bank, investor and agency relationships, and management of insurance policies.	The allocation for these services is based on the Average Asset allocation method.

## Appendix B



## Appendix C

The allocation factors described below will be used by the Accounting and Reporting department for apportioning project charges to DQE Holdings LLC and subsidiaries (the Company).

### Allocation 1 – DIRECT COSTS

Project charges will be allocated to each benefited affiliate on the basis of the relation of its direct costs billed by the shared service to the total of all direct costs billed by the shared service. All affiliates may be included in this allocation.

### Allocation 2 – NUMBER OF REGULAR EMPLOYEES

Project charges will be allocated to each benefited affiliate on the basis of the relation of its number of regular employees to the total number of all regular employees of the benefited affiliates. All affiliates may be included in this allocation. Part time, temporary and full time employees will record their time into the timekeeping system and their time will be allocated based on the employee's charge code that is selected. All contractor and subcontractors will be billed through invoices received and would be excluded from this calculation. Contractor and subcontractor time will be billed directly to the subsidiary. In the event that the contractor's time cannot be directly charged, the charges will be manually recorded through a monthly journal entry.

### Allocation 3 – FIXED ALLOCATION

Project charges will be allocated to each benefited affiliate on the basis of fixed percentages on an individual project basis. All affiliates may be included in this allocation.

### Allocation 4 – EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

Project charges will be allocated to each benefited affiliate on the basis of the relation of its total EBITDA to the sum of the total EBITDA of all benefited affiliates. All affiliates may be included in this allocation. On an annual basis, EBITDA balances of each company will be updated using 12/31 balances. This will be updated subsequent to the finalization of year-end financial statements. The total EBITDA will be reduced by the previous year's administration fee allocation per company and then the balance will be translated to the absolute value. Then, utilizing the absolute value, a percent of total EBITDA per company will be calculated. All discontinued operations will be removed from the overall calculation. Note: The 'administration fee allocation' refers to the entry made to reallocate costs to the relevant affiliate. It is the summary of all of the outlined allocation methods. Each month, the Company calculates all costs to be reallocated and records a manual journal entry (i.e. the administration fee allocation). This ensures all appropriate costs are recorded and invoiced at the subsidiary. When determining the EBITDA percentages, the impact of the previous year allocation from EBITDA is removed in order to neutralize the calculation.

### Allocation 5 – AVERAGE ASSETS

Project charges will be allocated to each benefited affiliate on the basis of the relationship of its total average assets to the sum of the total average assets of all benefited affiliates. All affiliates may be included in this allocation. On an annual basis, the average asset calculation will be updated utilizing November balances. The current asset balances will be adjusted by removing cash, intercompany, goodwill, and investment in subsidiaries in order to calculate an adjusted asset balance per company. The previous 12 months (including November) will be used to determine an average asset balance per company. Then, utilizing the 12 month average asset balances, a percent of total average assets will be calculated per company. All discontinued operations will be removed from the overall calculation.

## Allocation 6 – REVENUE

Project charges will be allocated to each benefited affiliate on the basis of the relationship of its total revenue to the sum of the total revenue of all benefited affiliates. All affiliates may be included in this allocation. On an annual basis, revenue balances per company will be updated utilizing November balances. A percent of total revenue per company will be calculated to determine to the percentage of allocation.

## Allocation 7 – CAPITALIZATION

Project charges will be allocated to each benefited affiliate on the basis of the relationship of its capitalization (debt and equity) to the sum of the total capitalization of all benefited affiliates. All affiliates may be included in this allocation.

## Allocation 8 – NUMBER OF TRANSACTIONS

Project charges will be allocated to each benefited affiliate on the basis of the relationship of the number of transactions to the affiliate to the sum of the total transactions of all benefited affiliates. All affiliates may be included in this allocation.

## Allocation 9 - MASSACHUSETTS METHOD

The Massachusetts Method allocates costs based on the benefiting company's revenue, total assets, and payroll or labor relative to the totals for all companies benefiting from a service. All affiliates may be included in this allocation.

## Allocation 10 – PENNSYLVANIA METHOD

The Pennsylvania Method allocates the costs of a service based on the relevant company's invested capital, operation and maintenance expenses, and number of employees relative to all other affiliates receiving the service at issue. All affiliates may be included in this allocation.

## Direct Time Allocations - e-Time Procedures

The Company has identified certain shared service employees which are employees of DLC. These employees utilize the eTime process described below in order to directly allocate time to affiliates or charge projects requiring additional allocation. A listing of shared service cost centers is maintained by the accounting department and reviewed on a quarterly basis to ensure the proper allocation of time to affiliates.

eTime – eTime is an internet scheduling tool used by employees of the Company. eTime was established in order for employees to track and assign time based on the actual hours spent performing tasks for a particular project or affiliate.

As described above, all shared service employees of the Company are considered DLC employees and are required to complete a timesheet or submit their time via eTime for each period whether they are paid hourly or receive a salary. Employees who utilize eTime must enter their time based on the activities that were performed during the pay period. A screen within eTime allows the employee to select certain projects and/or affiliates. Employees are required to select the entity or project to which their time should be charged. If an employee does not select an entity or project, eTime will not be submitted. An eTime file is then generated monthly with all allocations and a manual entry is recorded within the accounting department to transfer the labor charges to the appropriate affiliate.

Employees are encouraged to enter their time in one quarter hour increments. Employees are also encouraged to keep their timesheets updated on a regular basis, so that they do not have to enter an entire pay period of time on the last day of the pay period. It is best if they enter their time on a daily basis, when feasible, so that it is as accurate as possible. Employees may face disciplinary action for not adhering to the Company's policies regarding eTime.

Employees who fail to submit their eTime at the end of a pay-period receive an initial automated email reminding them to submit their time via eTime. If the employee does not submit their time after receiving the initial reminder, the employee is sent a second automated email communicating that they have committed a compliance violation for eTime non-submittal. This second email prompts the employee to immediately report their time. If the employee continues to delay, a notice is sent to the employees direct Supervisor for follow-up and possible disciplinary action. Multiple delays in eTime submissions are considered a performance issue and may warrant disciplinary action.

eTime allocations will be reviewed on an annual basis to ensure that shared service employees are properly allocating time to benefiting affiliates.