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January 2, 2024

**Via Electronic Filing**

Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building, 2<sup>nd</sup> Floor  
400 North Street  
Harrisburg, PA 17120

**Re: Joint Application of DQE Communications LLC and GI DI Vertigo Acquisition LLC for All Necessary Authority, Approvals and Certificates of Public Convenience Authorizing the Transfer and Change in Control of DQE Communications LLC from Duquesne Light Holdings, Inc. to GI DI Vertigo Acquisition LLC  
Docket No. A-2024-3045207**

**Affiliated Interest Agreement between Duquesne Light Company and Its Affiliates  
Docket No. G-2023-3038590**

Dear Secretary Chiavetta:

Pursuant to 66 Pa.C.S. §2101 et. seq., Duquesne Light Company (“Duquesne Light” or “Company”) hereby request approval to temporarily amend the affiliate interest agreement between Duquesne Light and its affiliates. The Amended and Restated Administrative Service Agreement (“Amended and Restated ASA”) was approved by the Pennsylvania Public Utility Commission (“Commission”) on March 20, 2023, at Docket No. G-2023-3038590, and provides for certain administrative services between Duquesne Light, Duquesne Light Holdings, LLC (“DLH”), DQE Communications LLC (“Communications”) and other affiliates. The Commission-approved Amended and Restated Agreement is attached hereto as Exhibit A.

On December 29, 2023, Communications and GI DI Vertigo Acquisition LLC (“GI”) filed a Joint Application requesting all necessary approvals and certificates of public convenience from the Commission, pursuant to Section 63.324 of the Commission’s regulations (52 Pa. Code § 63.324), in conjunction with the transfer of all membership interests in, and change in control of, Communications from its current direct parent, Duquesne Light Holdings, Inc. (“DLH”), to GI (the “Proposed Transaction”). Upon completion of the Proposed Transaction, GI will be the



direct owner of Communications. Additionally, Communications will no longer be an affiliate of Duquesne Light.

As part of the Proposed Transaction, DLH will be entering into a confidential Transition Services Agreement (“TSA”). The confidential TSA is designed to provide transition services from DLH and its subsidiaries to GI for approximately twelve months following the closing, thus continuing services currently provided by DLH and subsidiaries to Communications. The confidential TSA was filed at Docket No. A-2024-3045207 as Exhibit B to the Member Interest Purchase Agreement. The confidential TSA will not be an agreement with an affiliate because it will not be effective until the closing.

By this letter, the Company requests Commission approval to temporarily amend the Amended and Restated ASA for a period of twelve months to permit transition services by and between DLH and its subsidiaries to GI as described in the TSA. The temporary amendment will be effective upon closing of the Proposed Transaction, which is contingent upon receiving all required regulatory approvals.

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

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Tishekia Williams", with a stylized flourish at the end.

Tishekia Williams (Attorney # 208997)

cc: Office of Consumer Advocate (without Confidential Attachments)  
Office of Small Business Advocate (without Confidential Attachments)  
Bureau of Investigation and Enforcement (without Confidential Attachments)

Enclosures

**AMENDED ADMINISTRATIVE SERVICES AGREEMENT**

THIS AMENDED ADMINISTRATIVE SERVICES AGREEMENT (this "Agreement") is made as of March 1, 2023 by and among DQE HOLDINGS, LLC a Delaware limited liability company ("Parent"), DUQUESNE LIGHT COMPANY, a Pennsylvania limited liability corporation ("Duquesne"), and the affiliates of Parent and Duquesne named on the signatures pages hereto (each, an "Affiliate" and collectively, the "Affiliates"). Collectively, the Parent, Duquesne, and Affiliates will be hereinafter referred to as the "Parties."

**WITNESSETH:**

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

WHEREAS, Parent is a holding company that owns 100 percent of the equity interests of Duquesne Light Holdings, Inc.;

WHEREAS, the Parties desire, need, and require from time to time the administrative management and other Services ("Service" or "Services") as described in **Appendix A** from one or more of the Affiliates, including Duquesne;

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

**1. DESCRIPTION OF SERVICES**

Any Affiliates of the Parent may from time to time perform, on a regular or temporary basis, administrative, management, and other services ("Service" or "Services") for one or more of the other Affiliates or any subsidiary companies of the Affiliates. An exclusive list of Services that Duquesne may provide to the Affiliates or any subsidiaries of the Affiliates is included within **Appendix A** to this Agreement. Those Affiliates that receive Services from, or provide Services to, the

Parent as of the date of this Agreement 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 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 Federal Energy Regulatory Commission (“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. An

updated listing of subsidiaries will be filed with the PUC periodically, as necessary and appropriate. Subject to PUC approval, new Duquesne subsidiaries that are added prior to the aforementioned 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 of the Parties 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 to Parent. 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:

DQE Holdings, LLC  
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 DQE Holdings, LLC  
411 Seventh Avenue  
Pittsburgh, PA 15219  
Attn: Chief Legal Officer

**11. APPROVAL BY COMMISSION**

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

[signatures on the following page]

DQE HOLDINGS, LLC

*Kevin E. Walker*

By: \_\_\_\_\_  
Its: President & CEO

DUQUESNE LIGHT HOLDINGS, INC.

*Kevin E. Walker*

By: \_\_\_\_\_  
Its: President & CEO

DUQUESNE ENERGY SOLUTIONS, LLC

*Daniel T. Figo*

By: \_\_\_\_\_  
Its: Director

DH CANADA CORPORATION

*Kevin E. Walker*

By: \_\_\_\_\_  
Its: President & CEO

DQE ENTERPRISES, INC.

*Daniel T. Figo*

By: \_\_\_\_\_  
Its: Director

DQE CAPITAL CORPORATION

*Daniel T. Figo*

By: \_\_\_\_\_  
Its: Director

DQE FINANCIAL, LLC

*Daniel T. Figo*

By: \_\_\_\_\_  
Its: Director

MARINER INVESTMENT STRATEGIES, LLC

*Daniel T. Figo*

By: \_\_\_\_\_  
Its: Director

DUQUESNE FIBER COMPANY, LLC

By: David T. Figlio  
Its: Director

DQE SYSTEMS, LLC

By: David T. Figlio  
Its: Director

DUQUESNE BROADBAND, LLC

By: David T. Figlio  
Its: Director

DQE COMMUNICATIONS, LLC

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

NORTH SHORE AFFORDABLE HOUSING, LLC

By: David T. Figlio  
Its: Director

MONTAUK SYNFUELS, LLC

By: David T. Figlio  
Its: Director

DUQUESNE POWER, LLC

By: David T. Figlio  
Its: Director

DUQUESNE LIGHT COMPANY

Kevin E. Walker  
By: \_\_\_\_\_  
Its: President & CEO

MONONGAHELA LIGHT & POWER COMPANY

By: David T. Figlio  
Its: Director

DATACOM INFORMATION SYSTEMS, LLC

By: David T. Figlio  
Its: Director

AQUASOURCE, LLC

By: David T. Figlio  
Its: Director

DUQUESNE LIGHT ENERGY, LLC

By: David T. Figlio  
Its: Director

DUQUESNE GENERATION, LLC

By: David T. Figlio  
Its: Director

DUQUESNE CONEMAUGH, LLC

By: David T. Figlio  
Its: Director

DUQUESNE KEYSTONE, LLC

By: David T. Figlio  
Its: Director

THE EFFICIENCY NETWORK, INC.

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

TEN CONNECTED SOLUTIONS, INC.

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

TEN-FESCO LLC

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

DLH ENERGY SOLUTIONS LLC

By: *Daniel T. Figlio*  
Its: Director

DLH-TEN HF ENERGY PROJECT, LLC

By: *Daniel T. Figlio*  
Its: Director

DLH GJCTC ENERGY PROJECT, LLC

By: *Daniel T. Figlio*  
Its: Director

DUQUESNE FIBER COMPANY, LLC

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

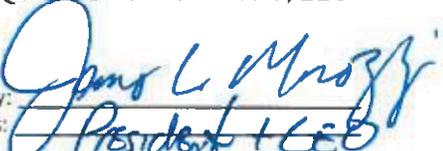
DQE SYSTEMS, LLC

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

DUQUESNE BROADBAND, LLC

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

DQE COMMUNICATIONS, LLC

By:   
Its: *President + CEO*

NORTH SHORE AFFORDABLE HOUSING, LLC

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

MONTAUK SYNFUELS, LLC

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

DUQUESNE POWER, LLC

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

DUQUESNE LIGHT COMPANY

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

MONONGAHELA LIGHT & POWER COMPANY

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

DATACOM INFORMATION SYSTEMS, LLC

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

AQUASOURCE, LLC

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

DUQUESNE LIGHT ENERGY, LLC

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

DUQUESNE GENERATION, LLC

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

DUQUESNE CONEMAUGH, LLC

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

DUQUESNE KEYSTONE, LLC

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

THE EFFICIENCY NETWORK, INC.

By:           *m gpm*            
Its:           *CEO*

TEN CONNECTED SOLUTIONS, INC.

By: MSM  
Its: CEO

TEN-FESCO LLC

By: MSM  
Its: CEO

DLH ENERGY SOLUTIONS LLC

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

DLH-TEN HF ENERGY PROJECT, LLC

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

DLH GJCTC ENERGY PROJECT, LLC

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

## Appendix A

### Description of Services

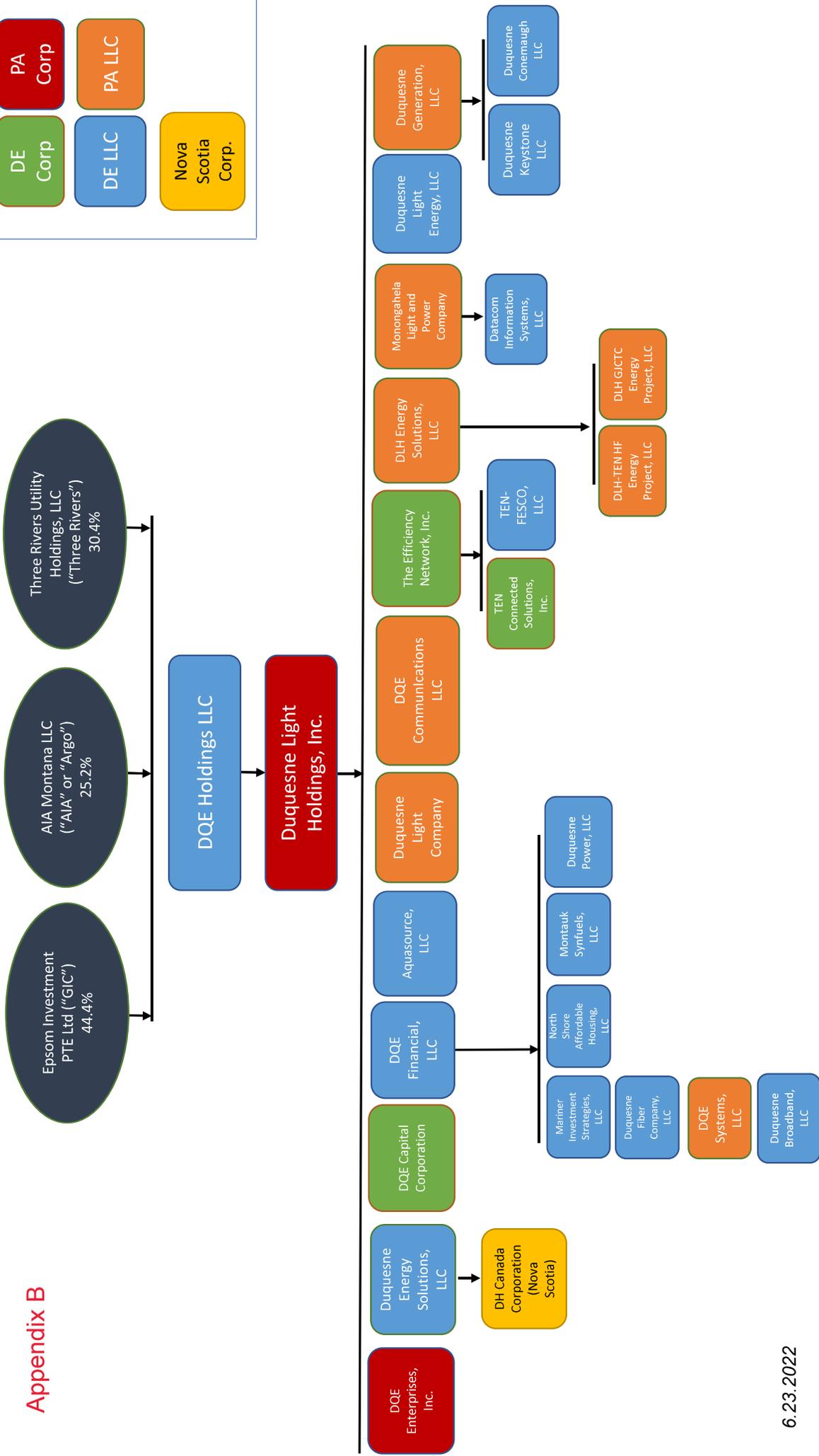
This Appendix provides a description of Services provided under the Administrative Service Agreement dated March 1, 2023. Listed below are Services provided. All Services listed are allocated directly when possible. If direct allocation is not possible, the indirect allocation method that is used is listed.

<b>Service</b>	<b>Description</b>	<b>Basis of Allocation</b>
Alarm Monitoring Services	Provide alarm monitoring services.	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, as well as to specific corporate projects on compliance matters.	The allocation for these services is based on the EBITDA allocation method.
Communications/ External Affairs	Provide media relations, internal and external communications and reporting, photography, videography and video production services; public affairs activities, brand management, sponsorships, advertising, and coordination of charitable donations and diversity, equity, and inclusion efforts.	The allocation for these services is based the HEADCOUNT allocation method.
Disbursement Services	Provide disbursement processing functions.	The allocations for these services are allocated based on the DIRECT method.
Executive Services	Provide leadership and strategic services.	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 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 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	Provide 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	Provide 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. 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	Provide office space at the headquarters or satellite building(s).  For all employee time that is charged directly to a subsidiary, a portion of rent expense will be allocated to the associated Affiliate in connection with the direct charge. Additionally, the number of employees per floor is updated annually with an employee by location listing.	The annual rent expense(s) are updated in accordance with changes in lease terms.  The allocation for these services is based on total cost per employee per floor.
Safety & Workforce Development	Provide 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	The allocation for these services is based on the EBITDA allocation method.

	planning initiatives, coordination of audits, and various other tax related accounting functions.	
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 among Parent, and Duquesne, and Affiliates (collectively, 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 (HEADCOUNT)

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 Affiliate or any subsidiary of Affiliate(s). 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 or any subsidiary of Affiliate(s) 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 Affiliate or any subsidiary of Affiliate(s). 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 Affiliates or any subsidiary of Affiliate(s) 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 or any subsidiary of Affiliate(s) 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 or any subsidiary of Affiliate(s) 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 or any subsidiary of Affiliate(s) 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 or any subsidiary of Affiliate(s) 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 or any subsidiary of Affiliate(s) may be included in this allocation.

#### Allocation 11 – DIRECT TIME ALLOCATIONS

The Company has identified certain shared service employees which are employees of Duquesne. These employees utilize the 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 or any subsidiary of Affiliate(s).

Employees use a(n) time scheduling tool(s) in order for employees to track and assign time based on the actual hours spent performing tasks for a particular project or Affiliate or any subsidiary of Affiliate(s).

As described above, all shared service employees of the Company are considered Duquesne employees and are required to complete a timesheet or submit their time via time scheduling tool(s) for each period whether they are paid hourly or receive a salary. Employees who utilize the time scheduling tool(s) must enter their time based on the activities that were performed during the pay period. A screen within the time scheduling tool(s) allow 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, the time scheduling tool(s) will not allow the time to be submitted. A 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 or any subsidiary of Affiliate(s).

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 the time scheduling

tool(s).

Employees who fail to submit their time at the end of a pay-period receive an initial automated email reminding them to submit their time via the time scheduling tool(s). 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 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 submissions are considered a performance issue and may warrant disciplinary action.

Time allocations will be reviewed on an annual basis to ensure that shared service employees are properly allocating time to benefiting Affiliates or any subsidiary of Affiliate(s).