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February 29, 2024

VIA ELECTRONIC FILING

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

**Re: Duquesne Light Company – Annual Asset Optimization Plan
Docket No. M-2024-_____**

Dear Secretary Chiavetta:

Enclosed for filing, please find Duquesne Light Company’s (“DLC or the Company”) Annual Asset Optimization Plan (“AAO Plan”) related to its Long-Term Infrastructure Improvement Plan spanning calendar years 2023 through 2028.

Should you have any questions, please do not hesitate to contact me.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Tishkia Williams", is written over a light blue rectangular background.

Tishkia E. Williams
Attorney No. 208997

Enclosure

Cc: Certificate of Service
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CERTIFICATE OF SERVICE

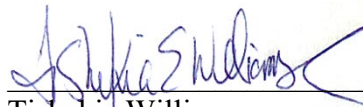
I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant):

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Dated: February 29, 2024

VERIFICATION

I, Scott Ward, hereby state that the personnel performing DSIC-eligible work are qualified and that any DSIC-eligible work that is performed by independent contractors is properly inspected by utility employees, in compliance with 66 Pa. C.S. § 1359.

The facts set forth above are true and correct to the best of my knowledge, information and belief, and I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).



Scott R. Ward

Dated: February 29, 2024

Duquesne Light Company

Annual Asset Optimization Plan

February 29, 2024

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Introduction

Pursuant to 66 Pa.C.S. §1356, Duquesne Light Company (“DLC or the Company”) hereby files its Annual Asset Optimization Plan (“AAO Plan”). Section 1356 provides that utilities with an approved distribution system improvement charge (“DSIC”) and long-term infrastructure improvement plan (“LTIIIP”) are required to file an AAO Plan that includes:

- 1) A description that specifies all eligible property repaired, improved, and replaced in the immediately preceding 12-month period pursuant to the utility’s long-term infrastructure improvement plan and prior year’s asset optimization plan; and
- 2) A detailed description of all the facilities to be improved in the upcoming 12-month period.

In the AAO Plan, the Company provides details regarding the actual and projected repair, improvement, and replacement of aging infrastructure in 2023 and 2024. This AAO Plan also includes a brief summary of amounts that the Company has previously recovered through the DSIC, which is provided for informational purposes.

The Company’s LTIIIP performance is an important part of its plan to ensure that its distribution system continues to operate in a safe and reliable manner.

Background

Duquesne Light Company is a public utility as that term is defined under Section 102 of the Public Utility Code, 66 Pa. C.S. § 102, certificated by the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) to provide electric service in the City of Pittsburgh and in Allegheny and Beaver Counties in Pennsylvania. DLC is also an EDC as that term is defined under Section 2803 of the Public Utility Code, 66 Pa. C.S. § 2803. DLC provides electric distribution service to more than 600,000 customers within its service territory that covers approximately 817 square miles.

DLC filed an LTIIIP spanning calendar years 2023 through 2028 on June 1, 2022 (“LTIIIP 2”). The Company’s LTIIIP 2 was approved as filed on November 10, 2022, by Order entered November 10, 2022, at Docket No. P-2022-3032805. In preparing the LTIIIP 2, DLC followed the guidelines established in the Commission’s August 2, 2012, Final Implementation Order. The LTIIIP 2 provides for accelerated replacement of DSIC eligible property to support and fulfill the

goals of Act 11, which are aimed at constructing, installing, rehabilitating, improving, and replacing portions of the Pennsylvania electric distribution system in an accelerated timeframe to the betterment of Pennsylvania electricity customers. The LTIIIP 2 supports DLC's continuing efforts to maintain reliability and safety that could otherwise suffer due to normal degradation of facilities that occurs with time and natural environmental stresses.

Executive Summary

Duquesne Light's Commission approved LTIIIP 2 includes five (5) asset programs and seventeen (17) initiatives. Details regarding the asset programs include the number of units to be replaced or improved, the approximate location by geographic region for the projects, and the annual expenditures for 2023 through 2028 for each initiative.

This AAO Plan details the five (5) asset programs, seventeen (17) initiatives, as well as other work associated with each asset program that does not fall into a specific initiative category, as originally included in its Commission-approved LTIIIP 2. The AAO Plan provides actuals for 2023 and projected work for 2024. The initiative descriptions included in the AAO Plan are consistent with those provided in the LTIIIP 2. The Company has added information to describe the progress of the programs and to explain deviations from the original projections where appropriate. While some initiative spending forecasts have been adjusted due to changing circumstances, DLC does not propose to eliminate any of its programs at this time. DLC will make any necessary petitions if the projections are a major modification over the six-year LTIIIP period.

The chart below details the Company's LTIIIP 2 plan as filed, actual performance for 2023, and the Company's projected performance for 2024.

Duquesne Light Company LTIP 2 – 2023 Actual and 2024 Projected

LTIP 2 Spend¹

(Values in \$ Millions)	2023	2023	2023	2024	2024
Program/Initiative	Plan	AAOP	Actuals	Plan	Forecast
Overhead Program					
4kV Substation Elimination	-	-	0.4	0.5	0.0
4kV Stepdown Conversion	2.7	2.7	4.2	1.9	3.0
Circuit Rehabilitation	0.7	0.5	1.1	4.1	1.6
Overhead Devices	5.7	5.3	4.9	1.4	5.6
Deteriorated Pole Replacements	21.7	26.3	31.2	23.8	13.1
Overhead Line Repairs	1.2	1.1	5.6	1.2	4.4
Overhead Repairs and Restoration	20.5	19.3	24.8	21.1	25.4
Other Overhead Work	15.0	22.8	23.5	10.7	26.4
Total Overhead Program	67.4	78.1	95.6	64.7	79.5
Substations Program					
East End Substation Rehabilitation	2.1	2.5	0.4	16.2	4.9
Establish Watson Substation	45.4	43.1	48.1	64.8	67.6
Unit Substation Rehabilitation	1.0	1.0	1.6	1.0	1.0
Substation Upgrades	10.8	9.2	13.5	9.7	7.8
Breaker and Switch Replacements	1.4	1.3	1.8	1.4	1.5
Other Substations Work	0.8	10.7	2.0	0.0	10.1
Total Substations Program	61.5	67.8	67.3	93.2	92.9
Underground Program					
Cable Replacement	12.8	20.4	13.2	9.3	9.6
URD Rehabilitation	1.6	1.6	0.6	3.2	2.2
Underground Infrastructure Rehabilitation	4.9	4.1	2.8	5.2	5.0
Network Transformer Replacements	1.3	0.7	1.2	1.4	0.8
Underground Repairs and Restoration	9.6	9.0	12.8	9.8	10.8
Other Underground Work	6.4	5.1	0.2	1.4	0.5
Total Underground Program	36.6	41.0	30.7	30.3	29.0
System Reliability Program					
System Reliability	10.8	7.5	15.4	15.5	26.5
Highway Relocation Program					
Unreimbursed Highway Relocations	10.5	16.0	4.1	2.2	9.9
TOTAL	186.9	210.4	213.2	205.9	237.8

¹ The columns titled “2023 Plan” and “2024 Plan” reflects the numbers as filed in the LTIP 2 plan. The columns titled “2023 Actual” reflects the actual performance in 2023, and the columns titled “2023 AAOP” reflect the forecast for 2023 provided in Duquesne Light’s AAO Plan filed on February 28, 2023. The columns titled “2024 Forecast” identifies the Company’s forecast for the current calendar year.

Distribution Assets

The assets involved in the LTIP 2 Initiatives include, but are not limited to, the following:

- Structures
 - Poles
 - Crossarms
- Overhead Conductors and Hardware
- Underground Cables and Hardware
- Breakers and Disconnect Switches
- Protective Devices
 - Fuses
 - Reclosers
 - Network Protectors
 - Lightning Arresters
- Transformers

Overhead Program

The Overhead Program eliminates, converts, and/or upgrades various distribution system assets at or approaching the end of expected useful life. This program includes initiatives aimed at proactive infrastructure upgrades and also includes funding to address failed equipment and equipment identified as in need of replacement through inspections.

I. 4kV Substation Elimination Initiative

Initiative Description and Purpose

The Substation Elimination Initiative will convert a substation's 4kV load to 23kV operation. By removing the 4kV equipment and upgrading to 23kV, this initiative will permit the decommissioning of 4kV substations.

Scope (Units of Work) and Actual/Planned Expenditures

Overhead Program					
4kV Substation Elimination	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Circuit Miles)	-	-	-	-	-
Spending (\$ millions)	-	-	0.4	0.5	-

Locations

Areas generally outside of downtown Pittsburgh.

Comments:

2023 actual and 2024 forecasted spending is substantially consistent with the LTIP 2 as filed.

II. 4 kV Stepdown Conversion Initiative

Initiative Description and Purpose

The majority of DLC's 23kV - 4kV stepdown transformers were purchased and installed during the 1970s. The 4kV Stepdown Conversion Initiative will convert 4kV load fed from a stepdown to 23kV. By eliminating 4kV stepdown and upgrading the associated infrastructure to 23kV, this initiative will permit the decommissioning of the 4kV system.

Scope (Units of Work) and Actual/Planned Expenditures

Overhead Program					
4kV Stepdown Conversion	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Circuit Miles)	2.0	2.0	6.0	1.0	3.2
Spending (\$ millions)	2.7	2.7	4.2	1.9	3.0

Locations

Areas generally outside of downtown Pittsburgh.

Comments:

The initial projections for the 4kV Stepdown Conversion initiative were based on early assessments of the scope of work needed to complete each unit. As more detailed planning was performed, the sequence of projects was updated, and the units of work were updated based on the engineering design. The Company anticipates some variations in the scope and spend as projects are refined.

III. Circuit Rehabilitation Initiative

Initiative Description and Purpose

This initiative identifies circuits with equipment failures for rehabilitation with the goal of improving reliability on these circuits. Circuit rehabilitation includes, but is not limited to, replacement of aged cable, connectors/jumpers, insulators, transformers, and terminations.

Scope (Units of Work) and Actual/Planned Expenditures

Overhead Program					
Circuit Rehabilitation	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Circuit Miles)	7.0	2.8	2.7	39.0	8.8
Spending (\$ millions)	0.7	0.5	1.1	4.1	1.6

Locations

Areas generally outside of downtown Pittsburgh

Comments:

The circuit planned for rehabilitation in 2023 was completed at a slightly higher overall cost. The cost per mile of rehabilitating the circuits in this initiative will vary based on the condition of the equipment on each circuit selected for rehabilitation. The 2024

forecasted investment is lower compared to the LTIP 2 as filed due to overall prioritization of LTIP work for 2024.

IV. *Overhead Devices Initiative*

Initiative Description and Purpose

The purpose of this initiative is to replace distribution overhead devices such as Intellirupters, Vipers, Scadamates, and capacitors. This initiative will focus on the replacement equipment listed above based on condition, age, loading, or equipment that is at or approaching end of useful life.

Scope (Units of Work) and Actual/Planned Expenditures

Overhead Program					
Overhead Devices	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Work Orders)	52	52	70	12	70
Spending (\$ millions)	5.7	5.3	4.9	1.4	5.6

Locations

All areas of DLC system.

Comments:

The Overhead Device Initiative is important to our ability to avoid or minimize outages to customers. Duquesne Light completed more units in 2023 than initially anticipated in the 2023 AAOP and LTIP 2 as filed, due to completing a relatively high volume of low-cost device replacements. The amount of work and investment planned for 2024 is higher than the LTIP 2 as filed to continue to focus on the condition of DLC’s overhead devices due to their importance in providing reliable service to our customers.

V. *Deteriorated Pole Replacements Initiative*

Initiative Description and Purpose

The purpose of this initiative is to replace or reinforce distribution poles that are identified as deteriorated during DLC’s yearly pole inspection program.

Scope (Units of Work) and Actual/Planned Expenditures

Overhead Program					
Deteriorated Pole Replacements	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Poles Addressed)	2,070	2,070	1,895	2,070	1,540
Spending (\$ millions)	21.7	26.3	31.2	23.8	13.1

Locations

All areas of DLC system.

Comments:

DLC is proactively working to refine and improve its capital planning processes. We believe that this effort will ultimately lead to more efficient deployment of capital resources for the betterment of our customers and employees. Spending in 2023 was higher than the LTIP 2 as filed projection due to opportunities for improvement in the initial planned spending estimate.

DLC continues to invest in the replacement and reinforcement of poles identified through the pole inspection program with annual levels of work expected to vary depending on the results from the pole inspections.

VI. *Overhead Line Repairs Initiative* Initiative Description and Purpose

The purpose of this initiative is to fund the capital replacements for problems found during overhead line inspections performed consistent with the Company's Biennial Inspection & Maintenance Plan.

Scope (Units of Work) and Actual/Planned Expenditures

Overhead Program					
Overhead Line Repairs	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Work Orders and Tasks)	90	90	186	90	150
Spending (\$ millions)	1.2	1.1	5.6	1.2	4.4

Locations

All areas of DLC system.

Comments:

The amount of work in this initiative is primarily driven by the results of our overhead line inspection program, and the volume of work and level of investment will vary year to year based on the results of the inspections. The number of work orders and cost to complete the work depends on the type of corrective actions needed and the location of the work. These variables, and the uncertainty associated with how much work will be identified through inspections, resulted in a higher number of units and higher spending in 2023 compared to the LTIP 2 as Filed. We expect a similar amount of work in 2024.

VII. *Overhead Repairs and Restoration Initiative*
Initiative Description and Purpose

The Overhead Repairs and Restoration Initiative will restore overhead equipment during times of outages as well as mitigate landslides affecting distribution assets. This initiative will allow DLC to maintain the reliability of its distribution infrastructure in landslide-prone areas and respond to emergent issues during active landslides.

Scope (Units of Work) and Actual/Planned Expenditures

Overhead Program					
Overhead Repairs and Restoration	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Work Orders)	4,200	4,200	3,693	4,200	3,790
Spending (\$ millions)	20.5	19.3	24.8	21.1	25.4

Locations

All areas of DLC system.

Comments:

Since the amount of work in this initiative is based on reacting to the need to restore overhead equipment during times of outages, the units of work and cost associated with each unit of work may vary from year to year.

Substations Program

The Substations Program will upgrade aged and problematic substation infrastructure in DLC’s territory. Unit substation upgrades will replace aged transformers and associated equipment that are at or approaching end of useful life. The upgrades of substation equipment will reduce the likelihood of equipment failures and increase the ampacity of select distribution circuits. This Program also includes funding to address failed equipment and equipment identified as in need of replacement through inspections.

I. *East End Substation Rehabilitation*
Initiative Description and Purpose

The East End Substation Project will consist of replacing an existing substation and enabling additional tie points to existing circuits in the substation area. The East End Substation Rehabilitation Project will increase reliability and redundancy in the East Liberty area of Pittsburgh.

Scope (Units of Work) and Actual/Planned Expenditures

Substation Program					
East End Substation Rehabilitation	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Project)	-	-	-	-	-
Spending (\$ millions)	2.1	2.5	0.4	16.2	4.9

Locations

City of Pittsburgh.

Comments:

The work originally planned for 2023 and 2024 on this project has been delayed due to other priorities, but this project is still planned to occur during the LTIIP 2 time period. The forecasted investment for 2024 is to continue with the planning and engineering for this project.

II. *Establish Watson Substation*

Initiative Description and Purpose

This initiative will construct a new bulk substation in the Uptown neighborhood of Pittsburgh and connect it to existing circuits using underground transmission and distribution lines. Watson Substation is necessary for several reasons, including reliability improvements, resiliency gains, location near upgraded underground infrastructure, and community electrical flexibility.

Scope (Units of Work) and Actual/Planned Expenditures

Substation Program					
Establish Watson Substation	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Project)	-	-	-	-	-
Spending (\$ millions)	45.4	43.1	48.1	64.8	67.6

Locations

City of Pittsburgh.

Comments:

The 2023 actual spending and forecasted 2024 spending on this multi-year project are approximately consistent with the LTIIP 2 as filed.

III. *Unit Substation Rehabilitation Initiative*
Initiative Description and Purpose

The purpose of this initiative is to replace the most problematic components of unit substations in the DLC territory. A unit substation consists of a set of 23kV switchgear, a 23kV/4kV transformer with a load tap changer, and a 4kV low-side interrupting device, all contained in a metallic enclosure. This equipment will be replaced/upgraded by this initiative, including 23kV/4kV transformers and associated switchgear.

Scope (Units of Work) and Actual/Planned Expenditures

Substation Program					
Unit Substation Rehabilitation	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Substations)	1	1	-	1	2
Spending (\$ millions)	1.0	1.0	1.6	1.0	1.0

Locations

All areas of DLC system.

Comments:

DLC planned to complete one unit substation rehabilitation in 2023. The work on this rehabilitation was delayed due to a longer delivery time to receive the substation equipment required to complete the rehabilitation. This work originally planned to be completed in 2023 will be completed in 2024, and DLC plans to complete another substation rehabilitation project in 2024 for a total of two units of work in 2024.

IV. *Substation Upgrades Initiative*
Initiative Description and Purpose

The purpose of this initiative is to replace aging or problematic voltage regulators, current-limiting reactors, electrical bus work, substation ground grids, digital fault recorders, substation annunciators, SCADA equipment and remote terminal units (RTU's), protective relays, station control and communication batteries, structures, foundations, and associated equipment within DLC's distribution substations.

Scope (Units of Work) and Actual/Planned Expenditures

Substation Program					
Substation Upgrades	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Work Orders)	97	87	65	83	65
Spending (\$ millions)	10.8	9.2	13.5	9.7	7.8

Locations

All areas of DLC system.

Comments:

For context, it should be noted that the nature of the projects in this initiative includes both proactive and reactive repairs and replacements. Projects may be reprioritized based on equipment condition or other factors. A wide range of costs per work order can show up in this initiative. To illustrate, in 2023, approximately 12% of the work orders account for approximately 55% of the spending. Several of these work orders were associated with major equipment failures.

The number of work orders completed in 2023 was lower than initially estimated, and the cost was higher due to several higher cost work orders associated with replacing failed equipment. The forecasted spending on this initiative in 2024 is lower than the LTIP 2 as filed. A primary reason for the lower forecasted spending is the need to invest in capital spare equipment, and this investment is not included as part of the LTIP but is essential to being prepared to address future substation equipment failures.

V. *Breaker and Switch Replacements Initiative*

Initiative Description and Purpose

The purpose of this initiative is to replace distribution circuit breakers, switches, and associated equipment, such as structures, foundations, and control cable due to age, condition, and loading.

Scope (Units of Work) and Actual/Planned Expenditures

Substation Program					
Breaker and Switch Replacements	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Work Orders)	5	5	4	5	5
Spending (\$ millions)	1.4	1.3	1.8	1.4	1.5

Locations

All areas of DLC system.

Comments:

Actual work in 2023 and forecasted work in 2024 is approximately consistent with the LTIP 2 as filed.

Underground Program

DLC’s Underground Program replaces, rehabilitates, and improves obsolete, eligible property approaching the end of its expected useful life. This Program includes proactive replacements and upgrades of underground infrastructure and also includes funding to address failed equipment and equipment identified as in need of replacement through inspections.

I. Cable Replacement Initiative

Initiative Description and Purpose

DLC’s underground and aerial cable has served the system for several years, but it is approaching the end of its expected useful life. This initiative focuses on the replacement of underground and aerial cable alongside their related assets to maintain the current high level of reliability and reduce the likelihood of future failures. Aerial cable is used principally on the 23kV sub-transmission and distribution circuits, often when multiple circuits are on the same pole and through rights-of-way with trees that may cause interference.

Scope (Units of Work) and Actual/Planned Expenditures

Underground Program					
Cable Replacement	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Circuit Miles)	10.0	11.0	10.7	3.0	2.6
Spending (\$ millions)	12.8	20.4	13.2	9.3	9.6

Locations

All areas of DLC system.

Comments:

Compared to LTIP 2 as filed, DLC completed approximately the same amount of work and investment in 2023, and the 2024 plans are also approximately consistent with the LTIP 2 as filed. 2023 spending was less than the 2023 AAOP spending value due to the

exact combination of projects that resulted in completing the replacement of 10.7 miles of cable being different than originally planned.

II. URD Rehabilitation Initiative
Initiative Description and Purpose

DLC installed a significant number of Underground Residential Distribution (“URD”) facilities in housing developments in the 1970s. This equipment is approaching the end of expected useful life. Some of this equipment is below grade. The equipment has been exposed to wet conditions due to rain runoff. The deteriorated equipment includes transformers, primary cable, splices, bushing junctions, elbows, brackets, and the vaults themselves.

Scope (Units of Work) and Actual/Planned Expenditures

Underground Program					
URD Rehabilitation	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Transformers)	40	39	14	80	35
Spending (\$ millions)	1.6	1.6	0.6	3.2	2.2

Locations

Areas generally outside of downtown Pittsburgh.

Comments:

DLC reprioritized its LTIP 2 work and other non-LTIP 2 capital work to address emerging priorities that included an increase in capital spending to address customer projects. DLC intends to continue its investment in this initiative.

III. Underground Infrastructure Rehabilitation Initiative
Initiative Description and Purpose

The purpose of this initiative is to replace or extend the life of underground infrastructure such as manholes, vaults, transformers, switches, network protectors, and associated electrical equipment.

Scope (Units of Work) and Actual/Planned Expenditures

Underground Program					
Underground Infrastructure Rehabilitation	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Work Orders)	40	40	71	45	45
Spending (\$ millions)	4.9	4.1	2.8	5.2	5.0

Locations

All areas of DLC system.

Comments:

The units of work completed in 2023 was higher than forecasted due the variability of the type of work and level of effort required to perform the work in this initiative. DLC’s forecasted work for 2024 is consistent with the LTIP 2 as filed.

IV. *Network Transformers Replacements Initiative*

Initiative Description and Purpose

The purpose of this initiative is to replace underground network transformers and associated equipment based on condition, loading, obsolescence, age, or end of useful life in order to maintain reliability and reduce cost associated to outages associated with equipment failure.

Scope (Units of Work) and Actual/Planned Expenditures

Underground Program					
Network Transformer Replacements	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Transformers)	10	5	4	10	5
Spending (\$ millions)	1.3	0.7	1.2	1.4	0.8

Locations

City of Pittsburgh.

Comments:

As reported in the 2023 AAOP, DLC plans to perform fewer asset replacements in this initiative as compared to the LTIP 2 as filed based on the condition and age of assets in this category.

V. *Underground Repairs and Restoration Initiative*
Initiative Description and Purpose

The Underground Repairs and Restoration Initiative will restore underground equipment during times of equipment and cable failures and outages. This initiative will allow DLC to maintain the reliability of its distribution infrastructure and respond to emergent issues.

Scope (Units of Work) and Actual/Planned Expenditures

Underground Program					
Underground Repairs and Restoration	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Work Orders)	300	300	196	300	170
Spending (\$ millions)	9.6	9.0	12.8	9.8	10.8

Locations

All areas of DLC system.

Comments:

The underground repair and restoration initiative is reactive by design. Given that the Company cannot accurately predict underground equipment failures with precision, the units and costs will vary from year to year.

System Reliability Program

Description and Purpose

DLC is continuously evaluating the distribution system for near-term capital investment needs associated with forecasted equipment overloads and maintaining system performance to within PUC requirements. The purpose of this program is to fund projects required to resolve these needs.

Scope (Units of Work) and Actual/Planned Expenditures

System Reliability Program					
System Reliability	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Work Orders)	76	50	60	45	70
Spending (\$ millions)	10.8	7.5	15.4	15.5	26.5

Locations

All areas of DLC system.

Comments:

Compared to the LTIP 2 as filed, DLC is investing at higher levels in this initiative to address system needs with respect to reliability and capacity to serve our customers.

Highway Relocation Program

Description and Purpose

The Highway Relocation Program consists of work that arises during the course of normal operations required by the Commonwealth of Pennsylvania, PennDOT, counties, cities, municipalities, or other government agencies. As part of unreimbursed road and bridge projects, DLC is required to relocate its distribution facilities. During these relocations, there is the potential for system improvements. Due to the nature of how these relocation projects are scheduled, DLC cannot definitively determine the annual expenditures or number of projects that will be required during the LTIP period.

Scope (Units of Work) and Actual/Planned Expenditures

Highway Relocation Program					
Unreimbursed Highway Relocations	2023 Plan	2023 AAOP	2023 Actuals	2024 Plan	2024 Forecast
Units (Work Orders)	65	65	23	38	60
Spending (\$ millions)	10.5	16.0	4.1	2.2	9.9

Locations

All areas of DLC system.

Comments:

The actual units of work and spending in 2023 is less than the LTIP 2 as filed numbers and less than the 2023 AAOP numbers due to the timing of two highway projects that have had changes in the highway construction schedules and a reduction in the amount of required work associated with one of those projects. 2024 spending is forecasted to be higher than the LTIP 2 as filed primarily due to the changes in the schedules of those two highway projects.

DSIC Recovery Summary (2023-2028)

The below table summarizes the Company's (1) cumulative gross plant-in-service in DSIC-eligible accounts, and (2) annual DSIC revenue requirement relative to the LTIP II timeframe. These data have previously been reported to the Commission through periodic DSIC surcharge updates and reconciliations.

Duquesne Light Company	
LTIP 2 Summary - DSIC Surcharge Recoveries	
02.02.2024	
	<u>2023</u>
	[1]
Cumulative Gross DSIC Plant In Service	\$158,589,776
DSIC Surcharge Calendar Year Revenue Requirement	\$ 7,013,886

[1] Calendar year revenue requirement is based on plant accumulated up through August 31, 2023. Of this amount, \$124,970,759 is associated with the current LTIP 2 Plan.

Please note that these annual DSIC-related data will not correspond directly to annual expenditures reported in the Company's AAO Plans. This is for several reasons, including:

- The AAO Plans report the Company's expenditures under its LTIP programs, whereas the above data categories respectively track (1) the cumulative DSIC-eligible plant in service, and (2) the amounts that have been recovered through the DSIC. There is a lag between when the Company expends funds under an LTIP program, and when the associated plant is placed into service. There is then an additional lag between when the plant is placed into service, and when the costs thereof are recovered through the DSIC (if at all).
- The Company's DSIC is reset, and the associated DSIC-eligible plant-in-service is rolled in base distribution rates when the Company files a distribution base rate case. Therefore, a significant portion of the Company's costs of DSIC-eligible plant-in-service is recovered through base rates, not through the DSIC.
- The AAO Plans report the Company's total spending under its LTIP programs. A small portion of this spending is not eligible for recovery through the DSIC (e.g., the Company's costs of removal), and is not included in DSIC-eligible plant-in-service.

Therefore, these data are provided here for informational purposes only.