

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Docket No. R-2024-3046523**

**Duquesne Light Company**

**Statement No. 2**

**Direct Testimony of Ashley L. Nayden**

**Dated: March 20, 2024**

**DIRECT TESTIMONY OF ASHLEY L. NAYDEN**

1 **Q. Please state your full name, business affiliation and address.**

2 A. My name is Ashley Lintner Nayden. I am the Controller of Duquesne Light  
3 Company ("Duquesne Light" or the "Company"). My business address is 411  
4 Seventh Avenue, Pittsburgh, PA 15219.

5

6 **Q. Please describe your education and work experience.**

7 A. I graduated from Duquesne University with a Bachelor of Science in Business with  
8 a concentration in accounting. After graduating, I was employed with mid-sized  
9 accounting firms for seven years and worked in Finance for a publicly traded  
10 company for ten years.

11 I joined the Company in 2022 in the title of Controller. In my role as Controller, I  
12 have responsibility for accounting and financial reporting, shared services,  
13 financial planning & analysis, business valuation and taxes.

14

15 **Q. What is the purpose of your testimony in this proceeding?**

16 A. My testimony covers two main areas. First, I will provide an overview of the  
17 Company's accounting processes and explain the Company's actual financial  
18 results for the Historic Test Year ended December 31, 2023. Second, I will present  
19 and review the budgeted financial results for the Future Test Year ending December  
20 31, 2024, and the Fully Projected Future Test Year ending December 31, 2025.

21 **Q. Are you sponsoring any exhibits as part of your direct testimony?**

1 A. Yes, I am. I am responsible for all of the recorded historical accounts, as well as  
2 the budgeted and projected accounts of the Company. As such, I am sponsoring all  
3 of the Company’s financial statements, including income statements and balance  
4 sheets for the Historic Test Year ended December 31, 2023. I am sponsoring the  
5 Company’s budget for the Future Test Year ending December 31, 2024, and the  
6 Fully Projected Future Test Year ending December 31, 2025. Accordingly, I am  
7 cosponsoring filing Exhibits 2-4 with Duquesne Light Witness Robert O’Brien  
8 (Statement No. 8). Additionally, I am sponsoring Exhibits ALN-1 through ALN-6  
9 with my direct testimony. With regard to the Pennsylvania Public Utility  
10 Commission’s (“Commission”) data filing requirements filed with this proceeding,  
11 I sponsor the responses related to the Company’s financial statements and regarding  
12 measures of value and operating income. Please see Exhibit ALN-1 to my  
13 testimony for the listing of data filing requirements that I am sponsoring. My name  
14 is at the top of each data filing requirement that I sponsor.

15  
16 **Q. Did you prepare or supervise the preparation of exhibits presented in your**  
17 **testimony?**

18 A. Yes, various exhibits were either prepared by me or under my direction. Exhibits  
19 and data filing requirements relating to the Historic Test Year ended December 31,  
20 2023, the Future Test Year ending December 31, 2024, and the Fully Projected  
21 Future Test Year ending December 31, 2025, generally reflect the Company’s  
22 financial results for the historic test year and budgeted financial results for the  
23 future test year or fully projected future test years, respectively.

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**Q. Could you please describe the material presented on Schedules B-1 through B-4 and Schedules B-6 through B-8 of DLC Exhibits 2, 3 and 4?**

A. All of the data shown in Schedules B-1 through B-4 and Schedules B-6 through B-8 were derived from either the books and records of Duquesne Light for the twelve months ended December 31, 2023, and prior, or the budget for Duquesne Light for the twelve months ending December 31, 2024, and twelve months ending December 31, 2025. Schedules B-1 shows the budgeted balance sheet of Duquesne Light as of December 31, 2024, and December 31, 2025, and the actual balance sheet as of December 31, 2023. The balance sheets of Duquesne Light are prepared in accordance with Federal Energy Regulatory Commission (“FERC”) requirements. Schedules B-2 include the statements of Duquesne Light’s operating income for the twelve months ended December 31, 2023, and budgeted for the twelve months ending December 31, 2024, and twelve months ending December 31, 2025. Details of actual and budgeted operating revenues are provided in Schedules B-3. Schedules B-4 provide the actual and budgeted operations and maintenance expenses of Duquesne Light by FERC account, including the major categories of expense, such as purchased power, transmission, distribution, customer accounts, customer service and administrative and general expenses. Schedules B-6 and B-7 present the embedded cost of debt as of December 31, 2023, and estimated as of 2024, as well as December 31, 2025. The capital structure of Duquesne Light for the test year and prior years is shown on Schedules B-8. Please

1 see further discussion of Schedules B-6, B-7, and B-8 in the testimony of Mr. James  
2 Milligan (DLC Statement No. 12).

3

4 **Q. Please explain the accounting system utilized by the Company.**

5 A. For the twelve months ended December 31, 2023, Duquesne Light maintained its  
6 accounting records on the Oracle Fusion general ledger package, which is cloud  
7 based and was fully implemented in 2018. The accounting records are maintained  
8 in accordance with the FERC’s Uniform System of Accounts (“USofA”). Financial  
9 statements for Duquesne Light are also prepared in accordance with accounting  
10 principles generally accepted in the United States of America (“GAAP”).

11 Duquesne Light maintains its property, plant and equipment accounting records on  
12 the Power Plan Consultant’s fully integrated asset accounting system, referred to as  
13 PAAM. The USofA requires that utilities record all construction and retirements  
14 of electric plant by means of work orders. The work order system must show the  
15 nature of each addition to, or retirement from, electric plant, the total cost thereof,  
16 and the plant account or accounts affected. Duquesne Light uses such a work order  
17 system, and under this system, an authorized work order is used for all capital work  
18 performed.

19

20 **Q. How does Duquesne Light account for new plant put into service and**  
21 **associated retirements of existing plant?**

22 A. Costs of new construction are tracked in the system by the use of work orders. At  
23 the completion of each project, operations personnel notify asset accounting that

1 the constructed or purchased assets related to a specific work order are now used  
2 and useful for their intended purpose. Based on this information, the work order is  
3 placed in service and ultimately unitized or charged to the correct units of property  
4 in the plant accounting system. At month end, journal entries are automatically  
5 generated and posted to the general ledger for these new in-service dollars. In  
6 addition, the system calculates the allowance for funds used during construction  
7 (“AFUDC”), spreads overheads, calculates depreciation expense, processes  
8 unitized additions and processes plant retirements. The related journal entries are  
9 created and automatically posted to our general ledger.

10

11 **Q. Please explain why Duquesne Light is requesting permission to recover**  
12 **AFUDC for land held for future use?**

13 A. Duquesne Light has not included land held for future use in rate base in this  
14 proceeding because the land is not currently providing service to customers.  
15 However, larger projects often have relatively long lead times from commencement  
16 to completion. While Duquesne Light is authorized to record AFUDC on the  
17 project expenditures once the project commences, Duquesne Light frequently must  
18 acquire land or land rights before construction begins. It is appropriate to allow  
19 Duquesne Light to record AFUDC on land acquired to provide future service and  
20 add such amount to rate base when the project is used to provide service to  
21 customers.

22

23 **Q. Does Duquesne Light have an internal audit program?**

1 A. Yes, Duquesne Light has an Internal Audit Department, which implements the  
2 annual internal audit program approved by the Audit Committee of our Board of  
3 Directors. This department reports to the Audit Committee, as well as the Vice  
4 President, Energy Policy & General Counsel. They perform a slate of annual  
5 internal audit and analysis projects to ensure the Company maintains strong internal  
6 controls.

7

8 **Q. Does Duquesne Light have an external audit conducted periodically?**

9 A. Yes, DQE Holdings, LLC, Duquesne Light Holdings, Inc., and Duquesne Light  
10 (“Companies”) have external audits conducted annually by Deloitte & Touche  
11 LLP. Deloitte & Touche LLP recently completed their audits of the financial  
12 statements of the Companies for 2023, the results of which were unqualified  
13 opinions on the consolidated financial statements of the Companies as of December  
14 31, 2023, and 2022. Deloitte & Touche LLP also performs an annual audit of  
15 Duquesne Light’s regulatory financial statements that are included in the FERC  
16 Form 1. Deloitte & Touche LLP is in the fieldwork phase of its audit of the  
17 December 31, 2023, regulatory financial statements to be included in the December  
18 31, 2023, FERC Form 1. The Company anticipates filing its FERC Form in April  
19 2024. In addition to the annual audits performed by Deloitte & Touche LLP, both  
20 the FERC and the Commission have performed periodic audits of Duquesne Light.

21

22 **Q. Have any major accounting changes occurred since the Company’s last rate**  
23 **case?**

1 A. There have been accounting changes that have occurred since our last distribution  
2 rate case in response to new pronouncements that have been issued by the Financial  
3 Accounting Standards Board (“FASB”) and others. The Company has  
4 implemented these new standards and pronouncements in order to maintain their  
5 accounting records in accordance with GAAP. Please refer to data filing  
6 requirement II-D-12 that outlines the accounting changes that have occurred since  
7 our last rate case filing.

8

9 **Q. Are you responsible for the budget process for the Future Test Year and the**  
10 **Fully Projected Future Test Year?**

11 A. Yes. In coordination with the Financial Planning & Analysis (FP&A) and Business  
12 Valuation Department, the Finance department accumulates all of the budget data  
13 from various sources each year to prepare a full income statement, balance sheet  
14 and cash flow budget for the Company for the year. The Company prepares a five-  
15 year budget during its annual budgeting process.

16 **Q. Please describe the Company’s budget process.**

17 A. Each year there is an annual planning process that begins in June. The budget  
18 process requires active participation at many levels throughout the organization.  
19 Retail sales of electricity are primarily budgeted by our Data and Analytics  
20 Department, while other revenues such as pole and duct attachment and rental of  
21 electric property are budgeted by our operations group. Operations and  
22 maintenance expenses are budgeted by individual cost center managers within the  
23 Company. Our Human Resources Department provides input on employee levels,

1 salary increase projections and fringe benefit costs. The Tax Department assists in  
2 the budgeting of taxes other than income taxes, as well as income tax expense.  
3 Asset Accounting prepares the budget for depreciation and amortization expenses,  
4 as well as AFUDC, based in part on information received from the Operations  
5 Group for expected capital expenditures. Our Treasury Department assists by  
6 preparing financing plans, budgeting the interest expense we expect to incur and  
7 calculating the amortization of debt discounts and premiums. The information  
8 necessary for the budget is summarized by the Financial Planning & Analysis  
9 Department in cost element detail, which shows total labor, fringe benefits, outside  
10 services, and other cost elements. See Exhibit ALN-2 to my testimony, which  
11 describes the cost elements the Company uses to prepare its budget, and Exhibit  
12 ALN-3 for a listing of the individual cost centers within Duquesne Light.

13  
14

15 **Q. Does the Company typically prepare its budget by FERC account?**

16 A. No, we typically prepare the budget for Duquesne Light by cost element detail as  
17 this level of detail enhances the review by our cost center managers and assists them  
18 in estimating their expenses for budgeting purposes. To satisfy the requirements  
19 for this rate filing, our cost element budget was allocated to FERC accounts.  
20 Certain cost element budget amounts could be specifically assigned to certain  
21 FERC accounts as they are easily identifiable to those accounts. For other cost  
22 element budget amounts, an allocation to FERC accounts was performed based on  
23 the same percentage to the total as the actual costs for fiscal year 2023 operating

1 and maintenance expenditures, which were reported by both cost element and  
2 FERC account. Once this allocation was performed, the results were reviewed to  
3 ensure they appeared reasonable and adjustments were made as necessary to reflect  
4 expected variances. This process is more fully described in the testimony of Mr.  
5 Robert O'Brien (DLC Statement No. 8).

6

7 **Q. Has the operating budget historically provided a reasonable estimate of actual**  
8 **expenditures?**

9 A. Yes, over the past three years the total operations and maintenance budget has  
10 reasonably approximated the actual costs incurred.

11

12 **Q. How was the budgeted retail sales derived?**

13 A. Mr. Mobley prepares a detailed budget for retail sales based on an extensive  
14 econometric analysis. Please see his testimony in DLC Statement No. 3 for details  
15 regarding this budget process.

16

17 **Q. How were the other operating revenues budgeted?**

18 A. Other operating revenues may be divided into two categories, operationally  
19 oriented and miscellaneous. Our Operations Group provides the budgeted amounts  
20 for operationally oriented revenues such as pole and duct attachment, rental of  
21 electric property, miscellaneous transmission charges and other miscellaneous  
22 operationally oriented revenue. The miscellaneous categories are determined based  
23 on historical trends adjusted for known changes or initiatives being undertaken.

1           These amounts include late payment charges, returned check fees, and reconnect  
2           fees.

3

4   **Q.   How do cost center managers prepare their budgets for operations and**  
5   **maintenance expenses?**

6   A.   Cost center managers across the Company are provided with budgeting instructions  
7       and a budget template to fill out and submit to the Company’s Director of FP&A  
8       and Business Valuation and Analysis, who reports to me. This template identifies  
9       and requires cost center managers to budget using cost elements that the Company  
10      uses to develop, track and report on its budget. Cost center managers use their  
11      knowledge of the employee salary costs in their cost center and guidance provided  
12      in the budgeting directions on employee levels and management salary increases to  
13      determine the budgeted wages. Throughout the year, these cost center managers  
14      receive monthly reports that compare their actual spending to budgeted expenses.  
15      Cost center managers are required to explain any significant deviations from budget  
16      as they occur throughout the year. This reporting and the related accountability  
17      helps managers to improve each successive year’s budget and more accurately  
18      quantify the various costs that they expect to incur during the coming year, such as  
19      outside consultants, materials and supplies and others.

20

21   **Q.   Do these cost center managers budget for costs that are expected to be**  
22   **capitalized, as well as expensed?**

1 A. Yes they do. The Operations Group and other groups that spend capital dollars are  
2 provided with budget templates including all of the cost elements that are budgeted  
3 for capital. They use their understanding of the capital projects that have been  
4 planned for the next several years, as well as projections of the operating costs that  
5 they incur on an annual basis, to accurately project the capital spending for their  
6 cost center. During the year, these cost center managers receive monthly reports of  
7 the actual capital work they have performed to help them manage their costs and  
8 plan their work activities in a manner consistent with their budget.

9 **Q. Do the budgeted employee levels for the Company include an assumed level of**  
10 **open positions at any given time?**

11 A. Yes, the Company incorporates into its budget a “vacancy reserve” of 133 people  
12 to prevent ongoing, normal transitional openings from inflating our salary and wage  
13 expense. The vacancy reserve represents a 2-year average of the Company’s level  
14 of open positions. We anticipate that we will always have a level of open positions  
15 equal to our vacancy reserve unfilled but believe that vacant positions beyond those  
16 reflected in this reserve will be filled by the end of the fully projected future test  
17 year.

18

19 **Q. How do you budget for depreciation expense?**

20 A. Our Asset Accounting Department prepares the budget for depreciation and  
21 amortization expense based on current property, plant and equipment accounts and  
22 projected capital expenditures and retirements, including estimated in-service  
23 dates, for the coming year.

1

2 **Q. How are income taxes and taxes other than income taxes budgeted?**

3 A. Our Tax Department performs calculations to project income taxes and each type  
4 of taxes other than income taxes for budgeting purposes. Budgeted pre-tax book  
5 income is used to project income taxes based on statutory tax rates. The process of  
6 budgeting taxes other than income differs based on the type of tax. Gross receipts  
7 tax is based on estimated taxable revenues multiplied by the expected tax rate,  
8 projected to be 59 mills in 2024 and 2025. The Public Utility Realty Tax  
9 (“PURTA”) and other real estate taxes are budgeted based on the amounts paid in  
10 the prior year, adjusted for any major additions or sales of real estate property.  
11 Payroll taxes are budgeted based on the expected tax rates applied against the  
12 estimated payroll costs to be incurred. Miscellaneous taxes are budgeted based on  
13 the expected amounts expected to be incurred for items such as sales and use tax  
14 audits.

15

16 **Q. Please describe how interest expense and the amortization of debt discounts**  
17 **are calculated for the budget.**

18 A. Our Treasury Department calculates the interest costs by multiplying the  
19 outstanding debt balances by the applicable interest and dividend rates. Annual  
20 amortization expense is determined by dividing the original unamortized balance  
21 of costs and premiums by the original life of the debt issuance. New financings are  
22 modeled into the budget when capital requirements exceed cash sources. The

1 expected costs for these new financings, such as the expected interest rates and  
2 costs to be incurred are provided by outside financial institutions.

3

4 **Q. Please provide a general description of the process used by the Company to**  
5 **determine its distribution revenue requirement.**

6 A. The Company first developed the 2024 and 2025 budget for construction  
7 expenditures, operating revenues, operating expenses, and other elements. Next,  
8 each of the budget elements were analyzed to determine where pro forma  
9 adjustments would be required to reflect the Future Test Year or Fully Projected  
10 Future Test Year under normalized conditions. The pro forma results for the Future  
11 Test Year and the Fully Projected Future Test year were used to prepare a  
12 jurisdictional separation to show the distribution plant, revenue and expenses for  
13 the Company's Pennsylvania jurisdiction only.

14

15 **Q. Can you provide more detail on the overall process you described?**

16 A. Yes, I can. I will use the operating budget as the example, but each of the measures  
17 of value, revenue and expense elements were determined following the same basic  
18 procedures. I was responsible for the development of the overall Duquesne Light  
19 budget for the Fully Projected Future Test Year. With regard to the operating  
20 expenses, Mr. Robert O'Brien (Statement No. 8) converted the Company's fully  
21 projected future test year budget from the cost element format that we use, to a  
22 FERC format, which is presented on DLC Exhibit 2, Schedule B-4 and included on  
23 DLC Exhibit 2, Schedule D-2. Mr. Robert O'Brien, working with myself and other

1 Company personnel, developed pro forma adjustments to the budget expenses by  
2 cost element, as shown on DLC Exhibit 2, Schedules D-7 through D-15. Each of  
3 these adjustments was distributed to the appropriate FERC account as shown on  
4 DLC Exhibit 2, Schedule D-3. These processes provided a total Duquesne Light  
5 pro forma level of expenses by FERC accounts for the fully projected future test  
6 year ending December 31, 2025. Mr. Howard Gorman (Statement No. 13) then used  
7 these pro forma expenses in preparation of his Jurisdictional Separation Study,  
8 which is summarized on DLC Exhibit 2, Schedules C-1 and D-1.

9

10 **Q. Was this process followed for each of the elements included in the Company's**  
11 **revenue requirement presentation?**

12 A. Yes, it was. For example, Mr. Robert O'Brien used the Company's budget for  
13 construction expenditures, construction closed to plant, plant retirements,  
14 depreciation expense, and other measures of value components as a starting point  
15 for pro forma adjustments. The resulting total Company pro forma measures of  
16 value was used by Mr. Howard Gorman in his Jurisdictional Separation Study to  
17 determine the amounts for the Pennsylvania jurisdiction. A comparison of the total  
18 Company and Pennsylvania jurisdictional pro forma measure of value amounts is  
19 shown on DLC Exhibit 2, Schedule D-1, page 3. In addition, Mr. Robert O'Brien  
20 used the Company's budget calculation for depreciation expense and made pro  
21 forma adjustments to reflect the use of the year-end plant in service for the Fully  
22 Projected Future Test Year ending December 31, 2025, using the depreciation rates  
23 recommended by Mr. John Spanos (Statement No. 9) and pro forma plant additions

1 to determine the total pro forma depreciation expense for the total Company. Mr.  
2 Howard Gorman used this data to determine the portion assigned to the  
3 Pennsylvania jurisdiction on a pro forma basis for the test year.

4

5 **Q. Do you have an administrative services agreement that allows Duquesne Light**  
6 **employees to provide services to affiliates?**

7 A. Yes, Duquesne Light has an administrative services agreement in place with its  
8 affiliates. This agreement has been filed with the Commission and is updated  
9 periodically as necessary. This agreement is explained and included as part of the  
10 response to data filing requirement II-D-8.

11

12 **Q. Do you consider work that Duquesne Light employees may be doing for**  
13 **affiliates in the budgeting process?**

14 A. Yes, cost center managers provide information in the budgeting process regarding  
15 any work that their department is doing for any affiliate company. In addition, the  
16 Company maintains an electronic time recording system (“MyTime”) for recording  
17 and allocating employees’ time between various affiliates and projects. Employee  
18 costs are budgeted using actual historical allocation data from time collection,  
19 adjusted for information received from cost center managers about changing  
20 circumstances or project assignments. A projected allocation of all employees’  
21 costs between the Company and its affiliates is prepared in this manner. The cost  
22 charged to any affiliate includes the employee’s salary and related benefits, as well  
23 as proportionate rent and supply costs. A total of all of the allocation amounts is

1 calculated and is included in the budget process as a reduction in Duquesne Light's  
2 expense, which we refer to as subsidiary reimbursements.

3 **Q. Does Duquesne Light share office space with its affiliates, and are the affiliates**  
4 **charged for this space?**

5 A. Affiliates of Duquesne Light do not lease office space in the same building as the  
6 Company, and those affiliates have separate lease agreements with the building  
7 owner for the space they utilize.

8

9 **Q. Please provide a summary of ring-fencing measures that are in place at**  
10 **Duquesne Light in order to provide a separation between Duquesne Light's**  
11 **regulated operations and those of its parent and other nonregulated affiliates.**

12 A. Duquesne Light and its parent, Duquesne Light Holdings ("DQE Holdings"),  
13 maintain policies and practices which provide effective segregation (ring fencing)  
14 between the activities of the Company and those of its parent and nonregulated  
15 affiliates. In addition, various external agencies and regulatory bodies have placed  
16 restrictions on the Company that provide additional assurance that effective  
17 separation has been achieved. The Company is a separate legal entity from  
18 Holdings, maintains stand-alone financial statements, receives its own credit rating  
19 from Standard & Poor's and Moody's and is able to independently raise capital via  
20 external markets.

21 Other ring-fencing measures include:

- 22 • The Company's Articles of Incorporation limit it from declaring or paying  
23 dividends on any shares of capital stock ranking junior to Duquesne Light's

1 Preferred Stock if the Common Stock equity of Duquesne Light is less than  
2 25% of total capitalization.

- 3 • DQE Holdings LLC, the ultimate parent company, has appointed a locally  
4 based, independent director to its Board of Directors in order to ensure that our  
5 organization models best practices in corporate governance and that corporate  
6 decisions reflect the interests of our local community.
- 7 • The Company does not participate in its Parent's cash concentration system  
8 (cash pool) with Holdings or other affiliates that are not regulated by the  
9 Commission. As a result, nonregulated entities cannot use the Company's  
10 surplus cash for their operations.

11  
12 **Q. In conjunction with other Commission approved settlement agreements, has**  
13 **the Company agreed to ring fencing measures?**

14 A. Yes. The Company has agreed to the following ring-fencing measures:

- 15 • Duquesne Light shall not guarantee the debt or credit instruments of its parent  
16 or any affiliate not regulated by the Commission, except as approved by the  
17 Commission upon a determination that such guarantee provides net benefits to  
18 customers.
- 19 • Duquesne Light shall not grant a mortgage or other lien on any property used  
20 and useful by Duquesne Light in providing retail utility service to the public  
21 subject to the Commission's jurisdiction, except for the financing needs of  
22 Duquesne Light.

- 1 • Duquesne Light shall not make any loan or otherwise extend credit to its parent  
2 or any affiliate not regulated by the Commission for a term of one year or more,  
3 except as approved by the Commission upon a determination that such loan or  
4 credit extension provides net benefits to customers.
- 5 • DQE Holdings will not permit a change in ownership among the members of  
6 DQE Holdings without prior Commission approval if such change would result  
7 in a change in control under the then-applicable Commission standards.
- 8 • Duquesne Light will seek Commission approval of all new or amended  
9 agreements with affiliates consistent with Chapter 21 of the Public Utility Code.
- 10 • Duquesne Light shall continue to have outstanding separately issued debt held  
11 by investors not affiliated with Duquesne Light or its affiliates unless the  
12 Commission authorizes to the contrary.
- 13 • Duquesne Light's long-term debt ratio as a percentage of total capitalization  
14 shall not exceed 60%, absent approval from the Commission.
- 15 • Duquesne Light shall notify the Commission of its intention to declare a special  
16 cash dividend to Duquesne Light Holdings, Inc., at least 30 days before  
17 declaring the dividend.
- 18 • The Chief Executive Officer ("CEO") of Holdings will be a member of DQE  
19 Holdings Board of Directors (Board), and will also chair a management  
20 committee, which will contain representatives of both the senior management  
21 team and the ownership consortium.
- 22 • Holdings shall maintain, and cause its subsidiaries including Duquesne Light to  
23 maintain, separate books and financial records.

- 1 • DQE Holdings will maintain corporate organizational and financial policies  
2 sufficient to permit Duquesne Light to continue to meet requirements to  
3 maintain its own credit ratings, separate from its parent.
- 4 • Holdings and its subsidiaries shall remain organized in a manner that provides  
5 corporate separation of regulated and non-regulated activities.

6

7 **Q. How do you budget for fringe benefits provided to employees?**

8 A. This process varies, depending on the type of fringe benefits. However, common  
9 benefit programs are provided to employees of Duquesne Light and its affiliates.  
10 Therefore, the initial step is determining the total cost expected to be incurred. The  
11 Human Resources department reviews each of the health coverage plan costs for  
12 the current year and then the budget is developed taking into consideration the  
13 present number of eligible employees, projected changes in the numbers of eligible  
14 employees, anticipated changes in employee contribution levels and estimated cost  
15 increases. Once the total cost has been established, the percentage of that total cost  
16 that is applicable to Duquesne Light employees and affiliate employees is  
17 determined on a pro-rated basis. The respective cost allocable to each company is  
18 then charged to the appropriate company.

19

20

21 **Q. Do you allocate the cost of fringe benefits to both capital jobs and expense?**

22 A. Yes we do. This allocation is calculated based on the total amount of budgeted labor  
23 costs to be incurred from the annual budgeting process. Based on past experience

1 and their knowledge of planned capital projects, cost center managers separately  
2 budget the amount of labor that will be charged to expense or to capital. The result  
3 is used to allocate the benefit costs so that the benefit costs are allocated between  
4 expense and capital in a manner that is proportionate to the related labor costs.

5  
6 **Q. Please briefly describe the process used to calculate the pro forma**  
7 **jurisdictional measure of value, net operating income and required revenue**  
8 **increase for the Pennsylvania jurisdiction.**

9 A. The process began with the Company's 2024 and 2025 calendar year budgets by  
10 cost elements, which are determined by total Company requirements and can be  
11 compared to budget and recorded amounts from prior years. The budgeted cost  
12 elements were then distributed to FERC accounts where necessary. Pro forma  
13 adjustments were made to the Company's budget amounts that allow for easy  
14 comparison for each adjustment. Finally, the total pro forma amounts were  
15 separated to the Pennsylvania jurisdictional level in the aggregate as opposed to  
16 making this calculation for each budget element and each pro forma adjustment.

17  
18 **Q. Please describe how the Company's request for an increase in its electric**  
19 **distribution rates is supported by your data.**

20 A. The requested increase is supported by the Company's budgeted financial data. In  
21 Schedule C-1 and D-1 of DLC Exhibit 2, we summarize the revenues, expenses,  
22 rate base, and deficiencies in revenue for the Fully Projected Future Test Year.  
23 Duquesne Light is requesting an overall rate increase for the total Pennsylvania

1 Jurisdiction of \$101. million, exclusive of DSIC roll-in. Duquesne Light's capital  
2 structure is shown in DLC Exhibit 2, Schedule B-8, with the requested return on  
3 equity of 11.50 % reflected on DLC Exhibit 2, Schedule B-9.

4

5 **Q. Are you aware of the requirement that a comparison of actual to budget data**  
6 **is to be supplied quarterly when you utilize a Future Test Year?**

7 A. Yes, Exhibit ALN-4 has been provided showing a breakdown of revenues and  
8 expenses for the Future Test Year and Fully Projected Future Test Year. We will  
9 provide quarterly comparisons of actual results to the budget numbers presented as  
10 the actual data for each quarter becomes available. In addition, the Company will  
11 provide, as directed by the Commission, data evidencing the accuracy of estimates  
12 contained in its Fully Projected Future Test Year.

13

14

15 **Q. Did the Company prepare a schedule comparing its actual expenses for the**  
16 **twelve months ended December 31, 2022, to its projections in the last rate case**  
17 **proceeding?**

18 A. Yes, please see Exhibit ALN-5. As recognized in the previous rate case settlement  
19 agreement, the agreement was deemed to be a black box settlement which  
20 represents a compromise of the Parties' positions on various issues.

21

1 Q. **Did Duquesne Light prepare a comparison of its rate base additions for the**  
2 **twelve months ended December 31, 2022, to its projections in the 2021 rate**  
3 **case?**

4 A. Yes, please see Exhibit ALN-6 for this comparison.

5  
6 Q. **Have you made any adjustments in your Future Test Year or Fully Projected**  
7 **Future Test Year to account for known and measurable changes?**

8 A. Yes, we have. Mr. Robert O'Brien is sponsoring all the adjustments that are known  
9 and measurable, and his testimony (Statement No. 8) will address those items  
10 specifically.

11

12 Q. **Does the Company plan to recover deferred costs of required Eligible**  
13 **Customer Listing mailings in this rate filing?**

14 A. Yes, pursuant to the Commission's order (Docket No. M-2010-2183412), the  
15 Company was granted permission to recover the costs associated with its required  
16 triennial eligible customer listing solicitations through its next base rate case  
17 proceeding. As of December 31, 2023, the Company maintains a regulatory asset  
18 of approximately \$0.1 million, associated with the Company's 2021 triennial  
19 solicitation, for which recovery is being requested.

20

21 Q. **How does the Company plan to recover these deferred costs?**

1 A. As the costs associated with the Commission required solicitations is on-going, the  
2 Company has included an adjustment to normalize the associated costs over a three-  
3 year period as described in Mr. Robert O'Brien's testimony (Statement No. 8).

4

5 **Q. Why are you using a three-year period for the normalization of the costs**  
6 **associated with Eligible Customer Listing solicitations?**

7 A. Three years is consistent with the triennial solicitation requirement as established  
8 by the Commission.

9

10 **Q. Does the Company plan to recover deferred costs of Electric Vehicle programs**  
11 **in this rate filing?**

12 A. Yes. The Company maintains a regulatory asset of approximately \$0.1 million, for  
13 which recovery is being requested.

14

15

16 **Q. How does the Company plan to recover these deferred costs?**

17 A. The Company has included an adjustment to amortize the associated costs over a  
18 three-year period as described in Mr. Robert O'Brien's testimony (Statement No.  
19 8).

20

21 **Q. Why are you using a three-year period for the normalization of the costs**  
22 **associated with Electric Vehicle programs?**

1 A. Three years is consistent with the typical and anticipated timing between  
2 distribution rate cases.

3

4 **Q. Does the Company plan to recover deferred costs related to the Company's**  
5 **efforts to obtain federal grant funding under the Infrastructure Investment**  
6 **and Jobs Act of 2021 ("IIJA") in this rate filing?**

7 A. Yes. The Company maintains a regulatory asset of approximately \$0.3 million, for  
8 which recovery is being requested.

9

10 **Q. How does the Company plan to recover these deferred costs?**

11 A. The Company has included an adjustment to amortize the associated costs over a  
12 three-year period as described in Mr. Robert O'Brien's testimony (Statement No.  
13 8).

14

15 **Q. Why are you using a three-year period for the normalization of the costs**  
16 **associated with IIJA funding?**

17 A. Three years is consistent with the typical and anticipated timing between  
18 distribution rate cases.

19

20 **Q. What types of benefits do you provide to Duquesne Light employees?**

21 A. Benefits for 2023 include medical and dental coverage, flexible spending accounts,  
22 life insurance, pet insurance, accident insurance, business travel insurance,  
23 disability benefits, an employee assistance program and tuition reimbursement. In

1 addition, we maintain a retirement plan (“Plan”) to provide pensions for eligible  
2 full-time employees.

3

4 **Q. Is the Company self-insured for any employee benefits, and if so, how is the**  
5 **budget for those benefits estimated?**

6 A. Yes, Duquesne Light is self-insured for its employee medical coverage, which is  
7 under national Preferred Provider Organizations (“PPO”) arrangements. The  
8 budget estimates are developed based on the previous year’s claim costs with  
9 adjustments for anticipated changes in the number of eligible employees, employee  
10 contribution levels and cost increases based on healthcare industry outlook.  
11 Duquesne Light does maintain stop-loss insurance coverage to cover individual  
12 claims that are over \$375,000 per incident.

13

14 **Q. How has Duquesne Light tried to minimize healthcare coverage costs?**

15 A. Over the past several years, Duquesne Light has taken various steps to mitigate the  
16 high cost of healthcare, such as promoting employee wellness programs,  
17 performing dependent eligibility audits, increasing employee contribution levels,  
18 negotiating reductions in administrative fees, and reviewing opportunities to enter  
19 healthcare exchanges.

20

21 **Q. Is Duquesne Light’s retirement plan open to new participants?**

22 A. The Plan is closed to new participants. Upon retirement, an eligible employee  
23 receives a monthly pension based on his or her length of service and compensation.

1 The cost of funding the pension plans is determined by the unit credit actuarial cost  
2 method. Our policy is to budget using the actuarially determined net periodic  
3 pension cost calculated by our actuaries under the provisions of Accounting  
4 Standards Codification 715 (“ASC 715”). All employees can also participate in the  
5 Company’s defined contribution retirement plan; however, employees not eligible  
6 to participate in the pension plan receive expanded levels of Company matching  
7 funds in lieu of pension benefits. The Plan’s funded status on a GAAP basis (the  
8 basis utilized for financial reporting purposes) as of December 31, 2023, is a funded  
9 status of approximately \$28.7 million.

10

11

12 **Q. How is Duquesne Light’s pension plan managed?**

13 A. Duquesne Light’s Board of Directors periodically reviews the Plan’s ongoing  
14 performance and approves any changes to the Plan’s allocation targets between  
15 investment categories to ensure the portfolio is properly diversified. Plan  
16 performance is evaluated by reviewing the performance of individual money  
17 managers against established benchmarks. The Board delegates responsibility for  
18 implementing the approved allocation to a group of executives that compose the  
19 Pension Investment Committee. This Committee meets on a regular basis to review  
20 investment performance, interview managers of funds in which the Plan is invested  
21 and make the day-to-day decisions involved in managing the pension plan’s  
22 investment portfolio. The Committee utilizes an outside investment advisory firm,  
23 LCG Associates, Inc., to provide technical analysis and administrative support in

1 its work. Please refer to the testimony of Mr. James H. Milligan (DLC Statement  
2 No. 14) for additional information on the Pension Investment Committee.

3

4 **Q. What steps has Duquesne Light taken to minimize pension costs?**

5 A. In 2007, the Company amended the Plan such that non-represented employees hired  
6 after June 1, 2007, would not be eligible to participate in the Company's defined  
7 benefit pension plan. In 2010, the Company amended the Plan such that represented  
8 employees hired on or after October 1, 2010, would not be eligible to participate in  
9 the Company's pension plan. These two amendments effectively closed the plan to  
10 new participants. Employees hired after these dates receive expanded levels of  
11 Company matching under the Company's defined contribution retirement fund in  
12 lieu of pension benefits.

13

14 **Q. Is the Company taking steps to reduce the investment risk associated with its  
15 pension trust?**

16 A. Yes, we are. The Company is implementing a Liability Driven Investing ("LDI")  
17 strategy to mitigate the volatility associated with pension plan funding. LDI is an  
18 investment strategy that focuses on managing pension assets in relation to pension  
19 liabilities. The overall goal of LDI is to minimize the volatility of Plan funded  
20 status, and thus contribution volatility, by investing in long duration fixed income  
21 strategies that attempt to better match the duration of the Plan's liabilities. Please  
22 refer to the testimony of Mr. James Milligan (Statement No. 14) for further  
23 discussion of the Company's LDI strategy.

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**Q. Why is it appropriate to take these steps?**

A. Reduced volatility in the pension plan funded status and pension plan funding will provide greater predictability to the Company’s cash management and capital planning and ultimately provide for more stable rates for customers.

**Q. How have accounting changes affected the Company’s pension plan?**

A. The Company’s accounting changes to its pension plan are described in data filing requirement II-D-12.

**Q. What was the funded status of the Company’s pension plan for the time period December 31, 2006, through December 31, 2023?**

A. The Company’s funded status of the Company’s pension plan for the years ended December 31, 2006, through December 31, 2023 is shown in the table below. As noted below, the funded status of the plan significantly increased between 2010 and 2023. This is a direct result of the continued contribution and earnings on the contributions including the amounts reflected in the Company’s capitalized pension adjustment.

| Year Ended: | (Underfunded)/Overfunded Status |
|-------------|---------------------------------|
| 2006        | \$6.5 million                   |
| 2007        | \$19.1 million                  |
| 2008        | (\$218.0 million)               |
| 2009        | (\$266.0) million               |

|      |                   |
|------|-------------------|
| 2010 | (\$260.6) million |
| 2011 | (\$345.2) million |
| 2012 | (\$366.6) million |
| 2013 | (\$177.9) million |
| 2014 | (\$261.8) million |
| 2015 | (\$246.6) million |
| 2016 | (\$238.6) million |
| 2017 | (\$117.9) million |
| 2018 | (\$100.0) million |
| 2019 | (\$91.0) million  |
| 2020 | (\$69.5) million  |
| 2021 | \$7.4 million     |
| 2022 | \$0.3 million     |
| 2023 | \$28.7 million    |

1

2 **Q. What is the expected funded status at December 31 over the next six years?**

3 A. Please see the chart below:

|               | <u>Expected Funded Status (in millions)</u> |                |                 |                 |                 |                 |
|---------------|---|----------------|-----------------|-----------------|-----------------|-----------------|
|               | <u>2024</u>                                 | <u>2025</u>    | <u>2026</u>     | <u>2027</u>     | <u>2028</u>     | <u>2029</u>     |
| Funded Status | <u>\$ (3.5)</u>                             | <u>\$(7.1)</u> | <u>\$ (7.7)</u> | <u>\$ (7.9)</u> | <u>\$ (7.9)</u> | <u>\$ (7.6)</u> |

4 The above chart assumes a \$10.0 million pension contribution each year.

5

6 **Q. How does Duquesne Light determine its level of pension cash contributions?**

7 A. Duquesne Light's contributions to its pension plan are typically the larger of either  
8 the minimum amount required under the Pension Protection Act of 2006 ("PPA")  
9 or the amount required to fulfill regulatory commitments. However, in the event  
10 that a PPA determined minimum amount is zero, the Company also reviews the  
11 opportunity to make voluntary pension contributions in order to offset service costs

1 as to not degrade the pension plan's funded status and to continue to foster the  
2 Company's de-risking strategies.

3  
4

5 **Q. What were the Company's pension contributions to its pension trust from**  
6 **December 31, 2006, through December 31, 2023?**

7 A. The Company contributed \$508.3 million to its pension trust during this time  
8 period. The Company's pension contributions were as follows for the years  
9 ended December 31, 2006, through December 31, 2023:

| Year ending:      | Contribution Amount |
|-------------------|---------------------|
| December 31, 2006 | \$27.5 million      |
| December 31, 2007 | \$0.0 million       |
| December 31, 2008 | \$10.0 million      |
| December 31, 2009 | \$20.0 million      |
| December 31, 2010 | \$50.0 million      |
| December 31, 2011 | \$66.5 million      |
| December 31, 2012 | \$43.5 million      |
| December 31, 2013 | \$55.0 million      |
| December 31, 2014 | \$17.8 million      |
| December 31, 2015 | \$ 0.0 million      |
| December 31, 2016 | \$40.0 million      |
| December 31, 2017 | \$105.0 million     |
| December 31, 2018 | \$23.0 million      |
| December 31, 2019 | \$10.0 million      |
| December 31, 2020 | \$10.0 million      |
| December 31, 2021 | \$10.0 million      |
| December 31, 2022 | \$10.0 million      |

|                   |                |
|-------------------|----------------|
| December 31, 2023 | \$10.0 million |
|-------------------|----------------|

1

2

3 **Q. What are Duquesne Light’s projected pension contributions for the next 6**  
 4 **years?**

5 A. Please see the below table for the Company’s projected contributions (in millions).

| <u>2024</u> | <u>2025</u> | <u>2026</u> | <u>2027</u> | <u>2028</u> | <u>2029</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$10.0      | \$10.0      | \$10.0      | \$10.0      | \$10.0      | \$10.0      |

6

7 **Q. Do these projected contributions represent PPA minimum funding**  
 8 **requirements?**

9 A. No. Based on currently projected pension plan funding levels, the Company is not  
 10 required to make any minimum pension plan contributions until 2031. Projected  
 11 pension plan contributions for inclusion in this rate filing represent voluntary  
 12 pension contributions in order to offset service costs as to not degrade the pension  
 13 plan’s funded status and to continue to foster the Company’s de-risking strategies.

14

15 **Q. Describe the Company’s historical claim as it relates to pension**  
 16 **treatment.**

17 A. The Company filed its first-rate case in approximately 20 years in 2006. At this  
 18 time, the Company continued to budget its pension expense using the actuarially  
 19 determined net periodic pension cost. As part of the 2006 proceeding (R-  
 20 00061346) the Company requested to recover annual contributions that it  
 21 planned to make to the pension plans vs. the net periodic pension cost. The

1 accounting treatment proposed at this time requested that the Commission  
2 authorize the Company to record annually the difference between the contribution  
3 to the pension trust and the annual net periodic pension cost accrual as either a  
4 regulatory asset or liability as it was noted that over extended periods of  
5 time, the contributions must be essentially the same as the sum of the actuarially  
6 determined net periodic pension cost. The Joint Petition for Settlement of All  
7 Issues dated in September of 2006 reflected a level of pension expense  
8 commiserate with the Company's expected Pension contributions of \$20 million  
9 per year and committed the Company to fund \$20.0 million annually to its  
10 pension plans during the period rates set in that proceeding remain effective.  
11 Should the Company's ERISA minimum contribution exceed \$20.0 million, the  
12 Company was required to contribute the ERISA minimum contribution  
13 requirement.

14 In the Company's 2010 rate case (R-2010-2179522), the Company, consistent  
15 with the 2006 rate case requested recovery of the annual contributions that it  
16 planned to make to the pension plans. The expense claim for pensions in this  
17 proceeding was based on projected pension plan contributions required under the  
18 Pension Protection Act of 2006. It was noted in this proceeding that the criteria  
19 used to determine these contributions was different from the criteria required to be  
20 used to determine the net periodic pension costs under ASC 715. The accounting  
21 treatment proposed at this time was consistent with the 2006 proceeding where  
22 the difference between the contribution and the net periodic pension cost would  
23 be recorded as a regulatory asset or liability, with the amount being reversed over

1 time as pension contributions ultimately reflect the net periodic pension cost. The  
2 Commission issued the Joint Petition for Settlement of All Issues in December  
3 2010. As part of this settlement, the Company agreed to deposit \$55.0 million of  
4 pension contributions to its pension trust per year. The Settlement provided for  
5 the expense recovery of the expense component of \$27.5 million (50% of the  
6 average cash contributions) and allowed the Company to include the other 50% of  
7 actual pension contributions from January 1, 2007 forward in rate base for  
8 ratemaking purposes. The Company also agreed to reporting requirements  
9 annually that would attest to the actual contributions to the pension trust each  
10 calendar year.

11 In its 2013 rate case (R-2013-2372129) and its 2018 rate case (R-2018-3000124),  
12 the Company requested and was permitted to use the same recovery mechanisms  
13 as described within the 2010 settlement agreement whereby the Company was  
14 required to deposit \$37.2 million into its pension trust per year for the 2013  
15 proceeding and \$10.0 million into its pension trust per year for the 2018 rate case.  
16 \$18.6 million and \$5.0 million (50% of contribution) represented the allowable  
17 expense recovery portion in the 2013 and 2018 settlement agreements,  
18 respectively. These settlement agreements also specifically continued to allow the  
19 same rate base treatment in the prior 2010 settlement agreement and the same  
20 reporting requirements.

21 In its 2021 rate case (R-2021-3024750) the Company requested and was  
22 permitted to use the same recovery mechanisms as described within the 2018  
23 settlement agreement whereby the Company was required to deposit \$10.0

1 million into its pension trust per year. \$5.0 million (50% of contribution)  
2 represented the allowable expense recovery portion in the 2018 settlement  
3 agreement.

4

5 **Q. Did the Company meet all of the requirements as laid out in the Settlement**  
6 **agreements discussed above for the 2006, 2010, 2013 and 2018 rate cases?**

7 A. Yes. The Company met all requirements as stipulated within the respective  
8 settlement agreements.

9

10 **Q. Has Duquesne Light made the pension contributions under the terms of its**  
11 **2021 Distribution Rate Case Settlement?**

12 A. Yes. The Company is required by its 2021 distribution rate case settlement to fund  
13 the pension trust in an amount equal to \$10.0 million per year; provided, however,  
14 contributions in any year in excess of the foregoing may be used on a cumulative  
15 basis to satisfy future contribution obligations. The rate case settlement further  
16 concludes that should a pension contribution less than \$10.0 million to the pension  
17 trust be appropriate, the Company may reduce the pension contribution and record  
18 a regulatory liability on its books that is equal to 50% of the reduction to the pension  
19 contribution below the level of \$10.0 million. If a regulatory liability remains at the  
20 time of the Company's next rate proceeding, the amount will be refunded to rate  
21 payers as part of the next rate case proceeding. The Company made pension  
22 contributions totaling \$30.0 million in the years 2021 through 2023. The Company  
23 plans to make pension contributions of \$10.0 million in 2024. This represents an  
24 average annual pension contribution of \$10.0 million over the last three years and

1           therefore the Company will have no outstanding regulatory liability balance owed  
2           to rate payers at the end of the Future Test Year.

3

4   **Q.    What level of pension funding is the Company requesting in this case?**

5   A.    Consistent with our 2006, 2010, 2013, 2018 and 2021 distribution rate cases, the  
6   Company is requesting recovery of the expense component of the annual  
7   contributions that we plan to make to the pension plan. These contributions totaling  
8   \$10.0 million per year reflect voluntary pension contributions in order to offset  
9   service costs so as to not degrade the pension plan's funded status and to continue  
10   to foster the Company's de-risking strategies. Consistent with its 2021 distribution  
11   rate case settlement agreement, the Company has incorporated a three-year (2024-  
12   2026) average into its ratemaking calculations for the portion of contributions that  
13   will be recovered as an expense for ratemaking purposes. Mr. Robert O'Brien  
14   (Statement No. 8) explains this calculation in his testimony. The Company is also  
15   requesting consistent, previously approved rate base treatment and reporting  
16   requirements.

17   Although prior settlements provide no guaranteed outcome as it relates to the Company's  
18   proposed cost recovery treatment for pension contributions proposed in this, or  
19   future cases, the Company believes that expense recovery of 50% of its pension  
20   contribution and continued capitalization of 50% of its pension contribution is  
21   appropriate for reasons set forth in the following questions and answers, including  
22   offsetting pension costs as to not degrade the pension's funded status, continuing  
23   to foster the Company's de-risking strategies, consistent and reasonable ratemaking

1 and fair treatment for the Company and its shareholders.**Q. Why is the Company**  
2 **requesting a three-year projected average for pension funding and not a six-**  
3 **year average?**

4 A. Three years was selected as the most appropriate average because it is consistent  
5 with the typical and anticipated timing between distribution rate cases.

6

7 **Q. Is the Company claiming the actuarially determined net periodic pension**  
8 **expense for pensions in this rate proceeding?**

9 A. No, we are not. Consistent with our 2006, 2010, 2013, 2018 and 2021 distribution  
10 rate cases, we are requesting recovery of the expense component of the annual  
11 contributions that we plan to make to the pension plan. These contributions reflect  
12 voluntary pension contributions to offset service costs so as not to degrade the  
13 pension plan's funded status and to continue to foster the Company's de-risking  
14 strategies. Therefore, the expense claim for pensions in this proceeding is based on  
15 projected pension plan voluntary contributions.

16

17 **Q. Why does the Company utilize contributions for their basis for ratemaking**  
18 **claims?**

19 A. The Company utilizes pension contributions for its basis in ratemaking as  
20 contributions are determined to be less volatile than using the net periodic pension  
21 cost accrual. As stated previously, the Company's annual net periodic pension  
22 cost accrual will likely differ from the pension contributions on a year-to-year

1 basis which could lead to the Company over or under recovering the costs of the  
2 pension plan.

3

4 **Q. What are the primary drivers of contributions and the volatility associated**  
5 **with those amounts?**

6 A. The primary drivers of cash contributions are legal requirements, plan design,  
7 interest rates and asset returns.

8 1. Legal Requirements - The Company will make all legally required  
9 contributions to the plan in accordance with ERISA and PPA.

10 2. Plan Design- The Company closed the pension plan to new salaried employees  
11 to slow the liability growth, however, the Company's pension window has  
12 continued to be extended for employees that are in the pension plan thus  
13 increasing its benefit obligations.

14 3. The Level of Interest Rates - specifically, the interest rates used under PPA to  
15 discount future expected benefit payments to determine the present value of those  
16 payments. These rates are reset each year as of the measurement date and can  
17 have a significant impact on the level of pension obligations and pension expense.  
18 Generally, if interest rates decrease by 1%, it can increase obligations by  
19 approximately 10%.

20 4. Pension Trust Asset Returns - as market returns rise and fall, so do the assets  
21 held in trust to meet pension obligations. Generally, if market values of pension  
22 trust assets fall, the plan will experience an increase in required contributions.

23

24

1 **Q. How is the company's pro forma capitalized pension adjustment calculated**  
2 **for purposes of ratemaking?**

3 A. The Company included in its filing a pro forma adjustment to rate base that  
4 reflects that capitalized pension cost should be based upon cash contributions that  
5 have been made as of the end of the FPFTY and not the capitalized portion of the  
6 ASC 715 expense. This pro forma adjustment is not recorded on the Company's  
7 books and records as it capitalizes ASC 715 costs as described above.

8

9 **Q. Why does the Company believe that the capitalized pension adjustment is an**  
10 **appropriate adjustment to rate base in its claim?**

11 A. The Company moved to pension cash contributions in its 2006 settled rate case.  
12 Therefore, consistent, and reasonable ratemaking requires that cash contributions  
13 be used for both expense and amounts capitalized and included in rate base. The  
14 cash contributions in the pension trust that are reflected in the pension  
15 capitalization adjustment were provided by the Company and continue to  
16 benefit customers. If these amounts had not been put in the trust, the Company's  
17 underfunded status would be higher and greater future contributions would  
18 be required. In addition, the Company believes that it should be able to earn a  
19 return of and a reasonable rate of return on all capital expenditures incurred  
20 through the end of the fully projected future test year as it does for all plant items,  
21 including benefits attributable to labor benefits charges to capital projects. Not  
22 including pension costs in its plant in service would be inconsistent with all other  
23 capital charges, as well as inconsistent with the prior approved rate treatment of  
24 such costs. As there is volatility in both the pension cash contributions and the

1 ASC 715 pension costs, the Company believes that maintaining consistency with  
2 pension expense and capitalized pension costs for ratemaking purposes is  
3 appropriate. The Company believes that capitalization of the pension  
4 contributions in excess of the capitalized ASC 715 costs provides fair treatment  
5 for the Company and its shareholders. In this regard, the Company made \$30.0  
6 million of contributions to the pension trust through 2023 pursuant to its  
7 commitment in the last case. Only \$15.0 million of the expense component has  
8 been collected in rates with the remainder being capitalized for ratemaking  
9 purposes. The Company has not been able to earn a return on the full \$15.0  
10 million that is being capitalized for ratemaking purposes. The Company will be  
11 denied the ability to earn a fair rate of return if this amount is not included in rate  
12 base in this proceeding. The Company already experiences regulatory lag in  
13 recovering a return on its investment in capitalized pension costs. Given the  
14 significant variance between pension cash contributions made by the Company  
15 and the Company's net periodic service cost, directing the Company to use a  
16 pension cost amount for capitalized pension costs will result in an unreasonable  
17 amount of regulatory lag on its cash investment because this amount likely will  
18 not catch up for years into the future. In addition, obtaining financing for future  
19 pension contributions, or any other financing need, is always more difficult if the  
20 application for the funds does not receive an appropriate regulatory return.

21

22 **Q. Please explain the proposed future accounting treatment with regard to**  
23 **pensions.**

1 A. The Company is required to accrue an amount for pension costs each year  
2 determined in accordance with ASC 715. While the procedures used to determine  
3 the annual ASC 715 cost will ultimately equal the total contributions over the  
4 duration of the plan, the annual accrual will differ from the pension contribution on  
5 a year-to-year basis. For this reason, the Company requests that the Commission  
6 authorize the Company to continue to record annually the difference between the  
7 pension reimbursement received in rates and the ASC 715 pension expense as either  
8 a regulatory asset or liability. These amounts will then be reversed over time in the  
9 future. The Company records ASC 715 capitalized pension amounts as part of the  
10 previously discussed employee benefit allocation. Please refer to Mr. Robert  
11 O'Brien's testimony for further discussion the Company's capitalized pension  
12 amounts.

13  
14 **Q. Is there a specific provision that should be included in the Commission's final  
15 order related to pensions?**

16 A. Yes, the provision is as follows:  
17 "Continuing in calendar year 2024, Duquesne Light will deposit into its pension  
18 trusts an amount equal to \$10,000,000 per year; provided, however, that  
19 contribution(s) in any year in excess of the foregoing may be used on a cumulative  
20 basis to satisfy future contribution obligations. The provision provides for recovery  
21 of the expense component of \$5,000,000 (50% of the average cash contributions)  
22 of projected future pension contributions. Additionally, Duquesne Light will be  
23 permitted to include the other 50% of actual pension contributions from January 1,

1 2007, forward, net of related accumulated deferred income taxes, in rate base for  
2 rate making purposes. The rate base adjustment for pensions shall be the amount  
3 necessary to adjust the ASC 715 capitalized pension amounts to equal accumulated  
4 capitalized pension contributions, net of applicable deferred income taxes, from  
5 January 1, 2007 forward. The depreciation expense for book and ratemaking  
6 purposes will be based on the ASC 715 capitalized amounts. The adjusted amounts  
7 will be used for reporting rate base in reports to the Commission.”

8

9 **Q. What other postretirement benefits (“OPEBs”) does Duquesne Light provide**  
10 **to its employees?**

11 A. In addition to pension benefits, the Company provides certain healthcare benefits  
12 and life insurance for retired employees hired before October 1, 2010. The retiree  
13 life insurance plan is non-contributory. Retirees participating in the health care plan  
14 do make contributions, which have increased as part of our efforts to control costs.  
15 Health care benefits terminate when a retiree reaches age 65. We currently account  
16 for and fund OPEBs through a Voluntary Employees Beneficiary Associated  
17 (VEBA) trust, into which we deposit the full amount of annual costs calculated by  
18 our actuary pursuant to ASC 715. Retiree OPEBs and administrative costs of  
19 maintaining the trusts and/or accounts are paid from the amounts deposited in the  
20 trust. The Company accrues the actuarially determined costs of the aforementioned  
21 postretirement benefits over the period from the date of hire until the date the  
22 employee becomes fully eligible for benefits.

23

1 **Q. How have accounting changes impacted the Company's postretirement**  
2 **benefits?**

3 A. The Company's accounting changes to its postretirement benefits are described in  
4 data filing requirement II-D-12.

5  
6  
7 **Q. Are you claiming the actuarially determined net periodic cost for**  
8 **postretirement benefits in this rate proceeding?**

9 A. Yes we are. The Company has incorporated a two-year average into its ratemaking  
10 calculations for the portion of actuarially determined net periodic cost for  
11 postretirement benefits that will be recovered as an expense for ratemaking  
12 purposes. Two years was selected to be consistent with the treatment in its last  
13 distribution rate case settlement.

14  
15 **Q. Is Duquesne Light requesting that the difference between the rate allowance**  
16 **and the annual OPEB expense accrual be deferred as a regulatory asset or**  
17 **liability?**

18 A. Yes. Any difference between the annual book accrual and the ratemaking allowance  
19 will be deferred and amortized over a reasonable period as an increase or decrease  
20 to the rate allowance for OPEBs in the next rate proceeding. This procedure is  
21 consistent with the Commission's requirement that the rate allowance be placed in  
22 the trust without regard to the actual annual accrual. As of December 31, 2023, the  
23 Company had recorded a regulatory liability of approximately \$0.2 million related

1 to OPEBs. The Company has amortized this amount over a three-year period in its  
2 ratemaking calculations. As explained in Mr. Robert O'Brien's testimony  
3 (Statement No. 8), a three-year period was selected as it is consistent with the  
4 typical and anticipated timing between distribution rate cases.

5 **Q. Is there specific language that should be included in the Commission's final**  
6 **order on the subject of OPEBs?**

7 A. Yes, Duquesne asks for the same treatment as its last distribution case when the  
8 following provision was adopted:

9 "The Company accounts for and funds OPEBs through a Voluntary Employees  
10 Beneficiary Associated (VEBA) trust, into which it will deposit the full amount of  
11 annual costs calculated by the Company's actuary pursuant to ASC 715. Retiree  
12 OPEBs and administrative costs of maintaining the trusts and/or accounts are paid  
13 from amounts deposited in the trust. The Company accounts for the difference  
14 between the net periodic postretirement benefit expense determined annually by the  
15 actuary in accordance with ASC 715 and the amount of ASC 715 postretirement  
16 benefit expense used to establish rates. That difference is recorded as a regulatory  
17 asset or liability and will be expensed or credited in future base rate proceedings in  
18 determining OPEB expense included in rates."

19

20 **Q. Does this conclude your direct testimony?**

21 A. Yes, it does.

| <u>CITATION</u>   | <u>DESCRIPTION</u>   |
|-------------------|--|
| <b>53.53 I</b>    | <b>GENERAL FILING INFORMATION</b>                                    |
| <b>53.53 I A</b>  | <b>Summary of Filing</b>   |
| 53.53-A-3         | Summary Tables   |
| 53.53-A-4         | Generation Plant additions   |
| <b>53.53 I B</b>  | <b>General Description of Operations</b>                             |
| 53.53-B-1         | Corporate History  |
| 53.53-B-2         | Description of the property of utilities                             |
| 53.53-B-2a        | Schedule of generating capability                                    |
| 53.53-B-2b        | Generation outages   |
| 53.53-B-2c        | Generation retirements   |
| 53.53-B-2d        | Projected generation additions and retirements                       |
| <b>53.53 II</b>   | <b>PRIMARY STATEMENTS OF RATE BASE &amp; OPERATING INCOME</b>        |
| <b>53.53 II A</b> | <b>Rate Base</b>   |
| 53.53-II-A-1      | Test Year rate base and rates of return – future                     |
| 53.53-II-A-2      | Test year rate base and rates of return – historic                   |
| 53.53-II-A-3      | Generation cost information  |
| <b>53.53 II B</b> | <b>Rate Base Supporting Schedules</b>                                |
| 53.53-II-B-1      | Plant held for Future Use  |
| 53.53-II-B-2      | Construction Work In Progress  |
| 53.53-II-B-3      | Claim for materials and supplies                                     |
| 53.53-II-B-6      | Additional Items in Measure Of Value                                 |
| <b>53.53 II C</b> | <b>Operating Income Statement</b>                                    |
| 53.53-II-C-1a     | Budgeted Income Statement  |
| 53.53-II-C-1c     | Income Statement present rates after adjustments                     |
| 53.53-II-C-1d     | Adjustment for revenue increase                                      |
| 53.53-II-C-1e     | Income Statement requested rates                                     |
| 53.53-II-C-2      | Similar schedule historic test year                                  |
| <b>53.53 II D</b> | <b>Income Statement Supporting Schedules</b>                         |
| 53.53-II-D-1      | Schedule of revenues & expenses for FTY & HTY & variance explanation |

|                   |   |
|-------------------|---|
| 53.53-II-D-2      | Summary of test year adjustments  |
| 53.53-II-D-3      | Nonrecurring & extraordinary items                                      |
| 53.53-II-D-4      | Extraordinary property losses   |
| 53.53-II-D-5      | Reserve for uncollectible   |
| 53.53-II-D-6      | Claim for rate case expense   |
| 53.53-II-D-7a     | Miscellaneous general expenses  |
| 53.53-II-D-7b     | Outside service expenses  |
| 53.53-II-D-7c     | Regulatory commission expenses  |
| 53.53-II-D-7d     | Advertising expenses  |
| 53.53-II-D-7e     | Research and Development  |
| 53.53-II-D-7f     | Charitable and civic contributions                                      |
| 53.53-II-D-8      | Affiliate charges for FTY and HTY                                       |
| 53.53-II-D-9      | Social and Service organization memberships                             |
| 53.53-II-D-10a    | Avg & year-end # of employees & payroll & benefit expense – union       |
| 53.53-II-D-10b    | Avg & year-end # of employees & payroll & benefit expense - non-union   |
| 53.53-II-D-10cc   | Avg & year-end # of employees & payroll & benefit expense - mgt         |
| 53.53-II-D-10d    | Wage rate, salary & benefit changes                                     |
| 53.53-II-D-10e    | Claimed test year expense and employee benefit expense                  |
| 53.53-II-D-10f    | Percentage of O&M portion and basis                                     |
| 53.53-II-D-11     | Leasing costs and method for calculating                                |
| 53.53-II-D-12     | Past & anticipated accounting changes & internal/external audit reports |
| 53.53-II-D-13     | Gross salvage, CR, net salvage for 4 previous years                     |
| 53.53-II-D-26     | Other items   |
| <b>53.53 II E</b> | <b>Budgeted Data</b>  |
| 53.53-II-E-1      | Copies of budgets & explanation of process                              |
| 53.53-II-E-2      | Budgets (operating & capital) for 3 years                               |
| <b>53.53-III</b>  | <b>RATE OF RETURN</b>   |

|                    |   |
|--------------------|---|
| <b>53.53-III-E</b> | <b>Parent - Subsidiary Relationship</b>                     |
| 53.53-III-E-3      | Balance sheet and income statement consolidated/parent      |
| 53.53-III-E-4      | Organizational chart  |
| <b>53.53-III-F</b> | <b>General Financial Data</b>                               |
| 53.53-III-F-1      | Quarterly and annual reports                                |
| 53.53-III-F-2      | Projected capital requirements and sources                  |
| <b>53.53-V</b>     | <b>PLANT &amp; DEPRECIATION</b>                             |
| <b>53.53-V-A</b>   | <b>Adjusted original cost with accumulated depreciation</b> |
| 53.53-V-A-1        | Schedule of plant in service by function                    |
| 53.53-V-A-3        | Supporting schedules  |
| 53.53-V-A-4        | Schedule of rate case adjustments                           |
| <b>53.53-VI</b>    | <b>UNADJUSTED BALANCE SHEETS AND INCOME STATEMENTS</b>      |
| 53.53-VI-a         | Balance sheet - 3 years                                     |
| 53.53-VI-b         | Income Statement - 3 years                                  |
| 53.53-VI-c         | Plant in Service - 3 years                                  |
| 53.53-VI-d         | Accumulated depreciation - 3 years                          |

| <u>Cost Element</u> | <u>Description</u>                     |
|---------------------|--|
| 10                  | Labor                                  |
| 11                  | Overtime Labor                         |
| 12                  | Paid for Time Not Worked               |
| 14                  | Rent                                   |
| 15                  | Incentive Compensation                 |
| 20                  | Stores Issues and Returns              |
| 22                  | Materials Purchased by Contractors     |
| 23                  | Materials Purchased                    |
| 24                  | Utilities                              |
| 30                  | Transportation                         |
| 40                  | Telephone Services                     |
| 41                  | Training                               |
| 42                  | Other Rent                             |
| 43                  | Data Processing Leases                 |
| 44                  | Insurance                              |
| 45                  | Mobile Phone / Pager Costs             |
| 49                  | Regulatory Assessment & Fees           |
| 50                  | Healthcare & Misc. Benefits            |
| 51                  | Employee Expenses                      |
| 52                  | Customer Service Expense               |
| 53                  | Surcharge Revenue Offset               |
| 54                  | Pole Attachment Fees                   |
| 55                  | Fiber Lease & Sonet Network – DQE Comm |
| 56                  | DataCom Service Fees                   |
| 57                  | Outside Engineering Services           |
| 58                  | Consulting Services                    |
| 59                  | Outside Services                       |
| 60                  | Pension Costs                          |
| 61                  | Transmission Expenses                  |
| 65                  | Uncollectible Accounts                 |
| 66                  | Deferred Cost                          |
| 67                  | Reimbursements                         |
| 70                  | Social Security & Unemployment Taxes   |
| 72                  | Mailing Costs                          |
| 75                  | Memberships / Dues                     |
| 76                  | Business Meals                         |
| 88                  | Subsidiary Reimbursements              |
| 99                  | Miscellaneous                          |

| <u>Organization</u>                        | <u>Cost Center</u>       | <u>Cost Center Name</u>               |
|--|--------------------------|---------------------------------------|
| Office of CEO                              | 001                      | Office of the CEO                     |
|  | 032                      | Media & Community Relations           |
|  | 303                      | Diversity & Inclusion                 |
|  | 400                      | Senior VP & CFO                       |
|  | 475                      | Capital Investment Management         |
| Customer Service                           | 019                      | Chief Customer Officer                |
|  | 030                      | Credit & Collections                  |
|  | 310                      | Universal Services Surcharge          |
|  | 415                      | New Development Connections           |
|  | 480                      | Energy Efficiency & Demand Reduction  |
|  | 483                      | Metering Systems                      |
|  | 484                      | Street Lighting & Unmetered Services  |
|  | 487                      | Smart Meter Operational Center (SMOC) |
|  | 489                      | Business Performance                  |
|  | 490                      | Call Center                           |
|  | 493                      | Customer Experience                   |
|  | 495                      | Universal Services                    |
|  | 496                      | Customer Billing                      |
|  | 497                      | Payment Processing                    |
|  | 499                      | Meter Operations                      |
| General Counsel, Rate & Regulatory Affairs | 553                      | Customer Affordability & Innovation   |
|  | 847                      | Commercial and Industrial Customers   |
|  | 002                      | Risk Management                       |
|  | 003                      | Internal Audit                        |
|  | 004                      | Regulatory Legal                      |
|  | 005                      | VP Office of General Counsel          |
|  | 006                      | Commercial                            |
|  | 007                      | Compliance Services                   |
|  | 010                      | Regulatory and Consumer Relations     |
|  | 020                      | Business Development                  |
|  | 034                      | Litigation                            |
|  | 040                      | Governmental Affairs                  |
|  | 050                      | Labor & Employment                    |
|  | 460                      | Federal & RTO Affairs                 |
|  | 465                      | Supply Procurement & Settlement       |
| 470  | Rates & Tariff Services  |                                       |
| 492  | State Regulatory Affairs |                                       |

| <u>Organization</u> | <u>Cost Center</u> | <u>Cost Center Name</u>    |
|---------------------|--------------------|----------------------------|
| Human Resources     | 300                | VP of Human Resources      |
|                     | 301                | Employee & Labor Relations |

|                        |     |                                       |
|------------------------|-----|---------------------------------------|
|                        | 302 | Organizational Development & Training |
|                        | 311 | Health & Safety                       |
|                        | 351 | Workforce Development                 |
|                        | 500 | Talent Acquisition                    |
|                        | 512 | Talent Management & Compensation      |
|                        | 513 | Benefits                              |
|                        | 571 | HR Operations & Services              |
|                        | 573 | Health & Wellness                     |
|                        | 599 | Healthcare/Dental                     |
|                        | 705 | Environmental                         |
| Information Technology |     |                                       |
|                        | 364 | Project Management Office             |
|                        | 365 | Business Solutions                    |
|                        | 440 | Solutions Consulting                  |
|                        | 445 | Corporate Applications                |
|                        | 450 | AMI Program                           |
|                        | 452 | Metering Applications                 |
|                        | 539 | IT Service Management                 |
|                        | 540 | Office of the CIO                     |
|                        | 541 | Quality Assurance                     |
|                        | 545 | Computing Platforms                   |
|                        | 546 | Network Services                      |
|                        | 547 | Operations Systems                    |
|                        | 548 | Customer Apps                         |
|                        | 550 | CIP Cybersecurity Operations          |
|                        | 551 | Work, Asset & Financial Management    |
|                        | 552 | Data and Integrations                 |
|                        | 560 | Information Security                  |
|                        | 562 | Governance, Risk & Compliance         |
|                        | 564 | Identity & Access Management          |
| Office of CFO          |     |                                       |
|                        | 404 | Pension Benefits                      |
|                        | 406 | Corporate Controller                  |
|                        | 407 | Tax Reporting                         |
|                        | 409 | Business Valuation & Analysis         |
|                        | 410 | Accounting & Financial Reporting      |
|                        | 422 | Accounts Payable & Payroll            |
|                        | 435 | FP&A                                  |
|                        | 437 | Workers Compensation                  |

**Exhibit ALN-3**

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| <u>Organization</u> | <u>Cost Center</u> | <u>Cost Center Name</u>       |
|---------------------|--------------------|-------------------------------|
|                     | 438                | Treasury Operations           |
|                     | 520                | Shops & Testing               |
|                     | 530                | Property Services             |
|                     | 561                | Supply Chain Management       |
|                     | 565                | Real Estate and Rights of Way |
|                     | 572                | Transportation Services       |
|                     | 586                | Materials Management          |
|                     | 711                | Legacy Projects               |
|                     | 848                | Corporate Security            |

|                    |     |                                 |
|--------------------|-----|---------------------------------|
| Operations         | 451 | ADMS                            |
|                    | 502 | Vegetation Management           |
|                    | 503 | Project Management              |
|                    | 549 | Telecommunications              |
|                    | 810 | Asset Management                |
|                    | 820 | Engineering                     |
|                    | 821 | Third Party Attachments         |
|                    | 830 | Work Management & Performance   |
|                    | 832 | Maint & Services - Penn Hills   |
|                    | 833 | Maint & Services - McKeesport   |
|                    | 838 | Maint & Services - Raccoon      |
|                    | 839 | Maint & Services - Edison       |
|                    | 840 | Operations Center               |
|                    | 845 | Maint & Services - Preble       |
|                    | 849 | Outage Coordination & Field Ops |
|                    | 850 | Transmission Planning           |
|                    | 852 | Substation - Raccoon            |
|                    | 853 | Substation - Preble Avenue      |
|                    | 855 | Underground                     |
| Corporate Strategy | 099 | Innovation Center               |
|                    | 476 | Continuous Improvement Office   |
|                    | 477 | Enterprise Strategic Planning   |
|                    | 478 | Data & Analytics                |
|                    | 494 | VP Corporate Strategy           |
|                    | 498 | Electric Vehicles               |
|                    | 504 | Change Management               |
|                    | 580 | Advanced Grid Solutions         |
| Other              | 008 | Subsidiary Reimbursements       |
|                    | 009 | RTO Settlements                 |
|                    | 096 | Corporate Cost center           |
|                    | 101 | AFUDC                           |
|                    | 860 | Purchased Power                 |

**Exhibit ALN-4**

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**DUQUESNE LIGHT COMPANY**

**STATEMENT OF INCOME**

**Operating Budget**

|   |                      |                      |                      |                      | <b>Total</b>          |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------|
|   | <b>1st Qtr</b>       | <b>2nd Qtr</b>       | <b>3rd Qtr</b>       | <b>4th Qtr</b>       | <b>12 Mos.</b>        |
|   |                      |                      |                      |                      | <b>End 12/31/24</b>   |
| <b>UTILITY OPERATING INCOME</b>                                 |                      |                      |                      |                      |                       |
| Operating Revenues (400)  | \$ 286,520,648       | \$ 276,179,566       | \$ 327,175,435       | \$ 271,912,667       | \$ 1,161,788,315      |
| <b>Operating Expenses</b>                                       |                      |                      |                      |                      |                       |
| Operation Expenses (401)  | 134,485,573          | 119,275,123          | 148,188,538          | 121,712,811          | 523,662,045           |
| Maintenance Expenses (402)                                      | 8,904,091            | 7,897,030            | 9,811,344            | 8,058,426            | 34,670,891            |
| Depreciation Expense (403)                                      | 54,192,837           | 55,790,334           | 58,655,138           | 59,894,750           | 228,533,059           |
| Amort. & Depl. Of Utility Plant (404-405)                       | -                    | -                    | -                    | -                    | -                     |
| Regulatory Debits (Credits), net (407.3,407.4)                  | -                    | -                    | -                    | -                    | -                     |
| Taxes Other Than Income Taxes (408.1)                           | 17,662,752           | 16,802,714           | 19,561,892           | 16,185,583           | 70,212,941            |
| Income Taxes - Federal (409.1)                                  | 5,620,637.22         | 7,371,132.28         | 12,932,963.92        | 5,986,676.05         | 31,911,409            |
| Income Taxes - Other (409.1)                                    | 2,246,898.74         | 2,946,674.40         | 5,170,065.10         | 2,393,225.95         | 12,756,864            |
| Provision for Deferred Income Taxes, net (410.1,411.1)          | 894,420.67           | 1,172,979.65         | 2,058,042.49         | 952,668.99           | 5,078,112             |
| Investment Tax Credit, net (411.7)                              | -                    | -                    | -                    | -                    | -                     |
| Total Utility Operating Expenses                                | 224,007,210          | 211,255,987          | 256,377,983          | 215,184,142          | 906,825,322           |
| <b>Net Utility Operating Income</b>                             | <b>62,513,438</b>    | <b>64,923,579</b>    | <b>70,797,452</b>    | <b>56,728,525</b>    | <b>254,962,994</b>    |
| <b>OTHER INCOME AND DEDUCTIONS</b>                              |                      |                      |                      |                      |                       |
| <b>Other Income</b>   |                      |                      |                      |                      |                       |
| Revenues from Non-Utility Operations                            | 84,714               | 106,279              | 86,048               | 83,987               | 361,028               |
| Equity in Earnings of Subsidiary Companies (418.1)              | -                    | -                    | -                    | -                    | -                     |
| Interest and Dividend Income (419)                              | -                    | -                    | -                    | -                    | -                     |
| Allowance for Other Funds Used During Construction (419.1)      | 2,856,366            | 3,200,472            | 2,005,696            | 2,101,404            | 10,163,938            |
| Miscellaneous Nonoperating Income (421)                         | -                    | -                    | -                    | -                    | -                     |
| Gain on Disposition of Property (421.1)                         | -                    | -                    | -                    | -                    | -                     |
| Total Other Income  | 2,941,080            | 3,306,750            | 2,091,744            | 2,185,392            | 10,524,966            |
| <b>Other Income Deductions</b>                                  |                      |                      |                      |                      |                       |
| Loss on Disposition of Property (421.2)                         | -                    | -                    | -                    | -                    | -                     |
| Donations (426.1)   | 767,732              | 984,809              | 846,659              | 1,014,442            | 3,613,643             |
| Penalties (426.3)   | -                    | -                    | -                    | -                    | -                     |
| Exp. for Certain Civic, Political, & Related Activities (426.4) | -                    | -                    | -                    | -                    | -                     |
| Other Deductions (426.5)  | -                    | -                    | -                    | -                    | -                     |
| Total Other Income Deductions                                   | 767,732              | 984,809              | 846,659              | 1,014,442            | 3,613,643             |
| <b>Taxes Applicable to Other Income and Deductions</b>          |                      |                      |                      |                      |                       |
| Income Taxes - Federal (409.2)                                  | 129,185              | 169,419              | 297,252              | 137,598.21           | 733,454               |
| Income Taxes - Other (409.2)                                    | 65,898               | 86,422               | 151,631              | 70,190               | 374,141               |
| Provision for Def. Inc. Taxes (410.2)                           | 289,165              | 379,223              | 665,363              | 307,997              | 1,641,749             |
| (Less) Provision for Def. Inc. Taxes (411.2)                    | (125,265)            | (164,277)            | (288,231)            | (133,422.36)         | (711,195)             |
| Total Taxes on Other Inc. and Ded.                              | 358,984              | 470,787              | 826,015              | 382,363              | 2,038,149             |
| <b>Net Other Income and Deductions</b>                          | <b>1,814,363</b>     | <b>1,851,154</b>     | <b>419,070</b>       | <b>788,587</b>       | <b>4,873,174</b>      |
| <b>Interest Charges</b>   |                      |                      |                      |                      |                       |
| Interest on Long-Term Debt (427)                                | 15,968,500           | 17,799,300           | 17,799,300           | 17,799,300           | 69,366,400            |
| Amortization of Debt Disc. and Expense (428)                    | -                    | -                    | -                    | -                    | -                     |
| Amortization of Loss on Reacquired Debt (428.1)                 | 489,736              | 506,727              | 498,989              | 574,903              | 2,070,355             |
| Amortization of Premium on Debt - Credit (429)                  | -                    | -                    | -                    | -                    | -                     |
| Amortization of Gain on Reacquired Debt - Credit (429.1)        | -                    | -                    | -                    | -                    | -                     |
| Interest on Debt to Assoc. Companies (430)                      | 564,074              | 324,532              | 748,737              | 1,726,050            | 3,363,392             |
| Other Interest Expense (431)                                    | 2,519,355            | 2,906,934            | 2,455,071            | 2,080,874            | 9,962,234             |
| Allowance for Borrowed Funds Used During Construction-Cr. (432) | (3,515,698)          | (3,515,698)          | (3,515,698)          | (3,515,698)          | (14,062,791)          |
| Net Interest Charges  | 16,025,967           | 18,021,795           | 17,986,399           | 18,665,429           | 70,699,590            |
| <b>Net Income</b>   | <b>\$ 48,301,834</b> | <b>\$ 48,752,938</b> | <b>\$ 53,230,123</b> | <b>\$ 38,851,683</b> | <b>\$ 189,136,578</b> |

**Exhibit ALN-4**

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| <b>DUQUESNE LIGHT COMPANY</b>                                   |                      |                      |                      |                      |                       |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------|
| <b>STATEMENT OF INCOME</b>                                      |                      |                      |                      |                      |                       |
| <b>Operating Budget</b>   |                      |                      |                      |                      |                       |
|   |                      |                      |                      |                      | <b>Total</b>          |
|   | <b>1st Qtr</b>       | <b>2nd Qtr</b>       | <b>3rd Qtr</b>       | <b>4th Qtr</b>       | <b>12 Mos.</b>        |
|   |                      |                      |                      |                      | <b>End 12/31/25</b>   |
| <b>UTILITY OPERATING INCOME</b>                                 |                      |                      |                      |                      |                       |
| Operating Revenues (400)  | \$ 284,451,657       | \$ 274,185,249       | \$ 324,812,872       | \$ 269,949,161       | \$ 1,153,398,939      |
| <b>Operating Expenses</b>                                       |                      |                      |                      |                      |                       |
| Operation Expenses (401)  | 125,875,517          | 111,638,872          | 138,701,188          | 113,920,495          | 490,136,072           |
| Maintenance Expenses (402)                                      | 10,581,308           | 9,384,552            | 11,659,456           | 9,576,349            | 41,201,664            |
| Depreciation Expense (403)                                      | 54,673,318           | 56,284,978           | 59,175,182           | 60,425,785           | 230,559,263           |
| Amort. & Depl. Of Utility Plant (404-405)                       | -                    | -                    | -                    | -                    | -                     |
| Regulatory Debits (Credits), net (407.3,407.4)                  | -                    | -                    | -                    | -                    | -                     |
| Taxes Other Than Income Taxes (408.1)                           | 17,209,963           | 16,677,051           | 19,742,350           | 16,212,702           | 69,842,066            |
| Income Taxes - Federal (409.1)                                  | 5,919,228            | 7,762,716            | 13,620,014           | 6,304,712            | 33,606,669            |
| Income Taxes - Other (409.1)                                    | 2,366,263            | 3,103,213            | 5,444,719            | 2,520,364            | 13,434,559            |
| Provision for Deferred Income Taxes, net (410.1,411.1)          | 941,936              | 1,235,293            | 2,167,374            | 1,003,279            | 5,347,881             |
| Investment Tax Credit, net (411.7)                              | -                    | -                    | -                    | -                    | -                     |
| <b>Total Utility Operating Expenses</b>                         | <b>217,567,532</b>   | <b>206,086,676</b>   | <b>250,510,283</b>   | <b>209,963,685</b>   | <b>884,128,175</b>    |
| <b>Net Utility Operating Income</b>                             | <b>66,884,124</b>    | <b>68,098,573</b>    | <b>74,302,589</b>    | <b>59,985,476</b>    | <b>269,270,763</b>    |
| <b>OTHER INCOME AND DEDUCTIONS</b>                              |                      |                      |                      |                      |                       |
| <b>Other Income</b>   |                      |                      |                      |                      |                       |
| Revenues from Non-Utility Operations                            | 123,222              | 150,907              | 111,040              | 103,417              | 488,586               |
| Equity in Earnings of Subsidiary Companies (418.1)              | -                    | -                    | -                    | -                    | -                     |
| Interest and Dividend Income (419)                              | -                    | -                    | -                    | -                    | -                     |
| Allowance for Other Funds Used During Construction (419.1)      | 3,005,340            | 3,367,393            | 2,110,303            | 2,211,003            | 10,694,039            |
| Miscellaneous Nonoperating Income (421)                         | -                    | -                    | -                    | -                    | -                     |
| Gain on Disposition of Property (421.1)                         | -                    | -                    | -                    | -                    | -                     |
| <b>Total Other Income</b>                                       | <b>3,128,562</b>     | <b>3,518,300</b>     | <b>2,221,343</b>     | <b>2,314,420</b>     | <b>11,182,625</b>     |
| <b>Other Income Deductions</b>                                  |                      |                      |                      |                      |                       |
| Loss on Disposition of Property (421.2)                         | -                    | -                    | -                    | -                    | -                     |
| Donations (426.1)   | 760,628              | 832,628              | 876,478              | 1,108,213            | 3,577,947             |
| Penalties (426.3)   | -                    | -                    | -                    | -                    | -                     |
| Exp. for Certain Civic, Political, & Related Activities (426.4) | -                    | -                    | -                    | -                    | -                     |
| Other Deductions (426.5)  | -                    | -                    | -                    | -                    | -                     |
| <b>Total Other Income Deductions</b>                            | <b>760,628</b>       | <b>832,628</b>       | <b>876,478</b>       | <b>1,108,213</b>     | <b>3,577,947</b>      |
| <b>Taxes Applicable to Other Income and Deductions</b>          |                      |                      |                      |                      |                       |
| Income Taxes - Federal (409.2)                                  | 139,735              | 183,254              | 321,528              | 148,835              | 793,352               |
| Income Taxes - Other (409.2)                                    | 71,280               | 93,480               | 164,014              | 75,922               | 404,696               |
| Provision for Def. Inc. Taxes (410.2)                           | 312,780              | 410,193              | 719,701              | 333,150              | 1,775,824             |
| (Less) Provision for Def. Inc. Taxes (411.2)                    | (135,494)            | (177,693)            | (311,770)            | (144,318)            | (769,276)             |
| <b>Total Taxes on Other Inc. and Ded.</b>                       | <b>388,301</b>       | <b>509,234</b>       | <b>893,472</b>       | <b>413,589</b>       | <b>2,204,596</b>      |
| <b>Net Other Income and Deductions</b>                          | <b>1,979,633</b>     | <b>2,176,438</b>     | <b>451,393</b>       | <b>792,619</b>       | <b>5,400,082</b>      |
| <b>Interest Charges</b>   |                      |                      |                      |                      |                       |
| Interest on Long-Term Debt (427)                                | 17,799,300           | 17,799,300           | 17,799,300           | 18,845,800           | 72,243,700            |
| Amortization of Debt Disc. and Expense (428)                    | -                    | -                    | -                    | -                    | -                     |
| Amortization of Loss on Reacquired Debt (428.1)                 | 391,583              | 405,169              | 398,981              | 459,681              | 1,655,415             |
| Amortization of Premium on Debt - Credit (429)                  | -                    | -                    | -                    | -                    | -                     |
| Amortization of Gain on Reacquired Debt - Credit (429.1)        | -                    | -                    | -                    | -                    | -                     |
| Interest on Debt to Assoc. Companies (430)                      | 2,057,966            | 1,967,897            | 1,257,320            | 1,738,992            | 7,022,175             |
| Other Interest Expense (431)                                    | 2,562,265            | 2,729,738            | 2,522,658            | 2,004,032            | 9,818,695             |
| Allowance for Borrowed Funds Used During Construction-Cr. (432) | (3,699,059)          | (3,699,059)          | (3,699,059)          | (3,699,059)          | (14,796,237)          |
| <b>Net Interest Charges</b>                                     | <b>19,112,055</b>    | <b>19,203,045</b>    | <b>18,279,201</b>    | <b>19,349,446</b>    | <b>75,943,746</b>     |
| <b>Net Income</b>   | <b>\$ 49,751,702</b> | <b>\$ 51,071,967</b> | <b>\$ 56,474,782</b> | <b>\$ 41,428,649</b> | <b>\$ 198,727,099</b> |

**Exhibit ALN-5**

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| <b>OPERATION AND MAINTENANCE EXPENSES</b>    |  |                        |               |  |                 |
|--|--|------------------------|---------------|--|-----------------|
| 12 MONTHS ENDED DECEMBER 31, 2022            |  |                        |               |  |                 |
| ACTUALS VS. FULLY PROJECTED FUTURE TEST YEAR |  |                        |               |  |                 |
| (\$ IN THOUSANDS)                            |  |                        |               |  |                 |
|  |  |                        |               | <b>12 Months Ended<br/>December 31, 2022<br/>(\$ in Thousands)</b> |                 |
| <b>Line<br/>No</b>                           | <b>Description</b>                       | <b>Account<br/>No.</b> | <b>Actual</b> | <b>Forecast<br/>FPFTY</b>  | <b>Variance</b> |
|  | <b>Purchased Power Expenses:</b>         |                        |               |  |                 |
| 1  | Purchased Power                          | 555                    | \$ -          | \$ -   | \$ -            |
| 2  | Other Power Supply Expense               | 556                    | 308,803       | 215,490  | 93,313          |
| 3  | Total Purchased Power Expenses           |                        | 308,803       | 215,490  | 93,313          |
|  | <b>Transmission Expense:</b>             |                        |               |  |                 |
| 4  | Operation Supervision & Engineering      | 560                    | 1,354         | 1,202  | 152             |
| 5  | Load Dispatching                         | 561                    | 969           | 678  | 291             |
| 6  | Station Expenses                         | 562                    | 147           | 122  | 25              |
| 7  | Overhead Line Expenses                   | 563                    | 437           | 492  | (55)            |
| 8  | Underground Line Expenses                | 564                    | 90            | 211  | (121)           |
| 9  | Transmission of Electricity by Others    | 565                    | -             | -  | -               |
| 10   | Miscellaneous Transmission Expenses      | 566                    | 5,863         | 4,815  | 1,048           |
| 11   | Rents                                    | 567                    | -             | -  | -               |
| 12   | Maintenance Supervision & Engineering    | 568                    | 886           | 892  | (6)             |
| 13   | Maintenance of Structures                | 569                    | 165           | 773  | (608)           |
| 14   | Maintenance of Station Equipment         | 570                    | 1,803         | 1,889  | (86)            |
| 15   | Overhead Lines                           | 571                    | 745           | 860  | (115)           |
| 16   | Underground Lines                        | 572                    | -             | 1  | (1)             |
| 17   | Miscellaneous Maintenance & Repair       | 573                    | 464           | 504  | (40)            |
| 18   | Total Transmission Expenses              |                        | 12,923        | 12,439   | 484             |
|  | <b>Distribution Expense:</b>             |                        |               |  |                 |
| 19   | Operation Supervision & Engineering      | 580                    | 8,908         | 9,172  | (264)           |
| 20   | Load Dispatching                         | 581                    | 1,307         | 1,026  | 281             |
| 21   | Station Expenses                         | 582                    | 507           | 345  | 162             |
| 22   | Overhead Line Expense                    | 583                    | 752           | 532  | 220             |
| 23   | Underground Line Expense                 | 584                    | 485           | 593  | (108)           |
| 24   | Street Lighting & Signal Systems         | 585                    | -             | -  | -               |
| 25   | Meter Expenses                           | 586                    | 3,261         | 3,958  | (697)           |
| 26   | Customer Installations Expense           | 587                    | 6             | 2  | 4               |
| 27   | Miscellaneous Expenses                   | 588                    | 8,671         | 10,146   | (1,475)         |
| 28   | Rents                                    | 589                    | -             | -  | -               |
| 29   | Total Distribution Operation Expenses    |                        | 23,897        | 25,774   | (1,877)         |
| 30   | Maintenance Supervision & Engineering    | 590                    | (471)         | (193)  | (278)           |
| 31   | Maintenance of Structures                | 591                    | 77            | 97   | (20)            |
| 32   | Maintenance of Station Equipment         | 592                    | 3,190         | 2,609  | 581             |
| 33   | Maintenance of OH lines                  | 593                    | 29,595        | 23,504   | 6,091           |
| 34   | Maintenance of Underground lines         | 594                    | 1,616         | 2,206  | (590)           |
| 35   | Maintenance of Line Transformers         | 595                    | 10            | 28   | (18)            |
| 36   | Maintenance of Street Lighting & Signals | 596                    | 228           | 543  | (315)           |
| 37   | Maintenance of Meters                    | 597                    | 335           | 382  | (47)            |
| 38   | Maintenance of Miscellaneous Plant       | 598                    | 94            | 73   | 21              |
| 39   | Total Distribution Maintenance Expenses  |                        | 34,674        | 29,249   | 5,425           |
| 40   | Total Distribution Expenses              |                        | 58,571        | 55,023   | 3,548           |

| <b>OPERATION AND MAINTENANCE EXPENSES</b>     |   |             |   |                   |                  |  |
|---|---|-------------|---|-------------------|------------------|--|
| 12 MONTHS ENDED DECEMBER 31, 2022             |   |             |   |                   |                  |  |
| ACTUALS VS. FULLY PROJECTED FUTURE TEST YEAR  |   |             |   |                   |                  |  |
| (\$ IN THOUSANDS)                             |   |             |   |                   |                  |  |
| Line No                                       | Description                                       | Account No. | 12 Months Ended December 31, 2022 (\$ in Thousands) |                   | Variance         |  |
|   |   |             | Actual  | Forecast FPFTY    |                  |  |
| <b>Customer Accounting Expense:</b>           |   |             |   |                   |                  |  |
| 41  | Supervision                                       | 901         | 15,739  | 12,806            | 2,933            |  |
| 42  | Customer Assistance                               | 902         | 641   | 335               | 306              |  |
| 43  | Records & Collections                             | 903         | 1,018   | 681               | 337              |  |
| 44  | Uncollectible Accounts                            | 904         | 9,213   | 7,455             | 1,758            |  |
| 45  | Miscellaneous Expenses                            | 905         | -   | -                 | -                |  |
| 46  | Total Customer Accounts Expense                   |             | 26,611  | 21,277            | 5,334            |  |
| <b>Customer Services Expense:</b>             |   |             |   |                   |                  |  |
| 47  | Customer Service-Supervision                      | 907         | -   | -                 | -                |  |
| 48  | Customer Service-Customer Assistance              | 908         | 20,060  | 30,509            | (10,449)         |  |
| 49  | Customer Service-Information and Instruction      | 909         | -   | -                 | -                |  |
| 50  | Customer Service-Miscellaneous Service & Info     | 910         | -   | -                 | -                |  |
| 51  | Total Customer Service & Informational Expenses   |             | 20,060  | 30,509            | (10,449)         |  |
| <b>Sales Expense:</b>                         |   |             |   |                   |                  |  |
| 52  | Supervision                                       | 911         | -   | -                 | -                |  |
| 53  | Demonstration and Selling Expenses                | 912         | -   | -                 | -                |  |
| 54  | Advertising Expenses                              | 913         | -   | -                 | -                |  |
| 55  | Miscellaneous Sales Expenses                      | 914         | -   | -                 | -                |  |
| 56  | Total Sales Expense                               |             | -   | -                 | -                |  |
| <b>Administrative &amp; General Expenses:</b> |   |             |   |                   |                  |  |
| 57  | Administrative and General Salaries               | 920         | 44,092  | 62,152            | (18,060)         |  |
| 58  | Office Supplies and Expenses                      | 921         | 8,112   | 8,444             | (332)            |  |
| 59  | Administrative Expenses Transferred - Credit      | 922         | -   | -                 | -                |  |
| 60  | Outside Services Employed                         | 923         | 33,641  | 30,369            | 3,272            |  |
| 61  | Property Insurance                                | 924         | 6,292   | 6,676             | (384)            |  |
| 62  | Injuries and Damages                              | 925         | 1,464   | 230               | 1,234            |  |
| 63  | Employee Pension and Benefits                     | 926         | 18,274  | 6,004             | 12,270           |  |
| 64  | Regulatory Commission Expenses                    | 928         | 719   | 785               | (66)             |  |
| 65  | General Advertising Expenses                      |             | -   | -                 | -                |  |
| 66  | Miscellaneous General Expenses                    | 930         | 9,765   | 7,837             | 1,928            |  |
| 67  | Rents   | 931         | 3,538   | 3,926             | (388)            |  |
| 68  | Total Operation                                   |             | 125,897   | 126,423           | (526)            |  |
| 69  | Maintenance of General Plant                      | 935         | 9,787   | 12,217            | (2,430)          |  |
| 70  | Total Administrative and General Expenses         |             | 135,684   | 138,640           | (2,956)          |  |
| 71  | <b>TOTAL OPERATION &amp; MAINTENANCE EXPENSES</b> |             | <b>\$ 562,652</b>                                   | <b>\$ 473,378</b> | <b>\$ 89,274</b> |  |

Exhibit ALN-6

| Duquesne Light Company   |   |                |                |                |                |
|--|---|----------------|----------------|----------------|----------------|
| Fully Projected Future Test Year - 12 Months Ended December 31, 2022 |   |                |                |                |                |
| ADDITIONS TO PLANT   |   |                |                |                |                |
| 01/01/2022 - 12/31/2022  |   |                |                |                |                |
| 12 Months Ended<br>December 31, 2022<br>(\$ in Thousands)            |   |                |                |                |                |
| Line #   | Description                               | Account Number | Actual         | Forecast FPFTY | Variance       |
| <b>Intangible Plant</b>  |   |                |                |                |                |
| 1  | Organization                              | 301            | -              | -              | -              |
| 2  | Franchises and consents                   | 302            | -              | -              | -              |
| 3  | Misc intangible plant                     | 303            | 22,482         | 27,232         | (4,750)        |
| 4  | Total Intangible                          |                | 22,482         | 27,232         | (4,750)        |
| <b>Production Plant</b>  |   |                |                |                |                |
| 5  | Land and land rights                      | 310            | -              | -              | -              |
| 6  | Structures and Improvements               | 311            | -              | -              | -              |
| 7  | Misc power plant equipment                | 316            | -              | -              | -              |
| 8  | Total Production Plant                    |                | -              | -              | -              |
| <b>Storage Plant</b>   |   |                |                |                |                |
| 9  | Land and land rights                      | 340            | -              | -              | -              |
| 10   | Structures and improvements               | 341            | -              | -              | -              |
| 11   | Misc power plant equipment                | 346            | -              | -              | -              |
| 12   | Total Storage and Equipment               |                | -              | -              | -              |
| 13   | Total Production Plant                    |                | 22,482         | 27,232         | (4,750)        |
| <b>Transmission Plant</b>  |   |                |                |                |                |
| 14   | Land and land rights                      | 350            | 9              | -              | 9              |
| 15   | Structures and improvements               | 352            | (2,481)        | -              | (2,481)        |
| 16   | Station equipment                         | 353            | 17,527         | 24,068         | (6,541)        |
| 17   | Towers and fixtures                       | 354            | 4,641          | 4,733          | (92)           |
| 18   | Poles and fixtures                        | 355            | 17,832         | 11,241         | 6,591          |
| 19   | Overhead conductors, devices              | 356            | 4,556          | 32,243         | (27,687)       |
| 20   | Underground conduit                       | 357            | 8,654          | -              | 8,654          |
| 21   | Undergrnd conductors, devices             | 358            | 15,214         | 11,355         | 3,859          |
| 22   | Roads and trails                          | 359            | (1,629)        | -              | (1,629)        |
| 23   | Regional transmission - computer hardware | 382            | -              | -              | -              |
| 24   | Regional transmission - computer software | 383            | -              | -              | -              |
| 25   | Total Transmission Plant                  |                | 64,323         | 83,640         | (19,317)       |
| <b>Distribution Plant</b>  |   |                |                |                |                |
| 26   | Land and land rights                      | 360            | (1,484)        | -              | (1,484)        |
| 27   | Structures and improvements               | 361            | 3,910          | 1,331          | 2,579          |
| 28   | Station equipment                         | 362            | 16,702         | 8,611          | 8,091          |
| 29   | Poles, towers and fixtures                | 364            | 44,922         | 31,265         | 13,657         |
| 30   | Overhead conductors, devices              | 365            | 46,352         | 33,148         | 13,204         |
| 31   | Underground conduit                       | 366            | 2,129          | 23,827         | (21,698)       |
| 32   | Undergrnd conductors, devices             | 367            | 35,965         | 19,745         | 16,220         |
| 33   | Line transformers                         | 368            | 29,820         | 29,967         | (147)          |
| 34   | Services                                  | 369            | 3,519          | 6,001          | (2,482)        |
| 35   | Meters                                    | 370            | 106            | 5,466          | (5,360)        |
| 37   | Street lighting, signal system            | 373            | 5,467          | 1,622          | 3,845          |
| 38   | Total Distribution Plant                  |                | 187,408        | 160,983        | 26,425         |
| <b>General Plant</b>   |   |                |                |                |                |
| 39   | Land and land rights                      | 389            | 344            | -              | 344            |
| 40   | Structures and improvements               | 390            | 4,045          | 9,633          | (5,588)        |
| 41   | Office furniture, equipment               | 391            | 2,695          | 10,822         | (8,127)        |
| 42   | Transportation equipment                  | 392            | 6,778          | 6,000          | 778            |
| 43   | Stores equipment                          | 393            | 1              | -              | 1              |
| 44   | Tools, shop, garage equipment             | 394            | 2,296          | 1,578          | 718            |
| 45   | Laboratory equipment                      | 395            | -              | -              | -              |
| 46   | Power operated equipment                  | 396            | -              | -              | -              |
| 47   | Communication equipment                   | 397            | 4,972          | 1,906          | 3,066          |
| 48   | Miscellaneous equipment                   | 398            | -              | -              | -              |
| 49   | Other tangible property                   | 399            | -              | -              | -              |
| 50   | Total General Plant                       |                | 21,131         | 29,939         | (8,808)        |
| 51   | <b>Total Additions</b>                    |                | <b>295,344</b> | <b>301,794</b> | <b>(6,450)</b> |