



Sophia Al Rasheed
Regulatory Counsel IV,
Regulatory Law

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

Tel: 412-393-6505
salrasheedn@duqlight.com

February 27, 2025

VIA ELECTRONIC FILING

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

**Re: Duquesne Light Company's Annual Asset Optimization Plan
Docket No. M-2025-_____**

Dear Secretary Chiavetta:

Enclosed please find Duquesne Light Company's Annual Asset Optimization Plan. Should you have any questions please contact me.

Respectfully Submitted,

A handwritten signature in black ink that reads "Sophia Al Rasheed". The signature is written in a cursive, flowing style.

Sophia Al Rasheed

PA ID #325196

Enclosures

CC: Certificate of Service

CERTIFICATE OF SERVICE

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

FIRST CLASS MAIL

Rebecca Lyttle
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, Pennsylvania 17101

ELECTRONIC MAILING

Carrie B. Wright, Esquire
Bureau of Investigation and Enforcement
Second Floor West
400 North Street
Harrisburg, PA 17120
carwright@pa.gov

Christy Appleby, Esquire
Darryl A Lawrence, Esquire
David Evrard
The Office of Consumer Advocate
555 Walnut Street 5th Floor
Forum Place
Harrisburg, PA 17101
cappleby@paoca.org
dlawrence@paoca.org
devrard@paoca.org

Duquesne Light Company

Annual Asset Optimization Plan

February 27, 2025

Table of Contents

Introduction..... 3

Background 3

Executive Summary 4

Distribution Assets 6

Overhead Program 7

I. 4 kV Substation Elimination Initiative 7

II. 4 kV Stepdown Conversion Initiative 7

III. Circuit Rehabilitation Initiative 8

IV. Overhead Devices Initiative..... 9

V. Deteriorated Pole Replacements Initiative 9

VI. Overhead Line Repairs Initiative 10

VII. Overhead Repairs and Restoration Initiative 11

Substations Program 11

I. East End Substation Rehabilitation 11

II. Establish Watson Substation 12

III. Unit Substation Rehabilitation Initiative 13

IV. Substation Upgrades Initiative..... 13

V. Breaker and Switch Replacements Initiative..... 14

Underground Program 15

I. Cable Replacement Initiative 15

II. URD Rehabilitation Initiative 16

III. Underground Infrastructure Rehabilitation Initiative 16

IV. Network Transformers Replacements Initiative..... 17

V. Underground Repairs and Restoration Initiative 18

System Reliability Program 18

Highway Relocation Program..... 19

Introduction

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

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

In the AAO Plan, the Company provides details regarding the actual and projected repair, improvement, and replacement of aging infrastructure in 2024 and 2025. This AAO Plan also includes a brief summary of amounts that the Company has previously recovered through the DSIC, which is provided for informational purposes.

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

Background

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

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

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

Executive Summary

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

This AAO Plan details the five (5) asset programs, seventeen (17) initiatives, as well as other work associated with each asset program that does not fall into a specific initiative category, as originally included in its Commission-approved LTIIIP 2. The AAO Plan provides actuals for 2024 and projected work for 2025. The initiative descriptions included in the AAO Plan are consistent with those provided in the LTIIIP 2. The Company has added information to describe the progress of the programs and to explain deviations from the original projections where appropriate. While some initiative spending forecasts have been adjusted due to changing circumstances, DLC does not propose to eliminate any of its programs at this time. DLC will make any necessary petitions if the projections are a major modification over the six-year LTIIIP period.

The chart below details the Company's LTIIIP 2 plan as filed, actual performance for 2024, and the Company's projected performance for 2025.

Duquesne Light Company LTIP 2 – 2024 Actual and 2025 Projected Spend¹

(Values in \$ Millions)	2024	2024	2024	2025	2025
Program/Initiative	Plan	AAOP	Actuals	Plan	Forecast
Overhead Program					
4kV Substation Elimination	0.5	-	0.2	15.6	2.8
4kV Stepdown Conversion	1.9	3.0	5.2	5.6	9.1
Circuit Rehabilitation	4.1	1.6	0.5	3.6	4.2
Overhead Devices	1.4	5.6	3.9	1.3	5.4
Deteriorated Pole Replacements	23.8	13.1	10.7	23.7	24.6
Overhead Line Repairs	1.2	4.4	3.2	1.3	5.6
Overhead Repairs and Restoration	21.1	25.4	35.8	21.6	30.8
Other Overhead Work	10.7	26.4	25.6	11.9	25.6
Total Overhead Program	64.7	79.5	85.2	84.6	108.2
Substations Program					
East End Substation Rehabilitation	16.2	4.9	4.9	28.6	0.5
Establish Watson Substation	64.8	67.6	78.4	21.5	22.8
Unit Substation Rehabilitation	1.0	1.0	2.4	1.1	0.8
Substation Upgrades	9.7	7.8	10.3	7.2	15.1
Breaker and Switch Replacements	1.4	1.5	2.8	1.4	2.4
Other Substations Work	-	10.1	2.9	0.4	12.6
Total Substations Program	93.2	92.9	101.6	60.2	54.3
Underground Program					
Cable Replacement	9.3	9.6	14.2	6.7	7.0
URD Rehabilitation	3.2	2.2	2.0	4.2	3.1
Underground Infrastructure Rehabilitation	5.2	5.0	2.0	2.9	6.2
Network Transformer Replacements	1.4	0.8	1.3	1.4	0.8
Underground Repairs and Restoration	9.8	10.8	10.7	10.0	11.6
Other Underground Work	1.4	0.5	0.0	4.5	8.3
Total Underground Program	30.3	29.0	30.2	29.7	37.0
System Reliability Program					
System Reliability	15.5	26.5	23.7	6.8	18.8
Highway Relocation Program					
Unreimbursed Highway Relocations	2.2	9.9	5.3	3.5	13.4
TOTAL	205.9	237.8	246.0	184.9	231.6

¹ The columns titled “2024 Plan” and “2025 Plan” reflect the numbers as filed in the LTIP 2 plan. The column titled “2024 Actual” reflects the actual performance in 2024, and the column titled “2024 AAOP” reflects the forecast for 2024 provided in Duquesne Light’s AAO Plan filed on February 29, 2024. The column titled “2025 Forecast” identifies the Company’s forecast for the current calendar year.

Distribution Assets

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

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

Overhead Program

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

I. 4 kV Substation Elimination Initiative

Initiative Description and Purpose

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

Scope (Units of Work) and Actual/Planned Expenditures

Overhead Program					
4kV Substation Elimination	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Circuit Miles)	-	-	-	-	-
Spending (\$ millions)	0.5	-	0.2	15.6	2.8

Locations

Areas generally outside of downtown Pittsburgh.

Comments:

The 2025 forecast for this initiative is less than the LTIP 2 as filed due to reprioritization of work across DLC's LTIP. The forecast spending of \$2.8 million for 2025 is based on plans to begin engineering on several 4kV Substation Elimination projects in 2025.

II. 4 kV Stepdown Conversion Initiative

Initiative Description and Purpose

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

Scope (Units of Work) and Actual/Planned Expenditures

Overhead Program					
4kV Stepdown Conversion	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Circuit Miles)	1.0	3.2	4.6	4.0	7.8
Spending (\$ millions)	1.9	3.0	5.2	5.6	9.1

Locations

Areas generally outside of downtown Pittsburgh.

Comments:

Spending and units of work in 2024 were higher than the 2024 AAOP forecast because an additional, unanticipated conversion project was completed based on equipment condition. Forecasted spending in 2025 is higher than the LTIIP 2 as filed due to changes in the priority and timing of specific projects within this initiative. The initial projections for the 4kV Stepdown Conversion initiative were based on early assessments of the scope of work needed to complete each unit. As more detailed planning is performed, the sequence of projects is updated. The Company anticipates some variations in the scope and spend as projects are refined.

III. Circuit Rehabilitation Initiative
Initiative Description and Purpose

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

Scope (Units of Work) and Actual/Planned Expenditures

Overhead Program					
Circuit Rehabilitation	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Circuit Miles)	39.0	8.8	2.5	33.0	22.2
Spending (\$ millions)	4.1	1.6	0.5	3.6	4.2

Locations

Areas generally outside of downtown Pittsburgh.

Comments:

DLC completed less work in this initiative in 2024 compared to the 2024 AAOP forecast and the LTIIP 2 as filed due to prioritization of work across the entire LTIIP. The 2025 forecast is approximately consistent with the LTIIP 2 as filed. The cost per mile of rehabilitating the circuits in this initiative will vary based on the condition of the equipment on each circuit selected for rehabilitation.

IV. *Overhead Devices Initiative*

Initiative Description and Purpose

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

Scope (Units of Work) and Actual/Planned Expenditures

Overhead Program					
Overhead Devices	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Work Orders)	12	70	44	12	50
Spending (\$ millions)	1.4	5.6	3.9	1.3	5.4

Locations

All areas of DLC system.

Comments:

DLC completed less work in this initiative in 2024 compared to the 2024 AAOP forecast due to prioritization of work across the entire LTIIP. The amount of work and investment planned for 2025 is higher than the LTIIP 2 as filed to continue to focus on the condition of DLC’s overhead devices due to their importance in providing reliable service to our customers.

V. *Deteriorated Pole Replacements Initiative*

Initiative Description and Purpose

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

Scope (Units of Work) and Actual/Planned Expenditures

Overhead Program					
Deteriorated Pole Replacements	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Poles Addressed)	2,070	1,540	1,115	1,863	1,723
Spending (\$ millions)	23.8	13.1	10.7	23.7	24.6

Locations

All areas of DLC system.

Comments:

DLC completed less work in this initiative in 2024 compared to the 2024 AAOP forecast due to prioritization of work across the entire LTIIP. The 2025 forecast is approximately consistent with the LTIIP 2 as filed. DLC continues to invest in the replacement and reinforcement of poles identified through the pole inspection program with annual levels of work expected to vary depending on the results from the pole inspections.

VI. Overhead Line Repairs Initiative
Initiative Description and Purpose

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

Scope (Units of Work) and Actual/Planned Expenditures

Overhead Program					
Overhead Line Repairs	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Work Orders and Tasks)	90	150	132	90	175
Spending (\$ millions)	1.2	4.4	3.2	1.3	5.6

Locations

All areas of DLC system.

Comments:

DLC completed approximately the same amount of work in 2024 as was forecasted in the 2024 AAOP. More spending and work are planned for 2025 as compared to the LTIIP 2 as filed. The amount of work in this initiative is primarily driven by the results of our

overhead line inspection program, and the volume of work and level of investment will vary year to year based on the results of these inspections.

VII. Overhead Repairs and Restoration Initiative
Initiative Description and Purpose

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

Scope (Units of Work) and Actual/Planned Expenditures

Overhead Program					
Overhead Repairs and Restoration	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Work Orders)	4,200	3,790	4,177	4,200	3,820
Spending (\$ millions)	21.1	25.4	35.8	21.6	30.8

Locations

All areas of DLC system.

Comments:

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

Substations Program

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

I. East End Substation Rehabilitation
Initiative Description and Purpose

The East End Substation Project will consist of replacing an existing substation and enabling additional tie points to existing circuits in the substation area. The East End

Substation Rehabilitation Project will increase reliability and redundancy in the East Liberty area of Pittsburgh.

Scope (Units of Work) and Actual/Planned Expenditures

Substation Program					
East End Substation Rehabilitation	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Project)	-	-	-	-	-
Spending (\$ millions)	16.2	4.9	4.9	28.6	0.5

Locations

City of Pittsburgh.

Comments:

Spending in 2024 was lower than the LTIP 2 as filed due to prioritization of spending across the LTIP. The forecasted spending in 2025 is lower than the LTIP 2 as filed because the scope and schedule of this project are being revised in 2025.

II. *Establish Watson Substation*

Initiative Description and Purpose

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

Scope (Units of Work) and Actual/Planned Expenditures

Substation Program					
Establish Watson Substation	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Project)	-	-	-	1	1
Spending (\$ millions)	64.8	67.6	78.4	21.5	22.8

Locations

City of Pittsburgh.

Comments:

Spending in 2024 on this project was higher than the amount forecasted in the 2024 AAOP due to changes in project costs based on more detailed scope development, engineering, and planning as compared to the information used for the 2024 forecast.

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

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

Scope (Units of Work) and Actual/Planned Expenditures

Substation Program					
Unit Substation Rehabilitation	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Substations)	1	2	2	1	1
Spending (\$ millions)	1.0	1.0	2.4	1.1	0.8

Locations

All areas of DLC system.

Comments:

DLC completed two (2) unit substation rehabilitations in 2024 with one of those being completed in early 2024 that was originally planned for completion in 2023 (as mentioned in the DLC’s 2024 AAOP). Spending in 2024 was higher than forecasted in the 2024 AAOP due in part to completing one project in early 2024 and primarily due to higher costs than forecasted for the second unit rehabilitation. Project costs in this initiative can vary depending on project specific scopes of work and site-specific design factors. The forecast for the second unit completed in 2024 was inaccurate, because it was based on preliminary information before design engineering was completed.

IV. *Substation Upgrades Initiative*
Initiative Description and Purpose

The purpose of this initiative is to replace aging or problematic voltage regulators, current-limiting reactors, electrical bus work, substation ground grids, digital fault recorders, substation annunciators, SCADA equipment and remote terminal units (RTU’s), protective

relays, station control and communication batteries, structures, foundations, and associated equipment within DLC’s distribution substations.

Scope (Units of Work) and Actual/Planned Expenditures

Substation Program					
Substation Upgrades	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Work Orders)	83	65	64	80	76
Spending (\$ millions)	9.7	7.8	10.3	7.2	15.1

Locations

All areas of DLC system.

Comments:

For context, it should be noted that the nature of the projects in this initiative includes both proactive and reactive repairs and replacements. Projects may be reprioritized based on equipment condition or other factors. A wide range of costs per work order can show up in this initiative.

The number of work orders completed in 2024 was consistent with the forecast included in the 2024 AAOP, while the spending in 2024 was higher than forecasted due to the variability in costs per work order as described above. The forecasted spending on this initiative in 2025 is higher than the LTIIP 2 as filed. The forecast is higher due to updated assumptions for costs for work in this initiative as well as two new projects being planned for major equipment upgrades at two substations.

V. *Breaker and Switch Replacements Initiative*
Initiative Description and Purpose

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

Scope (Units of Work) and Actual/Planned Expenditures

Substation Program					
Breaker and Switch Replacements	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Work Orders)	5	5	4	5	6
Spending (\$ millions)	1.4	1.5	2.8	1.4	2.4

Locations

All areas of DLC system.

Comments:

Actual work in 2024 and forecasted work in 2025 is approximately consistent with the LTIP 2 as filed. Spending in 2024 was higher than forecasted due to the variability in costs per work order associated with site-specific scope of work requirements.

Underground Program

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

I. Cable Replacement Initiative

Initiative Description and Purpose

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

Scope (Units of Work) and Actual/Planned Expenditures

Underground Program					
Cable Replacement	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Circuit Miles)	3.0	2.6	1.0	9.0	5.5
Spending (\$ millions)	9.3	9.6	14.2	6.7	7.0

Locations

All areas of DLC system.

Comments:

DLC completed less units of work in 2024 compared to the 2024 AAOP forecast due to one project being delayed due to coordinating with a railroad company for approval of

our design of the ducts (which will attach to their railroad bridge). Spending in 2024 was higher than the value forecasted in the 2024 AAOP due to one project having more complex work to complete the project compared to what was originally anticipated and another project requiring more work than estimated due to the amount of back-lot work required and the need for rental of equipment for the back-lot work. Spending forecasted for 2025 is consistent with the LTIIIP 2 as filed.

II. URD Rehabilitation Initiative

Initiative Description and Purpose

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

Scope (Units of Work) and Actual/Planned Expenditures

Underground Program					
URD Rehabilitation	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Transformers)	80	35	35	100	29
Spending (\$ millions)	3.2	2.2	2.0	4.2	3.1

Locations

Areas generally outside of downtown Pittsburgh.

Comments:

Actual work completed in 2024 and spending in 2024 were consistent with the 2024 forecast in the AAOP. Spending in this initiative in both 2024 and 2025 is less than the LTIIIP 2 as filed due to DLC reprioritizing its LTIIIP 2 work and other non-LTIIIP 2 capital work. This reprioritization addresses emerging priorities, including an increase in capital spending to address customer projects. DLC intends to continue its investment in this initiative.

III. Underground Infrastructure Rehabilitation Initiative

Initiative Description and Purpose

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

Scope (Units of Work) and Actual/Planned Expenditures

Underground Program					
Underground Infrastructure Rehabilitation	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Work Orders)	45	45	41	40	40
Spending (\$ millions)	5.2	5.0	2.0	2.9	6.2

Locations

All areas of DLC system.

Comments:

The units of work completed in 2024 were consistent with the LTIP 2 as filed and the forecast in the 2024 AAOP. However, spending in 2024 was less than forecasted due to the variability of the type of work and level of effort required to perform the work in this initiative. DLC’s forecasted units of work for 2025 are consistent with the LTIP 2 as filed. DLC’s forecasted spending is higher than the LTIP 2 as filed due to an infrastructure project that has a higher cost per work order than other types of work orders in this initiative.

IV. *Network Transformers Replacements Initiative*

Initiative Description and Purpose

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

Scope (Units of Work) and Actual/Planned Expenditures

Underground Program					
Network Transformer Replacements	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Transformers)	10	5	5	10	5
Spending (\$ millions)	1.4	0.8	1.3	1.4	0.8

Locations

City of Pittsburgh.

Comments:

As reported in the 2024 AAOP, DLC plans to perform fewer asset replacements in this initiative as compared to the LTIP 2 as filed based on the condition and age of assets in this category. Actual work completed in 2024 is consistent with the forecast provided in the 2024 AAOP. Spending in 2024 was higher than forecasted in the 2024 AAOP, because materials for future year construction were received in 2024 which was earlier than planned.

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

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

Scope (Units of Work) and Actual/Planned Expenditures

Underground Program					
Underground Repairs and Restoration	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Work Orders)	300	170	217	300	220
Spending (\$ millions)	9.8	10.8	10.7	10.0	11.6

Locations

All areas of DLC system.

Comments:

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

System Reliability Program

Description and Purpose

DLC is continuously evaluating the distribution system for near-term capital investment needs associated with forecasted equipment overloads and maintaining system

performance to within PUC requirements. The purpose of this program is to fund projects required to resolve these needs.

Scope (Units of Work) and Actual/Planned Expenditures

System Reliability Program					
System Reliability	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Work Orders)	45	70	76	43	75
Spending (\$ millions)	15.5	26.5	23.7	6.8	18.8

Locations

All areas of DLC system.

Comments:

Units of work and spending in 2024 were consistent with the forecast provided in the 2024 AAOP. Compared to the LTIP 2 as filed, DLC is continuing to invest at higher levels in this initiative to address ongoing system needs with respect to reliability and capacity to serve our customers.

Highway Relocation Program

Description and Purpose

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

Scope (Units of Work) and Actual/Planned Expenditures

Highway Relocation Program					
Unreimbursed Highway Relocations	2024 Plan	2024 AAOP	2024 Actuals	2025 Plan	2025 Forecast
Units (Work Orders)	38	60	45	38	60
Spending (\$ millions)	2.2	9.9	5.3	3.5	13.4

Locations

All areas of DLC system.

Comments:

The actual units of work and spending in 2024 is less than the forecasted values in the 2024 AAOP due to the timing of two highway projects that have deviated from their highway construction schedules. 2025 spending is forecasted to be higher than the LTIIP 2 as filed due to the changes in the schedules of those two highway projects and updated assumptions for the amount of work anticipated on highway relocation projects in 2025.

DSIC Recovery Summary (2023-2028)

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

Duquesne Light Company			
LTIIIP 2 Summary - DSIC Surcharge Recoveries			
01.28.2025			
	<u>2023</u>	<u>2024</u>	<u>Total</u>
	[1]	[1][2]	
Cumulative Gross DSIC Plant In Service	\$ 158,589,776	\$ 310,205,984	
DSIC Surcharge Calendar Year Revenue Requirement	\$ 7,013,886	\$ 28,251,779	\$ 35,265,666
[1] Calendar year revenue requirement is based on plant accumulated up through August 31 of each year.			
[2] Calendar year revenue requirement is based on plant accumulated up through August 31, 2024. Of this amount, \$276,586,967 is associated with the current LTIIIP 2 Plan.			

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

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

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

