

Michael Brechlin
Assistant General Counsel, Regulatory

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



November 25, 2025

Via Electronic Filing

Mr. Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building,
2nd Floor 400 North Street
Harrisburg, PA 17120

M-2025-3052807- jbs 12/1/25

**Re: Duquesne Light Company's Financial Report for Twelve Months Ending
September 30, 2025**
Docket No.: _____

Dear Secretary Homsher:

Enclosed for filing, please find Duquesne Light Company's Financial Report for the twelve months ending September 30, 2025.

Should you have any questions, please do not hesitate to contact David Ogden, Senior Manager, Rates & Tariff Services, at (412) 393-6343 or dogden@duqlight.com.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Michael Brechlin', is written over a light blue horizontal line.

Michael Brechlin
Assistant General Counsel,
Regulatory

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):

ELECTRONIC MAIL

Bureau of Investigation & Enforcement
Scott B. Granger
Commonwealth Keystone Building
400 North Street, 2nd Floor West
PO Box 3265
Harrisburg, PA 17105-3265
sgranger@pa.gov

Office of Small Business Advocate
Rebecca Lyttle, Esquire
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
relyttle@pa.gov

Office of Consumer Advocate
Christy Appleby
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
cappleby@paoca.org
EFiling-Alternative@paoca.org

Bureau of Audits
Pennsylvania Public Utility Commission
Derek Vandevort
Commonwealth Keystone Building
400 North Street, 3rd Floor East
Harrisburg, PA 17120
devandevor@pa.gov

Date: November 25, 2025



Michael Brechlin
Duquesne Light Company
411 Seventh Avenue, 15-7
Pittsburgh, PA 15219
Phone: 412-393-6431
Email: mbrechlin@duqlight.com

SCHEDULE A

Company Name: Duquesne Light Company
 Financial Report for Twelve Months Ended
 9/30/2025

(Thousands of Dollars)

	Actual per <u>Books</u> (1)	Intrastate <u>Percent</u> (2)	Intrastate <u>per books</u> (3)	<u>Adjustments</u> (4)	<u>Adjusted Results</u> (5)
(1) Original Cost of Plant In Service	4,755,711	1.0000	\$4,755,711	368,020	\$5,123,731
(2) Less: Depreciation Reserve	<u>1,605,016</u>	1.0000	<u>1,605,016</u>	<u>25,885</u>	<u>1,630,901</u>
(3) Net Plant in Service	3,150,695		3,150,695	342,135	3,492,830
<u>Additions:</u>					
(4) Land/Plant Held for Future Use	0	1.0000	0		0
(5) Materials & Supplies & Fuel Stocks	38,202	1.0000	38,202		38,202
(6) Cash Working Capital (a)	43,130	1.0000	43,130		43,130
(7) Other	0	1.0000	0	74,827	74,827
<u>Deductions:</u>					
(8) Accumulated Deferred Income Taxes	547,590	1.0000	547,590	29,834	577,424
(9) Liberalized Depreciation		1.0000	0		0
(10) Investment Tax Credit		1.0000	0		0
(11) Other		1.0000	0		0
(12) Customer Deposits	10,663	1.0000	10,663		10,663
(13) Customer Advances	0	1.0000	0		0
(14) Contributions in Aid of Construction	0	1.0000	0		0
(15) Other	<u>0</u>	1.0000	<u>0</u>		<u>0</u>
(16) RATE BASE	<u>\$2,673,774</u>		<u>\$2,673,774</u>	<u>387,127</u>	<u>\$3,060,901</u>
(17) <u>Operating Revenues</u>	<u>707,306</u>	1.0000	<u>707,306</u>	<u>\$1,977</u>	<u>\$709,282</u>
<u>Operating Expenses</u>					
(18) Operation & Maintenance	182,786	1.0000	182,786	7,558	190,344
(19) Annual Depreciation	185,352	1.0000	185,352	17,457	202,809
(20) Taxes - Other than Income	46,594	1.0000	46,594	262	46,856
(21) State Income Tax - Current	10,861	1.0000	10,861	117	10,978
(22) Federal Income Tax - Current	27,725	1.0000	27,725	2,102	29,827
(23) Deferred Income Taxes	9,517	1.0000	9,517	(5,763)	3,754
(24) Investment Tax Credit (Net)	<u>0</u>	1.0000	<u>0</u>		<u>0</u>
(25) Total Operating Expenses	<u>462,836</u>		<u>462,836</u>	<u>21,732</u>	<u>484,568</u>
(26) INCOME AVAILABLE FOR RETURN	<u>\$244,470</u>		<u>\$244,470</u>	<u>(\$19,756)</u>	<u>\$224,714</u>
RATE OF RETURN - OVERALL	<u>9.14%</u>		<u>9.14%</u>		<u>7.34%</u>

(a) As filed in last rate case (Col. 1, Line 6)

SCHEDULE B

COMPANY NAME:

Duquesne Light Company

Summary of Pro Forma Intrastate Adjustments
(Thousands of Dollars)

Rate Base Adjustments	Rate Base	Revenues	Expenses	Taxes
(1) Adjustment made to recognize the capitalized pension contribution in excess of SFAS 87 capitalized pension costs	\$74,827			
(2) Future test year adjustment to project net distribution plant in service	\$312,300			
 <u>Income Statement Adjustments</u>				
(1) Adjustment to weather normalize sales and revenue		(\$10,087)		(\$3,197)
(2) Adjustment to annualize revenues to reflect period end level of customers.		(\$417)		(\$132)
(3) Adjustment to remove impact of mutual assistance following a natural disaster		\$1		\$0
(4) Adjustment to normalize rate change per 2024 rate case		\$12,480		\$3,955
(5) Adjustment to reflect the changes in wages that are not yet fully reflected in the twelve month period			\$402	(\$77)
(6) Adjustment to include the cost of interest accrued to the Company due to customer deposits			\$421	(\$115)
(7) Adjustment to normalize uncollectible accounts expense			\$1,335	(\$366)
(8) Adjustment to annualize a select Operating expense in order to normalize and smooth out the reporting year for any non-recurring events			\$892	(\$172)
(9) Adjustment to normalize cost of removal and tax repairs for any non-recurring events				\$2,842
(10) Adjustment to normalize future test year expenses			\$4,508	(\$1,236)
(11) Future test year adjustment to project depreciation expense			\$17,457	(\$4,785)
Totals	\$387,127	\$1,977	\$25,015	(\$3,283)

SCHEDULE C

COMPANY NAME: Duquesne Light Company

Explanation of Adjustments

Rate Base Adjustments

- (1) The adjustment to rate base is made pursuant to Paragraph 34 of the Joint Petition for Settlement in Duquesne's rate case at Docket No. R-2024-3046523. The settlement resolved any issues concerning the effects on rate base of capitalizing the difference between pension contributions and ASC 715 costs. Consistent with the Company's prior rate cases, the Company continues to include 50% of actual pension contributions from January 1, 2007, forward, net of related accumulated deferred income taxes, in rate base for rate making purposes. The accelerated depreciation deductions on the increased tax basis resulting from the capitalized pension have been reflected in the accumulated deferred income taxes (ADIT) balances for financial statement and rate base purposes in this filing. Since the ADIT balances already reflect the deferred tax effects of the capitalized pension amounts, no separate adjustment to the ADIT balances are necessary.
- (2) Future test year adjustment to project net distribution plant in service

Income Statement Adjustments

- (1) This adjustment is made to reflect the effect of weather-normalization on distribution revenues
- (2) This adjustment to operating revenues is to annualize sales for changes in customer usage and growth
- (3) This adjustment removes the impact of mutual assistance following a natural disaster
- (4) Adjustment to annualize rate case revenues through 2025
- (5) This adjustment reflects the changes in wages that are not yet fully reflected in the twelve month period
- (6) Adjustment to include interest expense on customer deposits
- (7) Adjustment to normalize uncollectible accounts
- (8) This adjustment annualizes select operating expenses and depreciation expense in order to normalize for any non-recurring events
- (9) This adjustment normalizes cost of removal and tax repairs for any non-recurring events
- (10) This adjustment is to normalize future test year expenses
- (11) Future test year adjustment to project depreciation expense

SCHEDULE D-1

COMPANY NAME: Duquesne Light Company
 Intrastate Per Books
 Calculation of Return on Common Equity
 for the 12 Months Ended 9/30/2025
 (Thousands of Dollars)

	Capital Ratios (1)	x	Rate Base (2)	=	Totals (3)	x	Embedded Cost Rates (4)	=	Total Rate Base Related Cost of Debt and Preferred (5)
	Sch. E Col. 2		Sch. A. Col. 3 Line 16				Sch. F Col. 7		
1) Debt	45.83%		\$2,673,774		\$1,225,327		4.55%		\$55,745
2) Preferred	0.00%		\$2,673,774		0		0.00%		0
3) Common Equity	<u>54.17%</u>		\$2,673,774		<u>1,448,447</u>				
4) Total	<u>100.00%</u>				<u>\$2,673,774</u>				<u>\$55,745</u>

12 Months ended 9/30/2025

	Intrastate Per Books
5) Income Available for Return (from Sch. A, Col. 3, Line 26)	\$244,470
6) Less: Total Rate Base Related Cost of Debt and Preferred (Col 5, Line 4)	<u>\$55,745</u>
7) Income Available for Common Equity (Line 5 Less Line 6)	<u>\$188,724</u>
8) Debt Cost (Col 5., Line 1)	\$55,745
9) Less: Interest Expense used to compute State and Federal Income Taxes	\$67,825
10) Difference (Line 8 Less Line 9)	(\$12,080)
11) Times: Composite State and Federal Income Tax Rate	<u>27.41%</u>
12) Net Addition or (Deduction) (Line 10 x Line 11)	<u>(\$3,311)</u>
13) Income Available for Common Equity, including Income Tax Effect of using Debt Cost (Line 7 plus Line 12)	<u>\$185,413</u>
14) Return on Common Equity (Line 7/Line 3, Col. 3)	<u>13.03%</u>
15) Return on Common Equity, including Income Tax Effect of using Debt Cost (Line 13/Line 3, Col. 3)	<u>12.80%</u>

SCHEDULE D-2

COMPANY NAME: Duquesne Light Company
 Intrastate Pro Forma Results
 Calculation of Return on Common Equity
 for the 12 Months Ended 9/30/2025
 (Thousands of Dollars)

	Capital Ratios (1)	x	Rate Base (2)	=	Totals (3)	x	Embedded Cost Rates (4)	=	Total Rate Base Related Cost of Debt and Preferred (5)
	Sch. E Col. 2		Sch. A. Col. 5 Line 16				Sch. F Col. 7		
1) Debt	45.83%		\$3,060,901		\$1,402,739		4.55%		\$63,817
2) Preferred	0.00%		\$3,060,901		0		0.00%		0
3) Common Equity	<u>54.17%</u>		\$3,060,901		<u>1,658,163</u>				
4) Total	<u>100.00%</u>				<u>\$3,060,901</u>				<u>\$63,817</u>

12 Months ended 9/30/2025

	Intrastate Adjusted
5) Income Available for Return (from Sch. A, Col. 5, Line 26)	\$224,714
6) Less: Total Rate Base Related Cost of Debt and Preferred (Col 5, Line 4)	<u>\$63,817</u>
7) Income Available for Common Equity (Line 5 Less Line 6)	<u>\$160,897</u>
8) Debt Cost (Col 5., Line 1)	\$63,817
9) Less: Interest Expense used to compute State and Federal Income Taxes	<u>\$67,825</u>
10) Difference (Line 8 Less Line 9)	(\$4,008)
11) Times: Composite State and Federal Income Tax Rate	<u>27.41%</u>
12) Net Addition or (Deduction) (Line 10 x Line 11)	<u>(\$1,099)</u>
13) Income Available for Common Equity, including Income Tax Effect of using Debt Cost (Line 7 plus Line 12)	<u>\$159,798</u>
14) Return on Common Equity (Line 7/Line 3, Col. 3)	<u>9.70%</u>
15) Return on Common Equity, including Income Tax Effect of using Debt Cost (Line 13/Line 3, Col. 3)	<u>9.64%</u>

SCHEDULE E

COMPANY NAME: Duquesne Light Company
 Calculation of Capital Structure and Related Ratios
 for the Twelve Months Ended 9/30/2025

(Thousands of Dollars)

	Total Company Actual Amount Outstanding <u>(1)</u>	<u>Ratios</u> (2)
Total Debt (Sch. F., Col. 4)	<u>1,845,796,266</u>	45.83%
Total Preferred & Preference Stock Stock (Sch. F., Col. 4)	0	0.00%
<u>Common Equity</u>		
Common Stock	0	
Premium on Common Stock	0	
Capital Surplus	988,426,521	
Capital Stock	0	
Retained Earnings	1,192,613,656	
Other:		
Unappropriated Undistributed Sub Earnings	0	
AOCI	<u>856,591</u>	
Total Common Equity	<u>2,181,896,768</u>	<u>54.17%</u>
Total Capital	<u>4,027,693,034</u>	<u>100.00%</u>

Schedule F

COMPANY NAME: Duquense Light Company
 Cost of Debt and Preferred Stock as Adjusted
 For the 12 Months Ended 9/30/2025
 (Thousands of Dollars)

Item/Description	Issue Date	Maturity Date	Interest Rate	Outstanding Balance	Effective Cost Rate	Percent to Total	Weighted Cost Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1st Mortgage Bond 4.76% due 2/3/42	03-Feb-12	03-Feb-42	4.76%	200,000,000	4.81%	10.78%	0.52%
1st Mortgage Bond 4.97% due 11/14/43	14-Nov-13	14-Nov-43	4.97%	160,000,000	5.01%	8.63%	0.43%
1st Mortgage Bond 5.02% due 2/4/44	04-Feb-14	04-Feb-44	5.02%	45,000,000	5.06%	2.43%	0.12%
1st Mortgage Bond 5.12% due 2/4/54	04-Feb-14	04-Feb-54	5.12%	85,000,000	5.16%	4.58%	0.24%
1st Mortgage Bond 3.78% due 3/2/45	02-Mar-15	02-Mar-45	3.78%	100,000,000	3.81%	5.39%	0.21%
1st Mortgage Bond 3.93% due 3/2/55	02-Mar-15	02-Mar-55	3.93%	200,000,000	3.95%	10.78%	0.43%
1st Mortgage Bond 3.93% due 7/15/45	15-Jul-15	15-Jul-45	3.93%	160,000,000	3.96%	8.63%	0.34%
1st Mortgage Bond 3.82% due 10/3/47	03-Oct-17	03-Oct-47	3.82%	60,000,000	3.86%	3.23%	0.12%
1st Mortgage Bond 3.89% due 2/1/48	01-Feb-18	01-Feb-48	3.89%	60,000,000	3.93%	3.23%	0.13%
1st Mortgage Bond 4.04% due 2/1/58	01-Feb-18	01-Feb-58	4.04%	125,000,000	4.07%	6.74%	0.27%
1st Mortgage Bond 3.11% due 5/5/50	05-May-20	05-May-50	3.11%	200,000,000	3.14%	10.78%	0.34%
1st Mortgage Bond 4.59% due 10/3/52	03-Oct-22	03-Oct-52	4.59%	130,000,000	4.63%	7.01%	0.32%
1st Mortgage Bond 5.67% due 3/12/54	12-Mar-24	12-Mar-54	5.67%	80,000,000	5.72%	4.31%	0.25%
1st Mortgage Bond 5.77% due 3/12/64	12-Mar-24	12-Mar-64	5.77%	50,000,000	5.82%	2.70%	0.16%
1st Mortgage Bond 5.21% due 4/30/32	30-Apr-25	30-Apr-32	5.21%	50,000,000	5.27%	2.70%	0.14%
1st Mortgage Bond 5.44% due 4/30/35	30-Apr-25	30-Apr-35	5.44%	150,000,000	5.49%	8.09%	0.44%
Subtotal				1,855,000,000			4.46%
Amortization of Gain on Reacquired Debt							-
Amortization of Loss on Reacquired Debt							1,211,605
Loss on Reacquired Debt				(9,203,734)			
Short Term Debt (If Applicable)				N/A			
Total				<u>1,845,796,266</u>			<u>4.55%</u>

Duquesne Light Company

Summary of Returns

Overall Return - Actual	Overall Return - Adjusted	Equity Return - Actual	Equity Return - Adjusted
9.14%	7.34%	12.80%	9.64%