



Michael Brechlin
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March 31, 2026

VIA ELECTRONIC FILING

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

**Re: Duquesne Light Company – Earnings Report
Twelve Months Ending December 31, 2025
Docket No. M-2026-3059582**

Dear Secretary Homsher:

Enclosed for filing, please find Duquesne Light Company's Financial Report for the twelve months ending December 31, 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 that reads "Michael Brechlin". The signature is written in a cursive, flowing style.

Michael Brechlin
Assistant General Counsel,
Regulatory

Enclosure

cc: Certificate of Service (w/ Enclosure)

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 Allison Kaster Commonwealth Keystone Building 400 North Street, 2 nd Floor West PO Box 3265 Harrisburg, PA 17105-3265 akaster@pa.gov	Office of Small Business Advocate Rebecca Lyttle, Esquire 555 Walnut Street, 1 st Floor Harrisburg, PA 17101 relyttle@pa.org
Office of Consumer Advocate Christy Appleby 555 Walnut Street Forum Place, 5 th 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: March 31, 2026



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SCHEDULE A

Company Name: Duquesne Light Company
 Financial Report for Twelve Months Ended
 December 31, 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	4,997,352	1.0000	\$4,997,352	230,588	\$5,227,940
(2) Less: Depreciation Reserve	<u>1,579,218</u>	1.0000	<u>1,579,218</u>	<u>28,745</u>	<u>1,607,964</u>
(3) Net Plant in Service	3,418,134		3,418,134	201,843	3,619,977
<u>Additions:</u>					
(4) Land/Plant Held for Future Use	0	1.0000	0		0
(5) Materials & Supplies & Fuel Stocks	42,648	1.0000	42,648		42,648
(6) Cash Working Capital (a)	43,130	1.0000	43,130		43,130
(7) Other	0	1.0000	0	73,838	73,838
<u>Deductions:</u>					
(8) Accumulated Deferred Income Taxes	556,335	1.0000	556,335	33,064	589,399
(9) Liberalized Depreciation		1.0000	0		0
(10) Investment Tax Credit		1.0000	0		0
(11) Other		1.0000	0		0
(12) Customer Deposits	10,874	1.0000	10,874		10,874
(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>\$2,936,704</u>		<u>\$2,936,704</u>	<u>242,617</u>	<u>\$3,179,321</u>
(17) <u>Operating Revenues</u>	<u>723,058</u>	1.0000	<u>723,058</u>	<u>(\$13,664)</u>	<u>\$709,394</u>
<u>Operating Expenses</u>					
(18) Operation & Maintenance	196,486	1.0000	196,486	1,507	197,993
(19) Annual Depreciation	188,237	1.0000	188,237	23,181	211,418
(20) Taxes - Other than Income	47,670	1.0000	47,670	(586)	47,084
(21) State Income Tax - Current	6,375	1.0000	6,375	576	6,952
(22) Federal Income Tax - Current	16,910	1.0000	16,910	4,660	21,569
(23) Deferred Income Taxes	14,961	1.0000	14,961	(11,261)	3,700
(24) Investment Tax Credit (Net)	<u>0</u>	1.0000	<u>0</u>		<u>0</u>
(25) Total Operating Expenses	<u>470,640</u>		<u>470,640</u>	<u>18,076</u>	<u>488,716</u>
(26) INCOME AVAILABLE FOR RETURN	<u>\$252,419</u>		<u>\$252,419</u>	<u>(\$31,740)</u>	<u>\$220,679</u>
RATE OF RETURN - OVERALL	<u>8.60%</u>		<u>8.60%</u>		<u>6.94%</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	\$73,838			
(2) Future test year adjustment to project net distribution plant in service	\$168,779			
 <u>Income Statement Adjustments</u>				
(1) Adjustment to weather normalize sales and revenue		(14,159)		(\$4,474)
(2) Adjustment to annualize revenues to reflect period end level of customers.		\$495		\$156
(3) Adjustment to remove impact of mutual assistance following a natural disaster		\$0		\$0
(4) Adjustment to normalize rate change per 2024 rate case		\$0		\$0
(5) Adjustment to reflect the changes in wages that are not yet fully reflected in the twelve month period			\$1,117	(\$214)
(6) Adjustment to include the cost of interest accrued to the Company due to customer deposits			\$427	(\$117)
(7) Adjustment to normalize uncollectible accounts expense			(\$882)	\$241
(8) Adjustment to annualize a select Operating expense in order to normalize and smooth out the reporting year for any non-recurring events			\$844	(\$162)
(9) Adjustment to normalize cost of removal and tax repairs for any non-recurring events				\$4,289
(10) Adjustment to normalize future test year expenses			\$0	\$0
(11) Future test year adjustment to project depreciation expense			\$23,181	(\$6,331)
Totals	<u>\$242,617</u>	<u>(\$13,664)</u>	<u>\$24,687</u>	<u>(\$6,611)</u>

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 12/31/25
 (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	45.95%		\$2,936,704		\$1,349,324		4.54%		\$61,314
2) Preferred	0.00%		\$2,936,704		0		0.00%		0
3) Common Equity	<u>54.05%</u>		\$2,936,704		<u>1,587,380</u>				
4) Total	<u>100.00%</u>				<u>\$2,936,704</u>				<u>\$61,314</u>

12 Months ended 12/31/25

	Intrastate Per Books
5) Income Available for Return (from Sch. A, Col. 3, Line 26)	\$252,419
6) Less: Total Rate Base Related Cost of Debt and Preferred (Col 5, Line 4)	<u>\$61,314</u>
7) Income Available for Common Equity (Line 5 Less Line 6)	<u>\$191,104</u>
8) Debt Cost (Col 5., Line 1)	\$61,314
9) Less: Interest Expense used to compute State and Federal Income Taxes	\$71,365
10) Difference (Line 8 Less Line 9)	(\$10,051)
11) Times: Composite State and Federal Income Tax Rate	<u>27.31%</u>
12) Net Addition or (Deduction) (Line 10 x Line 11)	<u>(\$2,745)</u>
13) Income Available for Common Equity, including Income Tax Effect of using Debt Cost (Line 7 plus Line 12)	<u>\$188,359</u>
14) Return on Common Equity (Line 7/Line 3, Col. 3)	<u>12.04%</u>
15) Return on Common Equity, including Income Tax Effect of using Debt Cost (Line 13/Line 3, Col. 3)	<u>11.87%</u>

SCHEDULE D-2

COMPANY NAME: Duquesne Light Company
 Intrastate Pro Forma Results
 Calculation of Return on Common Equity
 for the 12 Months Ended 12/31/25
 (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	45.95%		\$3,179,321		\$1,460,799		4.54%		\$66,380
2) Preferred	0.00%		\$3,179,321		0		0.00%		0
3) Common Equity	<u>54.05%</u>		\$3,179,321		<u>1,718,522</u>				
4) Total	<u>100.00%</u>				<u>\$3,179,321</u>				<u>\$66,380</u>

12 Months ended 12/31/25

	Intrastate Adjusted
5) Income Available for Return (from Sch. A, Col. 5, Line 26)	\$220,679
6) Less: Total Rate Base Related Cost of Debt and Preferred (Col 5, Line 4)	<u>\$66,380</u>
7) Income Available for Common Equity (Line 5 Less Line 6)	<u>\$154,299</u>
8) Debt Cost (Col 5., Line 1)	\$66,380
9) Less: Interest Expense used to compute State and Federal Income Taxes	<u>\$71,365</u>
10) Difference (Line 8 Less Line 9)	(\$4,986)
11) Times: Composite State and Federal Income Tax Rate	<u>27.31%</u>
12) Net Addition or (Deduction) (Line 10 x Line 11)	<u>(\$1,362)</u>
13) Income Available for Common Equity, including Income Tax Effect of using Debt Cost (Line 7 plus Line 12)	<u>\$152,937</u>
14) Return on Common Equity (Line 7/Line 3, Col. 3)	<u>8.98%</u>
15) Return on Common Equity, including Income Tax Effect of using Debt Cost (Line 13/Line 3, Col. 3)	<u>8.90%</u>

SCHEDULE E

COMPANY NAME: Duquesne Light Company
 Calculation of Capital Structure and Related Ratios
 for the Twelve Months Ended 12/31/25

(Thousands of Dollars)

	Total Company Actual Amount Outstanding <u>(1)</u>	<u>Ratios</u> (2)
Total Debt (Sch. F., Col. 4)	<u>1,846,037,542</u>	45.95%
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	1,184,781,944	
Other:	0	
Unappropriated Undistributed Sub Earnings	0	
AOCI	<u>(1,482,270)</u>	
Total Common Equity	<u>2,171,726,195</u>	<u>54.05%</u>
Total Capital	<u>4,017,763,737</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 12/31/25
 (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							1,123,817
Loss on Reacquired Debt				(8,962,458)			
Short Term Debt (If Applicable)				N/A			
Total				<u>1,846,037,542</u>			<u>4.54%</u>

Duquesne Light Company

Summary of Returns

Overall Return - Actual	Overall Return - Adjusted	Equity Return - Actual	Equity Return - Adjusted
8.60%	6.94%	11.87%	8.90%