



Implementation Plan

Prepared in Response
Focused Management and Operations Audit Report of
Duquesne Light Company
Issued by the Pennsylvania Public Utility Commission
Docket Number D-2025-3054177



IMPLEMENTATION PLAN

Duquesne Light Company Response to 2025 Focused Management and Operations Audit

June 2026

Recommendation III-1: Develop and implement a procedure to routinely review span of control and complete a comprehensive staffing study.

Audit Report Reference: Page 15

Company Response: Accepted

Responsible Individual(s): Nicole Lann,
Director, Talent Strategy
Human Resources

Description of Implementation Steps/Anticipated Date of Completion:

1. Completed a span of control analysis using a target range of 1:4 to 1:9 and reviewed the results with leadership. Exceptions were evaluated and documented where appropriate.

Anticipated Date of Completion: Complete

2. A formal standard operating procedure will be developed to establish an ongoing process and cadence for routine review.

Anticipated Date of Completion: Q4, 2026

3. Span of control will be monitored on an ongoing basis, with formal control and staffing reviews conducted every three years.

Anticipated Date of Completion: Ongoing



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Recommendation III-2: Establish a guiding document repository for each business unit and/or division to provide accessibility of the reviewed and updated guiding documents and revise the Development and Maintenance of Corporate Policies to include a master list of business unit and/or division level guiding document repository sponsors.

Audit Report Reference: Page 16

Company Response: Accepted

Responsible Individual(s): Erin Creahan,
Chief Compliance Officer
Office of General Counsel

Description of Implementation Steps/Anticipated Date of Completion:

1. Revise the Development and Maintenance of Corporate Policies to include detailed guidance for departmental policies and a requirement for a business unit repository.

Anticipated Date of Completion: Q4, 2026

2. Create and maintain a list of sponsors for business unit policies

Anticipated Date of Completion: Q1 2027

3. Evaluate feasibility of electronic document management system to serve as a repository for departmental policies.

Anticipated Date of Completion: Q1 2027



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Recommendation VI-1: Impose consequences for non-payment of pole attachment fees and heighten internal collection procedures to reduce outstanding pole attachment fees.

Audit Report Reference: Page 29

Company Response: Accepted

Responsible Individual(s): Jaime Bachota,
Assistant Controller
Office of the CFO

Description of Implementation Steps/Anticipated Date of Completion:

1. Enhance internal monitoring and aging review

DLC will enhance internal monitoring of pole attachment receivables by implementing standardized aging reviews, periodic reconciliations reviewed by the Assistant Controller, and more visibility (Finance/Shared Services/Legal/Operations) into delinquent balances.

Anticipated date of completion: Q3 2026

2. Clarify roles and accountability for collections

Roles and responsibilities between functional groups involved in pole attachment billing and collections will be clarified to ensure consistent follow-up and timely escalation of overdue accounts.

Anticipated date of completion: Q3 2026

3. Formalize escalation and consequence framework

DLC will formalize a tiered escalation process for delinquent pole attachment accounts,



including written notices, defined cure periods, and enforcement actions, including but not limited to the charging of late penalty fees, consistent with applicable agreements and regulations. Consequences for continued nonpayment may include suspension of new attachment requests and other contractual remedies.

Anticipated date of completion: Q3 2026

4. **Ongoing performance tracking**

The Company will review outstanding balances and collection performance to assess the effectiveness of enhanced procedures and identify opportunities for further improvement.

Anticipated date of completion: Ongoing



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Recommendation VI-2: Revise the Shareholders Payments policy to include a provision to notify the PUC in advance when any dividend payout would exceed 85% of net income.

Audit Report Reference: Page 29

Company Response: Accepted

Responsible Individual(s): James Milligan,
Treasurer
Office of the CFO

Description of Implementation Steps/Anticipated Date of Completion:

1. Procedure number 190301 in the Finance Policy and Procedures Manual was updated to reflect the Company's compliance with all financial covenants and regulatory agreements, including the PA PUC's advance notice requirement if DLC expects to pay distributions in excess of 85% of annual net income.

Anticipated Date of Completion: Complete 3Q, 2026



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Recommendation VI-3: Create a formal guiding document for the delegation of authority processes, that includes defined exceptions and a provision for annual review, and consider strengthening control over financial transactions by including a requirement for multi-level executive approval for transactions over \$5 million.

Audit Report Reference: Page 30

Company Response: Accepted

Responsible Individual(s): Jaime Bachota,
Assistant Controller
Office of the CFO

Description of Implementation Steps/Anticipated Date of Completion:

1. Develop a formal delegation of authority guiding document

DLC will develop a centralized guiding document that formally documents the Company's delegation of authority processes, including approval thresholds, roles and responsibilities, and alignment with existing financial policies and governance structures. The guiding document will include a clearly defined and maintained list of exceptions to the delegation of authority matrix. The document will require a formal annual review process

Anticipated Date of Completion: Q1 2027 with ongoing annual review.

2. Enhance approval requirements for high-value transactions

DLC's policy includes multi-level executive review and approval for all transactions over \$5.0 million. DLC will benchmark approval thresholds and financial governance practices against peer regulated utilities and consider recognized industry best practices when evaluating enhancements to its approval requirements.

Anticipated Date of Completion: Q4 2026



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Recommendation VII-1: Develop and implement a formal mitigation program with established goals to reduce the number of customers experiencing multiple interruptions (CEMI).

Audit Report Reference: Page 36

Company Response: Accepted

Responsible Individual(s): Jason Keller,
Director, Grid Infrastructure/ Engineering
Operations

Description of Implementation Steps/Anticipated Date of Completion:

1. Develop a formalized quarterly review process for trailing 12-month CEMI based upon customer-level data from Duquesne Light's new Outage Management System.

Anticipated Date of Completion: Q2 2026

2. Establish internal performance targets for CEMI.

Anticipated Date of Completion: Q3 2026

3. Continue to evaluate efficacy of program and evaluate appropriateness of performance targets.

Anticipated Date of Completion: Ongoing



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Recommendation VII-2: Analyze overtime data to determine additional process enhancements to further reduce individual overtime.

Audit Report Reference: Page 38

Company Response: Accepted

Responsible Individual(s): Amy Long
Director, Overhead & Underground Lines
Operations

Description of Implementation Steps/Anticipated Date of Completion:

1. Continue to analyze overtime data to monitor individuals with high amounts of overtime and implement necessary fatigue management mitigation measures.

Anticipated Date of Completion: Ongoing

2. Evaluate the continual need to increase staffing based on the projected work volume in the business plan.

Anticipated Date of Completion: Ongoing

3. Implement planned work planning and schedule improvements to reduce overtime levels

Anticipated Date of Completion: Q4, 2027



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Recommendation VII-3: Review electric operation manual(s) to ensure each is accurate, current, and in the standardized guiding document format and establish and implement a routine review schedule for these guiding documents going forward.

Audit Report Reference: Page 39

Company Response: Accepted

Responsible Individual(s): Rhyan Cochrane
Director, Substations & Grid P/C
Operations

Description of Implementation Steps/Anticipated Date of Completion:

1. Establish cross-functional Electric Operation Manual Review Committee to ensure routine review of all operation manuals.

Anticipated Date of Completion: Complete

2. Review and update electric operations manual(s) and align structure to standardized format and routine review schedule.

Anticipated Date of Completion: Q2 2027



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Recommendation VIII-1: Monitor the effectiveness of the service improvement strategies and ensure the successful completion of the Power Up: Contact Center Transformation project to optimize the Contact Center's performance.

Audit Report Reference: Page 47

Company Response: Accepted

Responsible Individual(s): Ashley Strawn,
Dir Cust Contact & Svc Excel.
Customer Service

Description of Implementation Steps/Anticipated Date of Completion:

1. Continuously monitor call center performance day over day and make data-driven adjustments to maximize service levels.

Anticipated Date of Completion: Ongoing

2. Continue to refine the Power Up roadmap to drive progress toward the Center of Excellence.

Anticipated Date of Completion: Ongoing



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Recommendation VIII-2: Ensure the successful launch of the Regulatory Risk and Issue Management Program, and then evaluate if new processes improve complaint handling efficiency and reduce infractions.

Audit Report Reference: Page 50

Company Response: Accepted

Responsible Individual(s): Krysia Kubiak Vila-Roger
Managing Director, External Affairs & Regulatory Law
State Regulatory
Energy Policy

Description of Implementation Steps/Anticipated Date of Completion:

1. Ensure the successful launch of the Regulatory Risk and Issue Management Program

Anticipated Date of Completion: Complete

2. Continual evaluation of complaint handling processes. Ongoing collaboration and refinement with the business to ensure sustained process improvements.

Anticipated Date of Completion: Ongoing



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Recommendation IX-1: Ensure successful implementation of the Oracle Cloud Supply Chain Management System.

Audit Report Reference: Page 54

Company Response: Accepted

Responsible Individual(s): Kendra Sakoian
Director, Chief Procurement Officer
Office of the CFO

Description of Implementation Steps/Anticipated Date of Completion:

Oracle SCM System implementation to improve demand planning and streamline purchasing is currently underway

1. Initial system design, business process mapping, and Conference Room Pilot testing for end users/stakeholders

Anticipated Date of Completion: Complete

2. All system functionality testing, end user training, and transition from legacy system to Oracle

Anticipated Date of Completion: Q2 2027

3. Full support of system implementation and adoption

Anticipated Date of Completion: Q3 2027



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Recommendation IX-2: Develop and implement procedures to review non-moving and emergency stock inventory annually and timely remove obsolete materials to minimize excessive carrying costs.

Audit Report Reference: Page 55

Company Response: Accepted

Responsible Individual(s): Kendra Sakoian
Director, Chief Procurement Officer
Office of the CFO

Description of Implementation Steps/Anticipated Date of Completion:

1. Review and revise current procedures to include provisions for the review of non-moving and emergency stock inventory.

Anticipated Date of Completion: Q3 2026

2. Utilize reporting and meet with business partners on a regular cadence to review and action inventory adjustments.

Anticipated Date of Completion: Q4 2026



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Recommendation IX-3: Utilize an absolute value approach when reporting results of inventory analysis which aggregates both missing and excess material values.

Audit Report Reference: Page 55

Company Response: Accepted

Responsible Individual(s): Kendra Sakoian
Director, Chief Procurement Officer
Office of the CFO

Description of Implementation Steps/Anticipated Date of Completion:

1. Reporting for inventory adjustments as an absolute value has been developed and monthly reporting commenced.

Anticipated Date of Completion: Complete



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Recommendation X-1: Revise the policy detailing the cybersecurity plan to include a provision to review annually.

Audit Report Reference: Page 58

Company Response: Accepted

Responsible Individual(s): Michael Tallent
Chief Information Security Officer
Information Technology

Description of Implementation Steps/Anticipated Date of Completion:

1. DLC's Cybersecurity Policies have been updated to require an annual review of the IT-POL-100 Cybersecurity Policies and all supporting documents in accordance with Pa. Code §101.3(b).

Anticipated date of Completion: Complete



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Recommendation X-2: Collaborate with the PUC's Bureau of Technical Utility Services to implement recommendations to improve storm preparation and response.

Audit Report Reference: Page 59

Company Response: Accepted

Responsible Individual(s): Lindsay Baxter
Senior Manager, Energy Policy and Public Affairs
Energy Policy

Description of Implementation Steps/Anticipated Date of Completion:

1. DLC has been working collaboratively with the PUC's Bureau of Technical Utility Services (TUS) to implement its recommendations. The implementation of TUS's recommendations is ongoing.

Anticipated Date of Completion: Q4 2026



2.

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Recommendation XI-1: Analyze safety incident root cause data to more effectively focus safety program improvement efforts and improve safety performance.

Audit Report Reference: Page 66

Company Response: Accepted

Responsible Individual(s): Angelo Miklos
Director, Environmental Health and Safety
Human Resources

Description of Implementation Steps/Anticipated Date of Completion:

1. Causal factors will be identified in injury investigations and will be incorporated into safety mitigations for business planning. In addition, the record of the causal factor identified will be entered into the EHS data management system.

Anticipated Date of Completion: Q3 2026



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Recommendation XI-2: Review the budgeted staffing levels data being presented in staffing level reports to ensure it is accurately reflecting the annual approved complement.

Audit Report Reference: Page 67

Company Response: Accepted

Responsible Individual(s): Nicole Lann, Director, Talent Strategy
Human Resources

Ryan Otto, Director, FP&A & Valuation
Finance

Description of Implementation Steps/Anticipated Date of Completion:

1. The company will implement a two-part process to align budgeted staffing levels by business unit/division with business need and planned recruitment. The company will (1) complete an annual headcount review across departments to validate that budgeted vacancies remain current and needed and ensure that staffing reports are accurate; and (2) conduct an ongoing review whenever an employee separates, changes roles, or a restructuring occurs to confirm whether the position remains required and whether recruiting will proceed, be revised, or be discontinued to ensure optimal staffing levels.

Anticipated Date of Completion: Continuous