

**Formula Rate - Appendix A Estimate**

Notes

FERC Form 1 Page # or Instruction

2008

Shaded cells are Input cells

1	Transmission Wages Expense		p354.21.b	3,169,673
2	Total Wages Expense		p354.28.b	53,073,862
3	Less A&G Wages Expense		p354.27.b	23,740,998
4	Total		(Line 2 - 3)	29,332,864
5			(Line 1 / Line 4)	10.8059%
<b>Plant Allocation Factors</b>				
6	Total Plant In Service	(Note B)	Attachment 5	2,472,750,740
7	Total Accumulated Depreciation	(Note A)	Attachment 5	817,254,160
8	Net Plant		(Line 6 - Line 7)	1,655,496,580
9	Transmission Gross Plant		(Line 21)	490,386,483
10	Gross Plant Allocator		(Line 9 / Line 6)	19.8316%
11	Transmission Net Plant		(Line 33)	344,895,732
12	Net Plant Allocator		(Line 11 / Line 8)	20.8334%
<b>0</b>				
<b>Plant In Service</b>				
13	Transmission Plant In Service	(Note B)	Attachment 5	445,086,821
14	New Transmission Plant Additions and Retirements only for Annual Estimate	(Note B)	Attachment 6, Cols F + H	18,517,987
15	Total Transmission Plant In Service		(Line 13 + Line 14)	463,604,808
16	General & Intangible		Attachment 5	247,843,621
17	Common Plant (Electric Only)	(Note A)	Attachment 5	-
18	Total General & Common		(Line 16 + Line 17)	247,843,621
19	Wage & Salary Allocation Factor		(Line 5)	10.8059%
20	General & Common Plant Allocated to Transmission		(Line 18 * Line 19)	26,781,675
21	TOTAL Transmission-Related Plant In Service		(Line 15 + Line 20)	490,386,483
<b>Accumulated Depreciation</b>				
22	Transmission Accumulated Depreciation	(Note B)	Attachment 5	137,066,562
23	Accumulated Depreciation for Transmission Plant Additions Only for Estimate	(Note B)	Attachment 6, Col. L + Col. P	131,427
24	Total Transmission Accumulated Depreciation		(Line 22 + Line 23)	137,197,989
25	Accumulated General Depreciation		Attachment 5	64,296,770
26	Accumulated Intangible Depreciation		Attachment 5	12,446,305
27	Accumulated Common Amortization - Electric		Attachment 5	-
28	Common Plant Accumulated Depreciation (Electric Only)		Attachment 5	-
29	Total Accumulated General, Intangible and Common Depreciation		(Sum Lines 25 to 28)	76,743,075
30	Wage & Salary Allocation Factor		(Line 5)	10.8059%
31	General & Common Allocated to Transmission		(Line 29 * Line 30)	8,292,762
32	TOTAL Transmission-Related Accumulated Depreciation		(Line 24 + Line 31)	145,490,751
33	TOTAL Transmission-Related Net Property, Plant & Equipment		(Line 21 - Line 32)	344,895,732

<b>Accumulated Deferred Income Taxes</b>			
34	ADIT net of FASB 106 and 109	Enter Negative Attachment 1, Col B, Line 9	(42,095,934)
35	Accumulated Deferred Income Taxes Allocated To Transmission	Line 34	(42,095,934)
<b>CWIP for Incentive Transmission Projects</b>			
36	CWIP Balance for Current Rate Year	(Note P) Attachment 6, Col G	56,816,828
37	Total CWIP for Incentive Transmission Projects		56,816,828
38	Plant Held for Future Use	(Note C) Attachment 5	109,135
<b>Transmission O&amp;M Reserves</b>			
39	Total Balance Transmission Related Account 242 Reserves	Enter Negative Attachment 5	(1,656,064)
<b>Prepayments</b>			
40	Prepayments	(Note A) Attachment 5	461,969
41	Total Prepayments Allocated to Transmission	(Line 40)	461,969
<b>Materials and Supplies</b>			
42	Undistributed Stores Exp	(Note A) Attachment 5	1,801,836
43	Wage & Salary Allocation Factor	(Line 5)	10.8059%
44	Total Transmission Allocated	(Line 42 * Line43)	194,704
45	Transmission Materials & Supplies	Attachment 5	2,104,149
46	Total Materials & Supplies Allocated to Transmission	(Line 44 + Line45)	2,298,853
<b>Cash Working Capital</b>			
47	Operation & Maintenance Expense	(Line 75)	19,197,351
48	1/8th Rule	x 1/8	12.5000%
49	Total Cash Working Capital Allocated to Transmission	(Line 47 * Line 48)	2,399,669
50	<b>TOTAL Adjustment to Rate Base</b>	(Lines 35 + 37 + 39 + 41 + 46 + 49)	<b>18,334,457</b>
51	<b>Rate Base</b>	(Line 33 + Line 50)	<b>363,230,189</b>

<b>Transmission O&amp;M</b>			
52	Transmission O&M		10,109,961
53	Less Account 565	p321.112.b	-
54	Plus PJM Schedule 12 Charges billed to DLC and booked to Account 565	(Note N) p321.96.b	-
55	Plus Net Transmission Lease Payments	(Note A) PJM Data	-
56	<b>Transmission O&amp;M</b>	(Note A) p200.4.c	-
		(Lines 52 - 53 + 54 + 55)	<b>10,109,961</b>
<b>Allocated General &amp; Common Expenses</b>			
57	Common Plant O&M	(Note A) p356	-
58	Total A&G	p323.197.b	84,369,735
59	Less PBOP Expense in Acct. 926 in Excess of Allowed Amount	Attachment 5	-
60	Less Property Insurance Account 924	p323.185.b	4,096,500
61	Less Regulatory Commission Expense Account 928	(Note E) p323.189.b	3,016,839
62	Less General Advertising Expense Account 930.1	p323.191.b	1,057,570
63	Less EPRI Dues	(Note D) p352-353	-
64	<b>General &amp; Common Expenses</b>	(Lines 57 thru 58) - Sum (Lines 59 to 63)	78,198,826
65	Wage & Salary Allocation Factor	(Line 5)	10.8059%
66	<b>General &amp; Common Expenses Allocated to Transmission</b>	(Line 64 * Line 65)	<b>8,233,951</b>
<b>Directly Assigned A&amp;G</b>			
67	Regulatory Commission Exp Account 928	(Note G) Attachment 5	-
68	General Advertising Exp Account 930.1	(Note K) Attachment 5	-
69	Subtotal - Transmission Related	(Line 67 + Line 68)	-
70	Property Insurance Account 924	Line 60	4,096,500
71	General Advertising Exp Account 930.1	(Note F) Attachment 5	-
72	Total	(Line 70 + Line 71)	4,096,500
73	Net Plant Allocation Factor	(Line 12)	20.8334%
74	<b>A&amp;G Directly Assigned to Transmission</b>	(Line 72 * Line 73)	<b>853,439</b>
75	<b>Total Transmission O&amp;M</b>	(Lines 56 + 66 + 69 + 74)	<b>19,197,351</b>

<b>Depreciation Expense</b>			
76	Transmission Depreciation Expense	Attachment 8, Col. (D)	10,582,744
77	New plant Depreciation Expense only for Estimate	(Note B) Attachment 6, Col. K + Col. O	466,538
78	<b>Total Transmission Depreciation Expense</b>	(Line 76 + Line 77)	<b>11,049,282</b>
79	General Depreciation	Attachment 8, Col. (D)	13,978,733
80	Intangible Amortization	(Note A) p336.1.f	2,949,639
81	Total	(Line 79 + Line 80)	16,928,372
82	Wage & Salary Allocation Factor	(Line 5)	10.8059%
83	<b>General Depreciation Allocated to Transmission</b>	(Line 81 * Line 82)	<b>1,829,259</b>
84	Common Depreciation - Electric Only	(Note A) p336.11.b	-
85	Common Amortization - Electric Only	(Note A) p356 or p336.11d	-
86	Total	(Line 84 + Line 85)	-
87	Wage & Salary Allocation Factor	(Line 5)	10.8059%
88	<b>Common Depreciation - Electric Only Allocated to Transmission</b>	(Line 86 * Line 87)	<b>-</b>
89	<b>Total Transmission Depreciation &amp; Amortization</b>	(Lines 78 + 83 + 88)	<b>12,878,541</b>

90	Taxes Other than Income	Attachment 2	740,249
91	<b>Total Taxes Other than Income</b>	(Line 90)	<b>740,249</b>

<b>Long Term Interest</b>			
92	Long Term Interest	(Note Q) Attachment 5	19,533,026
93	Amortization of Debt Discount and Expense	p117.63.c	597,240
94	Amortization of Loss on Reacquired Debt	p117.64.c	2,764,087
95	Less Amort of Gain on Reacquired on Debt-Credit	p117.65.c	-
96	Less Amort of Premium on Debt-Credit	p117.66.c	119,663
97	Interest on Debt to Associated Companies	p117.67.c	-
98	<b>Total Long Term Debt Costs</b>	(Sum lines 92 to 94) - Line 95 - Line 96 + Line 97	22,774,690
99	<b>Preferred Dividends</b>	Enter Positive p118.29.c	6,214,539
<b>Common Stock</b>			
100	Proprietary Capital	p112.16.c	671,584,800
101	Less Accumulated Other Comprehensive Income Account 219	p112.15.c	(7,926,942)
102	Less Preferred Stock	(Line 110)	107,935,500
103	Less Account 216.1	p112.12.c	(15,684,153)
104	<b>Common Stock</b>	(Line 100 - (Sum Lines 101 to 103))	587,260,395
<b>Capitalization</b>			
105	Long Term Debt		
106	Bonds	Attachment 5	342,175,000
107	Less Loss on Reacquired Debt	Enter Negative p111.81.c	(42,153,721)
108	Plus Gain on Reacquired Debt	p113.61.c	139,428
109	<b>Total Long Term Debt</b>	Sum (Lines 105 to Line 108)	300,160,707
110	Preferred Stock	p112.3.c	107,935,500
111	Common Stock	(Line 104)	587,260,395
112	<b>Total Capitalization</b>	(Sum Lines 109 to 111)	995,356,602
113	Debt %	(Line 109 / Line 112)	30.1561%
114	Preferred %	(Line 110 / Line 112)	10.8439%
115	Common %	(Note O) (Line 111 / Line 112)	59.0000%
116	Debt Cost	(Line 92 / Line 109)	0.0759
117	Preferred Cost	(Line 99 / Line 110)	0.0576
118	Common Cost	(Note J) 10.9% ROE + .5% RTO Adder	0.1140
119	Weighted Cost of Debt	(Line 113 * Line 116)	0.0229
120	Weighted Cost of Preferred	(Line 114 * Line 117)	0.0062
121	Weighted Cost of Common	(Line 115 * Line 118)	0.0673
122	<b>Total Return ( R )</b>	(Sum Lines 119 to 121)	0.0964
123	<b>Investment Return = Rate Base * Rate of Return</b>	(Line 51 * Line 122)	35,009,748
<b>Income Tax Rates</b>			
124	FIT=Federal Income Tax Rate	(Note I)	35.0000%
125	SIT=State Income Tax Rate or Composite		9.9900%
126	p (percent of federal income tax deductible for state purposes)	Per State Tax Code	0.0000%
127	T = 1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =		41.4935%
128	T / (1-T)		70.9212%
<b>ITC Adjustment</b>			
129	Amortized Investment Tax Credit	(Note I) Enter Negative Attachment 1	(1,454,691)
130	1/(1-T)	1 / (1 - Line 127)	170.9212%
131	Net Plant Allocation Factor	(Line 12)	20.8334%
132	<b>ITC Adjustment Allocated to Transmission</b>	(Line 129 * (1 + Line 130) * Line 131)	(821,057)
133	<b>Income Tax Component = CIT = (T/1-T) * Investment Return * (1-(WCLTD/R)) =</b>	[Line 128 * Line 123 * (1 - (Line 119 / Line 122))]	18,935,034
134	<b>Total Income Taxes</b>	(Line 132 + Line 133)	18,113,977

<b>Summary</b>			
135	Net Property, Plant & Equipment	(Line 33)	344,895,732
136	Adjustment to Rate Base	(Line 50)	18,334,457
137	<b>Rate Base</b>	(Line 51)	<b>363,230,189</b>
138	O&M	(Line 75)	19,197,351
139	Depreciation & Amortization	(Line 89)	12,878,541
140	Taxes Other than Income	(Line 91)	740,249
141	Investment Return	(Line 123)	35,009,748
142	Income Taxes	(Line 134)	18,113,977
<b>143</b>	<b>Gross Revenue Requirement</b>	<b>(Sum Lines 138 to 142)</b>	<b>85,939,865</b>
<b>Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities</b>			
144	Transmission Plant In Service	(Line 13)	445,086,821
145	Excluded Transmission Facilities	(Note M) Attachment 5	-
146	Included Transmission Facilities	(Line 144 - Line 145)	445,086,821
147	Inclusion Ratio	(Line 146 / Line 144)	100.00%
148	Gross Revenue Requirement	(Line 143)	85,939,865
149	Adjusted Gross Revenue Requirement	(Line 147 * Line 148)	85,939,865
150	Revenue Credits	Attachment 3	6,009,000
<b>151</b>	<b>Net Revenue Requirement</b>	<b>(Line 151)</b>	<b>79,930,865</b>
<b>Net Plant Carrying Charge</b>			
152	Gross Revenue Requirement	(Line 143)	85,939,865
153	Net Transmission Plant	(Line 13 - Line 22)	308,020,259
154	Net Plant Carrying Charge	(Line 152 / Line 153)	27.9007%
155	Net Plant Carrying Charge without Depreciation	(Line 152 - Line 76) / Line 153	24.4650%
156	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 152 - Line 76 - Line 123 - Line 134) / Line 153	7.2182%
<b>Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE</b>			
157	Gross Revenue Requirement Less Return and Taxes	(Line 151 - Line 141 - Line 142)	32,816,141
158	Increased Return and Taxes	Attachment 4	56,786,665
159	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 157 + Line 158)	89,602,806
160	Net Transmission Plant	(Line 13 - Line 22)	308,020,259
161	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 159 / Line 160)	29.0899%
162	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	(Line 158 - Line 76) / Line 160	25.6542%
163	Net Revenue Requirement	(Line 151)	79,930,865
164	True-up amount	Attachment 6	176,794
165	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	Attachment 7	2,002,886
166	Facility Credits under Section 30.9 of the PJM OATT	Attachment 5	-
167	Net Zonal Revenue Requirement	Sum (Lines 163 to 166)	82,110,545
<b>Network Zonal Service Rate</b>			
168	1 CP Peak	(Note L) Attachment 5	2,822.00
169	Rate (\$/MW-Year)	(Line 167 / Line 168)	29,096.58
<b>170</b>	<b>Network Service Rate (\$/MW/Year)</b>	<b>(Line 169)</b>	<b>29,096.58</b>

Notes

- A Electric portion only.
- B Excludes leases that are expensed as O&M (rather than amortized). Includes new Transmission plant that is expected to be placed in service in the current calendar year. New Transmission plant expected to be placed in service in the current calendar year that is not included in the PJM Regional Transmission Expansion Plan (RTEP) must be separately detailed on Attachment 6. Lines 14, 23, and 77 refer to Attachment 6, Step 2 in the first year and Step 9 in all subsequent years; line 36 use Step 6 for True Up and Step 9 for Estimate). For the estimate, all rate base items will be calculated based on end of year data, except transmission plant additions, retirements and depreciation will be calculated based on 13 month averages. For the True-up, transmission and distribution plant and the associated depreciation reserve shall be calculated using the average of 13 monthly balances in Attachment 5 and all other rate base items, excluding Cash Working Capital, shall be calculated using beginning and end of year averages in Attachment 5 or Attachment 1. Include on line 36, the 13 monthly average CWIP balance on Attachment 6 for FERC authorized incentive transmission projects shown on Attachment 6.
- C Includes Transmission Portion Only. Only land held for future use that has an estimated in service date within the next ten years may be included.
- D Excludes All EPRI Annual Membership Dues.
- E Includes All Regulatory Commission Expenses.
- F Includes transmission system safety related advertising included in Account 930.1.
- G Includes Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
- H Reserved for future use.
- I The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and  $p =$  the percentage of federal income tax deductible for state income taxes. If the utility includes taxes in more than one state, it must explain in Attachment 5 the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to use amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by  $(1/1-T)$ . A utility must not include tax credits as a reduction to rate base and as an amortization against taxable income.
- J ROE will be supported in the original filing and no change in ROE will be made absent a Section 205 filing at FERC.
- K Education and outreach expenses relating to transmission, for example siting or billing.
- L As provided for in Section 34.1 of the PJM OATT; the PJM established billing determinants will not be revised or updated in the annual rate reconciliations.
- M Amount of transmission plant excluded from rates per Attachment 5.
- N Payments made under Schedule 12 of the PJM OATT that are not directly assessed to load in the Zone under Schedule 12 are included in Transmission O&M on line 54. If they are booked to Acct 565, they are included on line 54.
- O The equity component of DLC' capital structure shall not be greater than 59 percent, nor less than 45 percent, regardless of Duquesne's actual capital structure. When DLC's equity component falls within the stated range, DLC shall use its actual capital structure.  
The input value on line 100 -- Proprietary Capital -- shall be adjusted so that the equity percentage shown on line 115 will be 45% if the actual equity percentage is less than 45% or 59% if the actual equity percentage is above 59%.
- P Include on line 36, the 13 monthly average CWIP balance on Attachment 6 for FERC authorized incentive transmission projects shown on Attachment 6.
- Q DLC will include interest associated with debt that is outstanding using 13 monthly averages at the end of the FERC Form No. 1 year. Therefore only interest included in column I on page 257 of the FERC Form No. 1 that has an outstanding amount included in column H will be included in the interest calculation.

Duquesne Light Company  
Attachment H -17A  
Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet Tax Detail

A	B	C	D	E	F	G	H
End of Year Total	Beg of Year Total	Average	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	
(123,735,453)	(72,038,809)	(123,735,453)	(29,509,025)	-	(1,564,822)	(92,861,606)	
186,003,127	182,299,575	186,003,127	-	-	186,003,127	-	
127,793,594	73,109,926	127,793,594	5,602,116	-	25,791,478	96,400,000	
190,061,268	183,370,692	190,061,268	(23,906,908)	-	210,229,783	3,738,384	
				100.00%	19.8316%		
42,095,934			0.00%				
			line 8 * line 4	line 7 * line 4	line 6 * line 4	line 5 * line 4	
			41,691,968	403,966			

Enter Column B as a negative on Appendix A, line 34. (Column B = Sum of Columns F through H)

16,545,279 -from Acct 283 below

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns C-F and each separate ADIT item will be listed. dissimilar items with amounts exceeding \$100,000 will be listed separately.

Instructions for Account 190, 282 and 283:  
1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column E.  
2. ADIT items related only to Transmission are directly assigned to Column F.  
3. ADIT items related to plant and not in Columns A & B are included in Column G.  
4. ADIT items related to labor and not in Columns A & B are included in Column H.  
5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.  
6. All ADIT line items and allocations will be supported by the settlement in Docket No. ER06-1549 and no change in allocation will be allowed absent a filing at FERC.  
7. Any new ADIT items will be clearly marked and separated in each account from the settled items for review.

A	B	C	D	E	F	G	H	Justification
End of Year Total	Beg of Year Total	Est. Average for Final Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related		
141,938	145,287	141,938				141,938		Vacation pay earned and expensed for books, tax deduction when paid - employees in all functions
746,883	1,031,113	746,883	746,883					Self insurance reserve expanded for books, tax deduction when paid - employees in all functions
2,744,841	3,041,876	2,744,841	2,744,841					Vacation pay accrued and expensed for books, tax deduction when paid - employees in all functions
111,214	500,289	111,214				111,214		Book expenses related to 2007 workforce reduction, tax deduction when paid - related to all functions
20,330,682	23,219,333	20,330,682				20,330,682		FAS postretirement benefit liability
90,500,000	24,167,060	90,500,000				90,500,000		Book accrual for pension contributions
	9,601,831							Regulatory Liability associated with adoption of FAS 158
11,207,001	12,902,925	11,207,001	11,207,001					Book expenses related to 2000 generation asset sale, tax deduction pending IRS audit resolution
9,143,352	9,277,972	9,143,352	9,143,352					Book expense for bad debts, tax deduction when fully written-off and all collection efforts abandoned - relates to all functions
1,506,968	2,110,571	1,506,968			1,506,968			Duquesne Light Co. investment in parent Company stock, not taxable within related group
	373,857							Investment Tax credit benefit recognized for tax, deferred and amortized ratably for books
829,030	110,560	829,030	829,030					Book capital stock estimate accrued and expensed, tax deduction when paid - related to all functions
55,186	394,188	55,186	55,186					Book gross receipts tax estimate accrued and expensed, tax deduction when paid - relates to all functions
577,110	699,166	577,110	577,110					Book PURTA tax estimate accrued and expensed, tax deduction when paid - relates to all functions
57,854	107,506	57,854						Book sales & use tax estimate accrued and expensed, tax deduction when paid - relates to all functions
1,156,029	1,302,467	1,156,029	1,156,029		57,854			Gain recognized for tax purposes, deferred and recognized ratably for book purposes - relates to all functions
1,447,827	2,223,729	1,447,827	1,447,827					Book reserve related to environmental remediation for generation assets, tax deductible when paid
748,101	935,582	748,101	748,101					Reserve expensed for books, tax deduction when paid - employees in all functions
								Rent accrued on corporate headquarters, tax deduction when paid - relates to all functions
								Investment recovery included in taxable income when received, deferred for book purposes - relates to all functions
727,926	873,511	727,926	727,926					Accrued bond expense, tax deduction when paid
125,739	151,079	125,739	125,739					Legal reserve expensed for books, tax deduction when paid - relates to all functions
1,084,018	1,253,519	1,084,018	1,084,018			1,084,018		Legal reserve expensed for books, tax deduction when paid - relates to all functions
824,436	834,691	824,436	824,436			824,436		Accrued miscellaneous items included in account 190.
144,056,135	95,258,142	144,056,135	29,509,025		1,564,822	112,992,288		

Duquesne Light Company  
Attachment H-17A  
Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet Tax Detail

ADIT-222	A		B		C		D		E		F		G		H		G		
	Less FASB 109 Above if not separately removed	20,330,682	123,735,453	182,299,575	186,003,127	182,299,575	186,003,127	182,299,575	186,003,127	29,509,025	-	1,564,822	20,330,682	92,861,606	Property Basis difference resulting from accelerated tax depreciation versus depreciation used for ratemaking purposes - relates to all functions				
36 Less FASB 106 Above if not separately removed	20,330,682	123,735,453	182,299,575	186,003,127	182,299,575	186,003,127	182,299,575	186,003,127	29,509,025	-	1,564,822	20,330,682	92,861,606						
37 Total = Line 34 - (Line 36 + line 35)																			
ADIT-222	A		B		C		D		E		F		G		H		G		
38 Accelerated Depreciation	186,003,127	186,003,127	182,299,575	186,003,127	182,299,575	186,003,127	182,299,575	186,003,127	29,509,025	-	1,564,822	20,330,682	92,861,606	Property Basis difference resulting from accelerated tax depreciation versus depreciation used for ratemaking purposes - relates to all functions					
39 Subtotal - p275	186,003,127	186,003,127	182,299,575	186,003,127	182,299,575	186,003,127	182,299,575	186,003,127	29,509,025	-	1,564,822	20,330,682	92,861,606						
40 Less FASB 109 Above if not separately removed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
41 Less FASB 106 Above if not separately removed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
42 Total = Line 39 - (Line 41 + line 40)	186,003,127	186,003,127	182,299,575	186,003,127	182,299,575	186,003,127	182,299,575	186,003,127	29,509,025	-	1,564,822	20,330,682	92,861,606						
ADIT-283	A		B		C		D		E		F		G		H		G		
43 Property Depreciation	124,733,466	124,733,466	121,125,454	124,733,466	121,125,454	124,733,466	121,125,454	124,733,466	16,545,279	-	16,545,279	124,733,466	16,545,279	Total Property basis difference under FAS 109 resulting from book depreciation versus accelerated tax depreciation less the deferred balance recorded in account #282 - relates to all functions.					
44 Amort Loss on Reacquisition	16,545,279	16,545,279	17,634,890	16,545,279	17,634,890	16,545,279	17,634,890	16,545,279	16,545,279	-	16,545,279	16,545,279	16,545,279	The cost of bond redemption is deductible currently for tax purposes and is amortized over the life of the new bond issue for book purposes - relates to all functions.					
45 FAS 109 tax cross-up	95,242,676	95,242,676	94,250,700	95,242,676	94,250,700	95,242,676	94,250,700	95,242,676	1,447,104	-	1,447,104	95,242,676	1,447,104	Gross-up for income tax due on FAS 109 property basis differences, taxable when received - relates to all functions.					
46 Partnership investments	1,447,104	1,447,104	1,346,928	1,447,104	1,346,928	1,447,104	1,346,928	1,447,104	2,744,841	-	2,744,841	1,447,104	2,744,841	Difference in book versus tax basis in partnership investments.					
47 Regulatory Assets	2,744,841	2,744,841	4,435,126	2,744,841	4,435,126	2,744,841	4,435,126	2,744,841	2,668,120	-	2,668,120	2,744,841	2,668,120	Asset due to rate regulated capitalization of incurred costs that would otherwise be charge to expense.					
48 State Income Taxes	2,668,120	2,668,120	2,776,324	2,668,120	2,776,324	2,668,120	2,776,324	2,668,120	96,400,000	-	96,400,000	2,668,120	96,400,000	Book sale income tax accrued and expensed, tax deduction when paid - relates to all functions.					
49 Pension Regulatory asset	96,400,000	96,400,000	23,596,214	96,400,000	23,596,214	96,400,000	23,596,214	96,400,000	96,400,000	-	96,400,000	96,400,000	96,400,000	Regulatory asset associated with adoption of FAS 158.					
50 Prepaid Pension cost	-	-	15,998,057	-	15,998,057	-	15,998,057	-	-	-	-	-	-	Pension related tax reserves.					
51 FIN 48 Tax Reserves	6,578,079	6,578,079	5,974,467	6,578,079	5,974,467	6,578,079	5,974,467	6,578,079	6,578,079	-	6,578,079	6,578,079	6,578,079	Plant related tax reserves.					
52 Other	1,410,171	1,410,171	1,387,920	1,410,171	1,387,920	1,410,171	1,387,920	1,410,171	1,410,171	-	1,410,171	1,410,171	1,410,171	IFRS Cycle Adjustments and Reserve for Obsolescence.					
53 Subtotal - p277 Form 1-F filer: see note 6, below	347,769,736	347,769,736	286,486,080	347,769,736	286,486,080	347,769,736	286,486,080	347,769,736	5,602,116	-	5,602,116	347,769,736	5,602,116						
54 Less FASB 109 Above if not separately removed	219,976,142	219,976,142	215,376,154	219,976,142	215,376,154	219,976,142	215,376,154	219,976,142	-	-	-	219,976,142	-						
55 Less FASB 106 Above if not separately removed	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
56 Total = Line 53 - (Line 55 + line 54)	127,793,594	127,793,594	73,109,926	127,793,594	73,109,926	127,793,594	73,109,926	127,793,594	5,602,116	-	5,602,116	127,793,594	5,602,116						

ADITC-255

Item	Amortization
Amortization	
Amortization to line 129 of Appendix A	1,454,691
Total	1,454,691
Total Form No. 1 (p 266 & 267)	1,454,691
Difference /1	-

/1 Difference must be zero or the difference included in Appendix A.

Attachment 2 - Taxes Other Than Income Worksheet

<b>Other Taxes</b>	<b>FERC Form No. 1 Page 263 Col (i)</b>	<b>Allocator</b>	<b>Allocated Amount</b>
<b>Plant Related</b>		<b>Gross Plant Allocator</b>	
1 PA Capital Stock Tax	line 15	1,327,145	
2 Real Estate	line 33	564,000	
3 PA PURTA	line 13	(409,252)	
4 <b>Total Plant Related -- Sum of line 1 through line 3</b>		1,481,893	19.8316% \$ 293,883
		<b>Wages &amp; Salary Allocator</b>	
5 Federal Unemployment	line 4	35,888	
6 FICA	line 5	3,701,596	
7 PA Unemployment	line 18	127,021	
8 City of Pittsburgh	line 34	266,260	
9 <b>Total Labor Related-- Sum of line 5 through line 8</b>		4,130,765	10.8059% \$ 446,365
<b>Other Excluded</b>		<b>All other</b>	
10 Highway Use	line 6	-	
11 Excise Tax on Coal	line 7	-	
12 PA Gross receipts Tax	line 14	53,527,296	
13 PA Corporate Loans	line 16	-	
14 PA Insurance Premiums	line 17	-	
15 PA Fuel Use	line 19	-	
16 PA Motor Carriers	line 20	-	
17 PA Other	line 21	(1,128,935)	
18 WV Franchise	line 26	-	
19 WV Income	line 27	-	
20 Gross Receipts	line 32	-	
21 <b>Total Excluded</b>		52,398,361	0.00%
22 <b>Total (line 4 + line 9 + line 21)</b>		58,011,019	\$ 740,249
23 Total 'Other' Taxes included on p.114.14c		58,011,019	
Difference (line 23-line 22) Note E		-	

Criteria for Allocation:

- A All Taxes Other than Income Tax line items and allocations will be supported by the settlement in Docket No. ER06-1549 and no change in allocation will be allowed absent a filing at FERC.
- B Any new Taxes Other than Income Tax will be clearly marked and separated in each account from the settled items for review.
- C Other taxes that are incurred through ownership of plant including transmission plant will be allocated based on the Gross Plant Allocator. If the taxes are 100% recovered at retail they may not be included.
- D Other taxes that are incurred through ownership of only general or intangible plant will be allocated based on the Wages and Salary Allocator. If the taxes are 100% recovered at retail they may not be included.
- E Other taxes that are assessed based on labor will be allocated based on the Wages and Salary Allocator.
- F Other taxes, except as provided for in C, D and E above, which include amounts related to transmission service, will be allocated based on the Gross Plant Allocator.
- G Excludes prior period adjustments for periods before January 1, 2007.

**Account 454 - Rent from Electric Property**

1	Rent from FERC Form No. 1 - Note 8	9,485,372
2	Rent from Electric Property - Transmission Related (Notes 3 & 8)	474,506
3		
4	Customer Choice - EGS Transmission	31,280,679
5	Other Electric Revenues	546,022
6	SECA Credits - Other EGS	-
7	Schedule 1A	785,039
8	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner) (Note 4)	2,418,510
6	PTP Serv revs for which the load is not included in the divisor received by TO	2,378,643
7	PJM Transitional Revenue Neutrality (Note 1)	-
8	PJM Transitional Market Expansion (Note 1)	-
9	Professional Services (Note 3)	-
10	Revenues from Directly Assigned Transmission Facility Charges (Note 2)	288,000
11	Rent or Attachment Fees associated with Transmission Facilities (Note 3)	-
12	Gross Revenue Credits	6,344,698
13	Less line 20	(335,698)
14	Total Revenue Credits	6,009,000
15	Revenues associated with lines 15 thru 20 are to be included in lines 1-10 and total of those revenues entered here	474,506
16	Income Taxes associated with revenues in line 15	196,889
17	One half margin (line 15 - line 16)/2	138,808
18	All expenses (other than income taxes) associated with revenues in line 15 that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.	-
19	Line 17 plus line 18	138,808
20	Line 15 less line 19	335,698

- Note 1 All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this attachment or elsewhere in the formula will be included as a revenue credit or included in the peak on line 168 of Appendix A.
- Note 2 If the costs associated with the Directly Assigned Transmission Facility Charges are included in the rates, the associated revenues are included in the rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the rates, the associated revenues are not included in the rates.
- Note 3 Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). DLC will retain 50% of net revenues consistent with *Pacific Gas and Electric Company*, 90 FERC ¶ 61,314. Note: In order to use lines 15 - 20, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes).
- Note 4 If the facilities associated with the revenues are not included in the formula, the revenue is shown here, but not included in the total above and explained in the Cost Support. For example, revenues associated with distribution facilities. In addition, revenues from Schedule 12 are not included in the total above to the extent they are credited under Schedule 12.
- Note 5 Customer Choice - EGS Transmission represents revenues received from Electric Generation Suppliers providing energy to retail customers in Duquesne's zone. As a result, the load is in the divisor for the zonal revenue requirement.
- Note 6 Other electric Revenues - includes revenues for various related electricity products/premium services such as surge protectors and appliance guards.
- Note 7 SECA Credits - Other EGS - represents revenues received from Electric Generation Suppliers for transition transmission charges imposed by FERC.

Note 8 All Account 454 and 456 Revenues must be itemized below

	Include	Exclude
Account 454		
Joint pole attachments - telephone	-	3,493,502
Joint pole attachments - cable	-	1,942,147
Underground rentals	-	-
Transmission tower wireless rentals	474,506	-
Other rentals	-	3,142,323
Corporate headquarters sublease	-	181,742
Misc non-transmission services	-	76,503
Customer commitment services	-	649,155
<b>Total</b>	<b>474,506</b>	<b>9,485,372</b>
Account 456	Include	Exclude
Customer Choice - EGS transmission		31,280,679
Other electric revenues		546,022
SECA credits		-
Transmission Revenue - AES/APS	2,378,643	
Transmission Revenue - Piney Fork	288,000	
Transmission Revenue - Firm	1,962,703	
Transmission Revenue - Non-Firm	455,807	
Dominion Marketing Revenue (Account 456.12)		209,400
xxxx		
xxxx		
xxxx		
xxxx		
xxxx		
<b>Total</b>	<b>5,085,153</b>	<b>32,036,101</b>

A	100 Basis Point increase in ROE and Income Taxes	Line 12 + Line 23	56,786,665
B	100 Basis Point increase in ROE		1.00%

1	Rate Base	Appendix A, Line 51	363,230,189
2	Debt % (Line 109 / Line 112)	Appendix A, Line 113	30.2%
3	Preferred % (Line 110 / Line 112)	Appendix A, Line 114	10.8%
4	Common % (Line 111 / Line 112)	Appendix A, Line 115	59.0%
5	Debt Cost (Line 92 / Line 109)	Appendix A, Line 116	7.59%
6	Preferred Cost (Line 99 / Line 110)	Appendix A, Line 117	5.76%
7	Common Cost Appendix A % plus 100 Basis Pts	Appendix A, Line 118 + 1%	12.40%
8	Weighted Cost of Debt (Line 113 * Line 116)	Appendix A, Line 119	0.0229
9	Weighted Cost of Preferred (Line 114 * Line 117)	Appendix A, Line 120	0.0062
10	Weighted Cost of Common (Line 115 * Line 118)	Line 4 * Line 7	0.0732
11	(Sum Lines 119 to 121)	Sum Lines 8 to 10	<b>0.1023</b>
12	(Line 51 * Line 122)	Line 11 * Line 1	<b>37,152,806</b>

13	FIT=Federal Income Tax Rate	Appendix A, Line 124	35.00%
14	SIT=State Income Tax Rate or Composite	Appendix A, Line 125	9.99%
15	p (percent of federal income tax deductible for state purposes)	Appendix A, Line 126	0.00%
16	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	Appendix A, Line 127	41.49%
17	T / (1-T)	Appendix A, Line 128	70.92%
<b>ITC Adjustment</b>			
18	Amortized Investment Tax Credit; enter negative Attachment 1	Appendix A, Line 129	(1,454,691)
19	1/(1-T) 1 / (1 - Line 127)	Appendix A, Line 130	170.92%
20	Net Plant Allocation Factor (Line 12)	Appendix A, Line 131	20.8334%
21	<b>ITC Adjustment Allocated to Transmission</b> (Line 129 * (1 + Line 130) * Line 131)	Appendix A, Line 132	<b>(821,057)</b>
22	<b>Income Tax Component = CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =</b>	Line 17*Line 12*(1-(Line 8/Line 11))	<b>20,454,916</b>
23	<b>Total Income Taxes</b>	<b>(Line 132 + Line 133)</b>	<b>19,633,859</b>

Plant in Service Worksheet

Details

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions

Calculation of Transmission Plant In Service	Source	Balance For True up	Balance for Estimate
December	p206.58.b	442,348,220	
January	Company Records	439,110,214	
February	Company Records	438,961,191	
March	Company Records	438,454,555	
April	Company Records	443,510,310	
May	Company Records	444,543,758	
June	Company Records	448,054,538	
July	Company Records	448,747,062	
August	Company Records	448,738,849	
September	Company Records	444,246,970	
October	Company Records	444,728,882	
November	Company Records	444,717,431	
December	p207.58.g	445,086,821	445,086,821
<b>Transmission Plant In Service</b>		<b>443,942,215</b>	<b>445,086,821</b>
<b>Calculation of Distribution Plant In Service</b>			
December	Source		
January	p206.75.b	1,717,039,999	
February	Company Records	1,718,548,840	
March	Company Records	1,724,615,893	
April	Company Records	1,726,735,258	
May	Company Records	1,740,650,446	
June	Company Records	1,747,060,135	
July	Company Records	1,750,265,948	
August	Company Records	1,754,809,247	
September	Company Records	1,760,687,752	
October	Company Records	1,763,451,327	
November	Company Records	1,766,904,372	
December	Company Records	1,772,352,013	
December	p207.75.g	1,779,820,298	1,779,820,298
<b>Distribution Plant In Service</b>		<b>1,747,918,579</b>	<b>1,779,820,298</b>
<b>Calculation of Intangible Plant In Service</b>			
December	Source		
December	p204.5.b	21,761,526	
<b>Intangible Plant In Service</b>		<b>11,366,431</b>	<b>11,366,431</b>
<b>Calculation of General Plant In Service</b>			
December	Source		
December	p206.99.b	237,255,386	
<b>General Plant In Service</b>		<b>236,477,190</b>	<b>236,477,190</b>
<b>Calculation of Production Plant In Service</b>			
December	Source		
January	p204.46b		
February	Company Records		
March	Company Records		
April	Company Records		
May	Company Records		
June	Company Records		
July	Company Records		
August	Company Records		
September	Company Records		
October	Company Records		
November	Company Records		
December	Company Records		
<b>Production Plant In Service</b>			
<b>Calculation of Common Plant In Service</b>			
December (Electric Portion)	Source		
December (Electric Portion)	p356		
<b>Common Plant In Service</b>			
<b>Total Plant In Service</b>	Sum of averages above	<b>2,445,291,062</b>	<b>2,472,750,740</b>

13

16

16

17

6

Accumulated Depreciation Worksheet		Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Balance For True up	Balance for Estimate
		Source			
22	<p><u>Calculation of Transmission Accumulated Depreciation</u></p> <p>December January February March April May June July August September October November December</p> <p>Transmission Accumulated Depreciation</p>	<p>Prior year p219 Company Records Company Records Company Records Company Records Company Records Company Records Company Records Company Records Company Records Company Records Company Records Company Records</p> <p>p219,25</p>	<p>For 2007 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008</p>	<p>132,663,752 133,622,154 134,009,135 134,799,008 135,447,686 135,848,800 136,169,124 136,826,919 137,800,823 135,378,950 135,778,635 136,639,191 137,066,562 135,551,518</p>	<p>137,066,562 137,066,562</p>
25	<p><u>Calculation of Distribution Accumulated Depreciation</u></p> <p>December January February March April May June July August September October November December</p> <p>Distribution Accumulated Depreciation</p>	<p>Source Prior year p219, 26 Company Records Company Records Company Records Company Records Company Records Company Records Company Records Company Records Company Records Company Records Company Records Company Records</p> <p>p219,26</p>	<p>For 2007 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008</p>	<p>573,513,292 576,072,059 578,918,775 580,701,692 582,602,550 585,251,357 588,542,539 591,381,854 594,369,413 596,371,755 599,357,135 601,009,668 603,444,523 588,625,893</p>	<p>603,444,523 603,444,523</p>
26	<p><u>Calculation of Intangible Accumulated Depreciation</u></p> <p>December</p> <p>Accumulated Intangible Depreciation</p>	<p>Source Prior year p200,21.c p200,21c</p>	<p>For 2007 For 2008</p>	<p>21,824,865 12,446,305 17,135,585</p>	<p>12,446,305 12,446,305</p>
25	<p><u>Calculation of General Accumulated Depreciation</u></p> <p>December</p> <p>Accumulated General Depreciation</p>	<p>Source Prior year p219 p219,23</p>	<p>For 2007 For 2008</p>	<p>57,076,867 64,296,770 60,686,819</p>	<p>64,296,770 64,296,770</p>
28	<p><u>Calculation of Production Accumulated Depreciation</u></p> <p>December January February March April May June July August September October November December</p> <p>Production Accumulated Depreciation</p>	<p>Source Prior year p219 Company Records Company Records Company Records Company Records Company Records Company Records Company Records Company Records Company Records Company Records Company Records Company Records</p> <p>p219,20 thru 219,24</p>	<p>For 2007 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008 For 2008</p>	<p>- - - - - - - - - - - - -</p>	<p>- -</p>
7	<p><u>Calculation of Common Accumulated Depreciation</u></p> <p>December (Electric Portion) December (Electric Portion)</p> <p>Common Plant Accumulated Depreciation (Electric Only)</p> <p>Total Accumulated Depreciation</p>	<p>Source p356 p356 Sum of averages above</p>	<p>For 2007 For 2008</p>	<p>801,999,815 -</p>	<p>817,254,160</p>

Details

Electric / Non-electric Cost Support		Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	Electric Portion	Non-electric Portion	Details
26	Plant Allocation Factors						
27	Accumulated Intangible Depreciation	p200.21.c		12,446,305	12,446,305		
28	Accumulated Common Amortization - Electric	p356		-	-		
28	Common Plant Accumulated Depreciation (Electric Only)	p356		-	-		
17	Plant In Service						
17	Common Plant (Electric Only)						
17	Materials and Supplies						
42	Undistributed Stores Exp	p227.6c & 15.c		1,801,836	1,801,836		
55	Allocated General & Common Expenses	p200.4.c		-	-		
57	Plus Net Transmission Lease Payments	p356		-	-		
57	Common Plant O&M						
57	Depreciation Expense						
80	Intangible Amortization	p336.1d/e		2,949,639	2,949,639		
84	Common Depreciation - Electric Only	p336.11.b		-	-		
85	Common Amortization - Electric Only	p356 or p336.11.d		-	-		

Transmission / Non-transmission Cost Support		Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Beg of year	End of Year	End of Year for Est. Average for Final	Details
38	Plant Held for Future Use	p214	Total	109,135	109,135	109,135	
			Non-transmission Related				
			Transmission Related	109,135	109,135	109,135	

CWIP & Expensed Lease Worksheet		Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	CWIP In Form 1 Amount	Expensed Lease in Form 1 Amount	Details
6	Plant Allocation Factors						
6	Total Plant In Service	p207.104.g		2,472,750,740			
13	Transmission Plant In Service	p207.58.g		445,086,821			
17	Common Plant (Electric Only)	p356		-			
22	Accumulated Depreciation						
22	Transmission Accumulated Depreciation	p219.25.c		137,066,562			

PBOP's Cost Support		Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	PBOBs	All other	Details
	Allocated General & Common Expenses						
	Account 926 (Prior Year)			31,719,047	4,035,401	27,683,646	Prior Year
	Account 926 (Current Year)			16,461,810	4,484,684	11,977,126	Current Year
	Change in PBOP Expense			(15,257,237)	449,283	(15,706,520)	
	Calculation of allowed increase in PBOP expense recorded in Acct. 926 (increase not to cause more than \$.05/KW/Mo in zonal rate):						
	1 Allowed Change in Rate (\$/KW/Mo)						0.05
	2 Divide zonal rate at Appendix A, line 168 by 1000 and by 12 =						2
	3 Multiply Transmission Net Revenue Requirement (Appendix A, line 165) by ratio of line 1 over line 2						1,693,200
	4 Divide line 3 by the wage & salary allocator (Appendix A, line 5)						15,669,252
	5 Subtract line 4 from the Change in PBOP expense shown above						(15,219,969)
	6 Enter the result at line 5 on Appendix A, line 62 ONLY if it is positive; otherwise enter zero						
59	Less PBOP Expense in Acct. 926 in Excess of Allowed Amount						

EPRI Dues Cost Support		Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	EPRI Dues	Details
63	Allocated General & Common Expenses					
63	Less EPRI Dues		p352-353			

Regulatory Expense Related to Transmission Cost Support						
67	Directly Assigned A&G Regulatory Commission Exp Account 928	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions p323.189.b	Form 1 Amount 3,016,839	Transmission Related	Non-transmission Related	Details FERC Annual Assessment
<b>Safety Related Advertising Cost Support</b>						
68	Directly Assigned A&G General Advertising Exp Account 930.1	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions p323.191.b	Form 1 Amount 1,057,570	Safety Related	Non-safety Related 1,057,570	Details None
<b>MultiState Workpaper</b>						
125	Income Tax Rates SIT=State Income Tax Rate or Composite	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	State 1 PA 9.99%	State 2	State 3	State 4 State 5 Details
<b>Education and Out Reach Cost Support</b>						
68	Directly Assigned A&G General Advertising Exp Account 930.1	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions p323.191.b	Form 1 Amount 1,057,570	Education & Outreach	Other 1,057,570	Details None
<b>Excluded Plant Cost Support</b>						
145	Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities Excluded Transmission Facilities	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Excluded Transmission Facilities 0	Description of the Facilities General Description of the Facilities None		
<p>Instructions:</p> <p>1 Remove all investment below 69 kV facilities, including the investment allocated to distribution of a dual function substation, generator, interconnection and local and direct assigned facilities for which separate costs are charged and step-up generation substation included in transmission plant in service.</p> <p>2 If unable to determine the investment below 69kV in a substation with investment of 69 kV and higher as well as below 69 kV, the following formula will be used:</p> <p style="margin-left: 20px;">A Total investment in substation                      B Identifiable investment in Transmission (provide workpapers)                      C Identifiable investment in Distribution (provide workpapers)                      D Amount to be excluded (A x (C / (B + C)))</p> <p style="text-align: right;">Example                      1,000,000                      500,000                      400,000                      444,444</p>						
Add more lines if necessary						

Transmission Related Account 242 Reserves

39 Transmission Related Account 242 Reserves (exclude current year environmental site related reserves)

Directly Assignable to Transmission

Accrued FERC Assessment

Labor Related, General plant related or Common Plant related

Prior Years Severance Expenses  
Workmen's Compensation Liability  
Accrued Payroll  
Accrued Vacations  
Accrued Legal Settlements  
Employee Benefits  
Misc

Other

Incentive Compensation Accrual  
Low Income Smart Comfort Assistance  
Accrued Compensated Absences  
Affordable Housing Recapture  
Pension Gross-up to match 2005 actuary

Total Transmission Related Reserves

Prepayments

40 Prepayments

Labor Related

Prepaid Federal Highway Use Tax  
Infrastructure Improvement Program Project Insurance  
Workman's Compensation  
Director's & Officers' Liability  
Excess General Liability  
Misc

Other

PA PUC Assessments  
PA GRT

Plant Related

Property insurance

Beg of year	End of Year Enter \$	End of Year for Est. Average for Final	Allocation	Trans Rtd Amount
-	-	-	100%	-
2,008,025	-	-	-	-
2,271,215	2,598,524	2,598,524	-	-
2,217,391	2,583,925	2,583,925	-	-
350,143	342,072	342,072	-	-
3,021,000	2,612,500	2,612,500	-	-
4,667,965	7,188,566	7,188,566	-	-
14,555,739	15,325,587	15,325,587	10.81%	1,656,064
7,937,022	8,061,775	8,061,775	-	-
-	-	-	-	-
7,330,970	6,615,111	6,615,111	-	-
364,103	303,033	303,033	-	-
15,632,095	14,979,919	14,979,919	0.00%	-
30,167,834	30,305,506	30,305,506	-	1,656,064

Beg of year	End of Year	End of Year for Est. Average for Final	Allocation	Trans Rtd To Line 45
212	6,230	6,230	10.806%	673
483,082	40,871	40,871	10.806%	4,416
-	145,166	145,166	10.806%	15,686
-	166,160	166,160	10.806%	17,955
3,896,744	2,121,660	2,121,660	10.806%	229,264
953,314	1,173,566	1,173,566	10.806%	126,814
611,430	747,164	747,164	0.000%	-
-	-	-	-	-
351,949	322,367	322,367	20.833%	67,160
6,296,731	4,723,184	4,723,184	-	461,969

Materials & Supplies		Beg of year	End of Year	End of Year for
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Est. Average for
				Final
	Assigned to O&M	2,110,336	1,801,836	1,801,836
	Stores Expense Undistributed	-	-	-
42	Undistributed Stores Exp	2,110,336	1,801,836	1,801,836
45	Transmission Materials & Supplies	1,315,989	2,104,149	2,104,149

Adjustments to Transmission O&M		Total	Allocation	Related
55	Plus Net Transmission Lease Payments			

Facility Credits under Section 30.9 of the PJM OATT		Amount	Description & PJM Documentation
166	Net Revenue Requirement Facility Credits under Section 30.9 of the PJM OATT	-	

PJM Load Cost Support		1 CP Peak	Description & PJM Documentation
	Network Zonal Service Rate		
168	1 CP Peak	2,822.0	Attachment 5

Cost of Long Term Debt		Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	
Long Term Interest	Long Term Debt	Amount	Amount	A	B	C	D
				Principle	Outstanding	Months Outstanding	Weighted Outstanding (C*D/12)
				Outstanding	Interest		
92	Act List all Bonds in Accounts 221 thru 224	19,533,026					
105	221 6.450% Series due 02/27/08	342,175,000		40,000,000.00			
	221 6.70% 1st Mort Bond due 4/15/12			200,000,000.00	12	200,000,000	
	221 6.70% 1st Mort Public Notes D due 4/30/32			100,000,000.00			
	221 5.70% 1st Mort Bond due 5/15/14			200,000,000.00			
	224 Allegheny County Industrial Development:						
	224 4.35% 1999 Series A due 2013			50,000,000.00	12	50,000,000	2,175,000.00
	224 4.05% 1999 Series B due 2011			47,925,000.00	12	47,925,000	1,940,963.00
	224 Beaver County Industrial Development:						
	224 1999 Series B due 2020 Variable Interest Rates			13,700,000.00			1,281.00
	224 1999 Series C due 2033 Variable Interest Rates			18,000,000.00			1,684.00
	224 1999 Series D due 2029 Variable Interest Rates			44,250,000.00	12	44,250,000	1,991,250.00
	224 1999 Series A due 2031 Variable Interest Rates			25,000,000.00			2,338.00
	224 1999 Series E due 2031 Variable Interest Rates			75,500,000.00			7,062.00
	224 Authorities Pollution Control Revenue Bonds:						
	224 1999 Series A due 2031 Variable Interest Rates			71,000,000.00			6,641.00
	224 1999 Series B due 2031 Variable Interest Rates			13,500,000.00			1,263.00
	224 1999 Series B due 2027 Variable Interest Rates			20,500,000.00			1,917.00
	224 1999 Series C due 2031 Variable Interest Rates			33,955,000.00			3,176.00
	224 1999 Series C due 2031 Variable Interest Rates			4,655,000.00			451.00
xx	xxxxx						
	Total					342,175,000	19,533,026

Note: the amount outstanding for debt retired during the year is the outstanding amount as of the last month it was outstanding

Duquesne Light Company  
Attachment H -17A  
Attachment 6 - Estimate and Reconciliation Worksheet

Exec Summary Step	Month	Year	Action
1	April	Year 2	TO populates the formula with Year 1 data from FERC Form 1.
2	April	Year 2	TO estimates all transmission Cap Adds, Retirements, CWIP and associated depreciation for Year 2 based on Months expected to be in service and monthly CWIP balances in Year 2.
3	April	Year 2	TO adds 13 month average Cap Adds and retirements (line 14), CWIP (line 36) and associated depreciation (lines 23 and 77) to the Formula.
4	May	Year 2	Post results of Step 3 on PJM web site.
5	June	Year 2	Results of Step 3 go into effect.
6	April	Year 3	TO populates the formula with Year 2 data from FERC Form 1.
7	April	Year 3	Reconciliation - TO calculates the true up amount by subtracting the results of Step 6 by Step 3.
8	April	Year 3	Reconciliation - TO calculates interest and amortization associated with the true up calculated in Step 7 and applies that amount to line 164 of the formula (if the difference results in refund and a cash refund is made, then this step is not implemented).
9	April	Year 3	TO estimates all transmission Cap Adds, Retirements, CWIP and associated depreciation for Year 3 based on Months expected to be in service and monthly CWIP balances in Year 3.
10	April	Year 3	TO adds 13 month average Cap Adds and retirements (line 14), CWIP (line 36) and associated depreciation (lines 23 and 77) to the Formula.
11	May	Year 3	Post results of Step 10 on PJM web site.
12	June	Year 3	Results of Step 9 go into effect for the Rate Year 2.

Reconciliation details

1	April	Year 2	TO populates the formula with Year 1 data from FERC Form 1. \$ - Rev Req based on Year 1 data	Must run Appendix A to get this number (without any cap adds in line 21) of Appendix A																																																																																																																																																					
2	April	Year 2	TO estimates all transmission Cap Adds, Retirements, CWIP and associated depreciation for Year 2 based on Months expected to be in service and monthly CWIP balances in Year 2.																																																																																																																																																						
<table border="1"> <thead> <tr> <th>(A)</th> <th>(B)</th> <th>(C)</th> <th>(D)</th> <th>(E)</th> <th>(F)</th> <th>(G)</th> <th>(H)</th> <th>Total</th> </tr> <tr> <th>Other Project PIS</th> <th>other retirements</th> <th>Project X CWIP</th> <th>Project X PIS</th> <th>Project X PIS retirements</th> <th>Accumulated Balance</th> <th>Project X CWIP</th> <th>Project X PIS</th> <th>Project X PIS</th> </tr> </thead> <tbody> <tr> <td>Dec</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Jan</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Feb</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Mar</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Apr</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>May</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Jun</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Jul</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Aug</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Sep</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Oct</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Nov</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Dec</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>										(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	Total	Other Project PIS	other retirements	Project X CWIP	Project X PIS	Project X PIS retirements	Accumulated Balance	Project X CWIP	Project X PIS	Project X PIS	Dec	-	-	-	-	0	-	-	-	Jan	-	-	-	-	0	-	-	-	Feb	-	-	-	-	0	-	-	-	Mar	-	-	-	-	0	-	-	-	Apr	-	-	-	-	0	-	-	-	May	-	-	-	-	0	-	-	-	Jun	-	-	-	-	0	-	-	-	Jul	-	-	-	-	0	-	-	-	Aug	-	-	-	-	0	-	-	-	Sep	-	-	-	-	0	-	-	-	Oct	-	-	-	-	0	-	-	-	Nov	-	-	-	-	0	-	-	-	Dec	-	-	-	-	0	-	-	-	Total	-	-	-	-	0	-	-	-
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	Total																																																																																																																																																	
Other Project PIS	other retirements	Project X CWIP	Project X PIS	Project X PIS retirements	Accumulated Balance	Project X CWIP	Project X PIS	Project X PIS																																																																																																																																																	
Dec	-	-	-	-	0	-	-	-																																																																																																																																																	
Jan	-	-	-	-	0	-	-	-																																																																																																																																																	
Feb	-	-	-	-	0	-	-	-																																																																																																																																																	
Mar	-	-	-	-	0	-	-	-																																																																																																																																																	
Apr	-	-	-	-	0	-	-	-																																																																																																																																																	
May	-	-	-	-	0	-	-	-																																																																																																																																																	
Jun	-	-	-	-	0	-	-	-																																																																																																																																																	
Jul	-	-	-	-	0	-	-	-																																																																																																																																																	
Aug	-	-	-	-	0	-	-	-																																																																																																																																																	
Sep	-	-	-	-	0	-	-	-																																																																																																																																																	
Oct	-	-	-	-	0	-	-	-																																																																																																																																																	
Nov	-	-	-	-	0	-	-	-																																																																																																																																																	
Dec	-	-	-	-	0	-	-	-																																																																																																																																																	
Total	-	-	-	-	0	-	-	-																																																																																																																																																	
<p>13 month avg of new plant additions = Col F + Col H goes to line 14 of the formula</p> <p>13 month avg of current year changes to CWIP = Col G goes to line 36 of the formula</p>																																																																																																																																																									

Duquesne Light Company  
Attachment H-17A  
Attachment 6 - Estimate and Reconciliation Worksheet

	(I) = F	(J)	(K) = I * J	(L)	(M) = H	(N)	(O) = L * M	(P)
	Total Other Project PIS	Composite Trans Deprec Rate	Depreciation Expense	Accum Deprec	Total Project X PIS	Composite Trans Deprec Rate	Depreciation Expense	Accum Deprec
DEC	0	0.19%	-	-	-	-	0.19%	-
Jan	0	0.19%	-	-	-	-	0.19%	-
Feb	0	0.19%	-	-	-	-	0.19%	-
Mar	0	0.19%	-	-	-	-	0.19%	-
Apr	0	0.19%	-	-	-	-	0.19%	-
May	0	0.19%	-	-	-	-	0.19%	-
Jun	0	0.19%	-	-	-	-	0.19%	-
Jul	0	0.19%	-	-	-	-	0.19%	-
Aug	0	0.19%	-	-	-	-	0.19%	-
Sep	0	0.19%	-	-	-	-	0.19%	-
Oct	0	0.19%	-	-	-	-	0.19%	-
Nov	0	0.19%	-	-	-	-	0.19%	-
Dec	0	0.19%	-	-	-	-	0.19%	-
Total								

13 mo. Avg accumulated depreciation = Col L + Col P:  
Depreciation Expense = Col K + Col O

goes to line 23 of the formula  
goes to line 77 of the formula

3 April Year 2 TO adds 13 month average Cap Adds and retirements (line 14), CWIP (line 36) and associated depreciation (lines 23 and 77) to the Formula.

4 May Year 2 Post results of Step 3 on PJM web site.

Must run Appendix A to get this number (with results of step 2)

5 June Year 2 Results of Step 3 go into effect.

6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1.

Rev Req based on Prior Year data

Must run Appendix A to get this number (without any adjustments for cap adds) of Appendix A

Detail of actual Cap Adds, Retirements, CWIP and associated depreciation for Year 2 based on Months expected to be in service and monthly CWIP balances in Year 2.

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Other Project PIS	other retirements	Project X CWIP	Project X PIS	Project X PIS retirements	Accumulated Balance Other Project PIS	Project X CWIP	Project X PIS
Dec	(1,762,626)	-	744,720	(1,475,380)	-	8,266,708	94,738,524	94,738,524
Jan	(1,691,449)	(503,056)	(1,579,502)	2,045,482	-	9,011,428	93,263,144	93,263,144
Feb	(1,664,047)	(343,537)	(652,255)	1,500,948	-	7,431,926	95,308,625	95,308,625
Mar	4,642,765	(25,309)	2,372,064	438,299	-	6,579,671	96,809,573	96,809,573
Apr	982,731	(11,098)	2,765,319	61,815	-	8,951,735	97,247,872	97,247,872
May	3,552,686	(100,933)	2,612,184	59,027	-	11,717,054	97,309,687	97,309,687
Jun	511,470	(143,643)	3,450,616	324,697	-	14,329,238	97,368,714	97,368,714
Jul	139,339	-	4,402,970	(147,553)	-	3,443,954	17,779,855	97,693,412
Aug	(674,686)	(3,515,950)	2,896,808	(301,243)	-	3,583,293	22,162,424	97,545,859
Sep	19,842	(444,603)	3,098,906	906,673	-	(607,343)	25,079,232	97,244,616
Oct	(11,451)	-	5,279,521	-	-	(1,032,104)	28,178,138	98,151,289
Nov	144,505	(78,206)	5,783,322	303,092	-	(1,043,555)	33,457,659	98,151,289
Dec	4,189,079	30,974,273	3,715,857	3,715,857	-	(977,257)	39,240,981	98,454,381
Total						(560,354)	17,862,004	96,868,230

13 month avg of new plant additions = Col F + Col H  
End of Year balance new plant additions Col A + Col C

13 month avg of current year changes to CWIP = Col G

Duquesne Light Company  
Attachment H - 17A  
Attachment 6 - Estimate and Reconciliation Worksheet

	(I) = F	(J)	(K) = I * J	(L)	(M) = H	(N)	(O) = L * M	(P)
	Total Other Project PIS	Composite Trans Deprec Rate	Depreciation Expense	Accum Deprec	Total Project X	Composite Trans Deprec Rate	Depreciation Expense	
DEC	0	0.19%	-	-	94,738,524	0.19%	180,003	296,633
Jan	-1,762,626	0.19%	(3,349)	(3,349)	93,263,144	0.19%	177,200	473,833
Feb	-3,957,131	0.19%	(7,519)	(10,868)	95,308,625	0.19%	181,086	654,919
Mar	-5,964,715	0.19%	(11,333)	(22,200)	96,809,573	0.19%	183,938	838,858
Apr	-1,347,259	0.19%	(2,560)	(24,760)	97,247,872	0.19%	184,771	1,023,629
May	-375,626	0.19%	(714)	(25,474)	97,309,687	0.19%	184,888	1,208,517
Jun	3,076,127	0.19%	5,845	(19,629)	97,368,714	0.19%	185,001	1,393,517
Jul	3,443,954	0.19%	6,544	(13,086)	97,693,412	0.19%	185,617	1,579,135
Aug	3,583,293	0.19%	6,808	(6,278)	97,545,859	0.19%	185,337	1,764,472
Sep	-607,343	0.19%	(1,154)	(7,432)	97,244,616	0.19%	184,765	1,949,237
Oct	-1,032,104	0.19%	(1,961)	(9,393)	98,151,289	0.19%	186,487	2,135,724
Nov	-1,043,555	0.19%	(1,983)	(11,375)	98,151,289	0.19%	186,487	2,322,212
Dec	-977,257	0.19%	(1,857)	(13,232)	98,454,381	0.19%	187,063	2,509,275
Total			(13,232)	(12,852)	96,868,230		2,212,642	1,396,151

7

April Year 3

Reconciliation - TO calculates the true up amount by subtracting the results of Step 6 by Step 3.

Results of Step 6	\$ 72,410,834
Results of Step 3	\$ 72,240,085
True up w/o interest	\$ 170,749
1st year	\$ 14,229

Note: for 1st year, divide this amt by 12 and multiply by the number of months the rate was in effect  
and place that number in the month that the rate went in effect in the interest calculation below

Duquesne Light Company  
Attachment H -17A  
Attachment 6 - Estimate and Reconciliation Worksheet

8 April Year 3 Reconciliation - TO calculates interest and amortization associated with the true up calculated in Step 7 and applies that amount to line 164 of the formula (if the difference results in refund and a cash refund is made, then this step is not implemented).

Interest on Amount of Refunds or Surcharges  
Interest 35.19a for 2nd quarter Current Yr

Month	Yr	1/12 of Step 7	0.28000% Interest 35.19a for and 35.19 b March Current Yr	Months	Interest	Refunds Owed
Jun	Year 1	14,229	0.28000%	11.5	458	14,687
Jul	Year 1	14,229	0.28000%	10.5	418	14,647
Aug	Year 1	14,229	0.28000%	9.5	378	14,608
Sep	Year 1	14,229	0.28000%	8.5	339	14,568
Oct	Year 1	14,229	0.28000%	7.5	299	14,528
Nov	Year 1	14,229	0.28000%	6.5	259	14,488
Dec	Year 1	14,229	0.28000%	5.5	219	14,448
Jan	Year 2	14,229	0.28000%	4.5	179	14,408
Feb	Year 2	14,229	0.28000%	3.5	139	14,369
Mar	Year 2	14,229	0.28000%	2.5	100	14,329
Apr	Year 2	14,229	0.28000%	1.5	60	14,289
May	Year 2	14,229	0.28000%	0.5	20	14,249
Total		170,749				173,618

	Balance	Interest	Amort	Balance
Jun	173,618	0.28000%	14,733	159,371
Jul	159,371	0.28000%	14,733	145,084
Aug	145,084	0.28000%	14,733	130,758
Sep	130,758	0.28000%	14,733	116,391
Oct	116,391	0.28000%	14,733	101,984
Nov	101,984	0.28000%	14,733	87,537
Dec	87,537	0.28000%	14,733	73,049
Jan	73,049	0.28000%	14,733	58,521
Feb	58,521	0.28000%	14,733	43,952
Mar	43,952	0.28000%	14,733	29,342
Apr	29,342	0.28000%	14,733	14,692
May	14,692	0.28000%	14,733	(0)
Total with interest			176,794	176,794

The difference between the Reconciliation in Step 6 and the forecast in Prior Year with interest  
Place result in line 164 of the formula for Year 2 rate

Duquesne Light Company  
Attachment H - 17A  
Attachment 6 - Estimate and Reconciliation Worksheet

9 April Year 3 TO estimates all transmission Cap Adds, Retirements, CWIP and associated depreciation for Year 3 based on Months expected to be in service and monthly CWIP balances in Year 3.

	(A) Other Project PIS	(B) other retirements	(C) Project X CWIP	(D) Project X PIS	(E) Project X PIS retirements	(F) Accumulated Balance Other Project PIS	(G) Project X CWIP	(H) Project X PIS	Total
Dec							39,240,981		
Jan	256,766	(276,412)	1,006,802	910,271	-	(19,646)	40,247,783	910,271	
Feb	422,114	(11,115)	4,476,822	(292,693)	-	391,353	44,724,605	617,578	
Mar	154,626	(1,042,091)	(1,985,765)	5,213,962	-	(496,113)	42,738,840	5,831,540	
Apr	-	-	7,467,000	260,000	-	(496,113)	50,205,840	6,091,540	
May	355,000	-	6,301,000	-	-	(141,113)	56,506,840	6,091,540	
Jun	-	-	8,034,000	-	-	(141,113)	64,540,840	6,091,540	
Jul	5,750,000	-	(8,350,000)	16,100,000	-	5,608,887	56,190,840	22,191,540	
Aug	-	-	7,477,000	-	-	5,608,887	63,667,840	22,191,540	
Sep	375,000	-	9,953,000	-	-	5,983,887	73,620,840	22,191,540	
Oct	-	-	794,000	5,400,000	-	5,983,887	74,414,840	27,591,540	
Nov	1,000,000	-	(9,089,000)	14,400,000	-	6,983,887	65,325,840	41,991,540	
Dec	700,000	-	1,867,000	-	-	7,683,887	67,192,840	41,991,540	
Total	9,013,506	(1,329,619)	27,951,859	41,991,540	-	2,842,352	56,816,828	15,675,635	75,334,815

13 month avg of new plant additions = Col F + Col H goes to line 14 of the formula  
13 month avg of current year changes to CWIP = Col G goes to line 36 of the formula

	(I) = F Total Other Project PIS	(J) Composite Trans Deprec Rate	(K) = I * J Depreciation Expense	(L) Accum Deprec	(M) = H Total Project X PIS	(N) Composite Trans Deprec Rate	(O) = L * M Depreciation Expense	(P) Total
DEC	0	0.19%	-	-	-	0.19%	-	-
Jan	(19,646)	0.19%	(38)	(38)	910,271	0.19%	1,764	1,764
Feb	391,353	0.19%	758	720	617,578	0.19%	1,197	2,961
Mar	(496,113)	0.19%	(961)	(241)	5,831,540	0.19%	11,301	14,262
Apr	(496,113)	0.19%	(961)	(1,203)	6,091,540	0.19%	11,805	26,068
May	(141,113)	0.19%	(273)	(1,476)	6,091,540	0.19%	11,805	37,873
Jun	(141,113)	0.19%	(273)	(1,750)	6,091,540	0.19%	11,805	49,678
Jul	5,608,887	0.19%	10,670	9,120	22,191,540	0.19%	43,007	92,685
Aug	5,608,887	0.19%	10,670	19,990	22,191,540	0.19%	43,007	135,692
Sep	5,983,887	0.19%	11,597	31,587	22,191,540	0.19%	43,007	178,699
Oct	5,983,887	0.19%	11,597	43,184	27,591,540	0.19%	53,472	232,171
Nov	6,983,887	0.19%	13,535	56,718	41,991,540	0.19%	81,379	313,550
Dec	7,683,887	0.19%	14,891	71,610	41,991,540	0.19%	81,379	394,929
Total			71,610	17,556	131,427		394,929	113,872

13 mo. Avg accumulated depreciation = Col L + Col P:  
Depreciation Expense = Col K + Col O

Rev Req based on Year 2 data with estimated Cap Adds, Retirs, CWIP and Deprec for Year 3 Cap Adds (Step 9) and True up of Year 1 data (Step 8)

11 May Year 3 Post results of Step 10 on PJM web site.

\$ 82,110,545

Post results of Step 3 on PJM web site.

12 June Year 3 Results of Step 9 go into effect for the Rate Year 2.

\$ 82,110,545

Duquesne Light Company  
Attachment H -17A  
Attachment 7 - Transmission Enhancement Charge Worksheet

Line #	Formula Line	Details		Project CWIP				Duquesne Trans Enhancement Project PIS				Total	Incentive	Rev Credit	
		No	Invest Yr	Beginning	Depreciation	Ending	Revenue [(Beginning + Ending)/2* Line 11]	Beginning	Depreciation	Ending	Revenue [(Beginning + Ending)/2* Line 11]				
1	165	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects = Incentive - Revenue Credit for the corresponding rate year													
2	155	Fixed Charge Rate (FCR) if not a CIAC													
3	162	Net Plant Carrying Charge without Depreciation													
4		Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation Line B less Line A													
5	156	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes													
<p>Beginning = 13 month Plant CWIP or Incentive Plant balance                      Deprec = 13 month avg Accumulated Depreciation                      Ending = Beginning - Deprec                      Revenue= FCR* Ending + Ending</p>															
6	Schedule 12	No													
7	Life	No													
8	CIAC	No													
9	Increased ROE (Basis Points)	100													
10	FCR W base ROE	24.465%													
11	FCR W increased ROE	25.654%													
12	Investment														
13	Annual Depreciation Exp														
14	13 monthly Avg	56,816,828													
15	Invest Yr		2006												
16	FCR W base ROE		2006												
17	W increased ROE		2006												
18	FCR W base ROE		2007												
19	W increased ROE		2007												
20	FCR W base ROE		2008												
21	W increased ROE		2008												
22	FCR W base ROE		2009												
23	W increased ROE		2009												
24	FCR W base ROE		2010												
25	W increased ROE		2010												
26	FCR W base ROE		2011												
27	W increased ROE		2011												
28	FCR W base ROE		2012												
29	W increased ROE		2012												
30	FCR W base ROE		2013												
31	W increased ROE		2013												
32	FCR W base ROE		2014												
33	W increased ROE		2014												
34	FCR W base ROE		2015												
35	W increased ROE		2015												
36	FCR W base ROE		2016												
37	W increased ROE		2016												
38	FCR W base ROE		2017												
39	W increased ROE		2017												
40	FCR W base ROE		2018												
41	W increased ROE		2018												
42	FCR W base ROE		2019												

Total = Sum of Revenue for Project CWIP and DTEP  
 Incentive = Total for "W Increased ROE" row  
 Revenue Credit = Total for "FCR W base ROE" row

Duquesne Light Company  
Attachment H -17A  
Attachment 7 - Transmission Enhancement Charge Worksheet

43	W Increased ROE	2019	-	-	-	\$	-	\$	-	-
44	FCR W base ROE	2020	-	-	-	\$	-	\$	-	-
45	W Increased ROE	2020	-	-	-	\$	-	\$	-	-
46	FCR W base ROE	2021	-	-	-	\$	-	\$	-	-
47	W Increased ROE	2021	-	-	-	\$	-	\$	-	-
48	FCR W base ROE	2022	-	-	-	\$	-	\$	-	-
49	W Increased ROE	2022	-	-	-	\$	-	\$	-	-
50	FCR W base ROE	2023	-	-	-	\$	-	\$	-	-
51	W Increased ROE	2023	-	-	-	\$	-	\$	-	-
52	FCR W base ROE	2024	-	-	-	\$	-	\$	-	-
53	W Increased ROE	2024	-	-	-	\$	-	\$	-	-
54	FCR W base ROE	2025	-	-	-	\$	-	\$	-	-
55	W Increased ROE	2025	-	-	-	\$	-	\$	-	-
56		....	....	....	....	\$	48,252,257	\$	46,249,371	-
57		....	....	....	....	\$		\$		

\* For True-up use amounts in Step 6 of Attachment 6

Duquesne Light Company  
Attachment H 17A  
Attachment 8 - Depreciation Rates

(A)	(B)	(C)	(D)
Account Number	Depreciation Plant Base	Depreciation Rate	Depreciation Expense
<b>Transmission Plant</b>			
352-Major Structures	4,072,352	3.66	149,048
352-Minor Structures	3,570,948	2.63	93,916
353	197,785,331	3.02	5,973,117
354	66,964,279	2.23	1,493,303
355	10,945,270	2.15	235,323
356	45,659,859	1.84	840,141
357	62,213,613	1.95	1,213,165
358	42,056,863	1.39	584,590
359	4,354	3.19	139
Subtotal	433,272,868		10,582,744
<b>General Plant</b>			
390	97,026,438	3.67	3,560,870
391	7,518,782	20	1,503,756
391.1	5,149,875	5	257,494
392	45,515,161	9.1	4,141,880
393	2,763,065	3.33	92,010
394	12,300,091	4	492,004
395	4,526,540	5	226,327
396	1,083,230	6.1	66,077
397	54,173,322	6.67	3,613,361
398	499,084	5	24,954
Subtotal	230,555,589		13,978,733