

Formula Rate - Appendix A Estimate		Notes	FERC Form 1 Page # or Instruction	2009
------------------------------------	--	-------	-----------------------------------	------

Shaded cells are input cells

Allocators

1	Transmission Wages Expense		p354.21.b	3,614,871
2	Total Wages Expense		p354.28.b	53,003,877
3	Less A&G Wages Expense		p354.27.b	23,321,238
4	Total		(Line 2 - 3)	29,682,639
5			(Line 1 / Line 4)	12.1784%
Plant Allocation Factors				
6	Total Plant In Service	(Note B)	Attachment 5	2,615,977,285
7	Total Accumulated Depreciation	(Note A)	Attachment 5	831,258,580
8	Net Plant		(Line 6 - Line 7)	1,784,718,705
9	Transmission Gross Plant		(Line 21)	593,002,400
10	Gross Plant Allocator		(Line 9 / Line 6)	22.6685%
11	Transmission Net Plant		(Line 33)	439,403,834
12	Net Plant Allocator		(Line 11 / Line 8)	24.6203%

Plant Calculations

Plant In Service				
13	Transmission Plant In Service	(Note B)	Attachment 5	512,983,174
14	New Transmission Plant Additions and Retirements only for Annual Estimate	(Note B)	Attachment 6, Cols H + J + K	48,767,139
15	Total Transmission Plant In Service		(Line 13 + Line 14)	561,750,313
16	General & Intangible		Attachment 5	256,618,955
17	Common Plant (Electric Only)	(Note A)	Attachment 5	-
18	Total General & Common		(Line 16 + Line 17)	256,618,955
19	Wage & Salary Allocation Factor		(Line 5)	12.1784%
20	General & Common Plant Allocated to Transmission		(Line 18 * Line 19)	31,252,087
21	TOTAL Transmission-Related Plant In Service		(Line 15 + Line 20)	593,002,400
Accumulated Depreciation				
22	Transmission Accumulated Depreciation	(Note B)	Attachment 5	143,343,979
23	Accumulated Depreciation for Transmission Plant Additions Only for Estimate	(Note B)	Attachment 6, Col. O + Col. S + Col. W	408,151
24	Total Transmission Accumulated Depreciation		(Line 22 + Line 23)	143,752,131
25	Accumulated General Depreciation		Attachment 5	70,864,530
26	Accumulated Intangible Depreciation		Attachment 5	9,987,091
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)	80,851,621
30	Wage & Salary Allocation Factor		(Line 5)	12.1784%
31	General & Common Allocated to Transmission		(Line 29 * Line 30)	9,846,435
32	TOTAL Transmission-Related Accumulated Depreciation		(Line 24 + Line 31)	153,598,566
33	TOTAL Transmission-Related Net Property, Plant & Equipment		(Line 21 - Line 32)	439,403,834

Adjustment To Rate Base

Accumulated Deferred Income Taxes				
34	ADIT net of FASB 106 and 109	Enter Negative	Attachment 1, Col B, Line 9	(53,727,414)
35	Accumulated Deferred Income Taxes Allocated To Transmission		Line 34	(53,727,414)
CWIP for Incentive Transmission Projects				
36	CWIP Balance for Current Rate Year	(Note P)	Attachment 6, Col I	24,371,022
37	Total CWIP for Incentive Transmission Projects			24,371,022
38	Plant Held for Future Use	(Note C)	Attachment 5	-
Transmission O&M Reserves				
39	Total Balance Transmission Related Account 242 Reserves	Enter Negative	Attachment 5	(1,448,143)
Prepayments				
40	Prepayments	(Note A)	Attachment 5	210,099
41	Total Prepayments Allocated to Transmission		(Line 40)	210,099
Materials and Supplies				
42	Undistributed Stores Exp	(Note A)	Attachment 5	2,140,335
43	Wage & Salary Allocation Factor		(Line 5)	12.1784%
44	Total Transmission Allocated		(Line 42 * Line43)	280,659
45	Transmission Materials & Supplies		Attachment 5	1,731,924
46	Total Materials & Supplies Allocated to Transmission		(Line 44 + Line45)	1,992,583
Cash Working Capital				
47	Operation & Maintenance Expense		(Line 75)	15,823,666
48	1/8th Rule		x 1/8	12.5000%
49	Total Cash Working Capital Allocated to Transmission		(Line 47 * Line 48)	1,977,958
50	TOTAL Adjustment to Rate Base		(Lines 35 + 37 + 39 + 41 + 46 + 49)	(26,623,896)
51	Rate Base		(Line 33 + Line 50)	412,779,938

O&M

Transmission O&M				
52	Transmission O&M		p321.112.b	6,446,660
53	Less Account 565		p321.96.b	-
54	Plus PJM Schedule 12 Charges billed to DLC and booked to Account 565	(Note N)	PJM Data	-
55	Plus Net Transmission Lease Payments	(Note A)	p200.4.c	-
56	Transmission O&M		(Lines 52 - 53 + 54 + 55)	6,446,660
Allocated General & Common Expenses				
57	Common Plant O&M	(Note A)	p356	-
58	Total A&G		p323.197.b	80,414,449
59	Less PBOP Expense In Acct. 926 in Excess of Allowed Amount		Attachment 5	-
60	Less Property Insurance Account 924		p323.185.b	4,722,927
61	Less Regulatory Commission Expense Account 928	(Note E)	p323.189.b	7,226,226
62	Less General Advertising Expense Account 930.1		p323.191.b	1,016,336
63	Less EPRI Dues	(Note D)	p352-353	-
64	General & Common Expenses		(Lines 57 thru 58) - Sum (Lines 59 to 63)	67,448,960
65	Wage & Salary Allocation Factor		(Line 5)	12.1784%
66	General & Common Expenses Allocated to Transmission		(Line 64 * Line 65)	8,214,205
Directly Assigned A&G				
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	4,722,927
71	General Advertising Exp Account 930.1	(Note F)	Attachment 5	-
72	Total		(Line 70 + Line 71)	4,722,927
73	Net Plant Allocation Factor		(Line 12)	24.6203%
74	A&G Directly Assigned to Transmission		(Line 72 * Line 73)	1,162,801
75	Total Transmission O&M		(Lines 56 + 66 + 69 + 74)	15,823,666

Depreciation & Amortization Expense

Depreciation Expense				
76	Transmission Depreciation Expense		Attachment 8, Col. (D)	12,228,104
77	New plant Depreciation Expense only for Estimate	(Note B)	Attachment 6, Col. N + Col. R + Col. V	1,204,548
78	Total Transmission Depreciation Expense		(Line 76 + Line 77)	13,432,653
79	General Depreciation		Attachment 8, Col. (D)	14,418,590
80	Intangible Amortization	(Note A)	p336.1.f	2,023,606
81	Total		(Line 79 + Line 80)	16,442,196
82	Wage & Salary Allocation Factor		(Line 5)	12.1784%
83	General Depreciation Allocated to Transmission		(Line 81 * Line 82)	2,002,397
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)	12.1784%
88	Common Depreciation - Electric Only Allocated to Transmission		(Line 86 * Line 87)	-
89	Total Transmission Depreciation & Amortization		(Lines 78 + 83 + 88)	15,435,049

Taxes Other than Income

90	Taxes Other than Income		Attachment 2	1,074,983
91	Total Taxes Other than Income		(Line 90)	1,074,983

Return / Capitalization Calculations

Long Term Interest				
92	Long Term Interest	(Note Q)	Attachment 5	24,944,126
93	Amortization of Debt Discount and Expense		p117.63.c	732,331
94	Amortization of Loss on Reacquired Debt		p117.64.c	2,763,860
95	Less Amort of Gain on Reacquired on Debt-Credit		p117.65.c	-
96	Less Amort of Premium on Debt-Credit		p117.66.c	119,667
97	Interest on Debt to Associated Companies		p117.67.c	393,350
98	Total Long Term Debt Costs		(Sum lines 92 to 94) - Line 95 - Line 96 + Line 97	28,714,000
99	Preferred Dividends	Enter Positive	p118.29.c	8,214,539
Common Stock				
100	Proprietary Capital		p112.16.c	788,829,709
101	Less Accumulated Other Comprehensive Income Account 219		p112.15.c	(10,886,288)
102	Less Preferred Stock		(Line 110)	107,935,500
103	Less Account 216.1		p112.12.c	(15,541,035)
104	Common Stock		(Line 100 - (Sum Lines 101 to 103))	707,321,532
Capitalization				
105	Long Term Debt			
106	Bonds		Attachment 5	425,508,333
107	Less Loss on Reacquired Debt	Enter Negative	p111.81.c	(41,935,072)
108	Plus Gain on Reacquired Debt		p113.61.c	19,761
109	Total Long Term Debt		Sum (Lines 105 to Line 108)	383,593,022
110	Preferred Stock		p112.3.c	107,935,500
111	Common Stock		(Line 104)	707,321,532
112	Total Capitalization		(Sum Lines 109 to 111)	1,198,850,054
113	Debt %		(Line 109 / Line 112)	31.997%
114	Preferred %		(Line 110 / Line 112)	9.003%
115	Common %	(Note O)	(Line 111 / Line 112)	59.000%
116	Debt Cost		(Line 92 / Line 109)	0.0749
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)	0.0240
120	Weighted Cost of Preferred		(Line 114 * Line 117)	0.0052
121	Weighted Cost of Common		(Line 115 * Line 118)	0.0673
122	Total Return (R)		(Sum Lines 119 to 121)	0.0964
123	Investment Return = Rate Base * Rate of Return		(Line 51 * Line 122)	39,789,937
Composite Income Taxes				
Income Tax Rates				
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	$T = 1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$			41.4935%
128	$T / (1 - T)$			70.9212%
ITC Adjustment				
129	Amortized Investment Tax Credit	(Note I)	Attachment 1	(1,454,691)
130	$1 / (1 - T)$	Enter Negative	1 / (1 - Line 127)	170.9212%
131	Net Plant Allocation Factor		(Line 12)	24.6203%
132	ITC Adjustment Allocated to Transmission		(Line 129 * (1 + Line 130) * Line 131)	(970,304)
133	Income Tax Component = CIT = (T/1-T) * Investment Return * (1-(WCLTD/R)) =		[Line 128 * Line 123 * (1 - (Line 119 / Line 122))]	21,207,792
134	Total Income Taxes		(Line 132 + Line 133)	20,237,488

REVENUE REQUIREMENT

Summary			
135	Net Property, Plant & Equipment	(Line 33)	439,403,834
136	Adjustment to Rate Base	(Line 50)	(26,623,896)
137	Rate Base	(Line 51)	412,779,938
138	O&M	(Line 75)	15,823,666
139	Depreciation & Amortization	(Line 89)	15,435,049
140	Taxes Other than Income	(Line 91)	1,074,983
141	Investment Return	(Line 123)	39,789,937
142	Income Taxes	(Line 134)	20,237,488
143	Gross Revenue Requirement	(Sum Lines 138 to 142)	92,361,123
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
144	Transmission Plant In Service	(Line 13)	512,983,174
145	Excluded Transmission Facilities	(Note M) Attachment 5	-
146	Included Transmission Facilities	(Line 144 - Line 145)	512,983,174
147	Inclusion Ratio	(Line 146 / Line 144)	100.00%
148	Gross Revenue Requirement	(Line 143)	92,361,123
149	Adjusted Gross Revenue Requirement	(Line 147 * Line 148)	92,361,123
150	Revenue Credits	Attachment 3	5,068,978
151	Net Revenue Requirement	(Line 151)	87,292,145
Net Plant Carrying Charge			
152	Gross Revenue Requirement	(Line 143)	92,361,123
153	Net Transmission Plant	(Line 13 - Line 22)	369,639,195
154	Net Plant Carrying Charge	(Line 152 / Line 153)	24.9868%
155	Net Plant Carrying Charge without Depreciation	(Line 152 - Line 76) / Line 153	21.6787%
156	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 152 - Line 76 - Line 123 - Line 134) / Line 153	5.4392%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
157	Gross Revenue Requirement Less Return and Taxes	(Line 151 - Line 141 - Line 142)	32,333,698
158	Increased Return and Taxes	Attachment 4	64,190,042
159	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 157 + Line 158)	96,523,740
160	Net Transmission Plant	(Line 13 - Line 22)	369,639,195
161	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 159 / Line 160)	26.1130%
162	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	(Line 158 - Line 76) / Line 160	22.8048%
163	Net Revenue Requirement	(Line 151)	87,292,145
164	True-up amount	Attachment 6	(2,342,348)
165	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	Attachment 7	2,505,587
166	Facility Credits under Section 30.9 of the PJM OATT	Attachment 5	-
167	Net Zonal Revenue Requirement	Sum (Lines 163 to 166)	87,455,385
Network Zonal Service Rate			
168	1 CP Peak	(Note L) Attachment 5	2,732.00
169	Rate (\$/MW-Year)	(Line 167 / Line 168)	32,011.49
170	Network Service Rate (\$/MW/Year)	(Line 169)	32,011.49

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's 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.

END

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

Line #	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	
1 ADIT-190 (enter negative) - line 37	(148,466,915)	(123,735,453)	(148,466,915)	(34,566,031)	-	(911,649)	(112,989,235)	
2 ADIT- 282 - line 42	203,307,211	186,003,127	203,307,211	-	-	203,307,211	-	
3 ADIT- 233 - line 36	158,206,936	127,793,594	158,206,936	6,010,754	-	29,186,242	123,100,000	
4 Subtotal - Sum (line 1 + line 2 + line 3)	213,137,292	190,001,268	213,137,292	(28,555,277)	-	231,581,804	10,110,765	
5 Wages & Salary Allocator - Appendix A line 5								
6 Gross Plant Allocator - Appendix A line 10								
7 Transmission Allocator								
8 All other					100.00%	22,668,595	12,178,4%	
9 ADIT	59,727,414			0.00%				
				line 8 * line 4	line 7 * line 4	line 6 * line 4	line 5 * line 4	
	16,511,886	<from Acct 283 below				52,496,085	1,237,330	Enter Column B as a negative on Appendix A, line 34. (Column B = Sum of Columns F through H)

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, 262 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. E905-1649 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	G
	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	Justification
ADIT-190	141,938	141,938	141,938				141,938	
10 Vacation Pay	746,883	746,883	746,883	746,883				Vacation pay earned and expensed for books, tax deduction when paid - employees in all functions
11 Reserve for Healthcare	2,744,841	2,744,841	2,744,841	2,744,841				Sell insurance reserve expanded for books, tax deduction when paid - employees in all functions
12 Reserve for Compensated Absences	111,214	111,214	111,214					Vacation pay accrued and expensed for books, tax deduction when paid - employees in all functions
13 Severance Pay	15,747,845	20,330,682	15,747,845				15,747,845	Book expenses related to 2001 workforce reduction, tax deduction when paid - related to all functions
14 FAS 106	110,400,000	90,500,000	110,400,000				110,400,000	FAS 106 retirement benefit liability
15 Pension	4,968,769	4,968,769	4,968,769	4,968,769				Book accrual for pension contributions
16 Pension Regulatory Liability	12,007,331	11,207,001	12,007,331	12,007,331				Regulatory liability associated with adoption of FAS 158
17 Derivative Instruments	9,049,412	9,143,352	9,049,412	9,049,412				Mark to market of derivative purchase contracts
18 Warwick Mine Closing Costs	903,449	1,508,908	903,449					Book expense for bad debts, tax deduction when fully written-off and all collection efforts abandoned - relates to all functions
19 Bad Debt Reserve Amount	1,896,114	829,030	1,896,114	1,896,114				Costs expensed related to 2000 generation asset sale, tax deduction when paid
20 Stock Investments	435,682	577,110	435,682	435,682				Book expense for bad debts, tax deduction when fully written-off and all collection efforts abandoned - relates to all functions
21 Unamortized ITC	8,200	57,854	8,200			8,200		Duquesne Light Co. investment in parent Company stock, not taxable within related group
22 Capital Stock Tax	769,740	1,156,029	769,740	769,740		903,449		Investment Tax credit benefit recognized for tax, deferred and amortized ratably for books
23 Gross Receipts Tax	1,743,756	1,447,827	1,743,756	1,743,756				Book capital stock estimate accrued and expensed, tax deduction when paid - related to all functions
24 Accrued PURTA	582,341	727,926	582,341					Book gross receipts tax estimate accrued and expensed, tax deduction when paid - relates to all functions
25 Accrued Sales and Use Tax	100,399	125,739	100,399					Book PURTA tax estimate accrued and expensed, tax deduction when paid - relates to all functions
26 Unamortized Gain on Required Debt	1,761,617	1,084,018	1,761,617					Book sales & use tax estimate accrued and expensed, tax deduction when paid - relates to all functions
27 Reserve - legacy issues	685,680	685,680	685,680					Gain recognized for tax purposes, deferred and recognized ratably for book purposes - relates to all functions
28 Provision for injuries and damages	164,214,560	144,066,135	164,214,560					Book reserve related to environmental remediation for generation assets, tax deductible when paid
29 Accrued Rent	582,341	727,926	582,341					Reserve expensed for books, tax deduction when paid - employees in all functions
30 ITRON settlement	100,399	125,739	100,399					Rent accrued on corporate headquarters, tax deduction when paid - relates to all functions
31 Aff Housing tax recapture bond	685,680	685,680	685,680					Investment recovery included in taxable income when received, deferred for book purposes - relates to all functions
32 Legal Accrual	1,761,617	824,436	1,761,617					Accrued bond expenses, tax deduction when paid
33 Accrued Misc Reserves	164,214,560	144,066,135	164,214,560					Legal reserve expensed for books, tax deduction when paid - relates to all functions
34 Subtotal - 2524 (Sum line 10 through line 33)	164,214,560	144,066,135	164,214,560	34,566,031		911,649	128,736,880	Accrued miscellaneous items included in account 190

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

	A	B	C	D	E	F	G	H	G
	End of Year Total	Beg of Year Total	End of Year Average for Final	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification	
35 Less FASB 106 Above if not separately removed	-	-	-	-	-	-	-	-	-
36 Less FASB 106 Above if not separately removed	15,747,645	20,330,682	15,747,645	34,566,031	-	911,649	15,747,645	Property Basis difference resulting from accelerated tax depreciation versus depreciation used for retooling purposes - relates to all functions	
37 Total = Line 34 - (Line 35 + line 36)	148,466,915	123,735,453	148,466,915	-	-	-	112,980,235		
ADIT-282									
38 Accelerated Depreciation	203,307,211	186,003,127	203,307,211	-	-	203,307,211	-		
39 Subtotal - p275	203,307,211	186,003,127	203,307,211	-	-	203,307,211	-		
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)	203,307,211	186,003,127	203,307,211	-	-	203,307,211	-		

	A	B	C	D	E	F	G	H	G
	End of Year Total	Beg of Year Total	End of Year Average for Final	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification	
ADIT-283									
43 Property Depreciation	126,178,830	124,733,466	126,178,830	-	-	126,178,830	-	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 Resequelition	19,511,886	16,545,279	16,511,866	-	-	16,511,866	-	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 gross-up	95,387,679	95,242,676	95,387,679	-	-	95,387,679	-	Gross-up for income tax due on FAS 109 property basis differences, taxable when received - relates to all functions.	
46 Partnership Investments	1,571,790	1,447,104	1,571,790	1,571,790	-	-	-	Difference in book versus tax basis in partnership investments.	
47 Regulatory Assets	2,744,841	2,744,841	2,744,841	2,744,841	-	-	-	Asset due to rate regulated capitalization of incurred costs that would otherwise be charge to expense.	
48 State Income Taxes	5,623,149	2,668,120	5,623,149	-	-	5,623,149	-	Book state income tax accrued and expensed, tax deduction when paid - relates to all functions.	
49 Pension Regulatory asset	123,100,000	96,400,000	123,100,000	-	-	123,100,000	-	Regulatory asset associated with adoption of FAS 158.	
50 Prepaid Pension Cost	7,051,207	6,518,073	7,051,207	-	-	7,051,207	-	Pension assets/liabilities associated with FAS 87.	
51 FIN 48 Tax Reserve	1,894,123	1,410,171	1,894,123	1,894,123	-	-	-	Plant related tax reserves.	
52 Other	379,863,505	347,769,736	379,863,505	6,010,754	-	280,752,753	123,100,000	IRS Cycle Adjustments and Reserve for Obsolescence.	
53 Subtotal - p277 (Form 1-F filer; see note 5, below)	221,566,509	219,976,142	221,566,509	-	-	221,566,509	-		
54 Less FASB 106 Above if not separately removed	-	-	-	-	-	-	-		
55 Less FASB 106 Above if not separately removed	-	-	-	-	-	-	-		
56 Total = Line 53 - (Line 55 + line 54)	156,296,956	127,793,594	156,296,956	6,010,754	-	29,186,242	123,100,000		

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.

<i>Other Taxes</i>	FERC Form No. 1 Page 263 Col (j)	<i>Allocator</i>	<i>Allocated Amount</i>
Plant Related		Gross Plant Allocator	
1 PA Capital Stock Tax	line 15	2,221,713	
2 Real Estate	line 33	380,000	
3 PA PURTA	line 13	<u>(85,228)</u>	
4 Total Plant Related -- Sum of line 1 through line 3		2,516,485	22.6685% \$ 570,449
		Wages & Salary Allocator	
5 Federal Unemployment	line 4	32,811	
6 FICA	line 5	3,647,277	
7 PA Unemployment	line 18	201,498	
8 City of Pittsburgh	line 34	<u>261,272</u>	
9 Total Labor Related-- Sum of line 5 through line 8		4,142,858	12.1784% \$ 504,534
Other Excluded		All other	
10 Highway Use	line 6	-	
11 Excise Tax on Coal	line 7	-	
12 PA Gross receipts Tax	line 14	47,403,579	
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	<u>(1,117,354)</u>	
18 WV Franchise	line 26	-	
19 WV Income	line 27	-	
20 Gross Receipts	line 32	<u>-</u>	
21 Total Excluded		46,286,225	0.00%
22 Total (line 4 + line 9 + line 21)		52,945,568	\$ 1,074,983
23 Total 'Other' Taxes included on p.114.14c		<u>52,945,568</u>	
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		10,438,787
2 Rent from Electric Property - Transmission Related (Notes 3 & 8)		-
3		
4 Customer Choice - EGS Transmission	See Note 5	45,172,277
5 Other Electric Revenues	See Note 6	603,202
6 SECA Credits - Other EGS	See Note 7	-
7 Schedule 1A		739,446
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)		1,640,409
6 PTP Serv revs for which the load is not included in the divisor received by TO		2,401,123
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	Sum Lines 7 to 11 + line 3	5,068,978
13 Less line 20	- line 20	-
14 Total Revenue Credits	line 12 + line 13	5,068,978

15 Revenues associated with lines 15 thru 20 are to be included in lines 1-10 and total of those revenues entered here		-
16 Income Taxes associated with revenues in line 15		-
17 One half margin (line 15 - line 16)/2		-
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		-
20 Line 15 less line 19		-

- 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	-	3,519,824
Joint pole attachments - cable	-	2,098,770
Underground rentals	-	3,179,884
Transmission tower wireless rentals	-	454,413
Other rentals	-	114,968
Corporate headquarters sublease	-	140,347
Misc non-transmission services	-	160,996
Customer commitment services (Account 454.02 & 454.03)	-	769,585
<u>Total</u>	-	<u>10,438,787</u>
Account 456	Include	Exclude
Customer Choice - EGS transmission (300.22.b)		45,172,277
Other electric revenues (300.21.b)		603,202
SECA credits		-
Transmission Revenue - AES/APS (Accounts 456.1 & 456.11)	2,401,123	
Transmission Revenue - Piney Fork	288,000	
Transmission Revenue - Firm (Account 456.32)	1,350,943	
Transmission Revenue - Non-Firm	289,466	
Dominion Marketing Revenue (Account 456.12)		201,662
xxxx		
xxxx		
<u>Total</u>	<u>4,329,532</u>	<u>45,977,141</u>

A	100 Basis Point Increase in ROE and income Taxes	Line 12 + Line 23	64,190,042
B	100 Basis Point Increase in ROE		1.00%

Return Calculation

1	Rate Base	Appendix A, Line 51	412,779,938
2	Debt % (Line 109 / Line 112)	Appendix A, Line 113	32.0%
3	Preferred % (Line 110 / Line 112)	Appendix A, Line 114	9.0%
4	Common % (Line 111 / Line 112)	Appendix A, Line 115	59.0%
5	Debt Cost (Line 92 / Line 109)	Appendix A, Line 116	7.49%
6	Preferred Cost (Line 99 / Line 110)	Appendix A, Line 117	5.78%
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	0.0240
9	Weighted Cost of Preferred (Line 114 * Line 117)	Appendix A, Line 120	0.0052
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	0.1023
12	(Line 51 * Line 122)	Line 11 * Line 1	42,225,338

Composite Income Taxes

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%
ITC Adjustment			
18	Amortized Investment Tax Credit; enter negative Attachment 1	Appendix A, Line 129	(1,454,691)
19	$1/(1-T)$	Appendix A, Line 130	170.92%
20	Net Plant Allocation Factor (Line 12)	Appendix A, Line 131	24.6203%
21	ITC Adjustment Allocated to Transmission (Line 129 * (1 + Line 130) * Line 131)	Appendix A, Line 132	(970,304)
22	Income Tax Component = $CIT = (T/(1-T)) * Investment\ Return * (1 - (WCLTD/R)) =$	Line 17 * Line 12 * (1 - (Line 8 / Line 11))	22,935,008
23	Total Income Taxes	(Line 132 + Line 133)	21,964,704

Plant In Service Worksheet		Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Balance For True up	Balance for Estimate
		Source			
13	Calculation of Transmission Plant In Service				
	December	p206.58 b	For 2008	445,086,821	
	January	Company Records	For 2009	445,977,447	
	February	Company Records	For 2009	446,095,753	
	March	Company Records	For 2009	450,422,249	
	April	Company Records	For 2009	451,041,095	
	May	Company Records	For 2009	460,689,652	
	June	Company Records	For 2009	489,717,203	
	July	Company Records	For 2009	465,436,756	
	August	Company Records	For 2009	466,698,021	
	September	Company Records	For 2009	468,152,265	
	October	Company Records	For 2009	473,068,158	
	November	Company Records	For 2009	487,325,020	
	December	p207.58.g	For 2009	512,983,174	512,983,174
	Transmission Plant In Service			464,045,663	512,983,174
	Calculation of Distribution Plant In Service				
	December	p206.75.b	For 2008	1,779,820,298	
	January	Company Records	For 2009	1,781,246,817	
	February	Company Records	For 2009	1,784,738,831	
	March	Company Records	For 2009	1,803,750,773	
	April	Company Records	For 2009	1,810,469,705	
	May	Company Records	For 2009	1,814,181,636	
	June	Company Records	For 2009	1,817,864,221	
	July	Company Records	For 2009	1,821,857,073	
	August	Company Records	For 2009	1,821,964,658	
	September	Company Records	For 2009	1,828,479,113	
	October	Company Records	For 2009	1,839,730,294	
	November	Company Records	For 2009	1,856,565,317	
	December	p207.75.g	For 2009	1,846,375,156	1,846,375,156
	Distribution Plant In Service			1,815,923,707	1,846,375,156
16	Calculation of Intangible Plant In Service				
	December	p204.5.b	For 2008	11,366,431	
	December	p205.5.g	For 2009	10,334,654	10,334,654
	Intangible Plant In Service			10,850,643	10,334,654
16	Calculation of General Plant In Service				
	December	p206.99.b	For 2008	236,477,190	
	December	p207.99.g	For 2009	246,284,301	246,284,301
	General Plant In Service			241,360,746	246,284,301
	Calculation of Production Plant In Service				
	December	p204.46b	For 2008	-	
	January	Company Records	For 2009	-	
	February	Company Records	For 2009	-	
	March	Company Records	For 2009	-	
	April	Company Records	For 2009	-	
	May	Company Records	For 2009	-	
	June	Company Records	For 2009	-	
	July	Company Records	For 2009	-	
	August	Company Records	For 2009	-	
	September	Company Records	For 2009	-	
	October	Company Records	For 2009	-	
	November	Company Records	For 2009	-	
	December	p205.46.g	For 2009	-	
	Production Plant In Service			-	-
17	Calculation of Common Plant In Service				
	December (Electric Portion)	Source	For 2008	-	
	December (Electric Portion)	p356	For 2009	-	
	Common Plant In Service			-	-
6	Total Plant In Service	Sum of averages above		2,532,202,658	2,615,977,285

Details

Accumulated Depreciation Worksheet		Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Balance For True up	Balance For Estimate	Details
Calculation of Transmission Accumulated Depreciation		Source				
22	December	Prior year p219		137,086,562	143,343,979	
	January	Company Records	For 2008	137,780,668	140,147,454	
	February	Company Records	For 2009	138,765,192		
	March	Company Records	For 2009	138,746,688		
	April	Company Records	For 2009	139,416,085		
	May	Company Records	For 2009	140,383,221		
	June	Company Records	For 2009	141,076,484		
	July	Company Records	For 2009	138,606,387		
	August	Company Records	For 2009	140,516,855		
	September	Company Records	For 2009	141,215,011		
	October	Company Records	For 2009	141,875,430		
	November	Company Records	For 2009	142,424,891		
	December	Company Records	For 2009	143,343,979	143,343,979	
	December	p219,25		140,147,454	143,343,979	
	Transmission Accumulated Depreciation					
	December	Source		603,444,523		
	January	Prior year p219,26	For 2008	606,013,429		
	February	Company Records	For 2009	608,953,756		
	March	Company Records	For 2009	611,680,209		
	April	Company Records	For 2009	612,024,920		
	May	Company Records	For 2009	614,707,754		
	June	Company Records	For 2009	617,013,045		
	July	Company Records	For 2009	618,065,604		
	August	Company Records	For 2009	616,411,049		
	September	Company Records	For 2009	618,646,630		
	October	Company Records	For 2009	620,883,810		
	November	Company Records	For 2009	622,953,894		
	December	Company Records	For 2009	607,062,980	607,062,980	
	December	p219,26		613,657,046	607,062,980	
	Distribution Accumulated Depreciation					
	December	Source		12,446,305		
	December	Prior year p200,21.c	For 2008	9,987,091	9,987,091	
	December	p200,21c	For 2009	11,216,698	9,987,091	
26	December	Source		64,296,770		
	December	Prior year p219	For 2008	70,864,530	70,864,530	
	December	p219,28	For 2009	67,680,650	70,864,530	
25	December	Source		-		
	January	Prior year p219	For 2008	-		
	February	Company Records	For 2009	-		
	March	Company Records	For 2009	-		
	April	Company Records	For 2009	-		
	May	Company Records	For 2009	-		
	June	Company Records	For 2009	-		
	July	Company Records	For 2009	-		
	August	Company Records	For 2009	-		
	September	Company Records	For 2009	-		
	October	Company Records	For 2009	-		
	November	Company Records	For 2009	-		
	December	Company Records	For 2009	-		
	December	p219,20 thru 219,24	For 2009	-		
	Production Accumulated Depreciation					
	December	Source		-		
	December	p356	For 2008	-		
	December	p356	For 2009	-		
28	December	Sum of averages above		832,601,848	831,258,560	
7	December	Sum of averages above		832,601,848	831,258,560	

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
Plant Allocation Factors							
26	Accumulated Intangible Depreciation	p200.21.c		9,987,091	9,987,091		
27	Accumulated Common Amortization - Electric	p356		-	-		
28	Common Plant Accumulated Depreciation (Electric Only)	p356		-	-		
17	Plant In Service						
	Common Plant (Electric Only)						
	Materials and Supplies						
42	Undistributed Stones Exp	p227.6c & 15.c		2,140,335	2,140,335		
55	Allocated General & Common Expenses	p200.4.p		-	-		
57	Plus Net Transmission Lease Payments	p356		-	-		
	Common Plant O&M						
	Depreciation Expense						
80	Intangible Amortization	p336.1d&e		2,023,606	2,023,606		
84	Common Depreciation - Electric Only	p336.11.b		-	-		
85	Common Amortization - Electric Only	p356 or p336.11d		-	-		

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
33	Plant Held for Future Use	p214		109,135	-	-	
	Total			109,135	-	-	
	Non-transmission Related			-	-	-	
	Transmission Related			109,135	-	-	54,568

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			2,615,977,285			
	Total Plant In Service	p207.104.g					
13	Plant In Service						
	Transmission Plant In Service	p207.58.g		512,983,174			
17	Common Plant (Electric Only)	p356		-			
	Accumulated Depreciation						
22	Transmission Accumulated Depreciation	p219.25.c		143,343,979			

PBOPs 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)			16,461,810	4,484,684	11,977,126	Prior Year
	Account 926 (Current Year)			19,609,439	4,456,461	15,152,978	Current Year
	Change in PBOP Expense			3,147,629	(28,223)	3,175,852	
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 188 by 1000 and by 12 =			3			
3	Multiply Transmission Net Revenue Requirement (Appendix A, line 185) by ratio of line 1 over line 2			1,639,200			
4	Divide line 3 by the wage & salary allocator (Appendix A, line 5)			13,459,894			This is the increase in PBOP expense permitted in the current year.
5	Subtract line 4 from the Change in PBOP expense shown above			(13,488,117)			
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			-	-	
	Less EPRI Dues					p362-363

Regulatory Expense Related to Transmission Cost Support

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Form 1 Amount	Transmission Related	Non-transmission Related	Details
67	Directly Assigned A&G Regulatory Commission Exp Account 928 p323.189.b	7,226,226	-	7,226,226	FERC Annual Assessment

Safety Related Advertising Cost Support

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Form 1 Amount	Safety Related	Non-safety Related	Details
68	Directly Assigned A&G General Advertising Exp Account 930.1 p323.191.b	1,016,336	-	1,016,336	None

MultiState Workpaper

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	State 1	State 2	State 3	State 4	State 5	Details
125	Income Tax Rates SIT=State Income Tax Rate or Composite	PA 9.99%					

Education and Out Reach Cost Support

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Form 1 Amount	Education & Outreach	Other	Details
68	Directly Assigned A&G General Advertising Exp Account 930.1 p323.191.b	1,016,336	-	1,016,336	None

Excluded Plant Cost Support

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Excluded Transmission Facilities	Description of the Facilities
145	Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities Excluded Transmission Facilities	0	General Description of the Facilities
	Instructions: 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. 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: 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))) Example 1,000,000 600,000 400,000 444,444	Enter \$ Or Enter \$	None Add more lines if necessary

Transmission Related Account 242 Reserves

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	Allocation	Trans Rlt'd	Details
39 Transmission Related Account 242 Reserves (exclude current year environmental site related reserves) Directly Assignable to Transmission		Enter \$				Amount	
	Accrued FERC Assessment	-	-	-	100%	-	
	Labor Related, General plant related or Common Plant related	2,598,624	2,252,054	2,252,054			
	Accrued Payroll	2,663,925	2,700,182	2,700,182			
	Accrued Vacations	342,072	328,191	328,191			
	Accrued Legal Settlements	2,612,500	1,652,500	1,652,500			
	Employee Benefits	7,188,566	4,958,148	4,958,148			
		15,323,587	11,891,075	11,891,075	12.18%	1,448,143	
	Other	8,061,775	6,996,322	6,996,322			
	Incentive Compensation Accrual	6,615,111	6,612,695	6,612,695			
	Accrued Compensated Absences	303,033	241,963	241,963			
	Affordable Housing Receipture	-	1,500,000	1,500,000			
	Regulatory Commitment	-	2,000,000	2,000,000			
	Counterparty Collateral	-	2,537,259	2,537,259			
	Other	14,973,919	19,888,239	19,888,239	0.00%	-	
	Total Transmission Related Reserves	30,305,506	31,779,314	31,779,314		1,448,143	

Prepayments

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	Allocation	Trans Rlt'd	Details
49 Prepayments Labor Related						To Line 45	
	Prepaid Federal Highway Use Tax	6,230	3,039	3,039	12.178%	370	
	Infrastructure Improvement Program Project Insurance	40,871	7,500	7,500	12.178%	913	
	Workman's Compensation	145,166	11,352	11,352	12.178%	1,382	
	Director's & Officer's Liability	168,160	-	-	12.178%	-	
	Excess General Liability	2,121,680	-	-	12.178%	-	
	Misc	1,173,566	830,279	830,279	12.178%	101,115	
	Other	747,164	694,038	694,038	0.000%	-	
	Plant Related	322,367	431,831	431,831	24.620%	106,318	
		4,723,184	1,978,039	1,978,039		210,099	

Materials & Supplies		End of Year for Est. Average for Final	End of Year	Allocation	Related
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	End of Year for Est. Average for Final	End of Year	Allocation	Related	Description & PJM Documentation
Assigned to O&M Stores Expense Undistributed Undistributed Stores Exp	p227.6 p227.16	1,801,836 -	2,140,335 -	2,140,335 -	2,140,335 -
42		1,801,836	2,140,335	2,140,335	2,140,335
45	Transmission Materials & Supplies p227.8	2,104,149	1,731,924	1,731,924	1,731,924
Adjustments to Transmission O&M		Total	Allocation	Related	
55	Plus Net Transmission Lease Payments				
Facility Credits under Section 30.9 of the PJM OATT					
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Amount	Description & PJM Documentation		
166	Net Revenue Requirement Facility Credits under Section 30.9 of the PJM OATT	-			
PJM Load Cost Support					
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		1 CP Peak	Description & PJM Documentation		
168	Network Zonal Service Rate 1 CP Peak	2.732	Attachment 5		
Cost of Long Term Debt					
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Amount	D	E	F
92	Long Term Interest	24,944,126			
105	Long Term Debt	425,508,333			
			Months Outstanding	Weights Outstanding (C-D/E)	Interest
Act	List all Bonds in Accounts 221 thru 224				
221	6.70% 1st Mort Bond due 4/15/12	200,000,000	12	200,000,000	13,400,000
221	6.57% 1st Mort Bond due 2/15/14	100,000,000	10	83,333,333	5,438,500
224	Allegheny County Industrial Development:				
224	4.35% 1999 Series A due 2013	50,000,000	12	50,000,000	2,175,000
224	4.05% 1999 Series B due 2011	47,925,000	12	47,925,000	1,940,963
224	Beaver County Industrial Development:				
224	1999 Series B due 2020 Variable Interest Rates	13,700,000	-	-	(79)
224	1999 Series C due 2033 Variable Interest Rates	10,000,000	-	-	(104)
224	1999 Series D due 2029 Variable Interest Rates	44,250,000	12	44,250,000	1,991,250
224	1999 Series E due 2031 Variable Interest Rates	25,000,000	-	-	(144)
224	1999 Series F due 2031 Variable Interest Rates	75,900,000	-	-	(434)
224	Authorities Pollution Control Revenue Bonds:				
224	1999 Series A due 2031 Variable Interest Rates	71,000,000	-	-	(408)
224	1999 Series B due 2031 Variable Interest Rates	13,500,000	-	-	(78)
224	1999 Series C due 2027 Variable Interest Rates	20,500,000	-	-	(118)
224	1999 Series D due 2031 Variable Interest Rates	33,955,000	-	-	(195)
224	1999 Series E due 2031 Variable Interest Rates	4,655,000	-	-	(27)
	Total			425,508,333	24,944,126

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 8 - Estimate and Reconciliation Worksheet

	(L) = H Total Other Project PIS	(M) Composite Trans Deprec Rate	(N) = L * M Depreciation Expense	(O) Accum Deprec	(F) = J Total Project X PIS	(G) Composite Trans Deprec Rate	(R) = P * Q Depreciation Expense	(S) Accum Deprec	(T) = K Allegheny SS PIS	(U) Composite Trans Deprec Rate	(V) = T * U Depreciation Expense	(W) Accum Deprec
DEC	0	0.19%	-	-	-	0.19%	-	-	-	0.19%	-	-
Jan	0	0.19%	-	-	-	0.19%	-	-	-	0.19%	-	-
Feb	0	0.19%	-	-	-	0.19%	-	-	-	0.19%	-	-
Mar	0	0.19%	-	-	-	0.19%	-	-	-	0.19%	-	-
Apr	0	0.19%	-	-	-	0.19%	-	-	-	0.19%	-	-
May	0	0.19%	-	-	-	0.19%	-	-	-	0.19%	-	-
Jun	0	0.19%	-	-	-	0.19%	-	-	-	0.19%	-	-
Jul	0	0.19%	-	-	-	0.19%	-	-	-	0.19%	-	-
Aug	0	0.19%	-	-	-	0.19%	-	-	-	0.19%	-	-
Sep	0	0.19%	-	-	-	0.19%	-	-	-	0.19%	-	-
Oct	0	0.19%	-	-	-	0.19%	-	-	-	0.19%	-	-
Nov	0	0.19%	-	-	-	0.19%	-	-	-	0.19%	-	-
Dec	0	0.19%	-	-	-	0.19%	-	-	-	0.19%	-	-
Total	0	0.19%	-	-	-	0.19%	-	-	-	0.19%	-	-

13 mo. Avg accumulated depreciation = Col O + Col S + Col W
Depreciation Expense = Col N + Col R + Col V
goes to line 22 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 96) 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 FEREC Form 1.

\$ 77,660,072 Rev Rec'd 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) Other Project PIS	(B) other retirements	(C) Project X CWIP	(D) Project X PIS	(E) Project X PIS retirements	(F) Allegheny SS PIS	(G) Allegheny SS Retirements	(I) Accumulated Balance		(K) Allegheny SS PIS	Total
								Other Project PIS	Project X PIS		
Dec	258,709	(376,412)	989,965	010,071	-	-	-	(19,846)	96,240,982	96,454,881	-
Jan	422,114	(11,115)	4,480,217	(262,033)	-	-	-	391,352	40,229,947	96,394,652	-
Feb	187,095	(1,042,091)	(1,963,298)	5,161,402	-	-	-	44,985,194	44,985,194	96,071,090	-
Mar	41,624	(42,323)	7,192,300	6,10,545	-	-	-	(484,343)	46,029,207	104,255,652	-
Apr	220,738	-	(6,905,194)	9,327,818	-	-	-	(243,805)	46,316,013	114,200,817	-
May	(990,113)	(135,231)	2,526,864	2,671,177	-	-	-	(1,369,949)	53,630,858	114,463,711	-
Jun	4,537,540	(1,488,194)	5,877,800	106,757	-	-	-	1,676,427	56,357,822	117,124,688	-
Jul	1,051,063	(116,837)	3,306,634	1,212,760	-	-	-	2,613,674	62,238,786	117,231,045	-
Aug	802,032	(390,765)	5,951,146	3,977,751	-	-	-	2,784,643	65,542,722	116,444,405	-
Sep	1,024,968	(817,286)	6,951,146	5,977,751	-	-	-	4,092,702	72,493,969	122,122,156	-
Oct	6,146,916	(1,466,765)	26,155,268	26,155,268	-	-	-	10,990,317	79,415,469	126,472,402	-
Nov	(4,226,745)	(18,472)	(21,454,716)	26,155,268	-	-	-	9,654,700	81,965,743	126,472,402	-
Dec	(4,226,745)	(18,472)	(21,454,716)	26,155,268	-	-	-	2,221,327	83,809,550	115,297,202	-
Total	10,556,603	-	12,716,781	60,167,779	-	-	-	2,221,327	83,809,550	115,297,202	171,177,029

13 month avg of new plant additions = Col H + Col J + Col K
117,469,229

End of Year balance new plant additions = Col A + Col D + Col F
71,548,379

13 month avg of current year changes to CWIP = Col I
53,689,500

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

	(L) = H Total Other Project PIS	(M) Composite Trans Deprct Rate	(N) = L * M Depreciation Expense	(C) Accum Deprac	(P) = J Total Project X PIS	(R) = P * Q Composite Trans Deprct Rate	(S) Depreciation Expense	(T) = K Allegheny SS PIS	(U) Composite Trans Deprct Rate	(V) = T * U Depreciation Expense	(W) Accum Deprac
DEC		0.19%				0.19%			0.19%		
Jan	(16,646)	0.19%	(37)		99,484,291	0.19%	187,063	3,707,431	0.19%	3,707,431	
Feb	361,352	0.19%	744	(37)	99,394,052	0.19%	186,793	3,696,224	0.19%	3,696,224	
Mar	(463,644)	0.19%	(861)	708	99,071,660	0.19%	186,523	3,685,016	0.19%	3,685,016	
Apr	(464,343)	0.19%	(862)	(1,152)	104,253,452	0.19%	186,252	4,282,540	0.19%	4,282,540	
May	(243,605)	0.19%	(465)	(1,520)	104,672,997	0.19%	186,269	4,681,801	0.19%	4,681,801	
Jun	(1,356,949)	0.19%	(2,601)	(4,121)	114,200,817	0.19%	219,362	4,693,782	0.19%	4,693,782	
Jul	1,079,427	0.19%	3,191	(6,930)	117,124,688	0.19%	217,462	4,916,245	0.19%	4,916,245	
Aug	1,079,427	0.19%	3,191	4,038	117,231,645	0.19%	222,537	5,138,782	0.19%	5,138,782	
Sep	2,781,943	0.19%	7,271	6,320	118,444,408	0.19%	225,740	5,381,522	0.19%	5,381,522	
Oct	4,092,702	0.19%	10,621	1,112	122,422,158	0.19%	232,032	5,818,598	0.19%	5,818,598	
Nov	10,092,317	0.19%	20,649	59,025	159,474,127	0.19%	245,088	6,044,598	0.19%	6,044,598	
Dec	6,654,100	0.19%	12,643	59,844	159,498,167	0.19%	245,088	6,044,598	0.19%	6,044,598	
Total			50,644	3,014	113,267,202		2,066,037	4,394,232			

7

Apr/3

Year 3

Reconciliation - TO calculates the true up amount by subtracting the results of Step 0 by Step 3.

Result of Step 0	\$ 29,063,693
Result of Step 3	\$ (2,265,755)
True up w/o interest	\$ 26,797,938
1st year	\$ (188,755)

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

Duquesne Light Company
 Attachment H - 17A
 Attachment 9 - 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 184 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

Month	Yr	1/12 of Step 7	0.27000% Interest 35,199 for and 35,199	Months	Interest	Refunds Owed
Jun	Year 1	(188,755)	0.27000%	11.5	(5,891)	(164,616)
Jul	Year 1	(188,755)	0.27000%	10.5	(5,461)	(164,109)
Aug	Year 1	(188,755)	0.27000%	9.5	(5,031)	(163,602)
Sep	Year 1	(188,755)	0.27000%	8.5	(4,602)	(163,095)
Oct	Year 1	(188,755)	0.27000%	7.5	(4,172)	(162,588)
Nov	Year 1	(188,755)	0.27000%	6.5	(3,743)	(162,081)
Dec	Year 1	(188,755)	0.27000%	5.5	(3,313)	(161,574)
Jan	Year 2	(188,755)	0.27000%	4.5	(2,884)	(161,067)
Feb	Year 2	(188,755)	0.27000%	3.5	(2,454)	(160,560)
Mar	Year 2	(188,755)	0.27000%	2.5	(2,025)	(160,053)
Apr	Year 2	(188,755)	0.27000%	1.5	(1,595)	(159,546)
May	Year 2	(188,755)	0.27000%	0.5	(1,166)	(159,039)
Total		(2,265,058)			(255)	(188,010)
						(2,301,752)
Jun	Year 2	Balance (2,301,752)	Interest 0.27000%	Amort (165,160)	Balance (2,112,771)	
Jul	Year 2	(2,112,771)	0.27000%	(165,160)	(1,923,290)	
Aug	Year 2	(1,923,290)	0.27000%	(165,160)	(1,733,277)	
Sep	Year 2	(1,733,277)	0.27000%	(165,160)	(1,542,761)	
Oct	Year 2	(1,542,761)	0.27000%	(165,160)	(1,351,731)	
Nov	Year 2	(1,351,731)	0.27000%	(165,160)	(1,160,185)	
Dec	Year 2	(1,160,185)	0.27000%	(165,160)	(968,122)	
Jan	Year 3	(968,122)	0.27000%	(165,160)	(775,541)	
Feb	Year 3	(775,541)	0.27000%	(165,160)	(582,433)	
Mar	Year 3	(582,433)	0.27000%	(165,160)	(389,316)	
Apr	Year 3	(389,316)	0.27000%	(165,160)	(194,470)	
May	Year 3	(194,470)	0.27000%		0	
Total with interest					(2,342,348)	

The difference between the Reconciliation in Step 6 and the forecast in Prior Year with interest
 Plus result in line 184 of the formula for Year 2 rate

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

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) Allegheny SS PIS	(G) Allegheny SS Retirements	(H) Accumulated Balance Other Project PIS	(I) Project X CWIP	(J) Project X PIS	(K) Allegheny SS PIS	Total
Dec	(1,888,798)	-	275,937	3,450,252	-	-	-	(1,888,798)	57,890,743	3,450,252	-	-
Jan	(1,444,683)	-	2,747,494	1,227,211	-	-	-	(1,444,683)	52,293,060	4,677,463	-	-
Feb	(1,844,853)	-	2,103,000	9,204,506	-	-	-	(1,741,868)	54,354,114	8,576,910	-	-
Mar	5,565,798	-	(7,618,000)	23,200,888	-	-	-	5,098,971	55,382,075	17,871,409	-	-
Apr	282,500	-	(21,764,000)	1,287,889	-	-	-	6,981,071	47,744,075	41,172,274	-	-
May	2,322,125	-	(11,000)	20,571,766	-	-	-	8,303,106	25,880,075	42,436,960	-	-
Jun	-	-	(28,806,000)	-	-	-	-	(28,806,000)	(28,806,000)	-	-	-
Jul	-	-	1,650,000	-	-	-	-	8,303,186	(1,650,000)	72,011,728	-	-
Aug	-	-	1,116,000	-	-	-	-	8,503,188	(1,793,825)	72,011,728	-	-
Sep	200,000	-	2,894,000	280,000	-	-	-	8,735,696	1,985,075	72,271,728	-	-
Oct	232,500	-	2,894,000	280,000	-	-	-	8,835,696	3,172,075	74,771,728	-	-
Nov	67,500	-	2,894,000	280,000	-	-	-	8,835,696	3,832,075	77,527,209	-	-
Dec	15,862,797	-	(48,123,668)	77,837,209	-	-	-	15,062,797	24,371,022	42,892,916	-	-
Total	15,862,797	-	(48,123,668)	77,837,209	-	-	-	15,062,797	24,371,022	42,892,916	-	-

	(L) = H	(M) Composite Trans Deprec Rate	(N) = L * M	(O) Depreciation Expense	(P) = J	(Q) Composite Trans Deprec Rate	(R) = P * Q	(S) Depreciation Expense	(T) = K	(U) Composite Trans Deprec Rate	(V) = T * U	(W) Accum Deprec
DEC	(1,888,798)	0.19%	(358,871)	(3,686)	3,450,252	0.19%	6,565	6,565	-	0.19%	6,565	-
Jan	(1,444,683)	0.19%	(274,491)	(5,696)	4,677,463	0.19%	8,887	8,887	15,443	0.19%	15,443	-
Feb	(1,844,853)	0.19%	(350,522)	(7,103)	8,576,910	0.19%	16,289	16,289	31,798	0.19%	31,798	-
Mar	5,565,798	0.19%	1,057,502	10,825	17,871,409	0.19%	34,149	34,149	66,884	0.19%	66,884	-
Apr	282,500	0.19%	53,675	11,384	41,172,274	0.19%	78,227	78,227	144,112	0.19%	144,112	-
May	2,322,125	0.19%	441,804	45,438	42,436,960	0.19%	80,936	80,936	228,748	0.19%	228,748	-
Jun	-	0.19%	-	15,778	31,285	0.19%	3,295	3,295	139,558	0.19%	139,558	-
Jul	-	0.19%	-	15,778	72,011,728	0.19%	138,822	138,822	468,502	0.19%	468,502	-
Aug	-	0.19%	-	15,778	72,011,728	0.19%	138,822	138,822	695,214	0.19%	695,214	-
Sep	200,000	0.19%	38,000	82,817	72,271,728	0.19%	137,316	137,316	772,531	0.19%	772,531	-
Oct	232,500	0.19%	44,175	85,571	74,771,728	0.19%	142,086	142,086	814,597	0.19%	814,597	-
Nov	67,500	0.19%	12,825	112,546	77,527,209	0.19%	147,321	147,321	1,091,918	0.19%	1,091,918	-
Dec	15,862,797	0.19%	3,014,131	43,868	488,451	0.19%	932	932	390,054	0.19%	390,054	-
Total	15,862,797	0.19%	3,014,131	43,868	488,451	0.19%	932	932	390,054	0.19%	390,054	-

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

Multi-run App A to get this # (with 18 mo. avg cap adds, CWIP, depreciation for Year 3 cap adds)

Post results of Step 10 on PJM web site.

Post results of Step 3 on PJM web site.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

Result of Step 9 to file effect for the Rate Year 2.

11

12

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

(A) Account Number	(B) Depreciation Plant Base	(C) Depreciation Rate	(D) Depreciation Expense
Transmission Plant			
352-Major Structures	4,315,080	3.66	157,932
352-Minor Structures	4,442,358	2.63	116,834
353	230,377,302	3.02	6,957,395
354	68,304,205	2.23	1,523,184
355	13,339,020	2.15	286,789
356	75,102,932	1.84	1,381,894
357	62,404,194	1.95	1,216,882
358	42,244,274	1.39	587,195
359	-	3.19	-
Subtotal	500,529,365		12,228,104
General Plant			
390	103,024,424	3.67	3,780,996
391	6,739,952	20	1,347,990
391.1	4,575,048	5	228,752
392	48,682,054	9.1	4,430,067
393	2,706,764	3.33	90,135
394	13,310,225	4	532,409
395	4,202,957	5	210,148
396	1,209,069	6.1	73,753
397	55,485,293	6.67	3,700,869
398	469,398	5	23,470
Subtotal	240,405,184		14,418,590