

Appendix 2

Formula Rate - Appendix A Estimate	Notes	FERC Form 1 Page # or Instruction	2010
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Shaded cells are input cells

Allocators

1	Transmission Wages Expense	p354.21.b	3,709,751
2	Total Wages Expense	p354.28.b	50,636,301
3	Less A&G Wages Expense	p354.27.b	19,711,134
4	Total	(Line 2 - 3)	30,925,167
5		(Line 1 / Line 4)	11.9959%
Plant Allocation Factors			
6	Total Plant In Service	(Note B) Attachment 5	2,835,055,791
7	Total Accumulated Depreciation	(Note A) Attachment 5	872,854,774
8	Net Plant	(Line 6 - Line 7)	1,962,201,017
9	Transmission Gross Plant	(Line 21)	639,766,818
10	Gross Plant Allocator	(Line 9 / Line 6)	22.5663%
11	Transmission Net Plant	(Line 33)	482,833,616
12	Net Plant Allocator	(Line 11 / Line 8)	24.6067%

Plant Calculations

Plant In Service			
13	Transmission Plant In Service	(Note B) Attachment 5	576,905,271
14	New Transmission Plant Additions and Retirements only for Annual Estimate	(Note B) Attachment 6, Cols H + J + K	30,294,779
15	Total Transmission Plant In Service	(Line 13 + Line 14)	607,200,050
16	General & Intangible	Attachment 5	271,482,574
17	Common Plant (Electric Only)	(Note A) Attachment 5	-
18	Total General & Common	(Line 16 + Line 17)	271,482,574
19	Wage & Salary Allocation Factor	(Line 5)	11.9959%
20	General & Common Plant Allocated to Transmission	(Line 18 * Line 19)	32,566,768
21	TOTAL Transmission-Related Plant In Service	(Line 15 + Line 20)	639,766,818
Accumulated Depreciation			
22	Transmission Accumulated Depreciation	(Note B) Attachment 5	145,402,200
23	Accumulated Depreciation for Transmission Plant Additions Only for Estimate	(Note B) Attachment 6, Col. O + Col. S + Col. W	290,701
24	Total Transmission Accumulated Depreciation	(Line 22 + Line 23)	145,692,901
25	Accumulated General Depreciation	Attachment 5	80,230,037
26	Accumulated Intangible Depreciation	Attachment 5	13,471,184
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)	93,701,221
30	Wage & Salary Allocation Factor	(Line 5)	11.9959%
31	General & Common Allocated to Transmission	(Line 29 * Line 30)	11,240,301
32	TOTAL Transmission-Related Accumulated Depreciation	(Line 24 + Line 31)	156,933,202
33	TOTAL Transmission-Related Net Property, Plant & Equipment	(Line 21 - Line 32)	482,833,616

Adjustment To Rate Base

Accumulated Deferred Income Taxes			
34	ADIT net of FASB 106 and 109	Enter Negative Attachment 1, Col B, Line 9	(88,210,552)
35	Accumulated Deferred Income Taxes Allocated To Transmission	Line 34	(88,210,552)
CWIP for Incentive Transmission Projects			
36	CWIP Balance for Current Rate Year	(Note P) Attachment 6, Col 1	46,961,100
37	Total CWIP for Incentive Transmission Projects		46,961,100
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	(3,599,950)
Prepayments			
40	Prepayments	(Note A) Attachment 5	342,845
41	Total Prepayments Allocated to Transmission	(Line 40)	342,845
Materials and Supplies			
42	Undistributed Stores Exp	(Note A) Attachment 5	1,079,945
43	Wage & Salary Allocation Factor	(Line 5)	11,9959%
44	Total Transmission Allocated	(Line 42 * Line43)	129,549
45	Transmission Materials & Supplies	Attachment 5	874,164
46	Total Materials & Supplies Allocated to Transmission	(Line 44 + Line45)	1,003,713
Cash Working Capital			
47	Operation & Maintenance Expense	(Line 75)	15,824,722
48	1/8th Rule	x 1/8	12.5000%
49	Total Cash Working Capital Allocated to Transmission	(Line 47 * Line 48)	1,978,090
50	TOTAL Adjustment to Rate Base	(Lines 35 + 37 + 39 + 41 + 46 + 49)	(21,524,753)
51	Rate Base	(Line 33 + Line 50)	461,308,862

O&M

Transmission O&M			
52	Transmission O&M		p321.112.b 6,869,990
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) 6,869,990
Allocated General & Common Expenses			
57	Common Plant O&M	(Note A)	p356 -
58	Total A&G		p323.197.b 70,783,410
59	Less PBOP Expense in Acct. 926 in Excess of Allowed Amount		Attachment 5 -
60	Less Property Insurance Account 924		p323.185.b 5,319,329
61	Less Regulatory Commission Expense Account 928	(Note E)	p323.189.b 685,856
62	Less General Advertising Expense Account 930.1		p323.191.b 1,041,270
63	Less EPRI Dues	(Note D)	p352-353 -
64	General & Common Expenses		(Lines 57 thru 58) - Sum (Lines 59 to 63) 63,736,955
65	Wage & Salary Allocation Factor		(Line 5) 11.9959%
66	General & Common Expenses Allocated to Transmission		(Line 64 * Line 65) 7,645,819
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 5,319,329
71	General Advertising Exp Account 930.1	(Note F)	Attachment 5 -
72	Total		(Line 70 + Line 71) 5,319,329
73	Net Plant Allocation Factor		(Line 12) 24.6067%
74	A&G Directly Assigned to Transmission		(Line 72 * Line 73) 1,308,913
75	Total Transmission O&M		(Lines 56 + 66 + 69 + 74) 15,824,722

Depreciation & Amortization Expense

Depreciation Expense			
76	Transmission Depreciation Expense		Attachment 8, Col. (D) 13,941,590
77	New plant Depreciation Expense only for Estimate	(Note B)	Attachment 6, Col. N + Col. R + Col. V 748,281
78	Total Transmission Depreciation Expense		(Line 76 + Line 77) 14,689,871
79	General Depreciation		Attachment 8, Col. (D) 14,712,931
80	Intangible Amortization	(Note A)	p336.1.f 3,291,506
81	Total		(Line 79 + Line 80) 18,004,437
82	Wage & Salary Allocation Factor		(Line 5) 11.9959%
83	General Depreciation Allocated to Transmission		(Line 81 * Line 82) 2,159,794
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) 11.9959%
88	Common Depreciation - Electric Only Allocated to Transmission		(Line 86 * Line 87) -
89	Total Transmission Depreciation & Amortization		(Lines 78 + 83 + 88) 16,849,665

Taxes Other than Income

90	Taxes Other than Income		Attachment 2 1,389,365
91	Total Taxes Other than Income		(Line 90) 1,389,365

Return / Capitalization Calculations

Long Term Interest			
92	Long Term Interest	(Note Q) Attachment 5	26,079,480
93	Amortization of Debt Discount and Expense	p117.63.c	755,883
94	Amortization of Loss on Reacquired Debt	p117.64.c	2,754,076
95	Less Amort of Gain on Reacquired on Debt-Credit	p117.65.c	-
96	Less Amort of Premium on Debt-Credit	p117.66.c	19,761
97	Interest on Debt to Associated Companies	p117.67.c	5,132,895
98	Total Long Term Debt Costs	(Sum llnes 92 to 94) - Line 95 - Line 96 + Line 97	34,702,573
99	Preferred Dividends	Enter Positive p118.29.c	8,214,539
Common Stock			
100	Proprietary Capital	p112.16.c	907,110,989
101	Less Accumulated Other Comprehensive Income Account 219	p112.15.c	(9,997,383)
102	Less Preferred Stock	(Line 110)	107,935,500
103	Less Account 216.1	p112.12.c	(16,002,427)
104	Common Stock	(Line 100 - (Sum Lines 101 to 103))	825,175,299
Capitalization			
105	Long Term Debt		
106	Bonds	Attachment 5	504,675,000
107	Less Loss on Reacquired Debt	Enter Negative p111.81.c	(39,183,597)
108	Plus Gain on Reacquired Debt	p113.81.c	-
109	Total Long Term Debt	Sum (Lines 105 to Line 108)	465,491,403
110	Preferred Stock	p112.3.c	107,935,500
111	Common Stock	(Line 104)	825,175,299
112	Total Capitalization	(Sum Lines 109 to 111)	1,398,602,202
113	Debt %	(Line 109 / Line 112)	33.283%
114	Preferred %	(Line 110 / Line 112)	7.717%
115	Common %	(Note O) (Line 111 / Line 112)	59.000%
116	Debt Cost	(Line 92 / Line 109)	0.0746
117	Preferred Cost	(Line 99 / Line 110)	0.0576
118	Common Cost	(Note J) 10.8% ROE + .5% RTO Adder	0.1140
119	Weighted Cost of Debt	(Line 113 * Line 116)	0.0248
120	Weighted Cost of Preferred	(Line 114 * Line 117)	0.0044
121	Weighted Cost of Common	(Line 115 * Line 118)	0.0673
122	Total Return (R)	(Sum Lines 119 to 121)	0.0965
123	Investment Return = Rate Base * Rate of Return	(Line 51 * Line 122)	44,523,556

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 - (((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) Enter Negative Attachment 1	(2,177,127)
130	1/(1-T)	1 / (1 - Line 127)	170.9212%
131	Net Plant Allocation Factor	(Line 12)	24.6087%
132	ITC Adjustment Allocated to Transmission	(Line 129 * (1 + Line 130) * Line 131)	(1,451,379)
133	Income Tax Component = CIT = (T/1-T) * Investment Return * (1-(WCLTD/R)) =	(Line 128 * Line 123 * (1 - (Line 119 / Line 122)))	23,458,890
134	Total Income Taxes	(Line 132 + Line 133)	22,007,511

REVENUE REQUIREMENT

Summary			
135	Net Property, Plant & Equipment	(Line 33)	482,833,816
136	Adjustment to Rate Base	(Line 50)	(21,524,753)
137	Rate Base	(Line 51)	461,308,862
138	O&M	(Line 75)	15,824,722
139	Depreciation & Amortization	(Line 89)	16,849,665
140	Taxes Other than Income	(Line 91)	1,389,365
141	Investment Return	(Line 123)	44,523,556
142	Income Taxes	(Line 134)	22,007,511
143	Gross Revenue Requirement	(Sum Lines 138 to 142)	100,594,820
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
144	Transmission Plant In Service	(Line 13)	576,905,271
145	Excluded Transmission Facilities	(Note M) Attachment 5	-
146	Included Transmission Facilities	(Line 144 - Line 145)	576,905,271
147	Inclusion Ratio	(Line 146 / Line 144)	100.00%
148	Gross Revenue Requirement	(Line 143)	100,594,820
149	Adjusted Gross Revenue Requirement	(Line 147 * Line 148)	100,594,820
150	Revenue Credits	Attachment 3	5,402,246
151	Net Revenue Requirement	(Line 151)	95,192,574
Net Plant Carrying Charge			
152	Gross Revenue Requirement	(Line 143)	100,594,820
153	Net Transmission Plant	(Line 13 - Line 22)	431,503,071
154	Net Plant Carrying Charge	(Line 152 / Line 153)	23.3127%
155	Net Plant Carrying Charge without Depreciation	(Line 152 - Line 76) / Line 153	20.0817%
156	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 152 - Line 76 - Line 123 - Line 134) / Line 153	4.6633%
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)	34,063,752
158	Increased Return and Taxes	Attachment 4	71,183,067
159	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 157 + Line 158)	105,246,820
160	Net Transmission Plant	(Line 13 - Line 22)	431,503,071
161	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 159 / Line 160)	24.3907%
162	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	(Line 158 - Line 76) / Line 160	21.1598%
163	Net Revenue Requirement	(Line 151)	95,192,574
164	True-up amount	Attachment 6	(199,551)
165	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	Attachment 7	3,475,817
166	Facility Credits under Section 30.9 of the PJM OATT	Attachment 5	-
167	Net Zonal Revenue Requirement	Sum (Lines 163 to 166)	98,468,840
Network Zonal Service Rate			
168	1 CP Peak	(Note L) Attachment 5	2,889.00
169	Rate (\$/MW-Year)	(Line 167 / Line 168)	34,084.06
170	Network Service Rate (\$/MW/Year)	(Line 169)	34,084.06

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.

END

Duquesne Light Company
Attachment H-47A
Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet Tax Detail

Line #	A	B	C	D	E	F	G	H
	End of Year Total	Bag of Year Total	Average	Gas Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	
1	(165,958,970)	(148,458,915)	(165,958,970)	(65,398,261)	(829,870)	-	(110,560,709)	
2	ADIT - 282 - line 4	203,307,211	265,177,361	265,177,361	-	-	265,177,361	
3	ADIT - 283 - line 58	158,298,968	187,482,128	187,482,128	18,484,728	-	18,484,728	
4	Subtotal - Sum (line 1 + line 2 + line 3)	286,880,519	213,137,292	286,880,519	(38,916,533)	(829,870)	283,642,664	
5	Wages & Salary Allocator - Appendix A line 5						41,954,388	
6	Gross Plant Allocator - Appendix A line 10						11,985,936	
7	Transmission Allocator						22,566,625	
8	All other					100.00%		
9	ADIT	68,210,552		0.00%	(829,870)	54,007,617	5,032,885	5,032,885

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

15,427,522 - from Act 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:

- ADIT items related only to Non-Electric Operations (e.g. Gas, Water, Sewer) or Production are directly assigned to Column E.
- ADIT items related only to Transmission are directly assigned to Column F.
- ADIT items related to plant and not in Columns A & B are included in Column G.
- ADIT items related to labor and not in Columns A & B are included in Column H.
- 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 included.
- All ADIT line items and allocations will be supported by this settlement in Docket No. ER06-1549 and no change in allocation will be allowed absent a filing at FERC.
- 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	Bag of Year Total	End of Year for Est. Average For Final Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT: 690								
10	Vacation Pay	141,953	141,953	141,953			141,953	Vacation pay earned and expensed for books, tax deduction when paid - employees in all functions
11	Reserve for Healthcare	774,269	774,269	774,269				Self insurance reserve expanded for books, tax deduction when paid - employees in all functions
12	Reserve for Compensated Absences	2,735,117	2,735,117	2,735,117				Vacation pay accrued and expensed for books, tax deduction when paid - employees in all functions
13	Act 129 Reserve	6,379,403	6,379,403	6,379,403				Act 129 deferred was created due to money received by DLCO, but not yet spent.
14	Accrued Pensions	108,151,984	110,400,000	108,151,984			108,151,984	Book accrual for pension contributions
15	Other Benefit Costs	22,916,398	15,747,645	22,916,398			22,916,398	FAS postretirement benefit liability. Formerly referred to as FAS 106.
16	Reserve for Warwick Mine Liability	10,936,412	12,007,331	10,936,412				Costs expensed related to 2000 generation asset sale, tax deduction when paid. Formerly referred to as Warwick Mine Closing Costs.
17	Reserve for legacy issues	727,096	769,740	727,096				Book reserve related to environmental remediation for generation assets, tax deductible when paid
18	Bad Debt Reserve Amortization	10,766,421	8,049,412	10,766,421				Book expense for bad debts, tax deduction when fully written-off and all collection efforts abandoned - relates to all functions
19	Federal NOL	1,312,329	-	1,312,329				This was created due to additional deductions discovered in past years. This item was set up due to the timing of when DOE Holdings LLC will receive the cash from the IRS, which is anticipated in 2012.
20	Unamortized ITC	903,449	(179,237)	92,074				Investment tax credit benefit recognized for tax, deferred and amortized ratably for books
21	Accrued PURTA	92,074	(179,237)	92,074				Book PURTA, tax estimate accrued and expensed, tax deduction when paid - relates to all functions
22	Accrued Sales and Use Tax	1,227,047	435,882	1,227,047				Book sales & use tax estimate accrued and expensed, tax deduction when paid - relates to all functions
23	Unamortized Gain on Reacquired Debt	8,700	8,700	8,700				Gain recognized for tax purposes, deferred and recognized ratably for book purposes - relates to all functions
24	Provision for injuries and damages	1,869,168	1,743,758	1,869,168				Reserve expensed for books, tax deduction when paid - employees in all functions
25	Affordable Housing Tax Reserve/bond	92,171	100,999	92,171				Accrued bond expense, tax deduction when paid
26	Legal Accrual	744,908	685,680	744,908			744,908	Legal reserve expensed for books, tax deduction when paid - relates to all functions
27	Accrued Misc Reserves	1,513,954	937,747	1,513,954			1,513,954	Accrued miscellaneous items included in account 190.
28	Gross Receipts Tax	2,246,918	1,896,114	2,246,918				Book gross receipts tax estimate accrued and expensed, tax deduction when paid - relates to all functions
29	Derivative Instruments	14,973,210	4,968,769	14,973,210				Mark to market of derivative purchase contracts
30	Legal reserve	1,266,626	1,412,211	1,266,626			899,870	Pending dispute resolution
31	Swearance Pay	-	-	-				Book expenses related to 2001 workforce reduction, tax deduction when paid - related to all functions
32	Pension Regulatory Liability	-	-	-				Regulatory Liability associated with adoption of FAS 159
33	Stock Investments	-	-	-				Duquesne Light Co. investment in parent Company stock, not taxable within related group
34	Capital Stock Tax	-	-	-				Book capital stock estimate accrued and expensed, tax deduction when paid - related to all functions
35	Accrued Rent	-	-	-				Rent accrued on corporate headquarters, tax deduction when paid - relates to all functions

A	B	C	D	E	F	G	H
End of Year Total	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
36 Subtotal - p234 (Sum line 10 through line 35)	198,875,368	164,214,560	188,875,368	55,399,261	829,870		133,477,107
37 Less FASB 109 Above if not separately removed	-	-	-	-	-	-	-
38 Less FASB 106 Above if not separately removed	22,916,398	15,747,645	22,916,398	-	-	-	22,916,398
39 Total = Line 36 - (Line 37 + Line 38)	165,959,970	148,466,915	165,959,970	55,399,261	829,870	-	110,560,709

A	B	C	D	E	F	G	H
End of Year Total	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
40 Accelerated Depreciation	285,177,361	203,307,211	285,177,361	-	-	285,177,361	-
41 Subtotal - p275	285,177,361	203,307,211	285,177,361	-	-	285,177,361	-
42 Less FASB 109 Above if not separately removed	-	-	-	-	-	-	-
43 Less FASB 106 Above if not separately removed	-	-	-	-	-	-	-
44 Total = Line 41 - (Line 43 + Line 42)	285,177,361	203,307,211	285,177,361	-	-	285,177,361	-

A	B	C	D	E	F	G	H
End of Year Total	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
ADIT-282							
40 Accelerated Depreciation	285,177,361	203,307,211	285,177,361	-	-	285,177,361	-
41 Subtotal - p275	285,177,361	203,307,211	285,177,361	-	-	285,177,361	-
42 Less FASB 109 Above if not separately removed	-	-	-	-	-	-	-
43 Less FASB 106 Above if not separately removed	-	-	-	-	-	-	-
44 Total = Line 41 - (Line 43 + Line 42)	285,177,361	203,307,211	285,177,361	-	-	285,177,361	-

A	B	C	D	E	F	G	H
End of Year Total	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
ADIT-283							
45 Property Depreciation	138,360,104	126,178,630	138,360,104	-	-	138,360,104	-
46 Amortization Loss on Reacquisition	15,427,522	16,511,886	15,427,522	-	-	15,427,522	-
47 ASC 740 Tax Gross Up	96,079,684	95,387,676	96,079,684	-	-	96,079,684	-
48 Partnership Investments	1,679,921	1,571,790	1,679,921	-	-	1,679,921	-
49 Regulatory Assets	2,743,939	2,744,641	2,743,939	-	-	2,743,939	-
50 State Income Taxes	3,037,781	5,693,149	3,037,781	-	-	3,037,781	-
51 Pension Regulatory Asset	133,752,587	123,100,000	133,752,587	-	-	133,752,587	-
52 Prepaid Pension Cost	18,762,510	-	18,762,510	-	-	18,762,510	-
53 FIN 48 tax Reserves	7,051,207	-	7,051,207	-	-	7,051,207	-
54 Other	12,067,898	1,694,123	12,067,898	-	-	12,067,898	-
55 Subtotal - p277 (Form 1-F file; see note 6, below)	421,895,916	379,863,505	421,895,916	15,481,728	-	252,895,091	152,515,097
56 Less FASB 109 Above if not separately removed	234,433,798	221,568,509	234,433,798	-	-	234,433,798	-
57 Less FASB 106 Above if not separately removed	-	-	-	-	-	-	-
58 Total = Line 55 - (Line 57 + Line 56)	187,462,128	158,295,996	187,462,128	16,461,728	-	18,465,303	152,515,097

A	B	C	D	E	F	G	H
End of Year Total	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
ADIT-285							
45 Property Depreciation	138,360,104	126,178,630	138,360,104	-	-	138,360,104	-
46 Amortization Loss on Reacquisition	15,427,522	16,511,886	15,427,522	-	-	15,427,522	-
47 ASC 740 Tax Gross Up	96,079,684	95,387,676	96,079,684	-	-	96,079,684	-
48 Partnership Investments	1,679,921	1,571,790	1,679,921	-	-	1,679,921	-
49 Regulatory Assets	2,743,939	2,744,641	2,743,939	-	-	2,743,939	-
50 State Income Taxes	3,037,781	5,693,149	3,037,781	-	-	3,037,781	-
51 Pension Regulatory Asset	133,752,587	123,100,000	133,752,587	-	-	133,752,587	-
52 Prepaid Pension Cost	18,762,510	-	18,762,510	-	-	18,762,510	-
53 FIN 48 tax Reserves	7,051,207	-	7,051,207	-	-	7,051,207	-
54 Other	12,067,898	1,694,123	12,067,898	-	-	12,067,898	-
55 Subtotal - p277 (Form 1-F file; see note 6, below)	421,895,916	379,863,505	421,895,916	15,481,728	-	252,895,091	152,515,097
56 Less FASB 109 Above if not separately removed	234,433,798	221,568,509	234,433,798	-	-	234,433,798	-
57 Less FASB 106 Above if not separately removed	-	-	-	-	-	-	-
58 Total = Line 55 - (Line 57 + Line 56)	187,462,128	158,295,996	187,462,128	16,461,728	-	18,465,303	152,515,097

Item	Amortization
Amortization	
Amortization to line 129 of Appendix A	2,177,127
Total	2,177,127
Total Form No. 1 (p 266 & 267)	2,177,127
Difference /1	-

11 Differences must be zero or the difference included in Appendix A.

<i>Other Taxes</i>	FERC Form No. 1 Page 263 Col (i)	<i>Allocator</i>	<i>Allocated Amount</i>
<i>Plant Related</i>		<i>Gross Plant Allocator</i>	
1 PA Capital Stock Tax	line 15	2,600,004	
2 Real Estate	line 33	402,000	
3 PA PURTA	line 13	924,996	
4 Total Plant Related -- Sum of line 1 through line 3		3,927,000	22.5663% \$ 886,178
		<i>Wages & Salary Allocator</i>	
5 Federal Unemployment	line 4	32,271	
6 FICA	line 5	3,624,021	
7 PA Unemployment	line 18	260,047	
8 City of Pittsburgh	line 34	278,323	
9 Total Labor Related-- Sum of line 5 through line 8		4,194,662	11.9959% \$ 503,187
<i>Other Excluded</i>		<i>All other</i>	
10 Highway Use	line 6	-	
11 Excise Tax on Coal	line 7	-	
12 PA Gross receipts Tax	line 14	50,626,284	
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	(376,192)	
18 WV Franchise	line 26	-	
19 WV Income	line 27	-	
20 Gross Receipts	line 32	-	
21 Total Excluded		50,250,092	0.00%
22 Total (line 4 + line 9 + line 21)		58,371,754	\$ 1,389,365
23 Total 'Other' Taxes included on p.114.14c		58,371,754	
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		9,889,163
2 Rent from Electric Property - Transmission Related (Notes 3 & 8)		-
3		
4 Customer Choice - EGS Transmission	See Note 5	44,756,860
5 Other Electric Revenues	See Note 6	(4,914,430)
6 SECA Credits - Other EGS	See Note 7	-
7 Schedule 1A		792,853
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)		1,871,949
9 PTP Serv revs for which the load is not included in the divisor received by TO		2,449,444
10 PJM Transitional Revenue Neutrality (Note 1)		-
11 PJM Transitional Market Expansion (Note 1)		-
12 Professional Services (Note 3)		-
13 Revenues from Directly Assigned Transmission Facility Charges (Note 2)		288,000
14 Rent or Attachment Fees associated with Transmission Facilities (Note 3)		-
15 Gross Revenue Credits	Sum Lines 7 to 14 + line 3	5,402,246
16 Less line 20	- line 23	-
17 Total Revenue Credits	line 15 + line 16	5,402,246

18 Revenues associated with lines 15 thru 20 are to be included in lines 1-10 and total of those revenues entered here		-
19 Income Taxes associated with revenues in line 15		-
20 One half margin (line 15 - line 16)/2		-
21 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.		-
22 Line 17 plus line 18		-
23 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	-	3,510,087
Joint pole attachments - cable	-	2,192,481
Underground rentals	-	2,829,968
Transmission tower wireless rentals	-	383,194
Other rentals	-	204,812
Corporate headquarters sublease	-	10,142
Misc non-transmission services	-	212,088
Customer commitment services (Account 454.02 & 454.03)	-	546,391
<u>Total</u>	<u>-</u>	<u>9,889,163</u>
Account 456	Include	Exclude
Customer Choice - EGS transmission		44,756,860
Other electric revenues		(4,914,430)
SECA credits		-
Transmission Revenue - AES/APS (Accounts 456.1 & 456.11)	2,449,444	
Transmission Revenue - Piney Fork	288,000	
Transmission Revenue - Firm (Account 456.32)	1,533,268	
Transmission Revenue - Non-Firm	331,328	
Transmission Revenue - Schedule 12 (Allegheny S5 Project)	7,353	
Dominion Marketing Revenue (Account 456.12)		207,386
xxxx		
xxxx		
<u>Total</u>	<u>4,609,393</u>	<u>40,049,816</u>

A	100 Basis Point increase in ROE and Income Taxes	Line 12 + Line 23	71,183,067
B	100 Basis Point increase in ROE		1.00%

Return Calculation

1	Rate Base	Appendix A, Line 51	461,308,862
2	Debt % (Line 109 / Line 112)	Appendix A, Line 113	33.3%
3	Preferred % (Line 110 / Line 112)	Appendix A, Line 114	7.7%
4	Common % (Line 111 / Line 112)	Appendix A, Line 115	59.0%
5	Debt Cost (Line 92 / Line 109)	Appendix A, Line 116	7.46%
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	0.0248
9	Weighted Cost of Preferred (Line 114 * Line 117)	Appendix A, Line 120	0.0044
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	0.1024
12	(Line 51 * Line 122)	Line 11 * Line 1	47,245,278

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	$T = 1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$	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	(2,177,127)
19	$1 / (1 - T)$	Appendix A, Line 130	170.92%
20	Net Plant Allocation Factor (Line 12)	Appendix A, Line 131	24.6067%
21	ITC Adjustment Allocated to Transmission (Line 129 * (1 + Line 130) * Line 131)	Appendix A, Line 132	(1,451,379)
22	Income Tax Component = $CIT = (T / (1 - T)) * Investment\ Return * (1 - (WCLTD / R)) =$	Line 17 * Line 12 * (1 - (Line 8 / Line 11))	25,389,167
23	Total Income Taxes	(Line 132 + Line 133)	23,937,789

Plant In Service Worksheet		Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Balance For True up	Balance for Estimate	Details
13	<p>Calculation of Transmission Plant In Service</p> <p>December January February March April May June July August September October November December</p> <p>Transmission Plant In Service</p>	<p>Source</p> <p>p206.5b.b 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>p207.5b.g For 2009 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010</p>	<p>512,983,174 514,694,689 515,871,649 517,722,877 533,118,942 534,001,137 551,730,022 561,168,072 560,321,128 560,959,257 573,250,926 575,955,053 576,905,271 545,270,169</p>	576,905,271 576,905,271		
16	<p>Calculation of Distribution Plant In Service</p> <p>December January February March April May June July August September October November December</p> <p>Distribution Plant In Service</p>	<p>Source</p> <p>p206.75.b 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>p207.75.g For 2009 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010</p>	<p>1,846,375,157 1,856,799,302 1,862,890,846 1,890,391,296 1,895,140,369 1,913,936,392 1,921,609,432 1,934,410,185 1,944,159,902 1,957,764,128 1,968,652,547 1,977,333,386 1,986,667,946 1,919,697,761</p>	1,986,667,946 1,986,667,946		
16	<p>Calculation of Intangible Plant In Service</p> <p>December December</p> <p>Intangible Plant In Service</p>	<p>Source</p> <p>p204.5.b For 2009 For 2010</p> <p>p205.5.g For 2009 For 2010</p>	<p>10,334,654 18,863,835 14,609,245</p>	18,863,835 18,863,835		
16	<p>Calculation of General Plant In Service</p> <p>December December</p> <p>General Plant In Service</p>	<p>Source</p> <p>p206.99.b For 2009 For 2010</p> <p>p207.99.g For 2009 For 2010</p>	<p>246,284,300 252,598,739 249,441,520</p>	252,598,739 252,598,739		
17	<p>Calculation of Production Plant In Service</p> <p>December January February March April May June July August September October November December</p> <p>Production Plant In Service</p>	<p>Source</p> <p>p204.46b 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>p205.46.g For 2009 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010 For 2010</p>				
17	<p>Calculation of Common Plant In Service</p> <p>December (Electric Portion) Common Plant In Service</p>	<p>Source</p> <p>p356 For 2009 For 2010</p>				
6	<p>Total Plant In Service</p>	<p>Sum of averages above</p>	2,729,018,694	2,835,055,791		

Accumulated Depreciation Worksheet		Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Balance For True up	Balance for Estimate
Calculation of Transmission Accumulated Depreciation		Source			
22	December	Prior year p219	For 2009	143,343,979	
	January	Company Records	For 2010	144,671,517	
	February	Company Records	For 2010	145,806,252	
	March	Company Records	For 2010	146,553,676	
	April	Company Records	For 2010	147,129,979	
	May	Company Records	For 2010	147,828,326	
	June	Company Records	For 2010	148,924,804	
	July	Company Records	For 2010	141,920,264	
	August	Company Records	For 2010	142,403,690	
	September	Company Records	For 2010	142,952,533	
	October	Company Records	For 2010	143,175,901	
	November	Company Records	For 2010	144,545,257	
	December	Company Records	For 2010	145,402,200	145,402,200
	Transmission Accumulated Depreciation	p219,25	For 2010	144,973,721	145,402,200
	Calculation of Distribution Accumulated Depreciation				
	December	Prior year p219,26	For 2009	607,062,979	
	January	Company Records	For 2010	608,833,377	
	February	Company Records	For 2010	611,894,747	
	March	Company Records	For 2010	615,099,486	
	April	Company Records	For 2010	616,785,828	
	May	Company Records	For 2010	622,158,114	
	June	Company Records	For 2010	624,916,055	
	July	Company Records	For 2010	627,142,558	
	August	Company Records	For 2010	628,091,124	
	September	Company Records	For 2010	629,611,459	
	October	Company Records	For 2010	631,731,614	
	November	Company Records	For 2010	631,415,216	
	December	Company Records	For 2010	633,751,353	633,751,353
	Distribution Accumulated Depreciation	p219,26	For 2010	622,191,839	633,751,353
	Calculation of Intangible Accumulated Depreciation				
	December	Prior year p200,21,c	For 2009	9,987,091	
	December	p200,21c	For 2010	13,471,184	13,471,184
26	Accumulated Intangible Depreciation			11,729,138	13,471,184
	Calculation of General Accumulated Depreciation				
	December	Prior year p219	For 2009	70,864,530	
	December	p219,28	For 2010	80,230,037	80,230,037
25	Accumulated General Depreciation			73,547,284	80,230,037
	Calculation of Production Accumulated Depreciation				
	December	Prior year p219	For 2009	-	
	January	Company Records	For 2010	-	
	February	Company Records	For 2010	-	
	March	Company Records	For 2010	-	
	April	Company Records	For 2010	-	
	May	Company Records	For 2010	-	
	June	Company Records	For 2010	-	
	July	Company Records	For 2010	-	
	August	Company Records	For 2010	-	
	September	Company Records	For 2010	-	
	October	Company Records	For 2010	-	
	November	Company Records	For 2010	-	
	December	Company Records	For 2010	-	
	Production Accumulated Depreciation	p219,20 thru 219,24	For 2010	-	-
	Calculation of Common Accumulated Depreciation				
	December (Electric Portion)	Source	For 2006	-	
	December (Electric Portion)	p356	For 2010	-	
28	Common Plant Accumulated Depreciation (Electric Only)	p356	For 2010	-	-
7	Total Accumulated Depreciation	Sum of averages above		854,441,982	872,854,774

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		13,471,184	13,471,184		
27	Accumulated Common Amortization - Electric	p356		-	-		
28	Common Plant Accumulated Depreciation (Electric Only)	p358		-	-		
17	Plant In Service						
	Common Plant (Electric Only)	p356					
42	Materials and Supplies						
	Unaffiliated Stores Exp	p227.6c & 15.c		1,079,945	1,079,945		
55	Allocated General & Common Expenses						
57	Plus Net Transmission Lease Payments	p200.4.c		-	-		
	Common Plant O&M	p356					
80	Depreciation Expense						
84	Intangible Amortization	p336.1d&e		3,291,506	3,291,506		
85	Common Depreciation - Electric Only	p336.11.b		-	-		
	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
38	Plant Held for Future Use		p214	-	-	-	
	Total			-	-	-	
	Non-transmission Related			-	-	-	
	Transmission Related			-	-	-	

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						
	Total Plant In Service	p207.104.g		2,835,055,791			
13	Plant In Service						
	Transmission Plant In Service	p207.58.g		576,906,271			
17	Common Plant (Electric Only)	p356		-			
	Accumulated Depreciation						
22	Transmission Accumulated Depreciation	p219.25.c		145,402,200			

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)			19,609,439	4,456,461	15,152,978	Prior Year
	Account 926 (Current Year)			19,532,432	4,400,472	15,131,960	Current Year
	Change in PBOP Expense			(77,007)	(55,989)	(21,018)	
	Calculation of allowed increase in PBOP expense recorded in Acct. 926 (increase not to cause more than \$.05/kWh/Mo in zonal rate):						
1	Allowed Change in Rate (\$/kWh/mo)						
2	Divide zonal rate at Appendix A, line 168 by 1000 and by 12 =						
3	Multiply Transmission Net Revenue Requirement (Appendix A, line 165) by ratio of line 1 over line 2						
4	Divide line 3 by the wage & salary allocator (Appendix A, line 5)						
5	Subtract line 4 from the Change in PBOP expense shown above						
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 Excess of Allowed Amount						This is the increase in PBOP expense permitted in the current year.

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		p352-353	-	-	

Regulatory Expense Related to Transmission Cost Support		Form 1 Amount	Transmission Related	Non-transmission Related	Details
67	Directly Assigned A&G Regulatory Commission Exp Account 928	685,856	-	685,856	FERC Annual Assessment
Safety Related Advertising Cost Support					
68	Directly Assigned A&G General Advertising Exp Account 930.1	1,041,270	-	1,041,270	None
MultiState Workshopper					
125	Income Tax Rates SIT=State Income Tax Rate or Composite	PA 9.99%	State 2	State 3	State 4
Education and Out Reach Cost Support					
68	Directly Assigned A&G General Advertising Exp Account 930.1	1,041,270	Education & Outreach	Other	None
Excluded Plant Cost Support					
145	Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities	0	General Description of the Facilities		
<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>Example</p> <p>A Total investment in substation 1,000,000</p> <p>B Identifiable investment in Transmission (provide workpapers) 500,000</p> <p>C Identifiable investment in Distribution (provide workpapers) 400,000</p> <p>D Amount to be excluded (A x (C / (B + C))) 444,444</p>		Enter \$	None		
		Or	None		
		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 Enter \$	End of Year for Est. Average for Final	Allocation	Trans Rtd Amount	Details
39	Transmission Related Account 242 Reserves (exclude current year environmental site related reserves) Directly Assignable to Transmission						
	Legal Accrual	2,000,000	2,000,000	2,000,000			
	Accrued FERC Assessment	2,000,000	2,000,000	2,000,000	100%	2,000,000	
	Labor Related, General plant related or Common Plant related						
	Workman's Compensation Liability	2,252,054	2,125,893	2,125,893			
	Accrued Payroll	2,700,182	4,063,047	4,063,047			
	Accrued Vacations	328,191	361,390	361,390			
	Accrued Legal Settlements	1,652,500	1,795,000	1,795,000			
	Employee Benefits	4,958,148	4,952,146	4,952,146			
		11,891,075	13,337,476	13,337,476	12.00%	1,599,950	
	Other						
	Incentive Compensation Accrual	6,996,322	2,624,683	2,624,683			
	Accrued Compensated Absences	6,612,695	6,591,675	6,591,675			
	Affordable Housing Receipture	241,963	222,133	222,133			
	Regulatory Commitment	1,500,000	-	-			
	Counterparty Collateral	2,000,000	1,084,003	1,084,003			
	Other	537,259	556,001	556,001			
		17,888,239	11,078,495	11,078,495	0.00%	-	
	Total Transmission Related Reserves	31,779,314	26,415,971	26,415,971		3,599,950	

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 Rtd To Line 45	Details
40	Prepayments Labor Related						
	Prepaid Federal Highway Use Tax	3,039	2,769	2,769	11.996%	332	
	Infrastructure Improvement Program Project Insurance	7,500	-	-	11.996%	-	
	Workman's Compensation	11,352	12,407	12,407	11.996%	1,488	
	Director's & Officer's Liability	-	-	-	11.996%	-	
	Excess General Liability	-	66,053	66,053	11.996%	7,924	
	Misc	830,279	1,860,686	1,860,686	11.996%	223,206	
	Other	694,038	754,546	754,546	0.000%	-	
	Plant Related						
	Property Insurance	431,831	446,605	446,605	24.807%	109,895	
		1,978,039	3,143,066	3,143,066		342,845	

Materials & Supplies		End of Year for Est. Average	
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Beg of year	End of Year	for Final
Assigned to O&M Stores Expense Undistributed p227.6	2,140,335	1,079,945	1,079,945
Undistributed Stores Exp p227.16	2,140,335	1,079,945	1,079,945
Transmission Materials & Supplies p227.8	1,731,924	874,164	874,164

Adjustments to Transmission O&M		Total Allocation		Related	
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Total	Allocation	Related		
Plus Net Transmission Lease Payments					

Facility Credits under Section 30.9 of the PJM OATT		Amount		Description & PJM Documentation	
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Amount				
Net Revenue Requirement Facility Credits under Section 30.9 of the PJM OATT	-				

PJM Lead Cost Support		1 CP Peak		Description & PJM Documentation	
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Amount				
Network Zonal Service Rate Attachment 5	2,889				

Cost of Long Term Debt		Amount		1 CP Peak		Description & PJM Documentation																																																																																																																																												
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Amount																																																																																																																																																	
Long Term Interest	26,079,480																																																																																																																																																	
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Total				504,675,000	26,079,480																																																																																																																																													

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

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

	(Q) = K	(R)	(S) = Q * R	(T)	(U) = M	(V)	(W) = U * V	(X)	(Y) = N	(Z)	(AA) = Y * Z	(AB)	(AC) = P	(AD)	(AE) = AC * AD
	Total Other Project FIS	Composite Trans Deprate Rate	Depreciation Expense	Accum Deprate	Total Project X PIS	Composite Trans Deprate Rate	Depreciation Expense	Accum Deprate	Total Society PIS	Composite Trans Deprate Rate	Depreciation Expense	Accum Deprate	Allegheny S5 PIS	Composite Trans Deprate Rate	Depreciation Expense
DEC		0													
Jan	(1,888,730)	0.19%	(3,589)	(3,589)	139,408,158	0.19%	302,872	6,387,469							
Feb	(2,130,345)	0.19%	(4,039)	(7,677)	164,359,474	0.19%	312,274	6,679,896							
Mar	(2,130,345)	0.19%	(4,039)	(11,716)	164,359,474	0.19%	312,274	6,992,170							
Apr	(2,089,540)	0.19%	(3,959)	(15,675)	177,452,715	0.19%	319,471	7,311,642							
May	(1,852,857)	0.19%	(3,520)	(19,195)	178,452,715	0.19%	339,285	7,650,927							
Jun	(1,182,572)	0.19%	2,247	(16,948)	106,570,434	0.19%	374,244	8,025,171							
Jul	(6,282,872)	0.19%	(11,899)	(28,847)	213,853,627	0.19%	405,322	8,430,493							
Aug	(6,046,572)	0.19%	(11,384)	(40,231)	214,793,654	0.19%	408,108	8,838,601							
Sep	(7,675,165)	0.19%	(14,583)	(54,814)	214,870,108	0.19%	408,253	9,246,854							
Oct	(10,263,955)	0.19%	(19,500)	(74,314)	228,709,989	0.19%	438,448	9,685,302							
Nov	(7,477,823)	0.19%	(14,202)	(88,516)	230,229,332	0.19%	437,246	10,122,548							
Dec	(7,127,423)	0.19%	(13,543)	(102,059)	230,229,332	0.19%	437,246	10,560,794							
Total			(89,016)	(24,720)	165,470,338		4,525,246	8,478,483							

7 April Year 3 Reconciliation - TO calculate the true up amount by subtracting the results of Step 6 by Step 3.
 Results of Step 3 \$ 89,016
 Results of Step 6 \$ (152,885)
 True up who interest \$ (63,869)
 1st year \$ (152,885) Note: for 1st year, divide this amt by 12 and multiply by the number of months the rate was in effect
 and phase that number by the number of months the rate was in effect
 and phase that number in the month that the rate went in effect in the interest calculation below

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

Month	Yr	1/12 of Step 7		0.27000%		Months	Interest	Refunds Owed
		Interest \$5,194 for and	March Current Yr.	March Current Yr.	\$5,194 for and			
Jun	Year 1	(16,081)	0.27000%	11.5	(498)	11.5	(498)	(16,580)
Jul	Year 1	(16,081)	0.27000%	10.5	(458)	10.5	(458)	(16,538)
Aug	Year 1	(16,081)	0.27000%	9.5	(412)	9.5	(412)	(16,493)
Sep	Year 1	(16,081)	0.27000%	8.5	(369)	8.5	(369)	(16,450)
Oct	Year 1	(16,081)	0.27000%	7.5	(328)	7.5	(328)	(16,408)
Nov	Year 1	(16,081)	0.27000%	6.5	(282)	6.5	(282)	(16,363)
Dec	Year 1	(16,081)	0.27000%	5.5	(239)	5.5	(239)	(16,318)
Jan	Year 2	(16,081)	0.27000%	4.5	(193)	4.5	(193)	(16,273)
Feb	Year 2	(16,081)	0.27000%	3.5	(150)	3.5	(150)	(16,228)
Mar	Year 2	(16,081)	0.27000%	2.5	(109)	2.5	(109)	(16,183)
Apr	Year 2	(16,081)	0.27000%	1.5	(65)	1.5	(65)	(16,148)
May	Year 2	(16,081)	0.27000%	0.5	(22)	0.5	(22)	(16,102)
May	Year 2	(182,968)						(186,092)
Jun	Year 2	Balance		Amort	Balance			
Jul	Year 2	(176,992)	0.27000%	(16,629)	(163,846)			
Aug	Year 2	(163,846)	0.27000%	(16,629)	(147,892)			
Sep	Year 2	(147,892)	0.27000%	(16,629)	(131,432)			
Oct	Year 2	(131,432)	0.27000%	(16,629)	(115,157)			
Nov	Year 2	(115,157)	0.27000%	(16,629)	(98,639)			
Dec	Year 2	(98,639)	0.27000%	(16,629)	(82,477)			
Jan	Year 3	(82,477)	0.27000%	(16,629)	(66,079)			
Feb	Year 3	(66,079)	0.27000%	(16,629)	(49,620)			
Mar	Year 3	(49,620)	0.27000%	(16,629)	(33,191)			
Apr	Year 3	(33,191)	0.27000%	(16,629)	(16,564)			
May	Year 3	(16,564)	0.27000%	(16,629)	0			
Total with interest					(186,551)			
								(186,551)

The differences between the Reconciliation in Step 8 and the forecast in Prior Year with interest
Please refer to 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 estimate 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)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	Total	
	Other Project PIS	other retirements	Project X CWIP	Project X PIS retirements	Project X PIS	Project X PIS retirements	Brady PIS	Brady PIS Retirements	Brady CWIP	Allegheny SS PIS	Allegheny SS Retirements	Accumulated Balance Other Project PIS	Project X CWIP	Project X PIS	Brady PIS	Brady CWIP	Allegheny SS PIS	
Jan	826,649	-	87,502	489,865	-	9,542,891	-	(7,271,911)	-	-	-	2,960,000	5,041,016	489,865	9,542,891	33,012,113	-	-
Feb	1,041,293	-	149,376	(393,918)	-	8,411,069	-	2,284,105	-	-	-	3,129,704	5,169,036	(293,899)	10,109,166	37,675,089	-	-
Mar	3,726,431	-	338,518	(50,422)	-	58,618	-	(18,071,985)	-	-	-	4,236,431	6,204,554	(344,111)	11,048,283	43,933,858	-	-
Apr	568,837	-	2,450,854	400,000	-	20,000,000	-	1,326,253	-	2,960,000	-	4,636,431	8,665,508	55,889	31,048,283	24,991,874	-	-
May	350,000	-	654,428	1,648,721	-	-	-	3,826,315	-	-	-	5,176,431	11,474,668	1,704,610	31,048,283	26,168,127	-	-
Jun	540,000	-	2,154,792	-	-	-	-	2,007,150	-	-	-	15,451,582	13,570,416	1,704,610	31,048,283	30,114,441	-	-
Jul	-	-	2,895,750	-	-	-	-	3,774,262	-	-	-	5,945,323	17,046,100	1,704,610	31,048,283	32,121,591	-	-
Aug	388,892	-	1,871,246	-	-	-	-	4,663,141	-	-	-	7,170,323	20,529,178	1,704,610	31,048,283	30,944,218	-	-
Sep	970,000	-	2,468,719	-	-	-	-	3,825,458	-	-	-	22,259,323	22,824,528	1,804,610	31,048,283	2,960,000	-	-
Oct	15,989,600	-	2,301,350	100,000	-	-	-	3,535,648	-	2,960,000	-	6,447,472	11,457,693	626,422	22,316,655	36,502,437	-	-
Nov	22,259,323	-	17,271,011	1,834,610	-	-	-	30,264,779	-	2,960,000	-	5,447,472	11,457,693	626,422	22,316,655	36,502,437	-	-
Dec	22,259,323	-	17,271,011	1,834,610	-	-	-	30,264,779	-	2,960,000	-	5,447,472	11,457,693	626,422	22,316,655	36,502,437	-	-
Total	22,259,323	-	17,271,011	1,834,610	-	-	-	30,264,779	-	2,960,000	-	5,447,472	11,457,693	626,422	22,316,655	36,502,437	-	-

	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)	(Z)	(AA)	(AB)	(AC)	(AD)	(AE)	(AF)	(AG)
	Total Project PIS	Composites Trans Deprec Rate	Composites Trans Deprec Expense	Composites Trans Deprec Rate	Total Ready PIS	Composites Trans Deprec Rate	Total Ready PIS	Composites Trans Deprec Expense	Composites Trans Deprec Rate	Total Ready PIS	Composites Trans Deprec Expense	Composites Trans Deprec Rate	Total Ready PIS	Composites Trans Deprec Expense	Composites Trans Deprec Rate	Total Ready PIS	Composites Trans Deprec Expense
DEC	826,649	0.19%	1,571	0.19%	1,571	0.19%	1,571	18,131	0.19%	18,131	0.19%	18,131	0.19%	18,131	0.19%	18,131	0.19%
Jan	2,468,279	0.19%	4,680	0.19%	4,680	0.19%	4,680	19,288	0.19%	19,288	0.19%	37,417	0.19%	37,417	0.19%	37,417	0.19%
Feb	3,123,764	0.19%	5,947	0.19%	5,947	0.19%	5,947	20,894	0.19%	20,894	0.19%	58,301	0.19%	58,301	0.19%	58,301	0.19%
Mar	10,287,431	0.19%	19,387	0.19%	19,387	0.19%	19,387	20,862	0.19%	20,862	0.19%	79,283	0.19%	79,283	0.19%	79,283	0.19%
Apr	4,236,431	0.19%	8,046	0.19%	8,046	0.19%	8,046	31,117	0.19%	31,117	0.19%	107,400	0.19%	107,400	0.19%	107,400	0.19%
May	350,000	0.19%	665	0.19%	665	0.19%	665	3,115	0.19%	3,115	0.19%	58,952	0.19%	58,952	0.19%	58,952	0.19%
Jun	540,000	0.19%	1,035	0.19%	1,035	0.19%	1,035	3,239	0.19%	3,239	0.19%	58,952	0.19%	58,952	0.19%	58,952	0.19%
Jul	517,631	0.19%	983	0.19%	983	0.19%	983	3,239	0.19%	3,239	0.19%	58,952	0.19%	58,952	0.19%	58,952	0.19%
Aug	5,176,431	0.19%	9,835	0.19%	9,835	0.19%	9,835	12,828	0.19%	12,828	0.19%	374,252	0.19%	374,252	0.19%	374,252	0.19%
Sep	5,545,239	0.19%	10,538	0.19%	10,538	0.19%	10,538	12,828	0.19%	12,828	0.19%	374,252	0.19%	374,252	0.19%	374,252	0.19%
Oct	6,415,323	0.19%	12,189	0.19%	12,189	0.19%	12,189	19,300	0.19%	19,300	0.19%	482,235	0.19%	482,235	0.19%	482,235	0.19%
Nov	7,170,323	0.19%	13,654	0.19%	13,654	0.19%	13,654	22,734	0.19%	22,734	0.19%	551,277	0.19%	551,277	0.19%	551,277	0.19%
Dec	22,259,323	0.19%	42,283	0.19%	42,283	0.19%	42,283	22,734	0.19%	22,734	0.19%	551,277	0.19%	551,277	0.19%	551,277	0.19%
Total	22,259,323	0.19%	42,283	0.19%	42,283	0.19%	42,283	22,734	0.19%	22,734	0.19%	551,277	0.19%	551,277	0.19%	551,277	0.19%

13 month avg of new plant additions = Col K + Col M + Col N + Col P
13 month avg of current year change to CWIP = Col L + Col O
13 month Avg accumulated depreciation = Col T + Col W + Col AA + Col AE
Depreciation Expense = Col S + Col W + Col AA + Col AE

Rev/Ret based on Year 2 data with estimated Cap Adds, Retirs, CWIP and Deprec for Year 3. Cap Adds (Step 9) and True up at Year 1 data (Step 8)
Must run App A to get this.# (with 13 mo. avg cap add, CWIP, depreciation for Year 3 step adds)
\$ 98,468,640
\$ 98,468,640

11 May Year 3 Post results of Step 10 on P.M.I. web site. Post results of Step 3 on P.M.I. web site.
12 June Year 3 Results of Step 9 go into effect for the Rate Year 2.

(A)	(B)	(C)	(D)
Account Number	Depreciation Plant Base	Depreciation Rate	Depreciation Expense
Transmission Plant			
352-Major Structures	4,416,986	3.66	161,662
352-Minor Structures	4,553,774	2.63	119,764
353	281,992,768	3.02	8,516,182
354	71,055,331	2.23	1,584,534
355	13,300,063	2.15	285,951
356	78,965,329	1.84	1,452,962
357	62,451,793	1.95	1,217,810
358	43,361,538	1.39	602,725
359	-	3.19	-
Subtotal	560,097,582		13,941,590
General Plant			
390	104,714,438	3.67	3,843,020
391	5,155,089	20	1,031,018
391.1	4,575,048	5	228,752
392	53,364,195	9.1	4,856,142
393	2,728,772	3.33	90,868
394	12,314,475	4	492,579
395	4,364,213	5	218,211
396	1,560,129	6.1	95,168
397	57,485,630	6.67	3,834,292
398	457,633	5	22,882
Subtotal	246,719,622		14,712,931