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February 18, 2026

Via eTariff  
The Honorable Debbie-Anne A. Reese  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: DLC Energy Company; Order No. 898 Rate Filing  
Docket No. ER26-\_\_-000**

Dear Secretary Reese:

Pursuant to Section 205 of the Federal Power Act (“FPA”),<sup>1</sup> and Part 35 of the regulations of the Federal Energy Regulatory Commission (“FERC” or “Commission”)<sup>2</sup> Duquesne Light Company (“DLC” or “Company”) submits for filing proposed revisions to its formula transmission rate at Attachment H-17A Attachment H-17A of the PJM Interconnection, L.L.C. (“PJM”) Open Access Transmission Tariff (“OATT” or “Formula Rate”).<sup>3</sup> The tariff revisions reflect minor modifications to the attachments used to calculate DLC’s Annual Transmission Revenue Requirements. As set forth more fully below, the purpose of the proposed tariff changes is to conform references in the DLC Formula

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<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> 18 C.F.R. Pt. 35.

<sup>3</sup> Pursuant to Order No. 714, this filing is submitted by PJM Interconnection, L.L.C. (“PJM”) on behalf of DLC as part of an XML filing package that conforms with the Commission’s regulations. PJM has agreed to make all tariff filings on behalf of all of the PJM Transmission Owners in order to retain administrative control over the PJM OATT. Thus, DLC has requested PJM to submit this filing in the eTariff system as part of PJM’s electronic Intra PJM OATT.

Rate to changes in the FERC Form No. 1 (“FERC Form 1”) made by the Commission in Order No. 898.<sup>4</sup> DLC respectfully requests that the proposed tariff changes be made effective January 1, 2025, the effective date of Order No. 898. The Company proposes to apply the updated tariff changes within its True-Up Formula Rate Filing and its Estimate Formula Rate Filing that will be filed by May 15, 2026, with an effective date of June 1, 2026.

## **I. BACKGROUND AND DESCRIPTION OF FILING**

### **A. Description of DLC**

DLC, based in Pittsburgh, is an energy delivery company in Pennsylvania. DLC is engaged in the purchase, transmission, distribution, and sale of electricity to residential, commercial, and industrial customers in southwestern Pennsylvania. DLC is regulated by this Commission and the Pennsylvania Public Utility Commission. DLC has over 600 thousand electric customers.

### **B. DLC’s Formula Rate**

DLC’s Annual Transmission Revenue Requirement (“ATRR”) originated from a Settlement Agreement and associated revisions to the Formula Rate that was filed on October 9, 2007, in Docket No. ER06-1549 and approved by the Commission on May 9, 2008.<sup>5</sup> DLC calculates its ATRR pursuant to the terms of its Formula Rate contained in Attachment H-17A of the PJM Tariff and the Protocols in Attachment H-17B to the PJM Tariff (“Formula Rate Protocols”). To calculate its ATRR for an upcoming rate year, Duquesne’s

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<sup>4</sup> Accounting and Reporting Treatment of Certain Renewable Energy Assets, Order No. 898, 183 FERC ¶ 61,205 (2023) (“Order No. 898”).

<sup>5</sup> See 123 FERC ¶ 61,139 (2008).

Formula Rate is calculated using data from Duquesne's FERC Form No. 1 for the most recent calendar year, and to the extent specified in the Formula Rate, data from the books and records of Duquesne maintained consistent with FERC accounting policies. Using these data inputs, Duquesne estimates its ATRR for the following rate year. This estimated ATRR is then subject to reconciliation and true-up during the next annual update process (which occurs in May of each calendar year) using actual data from the relevant rate year. Any over or under-recovery identified during the true-up process are then returned to or recovered from customers who take transmission service under Duquesne's Formula Rate ("Transmission Customers") with interest.

### **C. Explanation and Purpose of Proposed Changes**

On June 29, 2023, in Order No. 898, the Commission revised its Uniform System of Accounts ("USofA") for public utilities to, as relevant here, create new accounts within existing functions for computer hardware, software, and communication equipment. Additionally, Order No. 898 created a new functional class for energy storage accounts. Order No. 898 also amended the relevant FERC forms, including FERC Form 1, to accommodate these changes. Order No. 898 became effective January 1, 2025. Therefore, the FERC Form 1 filed by DLC to report calendar year 2025 data will also reflect these revisions.

As explained above, DLC's ATRR is recalculated pursuant to a formula that contains references to the FERC Form 1. DLC proposes to modify the existing Formula Rate by adding new FERC plant accounts that were added by Order No. 898. The Company is also

utilizing this filing to update the FERC Form 1 references that have changed as a result of the XBRL filing process that was implemented by FERC for the 2021 FERC Form 1.

The proposed revisions necessary to reflect changes to the FERC Form 1 based on Order No. 898 are as follows:

- Attachment 8 of Attachment H-17A, page 29
  - Insertion of new FERC Transmission Plant Accounts (FERC Account 351.1 – Computer Hardware, FERC Account 351.2 – Computer Software, and FERC Account 351.3 – Communication Equipment)
  - Insertion of new FERC General Plant Accounts (FERC Account 397.1 – Computer Hardware, FERC Account 397.2 – Computer Software, and FERC Account 397.3 – Communication Equipment)
  - Removal of FERC Account 397 – Communication Equipment

The remaining proposed revisions are necessary to reflect changes to the FERC Form 1 as a result of the XBRL filing process that was implemented for the 2021 FERC Form 1.

1. These red line changes are reflected throughout Attachment H-17A.

The proposed changes will not impact the types of costs that are included in the DLC Formula Rate. For example, Communication Equipment (FERC Account 397), is a plant account that has been included in the Formula Rate and Communication Equipment will continue to be incorporated through the inclusion of FERC Accounts 397.3 and 351.3. Costs recorded in each account will be consistent with the descriptions and guidance provided in Order No. 898.

Order No. 898 provides that “utilities affected by this final rule may seek to update their rates on a single-issue basis given the limited scope of the requirements in this final rule.”<sup>6</sup> Therefore, the rule permits “jurisdictional utilities with formula rates to seek to update their formula rates to comply with this rule through either a single-issue filing under FPA section 205 or as part of a utility’s section 205 filing to update formula rates involving other matters.”<sup>7</sup> The rule also notes that “existing depreciation rates should apply to the newly classified plant going forward, to be revised in a timely manner in the utility’s next relevant depreciation rate case.”<sup>8</sup> Until such time, DLC will apply its existing depreciation rates to the newly classified plant.

## **II. INFORMATION SUBMITTED WITH THIS FILING**

This submission includes, along with this transmittal letter, the following documents:

- Attachment A: Clean Tariff Attachment (PJM OATT Attachment H-17A DLC’s Formula Rate Template);
- Attachment B: Marked Tariff Attachment (PJM OATT Attachment H-17A DLC’s Formula Rate Template);

## **III. LIST OF PERSONS RECEIVING A COPY OF THIS FILING**

On behalf of DLC, PJM has served a copy of this filing on behalf of all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing

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<sup>6</sup> Order No. 898, at P 138.

<sup>7</sup> *Id.*

electronically. In accordance with the Commission's regulations,<sup>9</sup> PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link:

<https://www.pjm.com/library/filingorder> with a specific link to the new-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region<sup>10</sup> alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available through the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission's eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

#### **IV. OTHER FILING REQUIREMENTS**

None of the costs proposed to be recovered in proposed tariff sheets have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

#### **V. REQUESTED EFFECTIVE DATE AND DESIGNATION**

DLC requests that the enclosed proposed tariff sheets be included in Attachment H-17A of the PJM OATT effective January 1, 2025. For the reasons set forth herein, in order to ensure that the DLC Formula Rate has the correct references, DLC requests that this effective date be granted. In addition, the changes do not affect the nature of the charges

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<sup>9</sup> See 18C.F.R §§ 35.2(e) and 385.2010(f)(3).

<sup>10</sup> PJM already maintains, updates and regularly uses e-mail lists for all PJM members and affected state commissions.

calculated by the Formula Rate, but are ministerial to conform the DLC Formula Rate to the revised FERC Form 1.

## **VI. COST OF SERVICE, REVENUE INFORMATION, AND REQUEST FOR WAIVERS**

As no cost of service or rate design change is being made as part of this filing, DLC requests that the Commission find good cause to waive Section 35.13 of the Commission's regulations, 18 C.F.R. § 35.13, including any requirement that the filing contain Statements AA through BM in support of the filing; any Period I-Period II data requirements, and any requirement in Section 35.13(a)(2)(iv) to determine if and the extent to which a proposed change constitutes a rate increase based on Period I-Period II rates and billing determinants. In addition, DLC hereby respectfully requests a waiver, to the extent one is deemed necessary, of the requirement that it file an attestation pursuant to 18 C.F.R. § 35.13(d) as inapplicable under the circumstances presented here, inasmuch as there are no costs contained in this filing to be attested to by any corporate official. The Commission has granted waiver of the requirement to provide Part 35 cost of service information in the context of formula rates and Duquesne requests that the Commission grant waiver here.

Although DLC has not identified any additional waivers of the Commission's Regulations that are necessary to permit this filing to be granted, DLC further requests that the Commission grant any additional waivers of its rules and regulations it may deem necessary to approve this rate application by the requested effective date.

## **VII. NOTICE AND CORRESPONDENCE**

Correspondence, pleadings and other materials regarding this filing should be addressed to the following persons:

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### **VIII. CONCLUSION**

For all the reasons set forth herein, DLC respectfully requests that the Commission accept for filing its proposed revised PJM OATT Attachment H-17A, reflecting newly created USofA plant accounts set forth in Order No. 898, effective January 1, 2025, and grant all necessary waivers.

Respectfully submitted,



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ATTACHMENT A  
CLEAN TARIFF ATTACHMENT  
ATTACHMENT H-17A

Formula Rate - Appendix A	Notes	FERC Form 1 Page # or Instruction	Year
<b>Allocators</b>			
Shaded cells are input cells			
1 Transmission Wages Expense		p354-355.21.b	-
2 Total Wages Expense		p354-355.28.b	-
3 Less A&G Wages Expense		p354-355.27.b	-
4 Total		(Line 2 - 3)	-
5		(Line 1 / Line 4)	<b>0.0000%</b>
<b>Plant Allocation Factors</b>			
6 Total Plant In Service	(Note B)	Attachment 5	-
7 Total Accumulated Depreciation	(Note A)	Attachment 5	-
8 Net Plant		(Line 6 - Line 7)	-
9 Transmission Gross Plant		(Line 21)	-
10 <b>Gross Plant Allocator</b>		(Line 9 / Line 6)	<b>0.0000%</b>
11 Transmission Net Plant		(Line 33)	-
12 <b>Net Plant Allocator</b>		(Line 11 / Line 8)	<b>0.0000%</b>
<b>Plant Calculations</b>			
<b>Plant In Service</b>			
13 Transmission Plant In Service	(Note B)	Attachment 5	-
14 New Transmission Plant Additions and Retirements only for Annual Estimate	(Note B)	Attachment 6	-
15 <b>Total Transmission Plant In Service</b>		(Line 13 + Line 14)	-
16 General & Intangible		Attachment 5	-
17 Common Plant (Electric Only)	(Note A)	Attachment 5	-
18 Total General & Common		(Line 16 + Line 17)	-
19 Wage & Salary Allocation Factor		(Line 5)	0.00000%
20 <b>General &amp; Common Plant Allocated to Transmission</b>		(Line 18 * Line 19)	-
21 <b>TOTAL Transmission-Related Plant In Service</b>		(Line 15 + Line 20)	-
<b>Accumulated Depreciation</b>			
22 Transmission Accumulated Depreciation	(Note B)	Attachment 5	-
23 Accumulated Depreciation for Transmission Plant Additions Only for Estimate	(Note B)	Attachment 6	-
24 <b>Total Transmission Accumulated Depreciation</b>		(Line 22 + Line 23)	-
25 Accumulated General Depreciation		Attachment 5	-
26 Accumulated Intangible Depreciation		Attachment 5	-
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)	-
30 Wage & Salary Allocation Factor		(Line 5)	0.00000%
31 <b>General &amp; Common Allocated to Transmission</b>		(Line 29 * Line 30)	-
32 <b>TOTAL Transmission-Related Accumulated Depreciation</b>		(Line 24 + Line 31)	-
33 <b>TOTAL Transmission-Related Net Property, Plant &amp; Equipment</b>		(Line 21 - Line 32)	-

**Adjustment To Rate Base**

	<b>Accumulated Deferred Income Taxes</b>	(Note R)		
34	ADIT net of FASB 106 and 109	(Enter Negative)	Attachment 1, Col B, Line 9	-
35	<b>Accumulated Deferred Income Taxes Allocated To Transmission</b>		Line 34	-
	<b>CWIP for Incentive Transmission Projects</b>			
36	CWIP Balance for Current Rate Year	(Note P)	Attachment 6	-
37	<b>Total CWIP for Incentive Transmission Projects</b>			-
38	<b>Plant Held for Future Use</b>	(Note C)	Attachment 5	-
	<b>Transmission O&amp;M Reserves</b>			
39	<b>Total Balance Transmission Related Account 242 Reserves</b>	(Enter Negative)	Attachment 5	-
	<b>Prepayments</b>			
40	Prepayments	(Note A)	Attachment 5	-
41	<b>Total Prepayments Allocated to Transmission</b>		(Line 40)	-
	<b>Materials and Supplies</b>			
42	Undistributed Stores Exp	(Note A)	Attachment 5	-
43	Wage & Salary Allocation Factor		(Line 5)	0.00%
44	Total Transmission Allocated		(Line 42 * Line43)	-
45	Transmission Materials & Supplies		Attachment 5	-
46	<b>Total Materials &amp; Supplies Allocated to Transmission</b>		(Line 44 + Line45)	-
	<b>Cash Working Capital</b>			
47	Operation & Maintenance Expense		(Line 75)	-
48	1/8th Rule		x 1/8	12.5%
49	<b>Total Cash Working Capital Allocated to Transmission</b>		(Line 47 * Line 48)	-
50	<b>TOTAL Adjustment to Rate Base</b>		(Lines 35 + 37 + 39 + 41 + 46 + 49)	-
51	<b>Rate Base</b>		(Line 33 + Line 50)	-

**O&M****Transmission O&M**

52	Transmission O&M		p320-323.112.b	-
53	Less Account 565		p320-323.96.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)	p200-201.4.c	-

**Transmission O&M**

(Lines 52 - 53 + 54 + 55)

**Allocated General & Common Expenses**

57	Common Plant O&M	(Note A)	p356	-
58	Total A&G		p320-323.197.b	-
59	Less PBOP Expense in Acct. 926 in Excess of Allowed Amount		Attachment 5	-
60	Less Property Insurance Account 924		p320-323.185.b	-
61	Less Regulatory Commission Expense Account 928	(Note E)	p320-323.189.b	-
62	Less General Advertising Expense Account 930.1		p320-323.191.b	-
63	Less EPRI Dues	(Note D)	p352-353	

**General & Common Expenses**

(Lines 57 thru 58) - Sum (Lines 59 to 63)

65	Wage & Salary Allocation Factor	(Line 5)	0.0000%
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**General & Common Expenses Allocated to Transmission**

(Line 64 \* Line 65)

**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	-
71	General Advertising Exp Account 930.1	(Note F)	Attachment 5	-
72	Total		(Line 70 + Line 71)	-
73	Net Plant Allocation Factor		(Line 12)	0.00%
74	<b>A&amp;G Directly Assigned to Transmission</b>		(Line 72 * Line 73)	-
75	<b>Total Transmission O&amp;M</b>		(Lines 56 + 66 + 69 + 74)	-

**Depreciation & Amortization Expense****Depreciation & Amortization Expense**

76	Transmission Depreciation Expense		Attachment 8, Col. (D)	-
76a	Amortization of Abandoned Plant Projects	(Note T)	Attachment 5	-
77	New plant Depreciation Expense only for Estimate	(Note B)	Attachment 6	-

78	<b>Total Transmission Depreciation and Amortization Expense</b>		(Line 76 + Line 76a + Line 77)	-
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79	General Depreciation		Attachment 8, Col. (D)	-
80	Intangible Amortization	(Note A)	p336-337.1.f	-
81	Total		(Line 79 + Line 80)	-
82	Wage & Salary Allocation Factor		(Line 5)	0.0000%
83	<b>General Depreciation Allocated to Transmission</b>		(Line 81 * Line 82)	-
84	Common Depreciation - Electric Only	(Note A)	p336-337.11.b	-
85	Common Amortization - Electric Only	(Note A)	p356 or p336-337.11.d	-
86	Total		(Line 84 + Line 85)	-
87	Wage & Salary Allocation Factor		(Line 5)	0.0000%
88	<b>Common Depreciation - Electric Only Allocated to Transmission</b>		(Line 86 * Line 87)	-
89	<b>Total Transmission Depreciation &amp; Amortization</b>		(Lines 78 + 83 + 88)	-

**Taxes Other than Income**

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

## Return / Capitalization Calculations

<b>Long Term Interest</b>				
92	Long Term Interest	(Note Q)	Attachment 5	-
93	Amortization of Debt Discount and Expense		p114-117.63.c	-
94	Amortization of Loss on Reacquired Debt		p114-117.64.c	-
95	Less Amort of Gain on Reacquired on Debt-Credit		p114-117.65.c	-
96	Less Amort of Premium on Debt-Credit		p114-117.66.c	-
97	Interest on Debt to Associated Companies		p114-117.67.c	-
98	<b>Total Long Term Debt Costs</b>		(Sum lines 92 to 94) - Line 95 - Line 96 + Line 97	-
99	<b>Preferred Dividends</b>	Enter Positive	p118-119.29.c	-
<b>Common Stock</b>				
100	Proprietary Capital		p112-113.16.c	-
101	Less Accumulated Other Comprehensive Income Account 219		p112-113.15.c	-
102	Less Preferred Stock		(Line 110)	-
103	Less Account 216.1		p112-113.12.c	-
104	<b>Common Stock</b>		(Line 100 - (Sum Lines 101 to 103))	-
<b>Capitalization</b>				
105	Long Term Debt			
106	Bonds		Attachment 5	-
107	Less Loss on Reacquired Debt	Enter Negative	p110-111.81.c	-
108	Plus Gain on Reacquired Debt		p112-113.61.c	-
109	Total Long Term Debt		Sum (Lines 105 to Line 108)	-
110	Preferred Stock		p112-113.3.c	-
111	Common Stock		(Line 104)	-
112	<b>Total Capitalization</b>		(Sum Lines 109 to 111)	-
113	Debt %		(Line 109 / Line 112)	0.0%
114	Preferred %		(Line 110 / Line 112)	0.0%
115	Common %	(Note O)	(Line 111 / Line 112)	0.0%
116	Debt Cost		(Line 98 / Line 109)	-
117	Preferred Cost		(Line 99 / Line 110)	-
118	Common Cost	(Note J)	10.9% ROE + .5% RTO Adder	0.1140
119	Weighted Cost of Debt		(Line 113 * Line 116)	-
120	Weighted Cost of Preferred		(Line 114 * Line 117)	-
121	Weighted Cost of Common		(Line 115 * Line 118)	-
122	<b>Total Return ( R )</b>		(Sum Lines 119 to 121)	-
123	<b>Investment Return = Rate Base * Rate of Return</b>		(Line 51 * Line 122)	-

## Composite Income Taxes

<b>Income Tax Rates</b>				
124	FIT=Federal Income Tax Rate	(Note I)		0.00%
125	SIT=State Income Tax Rate or Composite			0.00%
126	p (percent of federal income tax deductible for state purposes)		Per State Tax Code	0.00%
127	T =1 - {[ (1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =			0.00%
128	T/ (1-T)			0.00%
<b>ITC Adjustment</b>				
129	Amortized Investment Tax Credit	enter negative	Attachment 1	-
130	1/(1-T)		1 / (1 - Line 127)	100.00%
131	Net Plant Allocation Factor		(Line 12)	0.0000%
132	<b>ITC Adjustment Allocated to Transmission</b>		(Line 129 * (1 + Line 130) * Line 131)	-
<b>Other Income Tax Adjustments</b>				
132a	Other Income Tax Adjustments	(Note S)	Attachment 5	-
133	<b>Income Tax Component = CIT = (T/1-T) * Investment Return * (1-(WCLTD/R)) =</b>		[Line 128 * Line 123 * (1 - (Line 119 / Line 122))]	-
134	<b>Total Income Taxes</b>		(Line 132 + Line 132a + Line 133)	-

**REVENUE REQUIREMENT****Summary**

135	Net Property, Plant & Equipment	(Line 33)	-
136	Adjustment to Rate Base	(Line 50)	-
137	<b>Rate Base</b>	(Line 51)	-
138	O&M	(Line 75)	-
139	Depreciation & Amortization	(Line 89)	-
140	Taxes Other than Income	(Line 91)	-
141	Investment Return	(Line 123)	-
142	Income Taxes	(Line 134)	-

<b>143</b>	<b>Gross Revenue Requirement</b>	<b>(Sum Lines 138 to 142)</b>	-
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**Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities**

144	Transmission Plant In Service	(Line 13)	-
145	Excluded Transmission Facilities	(Note M) Attachment 5	-
146	Included Transmission Facilities	(Line 144 - Line 145)	-
147	Inclusion Ratio	(Line 146 / Line 144)	0.00%
148	<b>Gross Revenue Requirement</b>	(Line 143)	-
149	<b>Adjusted Gross Revenue Requirement</b>	(Line 147 * Line 148)	-
150	<b>Revenue Credits</b>	Attachment 3	-

<b>151</b>	<b>Net Revenue Requirement</b>	<b>(Line 149 - Line 150)</b>	-
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**Net Plant Carrying Charge**

152	Gross Revenue Requirement	(Line 143)	-
153	Net Transmission Plant	(Line 13 - Line 22)	-
154	Net Plant Carrying Charge	(Line 152 / Line 153)	0.0000%
155	Net Plant Carrying Charge without Depreciation	(Line 152 - Line 76) / Line 153	0.0000%
156	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 152 - Line 76 - Line 123 - Line 134) / Line 153	0.0000%

**Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE**

157	Gross Revenue Requirement Less Return and Taxes	(Line 143 - Line 141 - Line 142)	-
158	Increased Return and Taxes	Attachment 4	-
159	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 157 + Line 158)	-
160	Net Transmission Plant	(Line 13 - Line 22)	-
161	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 159 / Line 160)	0.0000%
162	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	(Line 159 - Line 76) / Line 160	0.0000%
163	<b>Net Revenue Requirement</b>	(Line 151)	-
164	True-up amount	Attachment 6	-
165	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	Attachment 7	-
166	Facility Credits under Section 30.9 of the PJM OATT	Attachment 5	-
167	<b>Net Zonal Revenue Requirement</b>	Sum (Lines 163 to 166)	-

**Network Zonal Service Rate**

168	1 CP Peak	(Note L) Attachment 5	-
169	Rate (\$/MW-Year)	(Line 167 / Line 168)	-

<b>170</b>	<b>Network Service Rate (\$/MW/Year)</b>	<b>(Line 169)</b>	-
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**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 350-351.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, 266-267.8.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.
- P 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%.
- Q Include on line 36, the 13 monthly average CWIP balance on Attachment 6 for FERC authorized incentive transmission projects shown on Attachment 6.
- R 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 256-257 of the FERC Form No. 1 that has an outstanding amount included in column H will be included in the interest calculation.
- S Includes the transmission-allocated portions of the balances in Accounts 190, 281, 282 and 283 and the transmission-allocated portions of the tax-related portions of Accounts 182.3 and 254. Accumulated deferred income tax amounts associated with asset or liability accounts excluded from rate base (such as ADIT related to other post-employment benefit costs and certain tax-related regulatory assets or liabilities) do not affect rate base. To maintain rate base neutrality upon changes in income tax laws, income tax rates, and other actions taken by a tax authority, resulting unamortized deficient or (excess) ADIT is included without tax gross-up. Supporting information is provided in Attachment 1.
- T Effective June 1, 2020, includes amounts associated with the amortization of any deficient or (excess) deferred income taxes (resulting from changes in income tax laws, income tax rates, and other actions taken by a tax authority). See Attachment 5 for detail of Other Income Tax Adjustments and Attachment 9 for detail of Amortization of Deficient or (Excess) Accumulated Deferred Income Taxes.
- U Amortization of Abandoned Plant may only be included pursuant to a Commission Order authorizing such inclusion. The Company must submit a Section 205 filing to recover the cost of abandoned plant.

**END**

A	B	C	D	E	F	G	H	I
	End of Year Total	Beg of Year Total	Average	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	
1 <i>ADIT-190 (enter negative) - line 41</i>	-	-	-	-	-	-	-	
2 <i>ADIT- 282 – line 46</i>	-	-	-	-	-	-	-	
3 <i>ADIT- 283 – line 59</i>	-	-	-	-	-	-	-	
4 <i>Subtotal – Sum (line 1 + line 2 + line 3)</i>	-	-	-	-	-	-	-	
5 <i>Wages &amp; Salary Allocator – Appendix A line 5</i>						0.0000%		
6 <i>Gross Plant Allocator – Appendix A line 10</i>						0.0000%		
7 <i>Transmission Allocator</i>					100%			
8 <i>All other</i>			0%					
9 <i>ADIT</i>	_____							
				line 8 * line 4	line 7 * line 4	line 6 * line 4	line 5 * line 4	

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

- <from Acct 283 below

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

**Instructions for Account 190, 282 and 283:**

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

A	B	C	D	E	F	G	H	I
	End of Year Total	Beg 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
<b>ADIT-190</b>								
10 Other regulatory assets/liabilities - Transmission plant	-	-	-	-	-	-	-	Transmission-related tax-related net regulatory assets/liabilities not related to tax law change remeasurements (prior to gross-up). Recorded in Account 254. Removed from rate base as a FASB 109 item below.
11 Tax gross-up on other regulatory assets/liabilities - Transmission plant	-	-	-	-	-	-	-	Gross-up for income tax due on transmission-related tax-related net regulatory assets/liabilities other than tax law change remeasurements (Line 10) excess ADIT. Formerly referred to as FAS 109 Tax Gross-Up. Recorded in Account 254. Removed from rate base as a FASB 109 item below.
12 Excess ADIT regulatory liability - Transmission plant (from Attachment 9.2, Line 4, Columns F and H)	-	-	-	-	-	-	-	Remeasurement of deferred tax liabilities in Account 282 for income tax rate changes on transmission plant-related book/tax differences (prior to gross-up) with an offset to regulatory liability Account 254. Specific allocation of excess ADIT between transmission and distribution determined by underlying functional records. General plant excess ADIT allocated to transmission using the wage and salary allocator. Transmission excess ADIT agreed to Attachment 9.2. Removed from rate base as a FASB 109 item below.
13 Tax gross-up on excess ADIT regulatory liability - Transmission plant	-	-	-	-	-	-	-	Gross-up for income tax due on transmission plant-related excess ADIT (Line 12). Recorded in Account 254. Removed from rate base as a FASB 109 item below.
14 Other tax-related regulatory assets/liabilities - Distribution/other plant	-	-	-	-	-	-	-	Distribution/other-related tax-related net regulatory assets/liabilities not related to tax law change remeasurements. Recorded in Account 254. Removed from rate base as a FASB 109 item below.
15 Tax gross-up on other tax-related regulatory assets/liabilities - Distribution/other plant	-	-	-	-	-	-	-	Gross-up for income tax due on distribution/other-related tax-related net regulatory assets/liabilities other than excess ADIT (Line 14). Formerly referred to as FAS 109 Tax Gross-Up. Recorded in Account 254. Removed from rate base as a FASB 109 item below.
16 Excess ADIT regulatory liability - Distribution/other plant	-	-	-	-	-	-	-	Remeasurements of deferred tax liabilities in Account 282 for income tax rate changes on distribution/other plant-related book/tax differences (prior to gross-up) with an offset to regulatory liability Account 254. Specific allocation of excess ADIT between transmission and distribution determined by underlying functional records. General plant excess ADIT allocated to distribution using the wage and salary allocator. Removed from rate base as a FASB 109 item below.
17 Tax gross-up on excess ADIT regulatory liability - Distribution/other plant	-	-	-	-	-	-	-	Gross-up for income tax due on distribution/other-related excess ADIT (Line 16). Formerly referred to as FAS 109 Tax Gross-Up. Recorded in Account 254. Removed from rate base as a FASB 109 item below.
18 Excess ADIT regulatory liability - Transmission non-property-related (from Attachment 9.2, Line 5, Columns F and H)	-	-	-	-	-	-	-	Remeasurement of deferred tax liabilities in Accounts 190 and 283 (prior to gross-up) for income tax rate changes on transmission-related book/tax differences not related to plant with an offset to regulatory liability Account 254. Non-plant excess ADIT allocated to transmission using the wage and salary allocator. Transmission non-plant excess ADIT agreed to permanent worksheet Attachment 9.2. Removed from rate base as a FASB 109 item below.
19 Tax Gross-up on excess ADIT regulatory liability - Transmission non-property-related	-	-	-	-	-	-	-	Gross-up for income tax due on non-plant transmission-related excess ADIT (Line 18). Corresponding amount recorded in Account 254. Removed from rate base as FASB 109 item below.
20 Deficient ADIT regulatory asset - Transmission non-property-related (from Attachment 9.2, Line 9, Columns F and H)	-	-	-	-	-	-	-	Remeasurement of deferred tax assets in account 190 (prior to tax gross-up) for income tax rate changes on transmission-related book/tax differences not related to plant with an offset to regulatory asset account 182.3. Non-plant deficient ADIT allocated to transmission using the wage and salary allocator. Transmission non-plant deficient ADIT agreed to Attachment 9.2. Removed from rate base as a FASB 109 item below.
21 Tax Gross-up on deficient ADIT regulatory liability - Transmission non-property-related	-	-	-	-	-	-	-	Gross-up for income tax due on non-plant transmission-related excess ADIT (line 20). Corresponding amount recorded in account 182.3. Removed from rate base as FASB 109 item below.
22 Vacation Pay	-	-	-	-	-	-	-	Vacation pay earned and expensed for books, tax deduction when paid - employees in all functions
23 Reserve for Healthcare	-	-	-	-	-	-	-	Self Insurance reserve expanded for books, tax deduction when paid - employees in all functions
24 Reserve for Compensated Absences	-	-	-	-	-	-	-	Vacation pay accrued and expensed for books, tax deduction when paid - employees in all functions
25 Severance Pay	-	-	-	-	-	-	-	Book expenses related to 2001 workforce reduction, tax deduction when paid - related to all functions
26 FAS 106	-	-	-	-	-	-	-	FAS postretirement benefit liability
27 FAS 87 Pension Liability	-	-	-	-	-	-	-	FAS 87 pension liability recorded in other comprehensive income
28 Pension	-	-	-	-	-	-	-	Book accrual for pension contributions
29 Pension Regulatory Liability	-	-	-	-	-	-	-	Regulatory Liability associated with adoption of FAS 158
30 Operations Reserve	-	-	-	-	-	-	-	Book expenses related to 2000 generation asset sale, tax deduction pending IRS audit resolution
31 Warwick Mine Closing Costs	-	-	-	-	-	-	-	Costs expensed related to 2000 generation asset sale, tax deduction when paid
32 Bad Debt Reserve Amount	-	-	-	-	-	-	-	Book expense for bad debts, tax deduction when fully written-off and all collection efforts abandoned - relates to all functions

33	Stock Investments	-	-	-	-			Duquesne Light Co. investment in parent Company stock, not taxable within related group
34	Unamortized ITC	-	-	-	-		-	Investment Tax credit benefit recognized for tax, deferred and amortized ratably for books
35	Capital Stock Tax	-	-	-	-			Book capital stock estimate accrued and expensed, tax deduction when paid - related to all functions
36	Gross Receipts Tax	-	-	-	-			Book gross receipts tax estimate accrued and expensed, tax deduction when paid - relates to all functions
37	Accrued PURTA	-	-	-	-			Book PURTA tax estimate accrued and expensed, tax deduction when paid - relates to all functions
38	Accrued Sales and Use Tax	-	-	-	-			Book sales & use tax estimate accrued and expensed, tax deduction when paid - relates to all functions
39	Unamortized Gain on Reacquired Debt	-	-	-	-		-	Gain recognized for tax purposes, deferred and recognized ratably for book purposes - relates to all functions
40	Reserve - legacy issues	-	-	-	-			Book reserve related to environmental remediation for generation assets, tax deductible when paid
41	Provision for injuries and damages	-	-	-	-			Reserve expensed for books, tax deduction when paid - employees in all functions
42	Accrued Rent	-	-	-	-			Rent accrued on corporate headquarters, tax deduction when paid - relates to all functions
43	ITRON settlement	-	-	-	-			Investment recovery included in taxable income when received, deferred for book purposes - relates to all functions
44	Aff Housing tax recapture bond	-	-	-	-			Accrued bond expense, tax deduction when paid
45	Legal Accrual	-	-	-	-		-	Legal reserve expensed for books, tax deduction when paid - relates to all functions
46	<b>Accrued Franchise Tax</b>	-	-	-	-			
47	<b>Accrued Misc. Taxes</b>	-	-	-	-			
48	<b>Accrued Misc Reserves</b>	-	-	-	-		-	
49	<b>XXXX</b>							
50	<b>Subtotal - p234 (Sum line 10 through line 49)</b>	-	-	-	-	-	-	
51	<b>Less FASB 109 Above if not separately removed</b>	-						Includes amounts on Lines 10 – 21.
52	<b>Less FASB 106 Above if not separately removed</b>	-	-	-	-		-	Includes amount on Line 26.
53	<b>Total = Line 50 - (Line 52 + line 51)</b>	-	-	-	-	-	-	

A	B	C	D	E	F	G	H	I
			End of Year for Est. Average for Final					
	End of Year Total	Beg of Year Total		Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification

**ADIT- 282**

54	Accelerated Depreciation – Transmission	-	-	-	-	-	-	Differences between book and tax basis in transmission plant, including capitalization differences and differences between methods and lives used for accelerated tax depreciation and depreciation used for ratemaking purposes. Specific allocation between transmission and distribution determined by underlying functional records. General plant allocated between transmission and distribution using the wage and salary allocator. Remeasurement due to tax law changes (net of subsequent amortization) is reflected on Line 12.
55	Accelerated Depreciation – Distribution/Other	-	-	-	-	-	-	Differences between book and tax basis in distribution/other plant, including capitalization differences and differences between methods and lives used for accelerated tax depreciation and depreciation used for ratemaking purposes. Specific allocation between transmission and distribution determined by underlying functional records. General plant id allocated between transmission and distribution using the wage and salary allocator. Remeasurement due to tax law changes (net of subsequent amortization) is reflected on Line 16.
56	<b>Subtotal – p274-275</b>	-	-	-	-	-	-	
57	<b>Less FASB 109 Above if not separately removed</b>	-	-	-	-	-	-	
58	<b>Less FASB 106 Above if not separately removed</b>			-				
59	<b>Total = Line 56 - (Line 58 + Line 57)</b>	-	-	-	-	-	-	

A	B	C	D	E	F	G	H	I
			End of Year for Est. Average for Final					
	End of Year Total	Beg of Year Total		Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification

**ADIT-283**

60	<b>Amort Loss on Reacquisition</b>	-	-	-	-	-	-	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. Related to all functions
61	<b>Partnership investments</b>	-	-	-	-	-	-	Difference in book versus tax basis in partnership investments
62	<b>Regulatory Assets</b>	-	-	-	-	-	-	Asset due to rate regulated capitalization of incurred costs that would otherwise be charge to expense
63	<b>State Income Taxes</b>	-	-	-	-	-	-	Book sale income tax accrued and expensed, tax deduction when paid - relates to all functions
64	<b>Pension Regulatory asset</b>	-	-	-	-	-	-	Regulatory asset associated with adoption of FAS 158
65	<b>Prepaid Pension cost</b>	-	-	-	-	-	-	Pension assets/liabilities associated with FAS 87
66	<b>Other</b>	-	-	-	-	-	-	
67	<b>Subtotal – p276-277 (Form 1-F filer: see note 6, below)</b>	-	-	-	-	-	-	
68	<b>Less FASB 109 Above if not separately removed</b>	-	-	-	-	-	-	
69	<b>Less FASB 106 Above if not separately removed</b>	-						
70	<b>Total = Line 67 - (Line 69 + line 68)</b>	-	-	-	-	-	-	

**ADITC-255**

	Item	Amortization
<b>Amortization</b>		
<b>Amortization to line 129 of Appendix A</b>	<b>Total</b>	-
<b>Total</b>		-
<b>Total Form No. 1 (p 266-267)</b>		-

Difference /1

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

**Other Taxes****FERC Form No. 1****Page 262-263****Col (l)****Allocated****Allocator****Amount****Plant Related**

1 PA Capital Stock Tax  
 2 Real Estate  
 3 PA PURTA  
 4 **Total Plant Related -- Sum of line 1 through line 3**

line 11  
line 6

	-
	-
	-

**Gross Plant Allocator**

0.00%

\$

-

**Wages & Salary Allocator**

5 Federal Unemployment  
 6 FICA  
 7 PA Unemployment  
 8 City of Pittsburgh  
 9 **Total Labor Related -- Sum of line 5 through line 8**

line 2  
line 3  
line 8  
line 12

	-
	-
	-
	-

0.00%

\$

-

**Other Excluded****All other**

10 Highway Use  
 11 Excise Tax on Coal  
 12 PA Gross receipts Tax  
 13 PA Corporate Loans  
 14 PA Insurance Premiums  
 15 PA Fuel Use  
 16 PA Motor Carriers  
 17 PA Other  
 18 WV Franchise  
 19 WV Income  
 20 Gross Receipts

line 7  
line 9

	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-

0.00%

\$

-

**21 Total Excluded****22 Total (line 4 + line 9 + line 21)****23 Total 'Other' Taxes included on p.114-117.14c**

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.

Duquesne Light Company  
Attachment 5 – Cost Support

**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
<b>Plant Allocation Factors</b>						
10	Accumulated Intangible Depreciation	(Note A)	p200-201.21.c			
11	Accumulated Common amortization – Electric	(Note A)	p356			
12	Accumulated Common Plant Depreciation (Electric Only)	(Note A)	p356			
<b>Plant In Service</b>						
25	Common Plant (Electric Only)	(Note A)	p356			
<b>Accumulated Deferred Income Taxes</b>						
42	Accumulated Investment Tax Credit Account No. 255					
<b>Materials and Supplies</b>						
48	Undistributed Stores Expense	(Note A) Attachment 1	p227 Footnote Data. & 16.c			
<b>Allocated General &amp; Common Expenses</b>						
66	Plus Transmission Lease Payments	(Note A)	p200-201.4.c			
68	Common Plant O&M	(Note A)	p356			
<b>Depreciation Expense</b>						
88	Intangible Amortization	(Note A)	p336-337.1.d&e			
92	Common Depreciation – Electric Only	(Note A)	p336-337.11.b			
93	Common Amortization – Electric Only	(Note A)	p356 or p336-337.11.d			

**Transmission / Non-transmission Cost Support**

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Form Amount 1	Transmission Related	Non- Transmission Related	Details
29	Plant Held for Future Use	(Note C)	p21 4			

**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
<b>Plant Allocation Factors</b>						
6	Electric Plant In Service	(Note B)	p204-207.104.g			
<b>Plant In Service</b>						
19	Transmission Plant In Service	(Note B)	p204-207.58.g			
25	Common Plant (Electric Only)	(Note A)	p356			
<b>Accumulated Depreciation</b>						
31	Transmission Accumulated Depreciation	(Note B)	p219.25.c			

EPRI Dues Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Form 1 Amount	EPRI Dues	Details
Allocated General & Common Expenses 73      Less EPRI Dues			(Note D) p352 & 353		

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
Directly Assigned A&G 77      Regulatory Commission Exp Account 928	(Note G)	p320-323.189.b				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
Directly Assigned A&G 81      General Advertising Exp Account 930.1	(Note F)	p320-323.191.b				

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
Income Tax Rates 13      SIT=State Income Tax Rate or 0      Composite	(Note J)		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
Directly Assigned A&G 78      General Advertising Exp Account 930.1	(Note K)	p320-323.191.b				

Excluded Plant Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Excluded Transmission Facilities	Description of the Facilities	
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities 150      Excluded Transmission Facilities				General Description of the Facilities	
Instructions: 1 Remove all investment below 69 kV or generator step up transformers included in transmission plant in service that are not a result of the RTEP process.			Enter \$		
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:		Example	Or Enter \$		
A Total investment in substation Identifiable investment in Transmission (provide workpapers)		1,000,000			
B Identifiable investment in Distribution (provide workpapers)		500,000			
C		400,000			
D Amount to be excluded (A x (C / (B + C)))		444,444			

Add more lines if necessary

A	100 Basis Point increase in ROE and Income Taxes	Line 12 + Line 23	-
B	100 Basis Point increase in ROE		1.00%

#### Return Calculation

1	Rate Base	Appendix A, Line 51	-
2	Debt %	(Line 109 / Line 112)	0.0%
3	Preferred %	(Line 110 / Line 112)	0.0%
4	Common %	(Line 111 / Line 112)	0.0%
5	Debt Cost	(Line 92 / Line 109)	0.00%
6	Preferred Cost	(Line 99 / Line 110)	0.00%
7	Common Cost	Appendix A % plus 100 Basis Pts	12.40%
8	Weighted Cost of Debt	(Line 113 * Line 116)	-
9	Weighted Cost of Preferred	(Line 114 * Line 117)	-
10	Weighted Cost of Common	(Line 115 * Line 118)	-
11		(Sum Lines 119 to 121)	Sum Lines 8 to 10
12		<b>(Line 51 * Line 122)</b>	Line 11 * Line 1

#### Composite Income Taxes

13	FIT=Federal Income Tax Rate	Appendix A, Line 124	0.00%
14	SIT=State Income Tax Rate or Composite	Appendix A, Line 125	0.00%
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	0.00%
17	T/ (1-T)	Appendix A, Line 128	0.00%

#### ITC Adjustment

18	Amortized Investment Tax Credit; enter negative	Attachment 1	Appendix A, Line 129	-
19	1/(1-T)	1 / (1 - Line 127)	Appendix A, Line 130	0.00%
20	<u>Net Plant Allocation Factor</u>	(Line 12)	Appendix A, Line 131	0.0000%
21	<b>ITC Adjustment Allocated to Transmission</b>	(Line 129 * (1 + Line 130) * Line 131)	Appendix A, Line 132	-

#### Other Income Tax Adjustments

21a	Other Income Tax Adjustments	Appendix A, Note S	Appendix A, Line 132a	-
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22	<b>Income Tax Component = CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =</b>	Line 17*Line 12*(1-(Line 8/Line 11))	-
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23	<b>Total Income Taxes</b>	<b>(Line 132 + Line 132a + Line 133)</b>	-
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**Plant in Service Worksheet**

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Details
		Source	Balance For True up	Balance for Estimate
	<b><u>Calculation of Transmission Plant In Service</u></b>			
	December	p204-207.58.b	For	-
	January	company records	For	-
	February	company records	For	-
	March	company records	For	-
	April	company records	For	-
	May	company records	For	-
	June	company records	For	-
	July	company records	For	-
	August	company records	For	-
	September	company records	For	-
	October	company records	For	-
	November	company records	For	-
	December	p204-207.58.g	For	-
13	<b><u>Transmission Plant In Service</u></b>			-
	<b><u>Calculation of Distribution Plant In Service</u></b>	Source		
	December	p204-207.75.b	For	-
	January	company records	For	-
	February	company records	For	-
	March	company records	For	-
	April	company records	For	-
	May	company records	For	-
	June	company records	For	-
	July	company records	For	-
	August	company records	For	-
	September	company records	For	-
	October	company records	For	-
	November	company records	For	-
	December	p204-207.75.g	For	-
	<b><u>Distribution Plant In Service</u></b>			-
	<b><u>Calculation of Intangible Plant In Service</u></b>	Source		
	December	p204-207.5.b	For	-
	December	p204-207.5.g	For	-
16	<b><u>Intangible Plant In Service</u></b>			-
	<b><u>Calculation of General Plant In Service</u></b>	Source		
	December	p204-207.99.b	For	-
	December	p204-207.99.g	For	-
16	<b><u>General Plant In Service</u></b>			-
	<b><u>Calculation of Production Plant In Service</u></b>	Source		
	December	p204-207.46.b	For	-
	January	company records	For	-
	February	company records	For	-
	March	company records	For	-
	April	company records	For	-
	May	company records	For	-
	June	company records	For	-
	July	company records	For	-
	August	company records	For	-
	September	company records	For	-
	October	company records	For	-
	November	company records	For	-
	December	p204-207.46.g	For	-
	<b><u>Production Plant In Service</u></b>			-

	<u>Calculation of Common Plant In Service</u>	Source		
	December (Electric Portion)	p356	For	-
	December (Electric Portion)	p356	For	-
17	<b>Common Plant In Service</b>		-	-
6	<b>Total Plant In Service</b>	Sum of averages above	-	-

**Accumulated Depreciation Worksheet**

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Details
	<u>Calculation of Transmission Accumulated Depreciation</u>	Source	<b>Balance For True up</b>	<b>Balance for Estimate</b>
	December	Prior year p219	For	-
	January	company records	For	-
	February	company records	For	-
	March	company records	For	-
	April	company records	For	-
	May	company records	For	-
	June	company records	For	-
	July	company records	For	-
	August	company records	For	-
	September	company records	For	-
	October	company records	For	-
	November	company records	For	-
	December	p219.25	For	-
22	<b>Transmission Accumulated Depreciation</b>		-	-
	<u>Calculation of Distribution Accumulated Depreciation</u>	Source		
	December	Prior year p219.26	For	-
	January	company records	For	-
	February	company records	For	-
	March	company records	For	-
	April	company records	For	-
	May	company records	For	-
	June	company records	For	-
	July	company records	For	-
	August	company records	For	-
	September	company records	For	-
	October	company records	For	-
	November	company records	For	-
	December	p219.26	For	-
	<b>Distribution Accumulated Depreciation</b>		-	-
	<u>Calculation of Intangible Accumulated Depreciation</u>	Source		
	December	Prior year p200-201.21.c	For	-
	December	p200-201.21.c	For	-
26	<b>Accumulated Intangible Depreciation</b>		-	-
	<u>Calculation of General Accumulated Depreciation</u>	Source		
	December	Prior year p219	For	-
	December	p219.28	For	-
25	<b>Accumulated General Depreciation</b>		-	-

<b><u>Calculation of Production Accumulated Depreciation</u></b>	Source			
December	Prior year p219	For	-	
January	company records	For	-	
February	company records	For	-	
March	company records	For	-	
April	company records	For	-	
May	company records	For	-	
June	company records	For	-	
July	company records	For	-	
August	company records	For	-	
September	company records	For	-	
October	company records	For	-	
November	company records	For	-	
December	p219.20 thru 219.24	For	-	
<b>Production Accumulated Depreciation</b>			-	-
<b><u>Calculation of Common Accumulated Depreciation</u></b>	Source			
December (Electric Portion)	p356	For	-	
December (Electric Portion)	p356	For	-	
<b>28 Common Plant Accumulated Depreciation (Electric Only)</b>			-	-
<b>7 Total Accumulated Depreciation</b>	Sum of averages above		-	-

**Electric / Non-electric Cost Support**

<b>Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions</b>		<b>Form 1 Amount</b>	<b>Electric Portion</b>	<b>Non-electric Portion</b>	<b>Details</b>
<b>Plant Allocation Factors</b>					
26	Accumulated Intangible Depreciation	p200-201.21.c			
27	Accumulated Common amortization – Electric	p356			
28	Common Plant Accumulated Depreciation (Electric Only)	p356			
<b>Plant In Service</b>					
17	Common Plant (Electric Only)	p356			
<b>Materials and Supplies</b>					
42	Undistributed Stores Exp	p227 Footnote Data. & 16.c			
<b>Allocated General &amp; Common Expenses</b>					
55	Plus Net Transmission Lease Payments	p200-201.4.c			
57	Common Plant O&M	p356			
<b>Depreciation Expense</b>					
80	Intangible Amortization	p336-337.1.d&e			
84	Common Depreciation – Electric Only	p336-337.11.b			
85	Common Amortization – Electric Only	p356 or p336-337.11.d			

**Transmission / Non-transmission Cost Support**

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

**CWIP & Expensed Lease Worksheet**

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		CWIP In Form 1 Amount	Expensed Lease in Form 1 Amount	Details			
<b>Plant Allocation Factors</b>							
6 Total Plant In Service	p204-207.104.g						
<b>Plant In Service</b>							
13 Transmission Plant In Service	p204-207.58.g						
17 Common Plant (Electric Only)	p356						
<b>Accumulated Depreciation</b>							
22 Transmission Accumulated Depreciation	p219.25.c						
<b>PBOPs Cost Support</b>							
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	PBOBs	All other			
<b>Allocated General &amp; Common Expenses</b>							
Account 926 (Prior Year)	p320-323.187.c			Prior Year			
Account 926 (Current Year)	p320-323.187.b			Current Year			
Change in PBOP Expense							
Calculation of allowed increase in PBOP expense recorded in Acct. 926 (increase not to cause more than \$.05/kW/Mo in zonal rate):							
1 Allowed Change in Rate (\$/kW/mo)	0.05						
2 Divide zonal rate at Appendix A, line 168 by 1000 and by 12 =	-						
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 <b>ONLY</b> if it is positive; otherwise enter zero	-						
59 Less PBOP Expense in Acct. 926 in Excess of Allowed Amount	-						
<b>EPRI Dues Cost Support</b>							
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	EPRI Dues	Details			
<b>Allocated General &amp; Common Expenses</b>							
63 Less EPRI Dues	p352-353						
<b>Regulatory Expense Related to Transmission Cost Support</b>							
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	Transmission Related	Non- transmission Related			
<b>Directly Assigned A&amp;G</b>							
67 Regulatory Commission Exp Account 928	p320-323.189.b			FERC Annual Assessment			
<b>Safety Related Advertising Cost Support</b>							
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	Safety Related	Non-safety Related			
<b>Directly Assigned A&amp;G</b>							
68 General Advertising Exp Account 930.1	p320-323.191.b			None			
<b>MultiState Workpaper</b>							
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		State 1	State 2	State 3	State 4	State 5	Details
<b>Income Tax Rates</b>							
125 SIT=State Income Tax Rate or Composite		PA					
		0.00%					

**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
Directly Assigned A&G 68 General Advertising Exp Account 930.1	p320-323.191.b	-	-	-	None

**Excluded Plant Cost Support**

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Excluded Transmission Facilities	Description of the Facilities
<b>Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities</b>			
145 Excluded Transmission Facilities		0	<b>General Description of the Facilities</b>
Instructions:		Enter \$	None
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:	Example	Or	
A Total investment in substation	1,000,000	Enter \$	
B Identifiable investment in Transmission (provide workpapers)	500,000		
C Identifiable investment in Distribution (provide workpapers)	400,000		
D Amount to be excluded (A x (C / (B + C)))	444,444		
<b>Add more lines if necessary</b>			

**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 Rltd	Details
<b>39 Transmission Related Account 242 Reserves (exclude current year environmental site related reserves)</b>			Enter \$				Amount
Directly Assignable to Transmission	Accrued FERC Assessment	-	-	-			
Labor Related, General plant related or Common Plant related	Prior Years Severance Expenses	-	-	-			
	Workmen's Compensation Liability	-	-	-			
	Accrued Payroll	-	-	-			
	Accrued Vacations	-	-	-			
	Accrued Legal Settlements	-	-	-			

Employee Benefits

Misc

Other	PA PUC Assessment	-	-	-	0.000%	-
Plant Related	PA GRT	-	-	-		
	Property Insurance	-	-	-	0.000%	-

Materials & Supplies		Beg of year	End of Year	End of Year for Est. Average for Final
<b>Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions</b>				
Assigned to O&M	p227 Footnote Data	-	-	-
Stores Expense Undistributed	p227.16	-	-	-
42 Undistributed Stores Exp		0	-	-
45 Transmission Materials & Supplies	p227.8	-	-	-

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

Facility Credits under Section 30.9 of the PJM OATT		Amount	Description & PJM Documentation
<b>Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions</b>			
Net Revenue Requirement		-	
166 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
Network Zonal Service Rate			
168	1 CP Peak	p401b	-

Abandoned Transmission Projects

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				XXXXXX Transmission Project w/o XXXXX.X (DLCo Zone)	XXXXXX Transmission Project XXXXX.X (DLCo Zone)	XXXXXX Transmission Project XXXXX.X (Other Zone)	XXXXXX Transmission Project XXXXX.X (Other Zone)	Total	Description & PJM Documentation
	a Beginning Balance of Unamortized Transmission Projects -	Per FERC Order	p110-111.71.c (Acct. 182.2)	-	-	-	-	-	
	b Years remaining in Amortization Period	Per FERC Order		-	-	-	-	-	
76a	c Transmission Amortization Expense	(Line a / Line b)	p114-117.10.c (Acct. 407)	-	-	-	-	-	
	Docket Number authorizing amount and period for recovery of Abandoned Transmission Project			ERXX-XXXX	ERXX-XXXX	ERXX-XXXX	ERXX-XXXX		

Other Income Tax Adjustments

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Total
Amortization of Deficient Or (Excess) Accumulated Deferred Income Taxes	Appendix A, Note S	Attachment 9.1, Column E, Line 5	-
132a Total Other Income Tax Adjustments			

**Cost of Long Term Debt**

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

			Total Column F below	
92	Long Term Interest			
105	Long Term Debt		Total Column E below	-
Act			List all Bonds in Accounts 221 thru 224	Months Outstanding
221	221	6.450% Series due 02/27/08	-	A
221		6.70% 1st Mort Bond due 4/15/12	-	
221		6.70% 1st Mort Public Notes D due 4/30/32	-	
221		5.70% 1st Mort Bond due 5/15/14	-	
222	None		-	
	223	Pledgor Note-DQU II Funding	-	
	223	Sub Debentures-Duquesne Capital	-	
	224	Allegheny County Industrial Development:	-	
	224	1990 Series D due 2013 Variable Interest Rates	-	
	224	1992 Series A due 2011 Variable Interest Rates	-	
	224	Beaver County Industrial Development:	-	
	224	1990 Series A due 2020 Variable Interest Rates	-	
	224	1990 Series B due 2009 Variable Interest Rates	-	
	224	1990 Series C due 2025 Variable Interest Rates	-	
	224	1993 Series A due 2030 Variable Interest Rates	-	
	224	1994 Series A due 2029 Variable Interest Rates	-	
	224	Ohio Air Quality and Ohio Water Development	-	
	224	Authorities Pollution Control Revenue Bonds:	-	
	224	1988 Series	-	
	224	1989 Series	-	
	224	1993 Series	-	
	224	1994 Series A	-	
	224	1994 Series B	-	
	xx	xxxxxx	-	
	Total			-
	Note: the amount outstanding for debt retired during the year is the outstanding amount as of the last month it was outstanding			-



**Exec  
Summary**

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

**Reconciliation details**

1	April	Year 2	TO populates the formula with Year 1 data from FERC Form 1.  \$38,019,689 Rev Req based on Year 1 data	Must run Appendix A to get this number (without any cap adds in line 21) of Appendix A
2	April	Year 2	TO estimates all transmission Cap Adds, Retirements, CWIP and associated depreciation for Year 2 based on Months expected to be in service and monthly CWIP balances in Year 2.	

	(A) Other Project PIS	(B) other retirements	(C) Project X CWIP	(D) Project X PIS	(E) Project X PIS retirements	(F) Brady PIS	(G) Brady PIS retirements	(H) Brady CWIP	(I)	(J)	(K)	(L)	(M)	Total	
									Accumulated Balance	Other Project PIS	Project X CWIP	Project X PIS	Brady PIS	BRADY CWIP	
Dec										-	-	-	-	-	
Jan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Feb	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Apr	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
May	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Jun	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Jul	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Aug	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sep	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Oct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Nov	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

13 month avg of new plant additions = Col I + Col K + Col L      - goes to line 14 of the formula  
13 month avg of current year changes to CWIP = Col J + Col M      - goes to line 36 of the formula

	(N) = 1 Total Other Project PIS	(O) Composite Trans Deprec Rate	(P) = N * O Depreciation Expense	(Q) Accum Deprec	(R) = K Total Project X PIS	(S) Composite Trans Deprec Rate	(T) = R * S Depreciation Expense	(U) Accum Deprec	(V) = L Brady PIS	(W) Composite Trans Deprec Rate	(X) = V * W Depreciation Expense	(Y) Accum Deprec
DEC	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Jan	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Feb	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Mar	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Apr	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
May	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Jun	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Jul	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Aug	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Sep	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Oct	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Nov	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Dec	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

13 mo. Avg accumulated depreciation = Col Q + Col U + Col Y  
Depreciation Expense = Col P + Col T + Col X

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

3 April Year 2 TO adds 13 month average Cap Adds and retirements (line 14), CWIP (line 36) and associated depreciation (lines 23 and 77) to the Formula.  
Input to Formula Line 21

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.  
12/1/06

6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1.  
\$ - Rev Req based on Prior Year data Must run Appendix A to get this number (without any adjustments for cap adds) of Appendix A

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

	(A) Other Project PIS	(B) other retirements	(C) Project X CWIP	(D) Project X PIS	(E) Project X PIS retirements	(F) Brady PIS	(G) Brady PIS retirements	(H) Brady CWIP	(I) <b>Accumulated Balance</b>			(M) Brady PIS	BRADY CWIP	Total
									(J) Project X CWIP	(K) Project X PIS				
Dec	-	-	-	-	-	-	-	-	-	-	-	-	-	
Jan	-	-	-	-	-	-	-	-	-	-	-	-	-	
Feb	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mar	-	-	-	-	-	-	-	-	-	-	-	-	-	
Apr	-	-	-	-	-	-	-	-	-	-	-	-	-	
May	-	-	-	-	-	-	-	-	-	-	-	-	-	
Jun	-	-	-	-	-	-	-	-	-	-	-	-	-	
Jul	-	-	-	-	-	-	-	-	-	-	-	-	-	
Aug	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sep	-	-	-	-	-	-	-	-	-	-	-	-	-	
Oct	-	-	-	-	-	-	-	-	-	-	-	-	-	
Nov	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dec	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	

13 month avg of new plant additions = Col I + Col K + Col L

End of year balance new plant additions Col A + Col C + Col H

13 month avg of current year changes to CWIP = Col J + Col U

-

-

	(N) = I Total Other Project PIS	(O) Composite Trans Deprec Rate	(P) = N*O Depreciation Expense	(Q) Accum Deprec	(R) = K Total Project X PIS	(S) Composite Trans Deprec Rate	(T) = R + S Depreciation Expense	(U) Accum Deprec	(V) Brady PIS	(W) Composite Trans Deprec Rate	(X) = V + W Depreciation Expense	(Y) Accum Deprec
DEC	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Jan	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Feb	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Mar	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Apr	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
May	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Jun	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Jul	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Aug	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Sep	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Oct	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Nov	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Dec	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Total		-	-	-		-	-	-		-	-	-

13 mo. Avg accumulated depreciation = Col Q + Col U + Col Y

- goes to line 23 of the formula

Depreciation Expense = Col P + Col T + Col X

- goes to line 77 of the formula

7 April Year 3

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

Results of Step 6

-

Results of Step 3

\$ -

True up w/o interest

\$ -

Note: for 1st year, divide this amt by 12 and multiply by the number of months the rate was in effect

1st year

\$ -

Divide this number by the number of months the rate was in effect

and place that number in the month that the rate went in effect in the interest calculation below

8      April 1      Year 3      Reconciliation - TO calculates interest and amortization associated with the true up calculated in Step 7 and applies that amount to line 164 of the formula (if the difference results in refund and a cash refund is made, then this step is not implemented).

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

Month	Yr	1/12 of Step 7	Interest 35.19a for and 35.19 b		Interest	Refunds Owed
			March	Current Yr		
Jun	Year 1	-	0.0000%		11.5	-
Jul	Year 1	-	0.0000%		10.5	-
Aug	Year 1	-	0.0000%		9.5	-
Sep	Year 1	-	0.0000%		8.5	-
Oct	Year 1	-	0.0000%		7.5	-
Nov	Year 1	-	0.0000%		6.5	-
Dec	Year 1	-	0.0000%		5.5	-
Jan	Year 2	-	0.0000%		4.5	-
Feb	Year 2	-	0.0000%		3.5	-
Mar	Year 2	-	0.0000%		2.5	-
Apr	Year 2	-	0.0000%		1.5	-
May	Year 2	-	0.0000%		0.5	-
Total		-				-
		Balance	Interest	Amort	Balance	
Jun	Year 2	-	0.0000%	-	-	
Jul	Year 2	-	0.0000%	-	-	
Aug	Year 2	-	0.0000%	-	-	
Sep	Year 2	-	0.0000%	-	-	
Oct	Year 2	-	0.0000%	-	-	
Nov	Year 2	-	0.0000%	-	-	
Dec	Year 2	-	0.0000%	-	-	
Jan	Year 3	-	0.0000%	-	-	
Feb	Year 3	-	0.0000%	-	-	
Mar	Year 3	-	0.0000%	-	-	
Apr	Year 3	-	0.0000%	-	-	
May	Year 3	-	0.0000%	-	-	
Total with interest		-			-	

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

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
	Other Project PIS	other retirements	Project X CWIP	Project X PIS	Project X PIS retirements	Brady PIS	Brady PIS retirements	Brady CWIP	Other Project PIS	Project X CWIP	Project X PIS	Brady PIS	BRADY CWIP
Dec													
Jan	-	-	-	-	-	-	-	-	-	-	-	-	-
Feb	-	-	-	-	-	-	-	-	-	-	-	-	-
Mar	-	-	-	-	-	-	-	-	-	-	-	-	-
Apr	-	-	-	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-	-	-	-	-	-
Oct	-	-	-	-	-	-	-	-	-	-	-	-	-
Nov	-	-	-	-	-	-	-	-	-	-	-	-	-
Dec	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-

13 month avg of new plant additions = Col I + Col K + Col L  
 13 month avg of current year changes to CWIP = Col J + Col M

- goes to line 14 of the formula  
 - goes to line 36 of the formula

(N = 1	(O)	(P) = N*O	(Q)	(R) = K	(S)	(T) = R*S	(U)	(V) = L	(W)	(X) = V*W	(Y)
Total Other Project PIS	Composite Trans Deprec Rate	Depreciation Expense	Accum Deprec	Total Project X PIS	Composite Deprec Rate	Depreciation Expense	Accum Deprec	Brady PIS	Composite Trans Deprec Rate	Depreciation Expense	Accum Deprec
DEC	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Jan	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Feb	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Mar	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Apr	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
May	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Jun	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Jul	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Aug	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Sep	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Oct	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Nov	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Dec	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

13 mo. Avg accumulated depreciation = Col Q + Col U + Col Y  
 Depreciation Expense = Col P + Col T + Col X

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

10 Rev Req based on Year 2 data with estimated Cap Adds, Rets, CWIP and Deprec for Year 3 Cap Adds (Step 9) and True up of Year 1 data (Step 8)  
 Must run App A to get this # (with 13 mo. avg cap adds, CWIP, depreciation for Year 3 cap adds)

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

Post results of Step 3 on PJM web site.



line #	Formula Line			
1	165	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	\$	-
		=Incentive - Revenue Credit for the corresponding rate year		
		<b>Fixed Charge Rate (FCR) if not a CIAC</b>		
2	155	Net Plant Carrying Charge without Depreciation	%	
3	162	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	%	
4		Line B less Line A	%	
5	156	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	%	

Beginning = 13 month Plant CWIP or Incentive Plant balance

Deprec = 13 month avg Accumulated Depreciation (specific for Incentive Plant)

Ending = Beginning - Deprec

Amort = Annual Amortization Expense (specific for Abandoned Plant).

Revenue= FCR\* (Beginning + Ending)/2 + Amort (specific for Abandoned Plant).

Total = Sum of Revenue for Projects

Incentive = Total for "W Increased ROE" row

Revenue Credit = Total for "FCR W base ROE" row

Details	Project X PIS			Project X CWIP			Brady PIS			Brady CWIP			Project X Abandoned Plant													
	Schedule 12	Life	CIAC	Increased ROE (Basis	FCR W base ROE	FCR W increased ROE	Investment	Annual Depreciation Exp	Annual Amortization Exp.	13 monthly Avg	Invest Yr	Beginning	Deprec	Ending	Revenue [(Beginning + Ending)/2* Line 11]	Beginning	Deprec	Ending	Revenue [(Beginning + Ending)/2* Line 11]	Beginning	Deprec	Ending	Revenue [(Beginning + Ending)/2* Line 11]	Total	Incentive	Rev Credit
6																										
7																										
8																										
9																										
10																										
11																										
12																										
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50																										
51																										

52	W Increased ROE	2023	-	-	-	-	-	-	-	-	-	-	-	-
59		...	...	...	...	...	...	...	...	...	...	...	...	...
60		...	...	...	...	...	...	...	...	...	...	...	...	...

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

\*\* For abandoned plant, line 14 (annual amortization expense) will be sourced from Attachment 5 - Abandoned Transmission Projects. Lines 10 & 11 (carrying charge) and line 15 (13 month average plant) will remain zero until the Commission accepts or approves the future recovery of unamortized Abandoned Plant. The Company will be required to submit a Section 205 filing to recover these costs.

(A)	(B)	(C)	(D)
Account Number	Depreciation Plant Base	Depreciation Rate	Depreciation Expense
<b>Transmission Plant</b>			
351.1 – Computer Hardware	-	20	-
351.2 – Computer Software	-	20	-
351.3 – Communication Equipment	-	6.67	-
352-Major Structures	-	3.01	-
352-Minor Structures	-	2.53	-
353	-	3.42	-
354	-	1.6	-
355	-	2.47	-
356	-	2.09	-
357	-	1.82	-
358	-	1.88	-
359	-	1.87	-
		2.68	
<b>Subtotal</b>	-		-
<b>General Plant</b>			
390	-	3.33	-
391	-	20	-
391.1	-	5	-
392	-	9.1	-
393	-	3.33	-
394	-	4	-
395	-	5	-
396	-	6.1	-
397.1 – Computer Hardware	-	20	-
397.2 – Computer Software	-	20	-
397.3 – Communication Equipment	-	6.67	-
398	-	5	-
<b>Subtotal</b>	-	3.73	-

**Duquesne Light Company**  
**Attachment H -17A**  
**Attachment 9.1 - Amortization of Deficient or (Excess) Accumulated Deferred Income Taxes**

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>Impacts on Total Income Taxes</b>	<b>Source</b>	<b>Deficient or (Excess) ADIT Amortization</b>	<b>Tax Gross-up Percentage</b>	<b>Impact on Income Tax Allowance</b>
1 TCJA 2017 Excess Deferred Income Taxes To Be Flowed Back To Transmission Customers	Attachment 9.2, Line 7	\$ -	x 140.63%	\$ -
2 TCJA 2017 Deficient Deferred Income Taxes To Be Recovered From Transmission Customers	Attachment 9.2, Line 9	\$ -	x 140.63%	-
3 [Reserved for future tax rate changes]			x	-
4 Total Adjustments to Tax Expense (without Tax Gross-up)		\$ -		
<b>5 Total Impact on Tax Expense (with Tax Gross-up)</b>			\$ -	To Attach. 5

**Notes**

1 - Positive amounts in Column C are recorded in Account 410.1. Corresponding amounts in Column E reduce Account 182.3 and increase the income tax allowance and ATRR. The difference between the two amounts reduces Account 283. Negative amounts in Column C are recorded in Account 411.1. Corresponding amounts in Column E reduce Account 254 and decrease the income tax allowance and ATRR. The difference between the two amounts reduces Account 190.

The total for Column E is reported on Attachment 5.

2. - Attachment No. 9.1 reflects the amortization of both (excess) and deficient deferred income taxes. A negative amount in Column E reflects a net refund of (excess) deferred income taxes. A positive amount in Column E reflects a net collection of deficient deferred income taxes.

**3 - Tax gross-up calculation for TCJA 2017 amortization for the test period:**

Federal Income Tax Rate	21.00%
State Income Tax Rate or Composite	9.99%
Federal Income Tax Deductible for State Purposes	0.00%
T	28.89%
T / (1-T)	40.63%
<b>Tax Gross-up Percentage (1 / (1-T))</b>	<b>140.63%</b>

**4 - [Reserved for future tax rate changes]**

**Duquesne Light Company**  
**Attachment H -17A**  
**Attachment 9.2 - Unamortized Deficient or (Excess) Accumulated Deferred Income Taxes**

A	B	C	D	E	F	G	H	I
Category of Deficient or (Excess) Accumulated Deferred Income Taxes	Tax Law Change	Amortization Period	Deficient / (Excess) ADIT (Prior to Amortization and without Tax Gross-up)	Cumulative Excess / (Deficient) ADIT Amortization through the Beginning of the Test Year	Deficient / (Excess) ADIT (without Tax Gross-up)	Amortization of Excess / (Deficient) ADIT during Test Year	Deficient / (Excess) ADIT (without Tax Gross-up)	Reference
	<u>Note A</u>	<u>Note B</u>	<u>Note C</u>	<u>Note D</u>	<u>Note E</u>	<u>Note F</u>	<u>Note G</u>	<u>Note H</u>
1 <b>ACCOUNT 254:</b>								
2 Protected Plant-related (Excess) ADIT	TCJA-2017	ARAM	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -			
3 Unprotected Plant-related (Excess) ADIT	TCJA-2017	ARAM						
4 Total Plant-related (Excess) ADIT	TCJA-2017	ARAM	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -			Col. F to 1-ADIT, Line 12C, Col H to 1-ADIT, Line 12B
5 Unprotected Non-plant-related (Excess) ADIT	TCJA-2017	3 Years						Col. F to 1-ADIT, Line 18C, Col H to 1-ADIT, Line 18B
6 [Reserved for future changes]								
7 <b>Total (Excess) ADIT (Account 254)</b>		TCJA-2017	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -			
8 <b>ACCOUNT 182.3:</b>								
9 Unprotected Non-plant-related Deficient ADIT	TCJA-2017	3 Years	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -			Col. F to 1-ADIT, Line 20C, Col H to 1-ADIT, Line 20B
10 [Reserved for future changes]								
11 <b>Total (Excess) ADIT (Account 182.3)</b>		TCJA-2017	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -			
12 <b>Net Deficient / (Excess) Deferred Taxes</b>			\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -			
			From Attach. 9.3		To Attachment 9.1			

**Notes**

**A.** Lists the categories of transmission-allocated deficient or (excess) accumulated deferred income taxes (ADIT) due to re-measurements resulting from changes in tax law. "Protected" means that normalization rules apply to the refund of excess deferred income taxes or the recovery of deficient deferred income taxes. For TCJA-2017, normalization rules apply to certain depreciation-related excess deferred taxes and provide that such amounts may not be returned to customers more rapidly or to a greater extent than the Average Rate Assumption Method (ARAM) over the remaining book depreciable lives of the associated property. Unprotected Deficient or (Excess) ADIT is not subject to normalization rules. Amounts in Column D based on the re-measurements on Attachment 9.3 or similar attachments for other changes in tax law. For TCJA-2017, amounts in Column D Lines 2, 3, 5, and 9 agree with amounts in Attachment 9.3 Lines 3-G, 3-H, 15-J, and 15-I, respectively.

**B.** Indicates the tax law change and the date of enactment. "TCJA-2017" refers to the Tax Cuts and Jobs Act (P.L. 115-97) enacted on December 22, 2017. Details of (excess) or deficient ADIT attributable to TCJA-2017 are reflected on Attachment 9.3. The impacts of future changes in federal, state or local income tax rates, if any, will result in additional attachments to support the computation of future deficient or (excess) ADIT amounts impacting customer rates.

**C.** Amortization related to TCJA amounts described as 3 Years is computed ratably. Amortization over the ARAM occurs over the remaining depreciable lives of the associated property.

**D.** Amounts in Column D are the deficient or (excess) ADIT for category of temporary differences as of the applicable remeasurement date, prior to any amortization (i.e., refund or recovery), before tax gross-up to the revenue requirement and reflecting subsequent provision-to-return true-up adjustments, amended returns and audit adjustments. The applicable remeasurement date for TCJA-2017 was December 31, 2017, and amounts were recorded during 2018 to account for differences between the estimates used in 2017 financial reporting and amounts reported on the 2017 federal income tax return filed in 2018. The TCJA amounts are computed on Attachment 9.3.

**E.** Positive amounts are the cumulative refund of excess ADIT prior to the test period (before gross-up to the revenue requirement). Negative amounts are the cumulative recovery of deficient ADIT prior to the test period (before gross-up to the revenue requirement).

**F.** Amounts in Column F are the deficient or (excess) ADIT for category of temporary differences as of the beginning of the test period, adjusted for cumulative refunds or recoveries before such date and before gross-up to the revenue requirement. The impact of these amounts on rate base is reflected on Attachment 1 - ADIT.

**G.** Positive amounts are the annual refund of excess ADIT during the test period (before gross-up to the revenue requirement). These amounts reduce Account 254 and are credited to Account 411.1. Negative amounts are the annual recovery of deficient ADIT during the test period (before gross-up to the revenue requirement). These amounts reduce Account 182.3 and are debited to Account 410.1. The impact of these amounts on the income tax allowance, including tax gross-up, is computed on Attachment 9.1 - Amortization of Deficient or (Excess) ADIT.

**H.** Amounts in Column H are the deficient or (excess) ADIT for category of temporary differences as of the end of the test period, adjusted for cumulative refunds or recoveries before such date and before gross-up to the revenue requirement. The impact of these amounts on rate base is reflected on Attachment 1 - ADIT.

**Duquesne Light Company**  
**Attachment H -17A**

**Attachment 9.3 - TCJA Remeasurement of Deficient or (Excess) Accumulated Deferred Income Taxes as of December 31, 2017**

<b>A Temporary Difference</b>	<b>B Note A</b>	<b>C Account 190, 281, 282 or 283</b>	<b>D Cumulative Temporary Difference at Enactment of TCJA (Pre-tax)</b>	<b>E ADIT Balance before TCJA Remeasurement</b>	<b>F ADIT Balance after TCJA Remeasurement</b>	<b>G Deficient or (Excess) ADIT Due to TCJA ( F = D - E )</b>	<b>H Protected Deficient or (Excess) ADIT (Portion of F)</b>	<b>I Unprotected Deficient or (Excess) ADIT (Portion of F)</b>	<b>J Deficient ADIT Recorded to Account 182.3 (prior to tax gross-up)</b>	<b>Excess ADIT Recorded to Account 254 (prior to tax gross-up)</b>						
									<b>Note B</b>	<b>Note C</b>	<b>Note D</b>	<b>Note E</b>	<b>Note F</b>	<b>Note G</b>	<b>Note H</b>	<b>Note I</b>
<b>Plant-related Items</b>																
1 Federal Method/Life				-	-	-	-	-								
2 Basis / Other Differences				-	-	-	-	-								
<b>3 Total Plant-related Excess Deferred Taxes</b>	<b>282</b>			-	-	-	-	-		-						
<b>Non-Plant Related Items:</b>																
4 Reg Asset - Pension	283		-	-	-	-	-	-		-						
5 Reg Asset - Comp Absences	283		-	-	-	-	-	-		-						
6 Amort on Reacquired Debt	283		-	-	-	-	-	-		-						
7 Liability - Accrued Misc Reserves	190		-	-	-	-	-	-		-						
8 Liability - Healthcare	190		-	-	-	-	-	-		-						
9 Liability - Legal	190		-	-	-	-	-	-		-						
10 Liability - OPEB	190		-	-	-	-	-	-		-						
11 Liability - Injuries & Damages	190		-	-	-	-	-	-		-						
12 Liability - Comp Absences	190		-	-	-	-	-	-		-						
13 Liability - Accrued Vacation	190		-	-	-	-	-	-		-						
14 Liability - Pension	190		-	-	-	-	-	-		-						
<b>Total Non-Plant Related Deficient or Excess Deferred Taxes</b>				-	-	-	-	-		-						
<b>15 Total Deficient and (Excess) ADIT (prior to gross-up or amortization)</b>				-	-	-	-	-		-						
							<b>Col. G + Col. H</b>		<b>Col. I + Col. J</b>							
							=	-	=	-						

**Notes**

- A.** Lists the transmission-related temporary differences as of the remeasurement date (December 31, 2017) for the TCJA reduction in corporate federal income tax rate.
- B.** Indicates the ADIT account for each temporary difference. Note that the plant-related temporary difference is separated between protected federal method and life depreciation differences and other basis differences, that are recorded as a single ADIT amount in account 282.
- C.** Amounts in Columns C-K are the transmission-related cumulative temporary differences between amounts reported for regulatory reporting purposes and amounts reported for tax reporting purposes as of the December 31, 2017, the effective date of the Tax Cuts and Jobs Act decrease in corporate federal income tax rate from 35 percent to 21 percent. The amounts reflect the provision-to-return true-up adjustments recorded during 2018 to account for differences between the estimates used in 2017 financial reporting and amounts reported on the 2017 federal income tax return filed in 2018. Plant-related transmission temporary differences specifically identified from underlying Company plant records. Non-plant related transmission temporary differences are allocated based on the final 2017 applicable wage and salary allocator or gross plant allocator.

**D.** Amounts in Column D are the deferred tax assets or liabilities (ADIT) for each temporary difference as of December 31, 2017, measured at the federal income tax rate in effect until such date (35 percent).

**E.** Amounts in Column E are the ADIT amounts for each temporary difference as of December 31, 2017, re-measured at the federal income tax rate in effect after such date (21 percent).

**F.** Amounts in Column F are the deficient or (excess) ADIT amounts for each temporary difference as of December 31, 2017, prior to gross-up to the revenue requirement. The deficient or (excess) ADIT amounts (prior to gross-up) attributable to Accounts 190, 281, 282 and 283 were recorded as a net debit to Account 190 and resulted in amounts recorded in Account 182.3 or Account 254 (as indicated in Columns I and J). The amount of ADIT affecting rate base reflects the remeasurements as the deficient ADIT is recovered or the (excess) ADIT is refunded (detailed on Attachment 1 - ADIT). The amounts in Column F, as classified in Columns G and H under the TCJA normalization rule and as classified in Columns I and J as deficient or excess, are reported on Attachment 9.2 for purposes of computing the unamortized deficient or (excess) ADIT and the rate base adjustment.

**G.** Amounts in Column G relate to deficient or (excess) ADIT computed in Column F that is subject to (i.e., protected by) the normalization requirement provided in the Tax Cuts and Jobs Act.

**H.** Amounts in Column H relate to deficient or (excess) ADIT computed in Column F that is not subject to (i.e., not protected by) the normalization requirement provided in the Tax Cuts and Jobs Act.

**I.** Deficient ADIT amounts due to remeasurements resulting from changes in tax law are recorded in Account 182.3. The company maintains separate deferred tax records for individual components of its plant-related temporary differences that reverse as depreciation-related differences and treats them as a single ADIT item and a single excess ADIT item. Remeasurements on Attachment 9.3 are prior to tax gross-up.

**J.** (Excess) ADIT amounts due to remeasurements resulting from changes in tax law are recorded in account 254. The company maintains separate deferred tax records for individual components of its plant-related temporary differences that reverse as depreciation-related differences and treats them as a single ADIT item and a single excess ADIT item. Remeasurements on Attachment 9.3 are prior to tax gross-up.

ATTACHMENT B  
RED LINE TARIFF ATTACHMENT  
ATTACHMENT H-17A

Formula Rate - Appendix A	Notes	FERC Form 1 Page # or Instruction	Year
Shaded cells are input cells			
<b>Allocators</b>			
1	Transmission Wages Expense	p354-355.21.b p354.21.b	-
2	Total Wages Expense	p354-355.28.b p354.28.b	-
3	<u>Less A&amp;G Wages Expense</u>	p354-355.27.b p354.27.b	-
4	Total	(Line 2 - 3)	-
5		(Line 1 / Line 4)	<b>0.0000%</b>
<b>Plant Allocation Factors</b>			
6	Total Plant In Service	(Note B) Attachment 5	-
7	Total Accumulated Depreciation	(Note A) Attachment 5	-
8	Net Plant	(Line 6 - Line 7)	-
9	Transmission Gross Plant	(Line 21)	-
10	<b>Gross Plant Allocator</b>	(Line 9 / Line 6)	<b>0.0000%</b>
11	Transmission Net Plant	(Line 33)	-
12	<b>Net Plant Allocator</b>	(Line 11 / Line 8)	<b>0.0000%</b>
<b>Plant Calculations</b>			
<b>Plant In Service</b>			
13	Transmission Plant In Service	(Note B) Attachment 5	-
14	New Transmission Plant Additions and Retirements only for Annual Estimate	(Note B) Attachment 6	-
15	<b>Total Transmission Plant In Service</b>	(Line 13 + Line 14)	-
16	General & Intangible	Attachment 5	-
17	Common Plant (Electric Only)	(Note A) Attachment 5	-
18	Total General & Common	(Line 16 + Line 17)	-
19	Wage & Salary Allocation Factor	(Line 5)	0.00000%
20	<b>General &amp; Common Plant Allocated to Transmission</b>	(Line 18 * Line 19)	-
21	<b>TOTAL Transmission-Related Plant In Service</b>	(Line 15 + Line 20)	-
<b>Accumulated Depreciation</b>			
22	Transmission Accumulated Depreciation	(Note B) Attachment 5	-
23	Accumulated Depreciation for Transmission Plant Additions Only for Estimate	(Note B) Attachment 6	-
24	<b>Total Transmission Accumulated Depreciation</b>	(Line 22 + Line 23)	-
25	Accumulated General Depreciation	Attachment 5	-
26	Accumulated Intangible Depreciation	Attachment 5	-
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)	-
30	Wage & Salary Allocation Factor	(Line 5)	0.00000%
31	<b>General &amp; Common Allocated to Transmission</b>	(Line 29 * Line 30)	-
32	<b>TOTAL Transmission-Related Accumulated Depreciation</b>	(Line 24 + Line 31)	-
33	<b>TOTAL Transmission-Related Net Property, Plant &amp; Equipment</b>	(Line 21 - Line 32)	-

**Adjustment To Rate Base**

	<b>Accumulated Deferred Income Taxes</b>	(Note R)		
34	ADIT net of FASB 106 and 109	Enter Negative	Attachment 1, Col B, Line 9	-
35	<b>Accumulated Deferred Income Taxes Allocated To Transmission</b>		Line 34	-
	<b>CWIP for Incentive Transmission Projects</b>			
36	CWIP Balance for Current Rate Year	(Note P)	Attachment 6	-
37	<b>Total CWIP for Incentive Transmission Projects</b>			-
38	<b>Plant Held for Future Use</b>	(Note C)	Attachment 5	-
	<b>Transmission O&amp;M Reserves</b>			
39	<b>Total Balance Transmission Related Account 242 Reserves</b>	Enter Negative	Attachment 5	-
	<b>Prepayments</b>			
40	Prepayments	(Note A)	Attachment 5	-
41	<b>Total Prepayments Allocated to Transmission</b>		(Line 40)	-
	<b>Materials and Supplies</b>			
42	Undistributed Stores Exp	(Note A)	Attachment 5	-
43	Wage & Salary Allocation Factor		(Line 5)	0.00%
44	Total Transmission Allocated		(Line 42 * Line43)	-
45	Transmission Materials & Supplies		Attachment 5	-
46	<b>Total Materials &amp; Supplies Allocated to Transmission</b>		(Line 44 + Line45)	-
	<b>Cash Working Capital</b>			
47	Operation & Maintenance Expense		(Line 75)	-
48	1/8th Rule		x 1/8	12.5%
49	<b>Total Cash Working Capital Allocated to Transmission</b>		(Line 47 * Line 48)	-
50	<b>TOTAL Adjustment to Rate Base</b>		(Lines 35 + 37 + 39 + 41 + 46 + 49)	-
51	<b>Rate Base</b>		(Line 33 + Line 50)	-

**O&M****Transmission O&M**

52	Transmission O&M		<a href="#">p320-323.112.b</a>	-
53	Less Account 565		<a href="#">p320-323.96.b</a>	-
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)	<a href="#">p200-201.4.c</a>	-

**Transmission O&M**

(Lines 52 - 53 + 54 + 55)

**Allocated General & Common Expenses**

57	Common Plant O&M	(Note A)	p356	-
58	Total A&G		<a href="#">p320-323.197.b</a>	-
59	Less PBOP Expense in Acct. 926 in Excess of Allowed Amount		Attachment 5	-
60	Less Property Insurance Account 924		<a href="#">p320-323.185.b</a>	-
61	Less Regulatory Commission Expense Account 928	(Note E)	<a href="#">p320-323.189.b</a>	-
62	Less General Advertising Expense Account 930.1		<a href="#">p320-323.191.b</a>	-
63	Less EPRI Dues	(Note D)	p352-353	

**General & Common Expenses**

(Lines 57 thru 58) - Sum (Lines 59 to 63)

65	Wage & Salary Allocation Factor	(Line 5)	0.0000%
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**General & Common Expenses Allocated to Transmission**

(Line 64 \* Line 65)

**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	-
71	General Advertising Exp Account 930.1	(Note F)	Attachment 5	-
72	Total		(Line 70 + Line 71)	-
73	Net Plant Allocation Factor		(Line 12)	0.00%
74	<b>A&amp;G Directly Assigned to Transmission</b>		(Line 72 * Line 73)	-
75	<b>Total Transmission O&amp;M</b>		(Lines 56 + 66 + 69 + 74)	-

**Depreciation & Amortization Expense****Depreciation & Amortization Expense**

76	Transmission Depreciation Expense		Attachment 8, Col. (D)	-
76a	Amortization of Abandoned Plant Projects	(Note T)	Attachment 5	-
77	New plant Depreciation Expense only for Estimate	(Note B)	Attachment 6	-
78	<b>Total Transmission Depreciation and Amortization Expense</b>		(Line 76 + Line 76a + Line 77)	-

79	General Depreciation		Attachment 8, Col. (D)	-
80	<b>Intangible Amortization</b>	(Note A)	<a href="#">p336-337.1.f</a>	-
81	Total		(Line 79 + Line 80)	-
82	Wage & Salary Allocation Factor		(Line 5)	0.0000%
83	<b>General Depreciation Allocated to Transmission</b>		(Line 81 * Line 82)	-
84	Common Depreciation - Electric Only	(Note A)	<a href="#">p336-337.11.b</a>	-
85	Common Amortization - Electric Only	(Note A)	<a href="#">p356 or p336-337.11.d</a>	-
86	Total		(Line 84 + Line 85)	-
87	Wage & Salary Allocation Factor		(Line 5)	0.0000%
88	<b>Common Depreciation - Electric Only Allocated to Transmission</b>		(Line 86 * Line 87)	-
89	<b>Total Transmission Depreciation &amp; Amortization</b>		(Lines 78 + 83 + 88)	-

**Taxes Other than Income**

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

**Return / Capitalization Calculations**
**Long Term Interest**

92	Long Term Interest	(Note Q)	Attachment 5	-
93	Amortization of Debt Discount and Expense		<a href="#">p114-117.63.cp117.63e</a>	-
94	Amortization of Loss on Reacquired Debt		<a href="#">p114-117.64.cp117.64e</a>	-
95	Less Amort of Gain on Reacquired on Debt-Credit		<a href="#">p114-117.65.cp117.65e</a>	-
96	Less Amort of Premium on Debt-Credit		<a href="#">p114-117.66.cp117.66e</a>	-
97	Interest on Debt to Associated Companies		<a href="#">p114-117.67.cp117.67e</a>	-

**Total Long Term Debt Costs**

(Sum lines 92 to 94) - Line 95 - Line 96 + Line 97

**Preferred Dividends**

Enter Positive [p118-119.29.cp118.29e](#)

**Common Stock**

100	Proprietary Capital		<a href="#">p112-113.16.cp112.16e</a>	-
101	Less Accumulated Other Comprehensive Income Account 219		<a href="#">p112-113.15.cp112.15e</a>	-
102	Less Preferred Stock		(Line 110)	-
103	Less Account 216.1		<a href="#">p112-113.12.cp112.12e</a>	-

**Common Stock**

(Line 100 - (Sum Lines 101 to 103))

**Capitalization**

105	Long Term Debt			-
106	Bonds		Attachment 5	-
107	Less Loss on Reacquired Debt	Enter Negative	<a href="#">p110-111.81.cp111.81e</a>	-
108	Plus Gain on Reacquired Debt		<a href="#">p112-113.61.cp113.61e</a>	-

**Total Long Term Debt**

Sum (Lines 105 to Line 108)

**Preferred Stock**

[p112-113.3.cp112.3e](#)

**Common Stock**

(Line 104)

**Total Capitalization**

(Sum Lines 109 to 111)

**Debt %**

(Line 109 / Line 112)

0.0%

**Preferred %**

(Line 110 / Line 112)

0.0%

**Common %**

(Note O)

(Line 111 / Line 112)

0.0%

**Debt Cost**

(Line 98 / Line 109)

-

**Preferred Cost**

(Line 99 / Line 110)

-

**Common Cost**

(Note J)

10.9% ROE + .5% RTO Adder

0.1140

**Weighted Cost of Debt**

(Line 113 \* Line 116)

-

**Weighted Cost of Preferred**

(Line 114 \* Line 117)

-

**Weighted Cost of Common**

(Line 115 \* Line 118)

-

**Total Return ( R )**

(Sum Lines 119 to 121)

-

**Investment Return = Rate Base \* Rate of Return**

(Line 51 \* Line 122)

-

**Composite Income Taxes**
**Income Tax Rates**

124	FIT=Federal Income Tax Rate	(Note I)		0.00%
125	SIT=State Income Tax Rate or Composite			0.00%
126	p (percent of federal income tax deductible for state purposes)		Per State Tax Code	0.00%
127	T =1 - {[ (1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =			0.00%
128	T/ (1-T)			0.00%

**ITC Adjustment**

129	Amortized Investment Tax Credit	enter negative	Attachment 1	-
130	1/(1-T)		1 / (1 - Line 127)	100.00%
131	Net Plant Allocation Factor		(Line 12)	0.0000%

**ITC Adjustment Allocated to Transmission**

(Line 129 \* (1 + Line 130) \* Line 131)

132	Other Income Tax Adjustments	(Note S)	Attachment 5	-
133	<b>Income Tax Component = CIT = (T/1-T) * Investment Return * (1-(WCLTD/R)) =</b>		[Line 128 * Line 123 * (1 - (Line 119 / Line 122))]	-
134	<b>Total Income Taxes</b>		<b>(Line 132 + Line 132a + Line 133)</b>	-

**REVENUE REQUIREMENT****Summary**

135	Net Property, Plant & Equipment	(Line 33)	-
136	<u>Adjustment to Rate Base</u>	(Line 50)	-
137	<b>Rate Base</b>	(Line 51)	-
138	O&M	(Line 75)	-
139	Depreciation & Amortization	(Line 89)	-
140	Taxes Other than Income	(Line 91)	-
141	Investment Return	(Line 123)	-
142	Income Taxes	(Line 134)	-

<b>143</b>	<b>Gross Revenue Requirement</b>	<b>(Sum Lines 138 to 142)</b>	<b>-</b>
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**Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities**

144	Transmission Plant In Service	(Line 13)	-
145	<u>Excluded Transmission Facilities</u>	(Note M) Attachment 5	-
146	Included Transmission Facilities	(Line 144 - Line 145)	-
147	Inclusion Ratio	(Line 146 / Line 144)	0.00%
148	<u>Gross Revenue Requirement</u>	(Line 143)	-

<b>149</b>	<b>Adjusted Gross Revenue Requirement</b>	<b>(Line 147 * Line 148)</b>	<b>-</b>
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<b>150</b>	<b>Revenue Credits</b>	<b>Attachment 3</b>	<b>-</b>
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<b>151</b>	<b>Net Revenue Requirement</b>	<b>(Line 149 - Line 150)</b>	<b>-</b>
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**Net Plant Carrying Charge**

152	Gross Revenue Requirement	(Line 143)	-
153	Net Transmission Plant	(Line 13 - Line 22)	-
154	Net Plant Carrying Charge	(Line 152 / Line 153)	0.0000%
155	Net Plant Carrying Charge without Depreciation	(Line 152 - Line 76) / Line 153	0.0000%
156	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 152 - Line 76 - Line 123 - Line 134) / Line 153	0.0000%

**Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE**

157	Gross Revenue Requirement Less Return and Taxes	(Line 143 - Line 141 - Line 142)	-
158	Increased Return and Taxes	Attachment 4	-
159	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 157 + Line 158)	-
160	Net Transmission Plant	(Line 13 - Line 22)	-
161	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 159 / Line 160)	0.0000%
162	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	(Line 159 - Line 76) / Line 160	0.0000%
163	<b>Net Revenue Requirement</b>	(Line 151)	-
164	True-up amount	Attachment 6	-
165	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	Attachment 7	-
166	Facility Credits under Section 30.9 of the PJM OATT	Attachment 5	-
167	<b>Net Zonal Revenue Requirement</b>	Sum (Lines 163 to 166)	-

**Network Zonal Service Rate**

168	1 CP Peak	(Note L) Attachment 5	-
169	Rate (\$/MW-Year)	(Line 167 / Line 168)	-

<b>170</b>	<b>Network Service Rate (\$/MW/Year)</b>	<b>(Line 169)</b>	<b>-</b>
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**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 [350-351.h351.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, [266-267.8.f266.8.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 [256-257.257](#) of the FERC Form No. 1 that has an outstanding amount included in column H will be included in the interest calculation.

R Includes the transmission-allocated portions of the balances in Accounts 190, 281, 282 and 283 and the transmission-allocated portions of the tax-related portions of Accounts 182.3 and 254. Accumulated deferred income tax amounts associated with asset or liability accounts excluded from rate base (such as ADIT related to other post-employment benefit costs and certain tax-related regulatory assets or liabilities) do not affect rate base. To maintain rate base neutrality upon changes in income tax laws, income tax rates, and other actions taken by a tax authority, resulting unamortized deficient or (excess) ADIT is included without tax gross-up. Supporting information is provided in Attachment 1.

S Effective June 1, 2020, includes amounts associated with the amortization of any deficient or (excess) deferred income taxes (resulting from changes in income tax laws, income tax rates, and other actions taken by a tax authority). See Attachment 5 for detail of Other Income Tax Adjustments and Attachment 9 for detail of Amortization of Deficient or (Excess) Accumulated Deferred Income Taxes.

T Amortization of Abandoned Plant may only be included pursuant to a Commission Order authorizing such inclusion. The Company must submit a Section 205 filing to recover the cost of abandoned plant.

**END**

A	B	C	D	E	F	G	H	I
	End of Year Total	Beg of Year Total	Average	Gas, Prod Or Other	Only Transmission Related	Plant Related	Labor Related	
Line #								
1	ADIT-190 (enter negative) - line 41	-	-	-	-	-	-	
2	ADIT- 282 -- line 46	-	-	-	-	-	-	
3	ADIT- 283 -- line 59	-	-	-	-	-	-	
4	<b>Subtotal -- Sum (line 1 + line 2 + line 3)</b>	-	-	-	-	-	-	
5	Wages & Salary Allocator -- Appendix A line 5					0.0000%		
6	Gross Plant Allocator -- Appendix A line 10					0.0000%		
7	Transmission Allocator				100%			
8	All other			0%				
9	ADIT	_____						
				line 8 * line 4	line 7 * line 4	line 6 * line 4	line 5 * line 4	

<from Acct 283 below

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

**Instructions for Account 190, 282 and 283:**

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

A	B	C	D	E	F	G	H	I
	End of Year Total	Beg 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
<b>ADIT-190</b>								
10	Other regulatory assets/liabilities - Transmission plant	-	-	-	-	-	-	Transmission-related tax-related net regulatory assets/liabilities not related to tax law change remeasurements (prior to gross-up). Recorded in Account 254. Removed from rate base as a FASB 109 item below.
11	Tax gross-up on other regulatory assets/liabilities - Transmission plant	-	-	-	-	-	-	Gross-up for income tax due on transmission-related tax-related net regulatory assets/liabilities other than tax law change remeasurements (Line 10) excess ADIT. Formerly referred to as FAS 109 Tax Gross-Up. Recorded in Account 254. Removed from rate base as a FASB 109 item below.
12	Excess ADIT regulatory liability - Transmission plant (from Attachment 9.2, Line 4, Columns F and H)	-	-	-	-	-	-	Remeasurement of deferred tax liabilities in Account 282 for income tax rate changes on transmission plant-related book/tax differences (prior to gross-up) with an offset to regulatory liability Account 254. Specific allocation of excess ADIT between transmission and distribution determined by underlying functional records. General plant excess ADIT allocated to transmission using the wage and salary allocator. Transmission excess ADIT agreed to Attachment 9.2. Removed from rate base as a FASB 109 item below.
13	Tax gross-up on excess ADIT regulatory liability - Transmission plant	-	-	-	-	-	-	Gross-up for income tax due on transmission plant-related excess ADIT (Line 12). Recorded in Account 254. Removed from rate base as a FASB 109 item below.
14	Other tax-related regulatory assets/liabilities - Distribution/other plant	-	-	-	-	-	-	Distribution/other-related tax-related net regulatory assets/liabilities not related to tax law change remeasurements. Recorded in Account 254. Removed from rate base as a FASB 109 item below.
15	Tax gross-up on other tax-related regulatory assets/liabilities - Distribution/other plant	-	-	-	-	-	-	Gross-up for income tax due on distribution/other-related tax-related net regulatory assets/liabilities other than excess ADIT (Line 14). Formerly referred to as FAS 109 Tax Gross-Up. Recorded in Account 254. Removed from rate base as a FASB 109 item below.
16	Excess ADIT regulatory liability - Distribution/other plant	-	-	-	-	-	-	Remeasurements of deferred tax liabilities in Account 282 for income tax rate changes on distribution/other plant-related book/tax differences (prior to gross-up) with an offset to regulatory liability Account 254. Specific allocation of excess ADIT between transmission and distribution determined by underlying functional records. General plant excess ADIT allocated to distribution using the wage and salary allocator. Removed from rate base as a FASB 109 item below.
17	Tax gross-up on excess ADIT regulatory liability - Distribution/other plant	-	-	-	-	-	-	Gross-up for income tax due on distribution/other-related excess ADIT (Line 16). Formerly referred to as FAS 109 Tax Gross-Up. Recorded in Account 254. Removed from rate base as a FASB 109 item below.
18	Excess ADIT regulatory liability - Transmission non-property-related (from Attachment 9.2, Line 5, Columns F and H)	-	-	-	-	-	-	Remeasurement of deferred tax liabilities in Accounts 190 and 283 (prior to gross-up) for income tax rate changes on transmission-related book/tax differences not related to plant with an offset to regulatory liability Account 254. Non-plant excess ADIT allocated to transmission using the wage and salary allocator. Transmission non-plant excess ADIT agreed to permanent worksheet Attachment 9.2. Removed from rate base as a FASB 109 item below.
19	Tax Gross-up on excess ADIT regulatory liability - Transmission non-property-related	-	-	-	-	-	-	Gross-up for income tax due on non-plant transmission-related excess ADIT (Line 18). Corresponding amount recorded in Account 254. Removed from rate base as FASB 109 item below.
20	Deficient ADIT regulatory asset - Transmission non-property-related (from Attachment 9.2, Line 9, Columns F and H)	-	-	-	-	-	-	Remeasurement of deferred tax assets in account 190 (prior to tax gross-up) for income tax rate changes on transmission-related book/tax differences not related to plant with an offset to regulatory asset account 182.3. Non-plant deficient ADIT allocated to transmission using the wage and salary allocator. Transmission non-plant deficient ADIT agreed to Attachment 9.2. Removed from rate base as a FASB 109 item below.
21	Tax Gross-up on deficient ADIT regulatory liability - Transmission non-property-related	-	-	-	-	-	-	Gross-up for income tax due on non-plant transmission-related excess ADIT (line 20). Corresponding amount recorded in account 182.3. Removed from rate base as FASB 109 item below.
22	Vacation Pay	-	-	-	-	-	-	Vacation pay earned and expensed for books, tax deduction when paid - employees in all functions
23	Reserve for Healthcare	-	-	-	-	-	-	Self Insurance reserve expanded for books, tax deduction when paid - employees in all functions
24	Reserve for Compensated Absences	-	-	-	-	-	-	Vacation pay accrued and expensed for books, tax deduction when paid - employees in all functions
25	Severance Pay	-	-	-	-	-	-	Book expenses related to 2001 workforce reduction, tax deduction when paid - related to all functions
26	FAS 106	-	-	-	-	-	-	FAS postretirement benefit liability
27	FAS 87 Pension Liability	-	-	-	-	-	-	FAS 87 pension liability recorded in other comprehensive income
28	Pension	-	-	-	-	-	-	Book accrual for pension contributions
29	Pension Regulatory Liability	-	-	-	-	-	-	Regulatory Liability associated with adoption of FAS 158
30	Operations Reserve	-	-	-	-	-	-	Book expenses related to 2000 generation asset sale, tax deduction pending IRS audit resolution
31	Warwick Mine Closing Costs	-	-	-	-	-	-	Costs expensed related to 2000 generation asset sale, tax deduction when paid
32	Bad Debt Reserve Amount	-	-	-	-	-	-	Book expense for bad debts, tax deduction when fully written-off and all collection efforts abandoned - relates to all functions

33	Stock Investments	-	-	-	-			Duquesne Light Co. investment in parent Company stock, not taxable within related group
34	Unamortized ITC	-	-	-	-			Investment Tax credit benefit recognized for tax, deferred and amortized ratably for books
35	Capital Stock Tax	-	-	-	-			Book capital stock estimate accrued and expensed, tax deduction when paid - related to all functions
36	Gross Receipts Tax	-	-	-	-			Book gross receipts tax estimate accrued and expensed, tax deduction when paid - relates to all functions
37	Accrued PURTA	-	-	-	-			Book PURTA tax estimate accrued and expensed, tax deduction when paid - relates to all functions
38	Accrued Sales and Use Tax	-	-	-	-			Book sales & use tax estimate accrued and expensed, tax deduction when paid - relates to all functions
39	Unamortized Gain on Reacquired Debt	-	-	-	-			Gain recognized for tax purposes, deferred and recognized ratably for book purposes - relates to all functions
40	Reserve - legacy issues	-	-	-	-			Book reserve related to environmental remediation for generation assets, tax deductible when paid
41	Provision for injuries and damages	-	-	-	-			Reserve expensed for books, tax deduction when paid - employees in all functions
42	Accrued Rent	-	-	-	-			Rent accrued on corporate headquarters, tax deduction when paid - relates to all functions
43	ITRON settlement	-	-	-	-			Investment recovery included in taxable income when received, deferred for book purposes - relates to all functions
44	Aff Housing tax recapture bond	-	-	-	-			Accrued bond expense, tax deduction when paid
45	Legal Accrual	-	-	-	-			Legal reserve expensed for books, tax deduction when paid - relates to all functions
46	<b>Accrued Franchise Tax</b>	-	-	-	-			
47	<b>Accrued Misc. Taxes</b>	-	-	-	-			
48	<b>Accrued Misc Reserves</b>	-	-	-	-			
49	<b>XXXX</b>							
50	<b>Subtotal - p234 (Sum line 10 through line 49)</b>	-	-	-	-	-	-	
51	<b>Less FASB 109 Above if not separately removed</b>	-						Includes amounts on Lines 10 – 21.
52	<b>Less FASB 106 Above if not separately removed</b>	-	-	-	-		-	Includes amount on Line 26.
53	<b>Total = Line 50 - (Line 52 + line 51)</b>	-	-	-	-	-	-	

A	B	C	D	E	F	G	H	I
			End of Year for Est. Average for Final	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
	End of Year Total	Beg of Year Total						

ADIT- 282

54	Accelerated Depreciation – Transmission	-	-	-	-	-	-	Differences between book and tax basis in transmission plant, including capitalization differences and differences between methods and lives used for accelerated tax depreciation and depreciation used for ratemaking purposes. Specific allocation between transmission and distribution determined by underlying functional records. General plant allocated between transmission and distribution using the wage and salary allocator. Remeasurement due to tax law changes (net of subsequent amortization) is reflected on Line 12.
55	Accelerated Depreciation – Distribution/Other	-	-	-	-	-	-	Differences between book and tax basis in distribution/other plant, including capitalization differences and differences between methods and lives used for accelerated tax depreciation and depreciation used for ratemaking purposes. Specific allocation between transmission and distribution determined by underlying functional records. General plant id allocated between transmission and distribution using the wage and salary allocator. Remeasurement due to tax law changes (net of subsequent amortization) is reflected on Line 16.
56	<b>Subtotal – p274-275p275</b>	-	-	-	-	-	-	
57	<b>Less FASB 109 Above if not separately removed</b>	-	-	-	-	-	-	
58	<b>Less FASB 106 Above if not separately removed</b>			-				
59	<b>Total = Line 56 - (Line 58 + Line 57)</b>	-	-	-	-	-	-	

A	B	C	D	E	F	G	H	I
			End of Year for Est. Average for Final	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
	End of Year Total	Beg of Year Total						

ADIT-283

60	<b>Amort Loss on Reacquisition</b>	-	-	-	-	-	-	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. Related to all functions
61	<b>Partnership investments</b>	-	-	-	-	-	-	Difference in book versus tax basis in partnership investments
62	<b>Regulatory Assets</b>	-	-	-	-	-	-	Asset due to rate regulated capitalization of incurred costs that would otherwise be charge to expense
63	<b>State Income Taxes</b>	-	-	-	-	-	-	Book sale income tax accrued and expensed, tax deduction when paid - relates to all functions
64	<b>Pension Regulatory asset</b>	-	-	-	-	-	-	Regulatory asset associated with adoption of FAS 158
65	<b>Prepaid Pension cost</b>	-	-	-	-	-	-	Pension assets/liabilities associated with FAS 87
66	<b>Other</b>	-	-	-	-	-	-	
67	<b>Subtotal – p276-277p277 (Form 1-F filer: see note 6, below)</b>	-	-	-	-	-	-	
68	<b>Less FASB 109 Above if not separately removed</b>	-	-	-	-	-	-	
69	<b>Less FASB 106 Above if not separately removed</b>	-	-	-	-	-	-	
70	<b>Total = Line 67 - (Line 69 + line 68)</b>	-	-	-	-	-	-	

ADITC-255

	Item	Amortization
<b>Amortization</b>		
<b>Amortization to line 129 of Appendix A</b>	<b>Total</b>	-
<b>Total</b>		-
<b>Total Form No. 1 (p 266-267266-267)</b>		-

Difference /1

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

**Other Taxes****FERC Form No. 1****Page 262-263****Col (4)****Allocated****Amount****Plant Related**

1 PA Capital Stock Tax  
 2 Real Estate  
 3 PA PURTA  
 4 **Total Plant Related -- Sum of line 1 through line 3**

line 15  
 line 1133  
 line 613

-  
 -  
 -

**Gross Plant Allocator**

0.00% \$ -

**Wages & Salary Allocator**

5 Federal Unemployment  
 6 FICA  
 7 PA Unemployment  
 8 City of Pittsburgh  
 9 **Total Labor Related -- Sum of line 5 through line 8**

line 24  
 line 35  
 line 818  
 line 1234

-  
 -  
 -  
 -

0.00% \$ -

**Other Excluded****All other**

10 Highway Use  
 11 Excise Tax on Coal  
 12 PA Gross receipts Tax  
 13 PA Corporate Loans  
 14 PA Insurance Premiums  
 15 PA Fuel Use  
 16 PA Motor Carriers  
 17 PA Other  
 18 WV Franchise  
 19 WV Income  
 20 Gross Receipts

line 6  
 line 7  
 line 744  
 line 16  
 line 17  
 line 19  
 line 20  
 line 924  
 line 26  
 line 27  
 line 32

-  
 -  
 -  
 -  
 -  
 -  
 -  
 -  
 -  
 -  
 -

21 **Total Excluded**

0.00%

22 **Total (line 4 + line 9 + line 21)**

\$ -

23 Total 'Other' Taxes included on [p.114-117.14cp.114.14e](#)

-

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.

**Duquesne Light Company**  
**Attachment 5 – Cost Support**

**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
<b>Plant Allocation Factors</b>						
10	Accumulated Intangible Depreciation	(Note A)	p200- <u>201</u> .21.c			
11	Accumulated Common amortization – Electric	(Note A)	p356			
12	Accumulated Common Plant Depreciation (Electric Only)	(Note A)	p356			
<b>Plant In Service</b>						
25	Common Plant (Electric Only)	(Note A)	p356			
<b>Accumulated Deferred Income Taxes</b>						
42	Accumulated Investment Tax Credit Account No. 255					
<b>Materials and Supplies</b>						
48	Undistributed Stores Expense	(Note A) Attachment 1	p227 <u>Footnote</u> <u>Data 6e</u> & 16.c			
<b>Allocated General &amp; Common Expenses</b>						
66	Plus Transmission Lease Payments	(Note A)	p200- <u>201</u> .4.c			
68	Common Plant O&M	(Note A)	p356			
<b>Depreciation Expense</b>						
88	Intangible Amortization	(Note A)	p336- <u>337</u> .1.d&e			
92	Common Depreciation – Electric Only	(Note A)	p336- <u>337</u> .11.b p356 or p336- <u>337</u> .11.d			
93	Common Amortization – Electric Only	(Note A)	<u>337</u> .11.d			

**Transmission / Non-transmission Cost Support**

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Form Amount 1	Transmission Related	Non-Transmission Related	Details
29	Plant Held for Future Use	(Note C)	p21 4			

**CWIP & Expensed Lease Worksheet**

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Form 1 Amount	CWIP In Form 1	Expensed Lease in Form 1	Details
<b>Plant Allocation Factors</b>						
6	Electric Plant In Service	(Note B)		p204-207.104.g		
<b>Plant In Service</b>						
19	Transmission Plant In Service	(Note B)		p204-207.58.g		
25	Common Plant (Electric Only)	(Note A)		p356		
<b>Accumulated Depreciation</b>						
31	Transmission Accumulated Depreciation	(Note B)		p219.25.c		

### **EPRI Dues Cost Support**

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Form 1 Amount	EPRI Dues	Details
Allocated General & Common Expenses			
73      Less EPRI Dues	(Note D) p352 & 353		

### **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
<b>Directly Assigned A&amp;G</b>							
77 Regulatory Commission Exp Account 928	(Note G)	p320-323 189 p324-189 b					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
81	Directly Assigned A&G General Advertising Exp Account 930.1	(Note F)	p320-323.191.b p324.191.b				

## 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
<b>Income Tax Rates</b>							
130	SIT=State Income Tax Rate or Composite (NoteJ)	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
Directly Assigned A&G						
78	General Advertising Exp Account 930.1	(Note K)	p320- 323.191.bp3 24.191.b			

### **Excluded Plant Cost Support**

A	100 Basis Point increase in ROE and Income Taxes	Line 12 + Line 23	-
B	100 Basis Point increase in ROE		1.00%

#### Return Calculation

1	Rate Base	Appendix A, Line 51	-
2	Debt %	(Line 109 / Line 112)	0.0%
3	Preferred %	(Line 110 / Line 112)	0.0%
4	Common %	(Line 111 / Line 112)	0.0%
5	Debt Cost	(Line 92 / Line 109)	0.00%
6	Preferred Cost	(Line 99 / Line 110)	0.00%
7	Common Cost	<a href="#">Appendix A % plus 100 Basis Pts</a>	12.40%
8	Weighted Cost of Debt	(Line 113 * Line 116)	-
9	Weighted Cost of Preferred	(Line 114 * Line 117)	-
10	Weighted Cost of Common	(Line 115 * Line 118)	-
11		(Sum Lines 119 to 121)	Sum Lines 8 to 10
12		<b>(Line 51 * Line 122)</b>	Line 11 * Line 1

#### Composite Income Taxes

13	FIT=Federal Income Tax Rate	Appendix A, Line 124	0.00%
14	SIT=State Income Tax Rate or Composite	Appendix A, Line 125	0.00%
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	0.00%
17	T/(1-T)	Appendix A, Line 128	0.00%

#### ITC Adjustment

18	Amortized Investment Tax Credit; enter negative	Attachment 1	Appendix A, Line 129	-
19	1/(1-T)	1 / (1 - Line 127)	Appendix A, Line 130	0.00%
20	<u>Net Plant Allocation Factor</u>	(Line 12)	<u>Appendix A, Line 131</u>	<u>0.0000%</u>
21	<b>ITC Adjustment Allocated to Transmission</b>	(Line 129 * (1 + Line 130) * Line 131)	Appendix A, Line 132	-

#### Other Income Tax Adjustments

21a	Other Income Tax Adjustments	Appendix A, Note S	Appendix A, Line 132a	-
22	<b>Income Tax Component = CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =</b>		Line 17*Line 12*(1-(Line 8/Line 11))	-
23	<b>Total Income Taxes</b>		<b>(Line 132 + Line 132a + Line 133)</b>	-

**Plant in Service Worksheet**

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Details
		Source	Balance For True up	Balance for Estimate
	<b><u>Calculation of Transmission Plant In Service</u></b>			
	December	<a href="#">p204-207.58.bp206.58.b</a>	For	-
	January	company records	For	-
	February	company records	For	-
	March	company records	For	-
	April	company records	For	-
	May	company records	For	-
	June	company records	For	-
	July	company records	For	-
	August	company records	For	-
	September	company records	For	-
	October	company records	For	-
	November	company records	For	-
	December	<a href="#">p204-207.58.gp207.58.e</a>	For	-
13	<b>Transmission Plant In Service</b>			
	<b><u>Calculation of Distribution Plant In Service</u></b>	Source		
	December	<a href="#">p204-207.75.bp206.75.b</a>	For	-
	January	company records	For	-
	February	company records	For	-
	March	company records	For	-
	April	company records	For	-
	May	company records	For	-
	June	company records	For	-
	July	company records	For	-
	August	company records	For	-
	September	company records	For	-
	October	company records	For	-
	November	company records	For	-
	December	<a href="#">p204-207.75.gp207.75.e</a>	For	-
	<b>Distribution Plant In Service</b>			
	<b><u>Calculation of Intangible Plant In Service</u></b>	Source		
	December	<a href="#">p204-207.5.bp204.5.b</a>	For	-
	December	<a href="#">p204-207.5.gp205.5.e</a>	For	-
16	<b>Intangible Plant In Service</b>			
	<b><u>Calculation of General Plant In Service</u></b>	Source		
	December	<a href="#">p204-207.99.bp206.99.b</a>	For	-
	December	<a href="#">p204-207.99.gp207.99.e</a>	For	-
16	<b>General Plant In Service</b>			
	<b><u>Calculation of Production Plant In Service</u></b>	Source		
	December	<a href="#">p204-207.46.bp204.46.b</a>	For	-
	January	company records	For	-
	February	company records	For	-
	March	company records	For	-
	April	company records	For	-
	May	company records	For	-
	June	company records	For	-
	July	company records	For	-
	August	company records	For	-
	September	company records	For	-
	October	company records	For	-
	November	company records	For	-
	December	<a href="#">p204-207.46.gp205.46.e</a>	For	-
	<b>Production Plant In Service</b>			

	<u>Calculation of Common Plant In Service</u>	Source		
	December (Electric Portion)	p356	For	-
	December (Electric Portion)	p356	For	-
17	<b>Common Plant In Service</b>		-	-
6	<b>Total Plant In Service</b>	Sum of averages above	-	-

Accumulated Depreciation Worksheet

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Details
		Source	Balance For True up	Balance for Estimate
	<u>Calculation of Transmission Accumulated Depreciation</u>			
	December	Prior year p219	For	-
	January	company records	For	-
	February	company records	For	-
	March	company records	For	-
	April	company records	For	-
	May	company records	For	-
	June	company records	For	-
	July	company records	For	-
	August	company records	For	-
	September	company records	For	-
	October	company records	For	-
	November	company records	For	-
	December	p219.25	For	-
22	<b>Transmission Accumulated Depreciation</b>		-	-
	<u>Calculation of Distribution Accumulated Depreciation</u>	Source		
	December	Prior year p219.26	For	-
	January	company records	For	-
	February	company records	For	-
	March	company records	For	-
	April	company records	For	-
	May	company records	For	-
	June	company records	For	-
	July	company records	For	-
	August	company records	For	-
	September	company records	For	-
	October	company records	For	-
	November	company records	For	-
	December	p219.26	For	-
	<b>Distribution Accumulated Depreciation</b>		-	-
	<u>Calculation of Intangible Accumulated Depreciation</u>	Source		
	December	Prior year p200- <del>201</del> .21.c	For	-
	December	p200- <del>201</del> .21.c	For	-
26	<b>Accumulated Intangible Depreciation</b>		-	-
	<u>Calculation of General Accumulated Depreciation</u>	Source		
	December	Prior year p219	For	-
	December	p219.28	For	-
25	<b>Accumulated General Depreciation</b>		-	-

<b><u>Calculation of Production Accumulated Depreciation</u></b>	Source			
December	Prior year p219	For	-	
January	company records	For	-	
February	company records	For	-	
March	company records	For	-	
April	company records	For	-	
May	company records	For	-	
June	company records	For	-	
July	company records	For	-	
August	company records	For	-	
September	company records	For	-	
October	company records	For	-	
November	company records	For	-	
December	p219.20 thru 219.24	For	-	
<b>Production Accumulated Depreciation</b>			-	-
<b><u>Calculation of Common Accumulated Depreciation</u></b>	Source			
December (Electric Portion)	p356	For	-	
December (Electric Portion)	p356	For	-	
28 <b>Common Plant Accumulated Depreciation (Electric Only)</b>			-	-
7 <b>Total Accumulated Depreciation</b>	Sum of averages above		-	-

#### 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
<b>Plant Allocation Factors</b>						
26 Accumulated Intangible Depreciation		p200-201.21.c				
27 Accumulated Common amortization – Electric		p356				
28 Common Plant Accumulated Depreciation (Electric Only)		p356				
<b>Plant In Service</b>						
17 Common Plant (Electric Only)		p356				
<b>Materials and Supplies</b>						
42 Undistributed Stores Exp		p227 <a href="#">Footnote Data 6.e &amp; 1516.c</a>				
<b>Allocated General &amp; Common Expenses</b>						
55 Plus Net Transmission Lease Payments		p200-201.4.c				
57 Common Plant O&M		p356				
<b>Depreciation Expense</b>						
80 Intangible Amortization		<a href="#">p336-337</a> <a href="#">p336.1.d&amp;e</a>				
84 Common Depreciation – Electric Only		<a href="#">p336-337</a> <a href="#">p336.11.b</a>				
85 Common Amortization – Electric Only		p356 or <a href="#">p336-337</a> <a href="#">p336.11.d</a>				

#### 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 <b>Plant Held for Future Use</b>	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		
<b>Plant Allocation Factors</b>							
6 Total Plant In Service			<a href="#">p204-207.104.g</a>	<a href="#">p207.104.g</a>			
<b>Plant In Service</b>							
13 Transmission Plant In Service			<a href="#">p204-207.58.g</a>	<a href="#">p207.58.g</a>			
17 Common Plant (Electric Only)			p356				
<b>Accumulated Depreciation</b>							
22 Transmission Accumulated Depreciation			<a href="#">p219.25.c</a>				
<b>PBOPs Cost Support</b>							
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	PBOBs	All other	Details		
<b>Allocated General &amp; Common Expenses</b>							
Account 926 (Prior Year)			<a href="#">p320-323.187.c</a>		Prior Year		
Account 926 (Current Year)			<a href="#">p320-323.187.b</a>		Current Year		
Change in PBOP Expense							
Calculation of allowed increase in PBOP expense recorded in Acct. 926 (increase not to cause more than \$.05/kW/Mo in zonal rate):							
1 Allowed Change in Rate (\$/kW/mo)	0.05						
2 Divide zonal rate at Appendix A, line 168 by 1000 and by 12 =	-						
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 <b>ONLY</b> if it is positive; otherwise enter zero	-						
59 Less PBOP Expense in Acct. 926 in Excess of Allowed Amount	-						
<b>EPRI Dues Cost Support</b>							
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	EPRI Dues		Details		
<b>Allocated General &amp; Common Expenses</b>							
63 Less EPRI Dues		p352-353					
<b>Regulatory Expense Related to Transmission Cost Support</b>							
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	Transmission Related	Non-transmission Related	Details		
<b>Directly Assigned A&amp;G</b>							
67 Regulatory Commission Exp Account 928		<a href="#">p320-323.189.b</a>	<a href="#">p323.189.b</a>		FERC Annual Assessment		
<b>Safety Related Advertising Cost Support</b>							
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	Safety Related	Non-safety Related	Details		
<b>Directly Assigned A&amp;G</b>							
68 General Advertising Exp Account 930.1		<a href="#">p320-323.191.b</a>	<a href="#">p323.191.b</a>		None		
<b>MultiState Workpaper</b>							
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		State 1	State 2	State 3	State 4	State 5	Details
<b>Income Tax Rates</b>							
125 SIT=State Income Tax Rate or Composite		PA					
		0.00%					

**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
Directly Assigned A&G 68	General Advertising Exp Account 930.1	p320-323.191.b p323.191.b	-	-	None

**Excluded Plant Cost Support**

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

**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 Rtd	Details
39	<b>Transmission Related Account 242 Reserves (exclude current year environmental site related reserves)</b>		Enter \$			Amount	
	Directly Assignable to Transmission						
	Accrued FERC Assessment	-	-	-		100%	-
		-	-	-	-	-	
	Labor Related, General plant related or Common Plant related						
	Prior Years Severance Expenses	-	-	-		-	
	Workmen's Compensation Liability	-	-	-		-	
	Accrued Payroll	-	-	-		-	
	Accrued Vacations	-	-	-		-	
	Accrued Legal Settlements	-	-	-		-	

Employee Benefits

Misc

Other	PA PUC Assessment	-	-	-	0.000%	-
Plant Related	PA GRT	-	-	-		
	Property Insurance	-	-	-	0.000%	-

Materials & Supplies		Beg of year	End of Year	End of Year for Est. Average for Final
<b>Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions</b>				
Assigned to O&M	p227 Footnote Data p227.6	-	-	-
Stores Expense Undistributed	p227.16	-	-	-
42 Undistributed Stores Exp		0	-	-
45 Transmission Materials & Supplies	p227.8	-	-	-

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

Facility Credits under Section 30.9 of the PJM OATT		Amount	Description & PJM Documentation
<b>Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions</b>			
Net Revenue Requirement		-	
166 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
Network Zonal Service Rate			
168	1 CP Peak	p401b	-

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		XXXXXX Transmission Project w/o XXXXX.X (DLCo Zone)	XXXXXX Transmission Project XXXXX.X (DLCo Zone)	XXXXXX Transmission Project XXXXX.X (Other Zone)	XXXXXX Transmission Project XXXXX.X (Other Zone)	Total	Description & PJM Documentation
	a Beginning Balance of Unamortized Transmission Projects -	Per FERC Order	p110-111.71.cp111.71.e (Acct. 182.2)	-	-	-	
	b Years remaining in Amortization Period	Per FERC Order		-	-	-	
76a	c Transmission Amortization Expense	(Line a / Line b)	p114-117.10.cp114.10.e (Acct. 407)	-	-	-	
	Docket Number authorizing amount and period for recovery of Abandoned Transmission Project			ERXX-XXXX	ERXX-XXXX	ERXX-XXXX	ERXX-XXXX

Other Income Tax Adjustments

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Total	
Amortization of Deficient Or (Excess) Accumulated Deferred Income Taxes	Appendix A, Note S	Attachment 9.1, Column E, Line 5	-
132a	Total Other Income Tax Adjustments		

**Cost of Long Term Debt**

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

						Long Term Interest
			Long Term Interest	Total Column F below		
92						
105		Long Term Debt		Total Column E below		
Act			List all Bonds in Accounts 221 thru 224	Principle	Outstanding	Months Outstanding
221	221	6.450% Series due 02/27/08				
221		6.70% 1st Mort Bond due 4/15/12				
221		6.70% 1st Mort Public Notes D due 4/30/32				
221		5.70% 1st Mort Bond due 5/15/14				
222		None				
	223	Pledgor Note-DQU II Funding				
	223	Sub Debentures-Duquesne Capital				
	224	Allegheny County Industrial Development:				
	224	1990 Series D due 2013 Variable Interest Rates				
	224	1992 Series A due 2011 Variable Interest Rates				
	224	Beaver County Industrial Development:				
	224	1990 Series A due 2020 Variable Interest Rates				
	224	1990 Series B due 2009 Variable Interest Rates				
	224	1990 Series C due 2025 Variable Interest Rates				
	224	1993 Series A due 2030 Variable Interest Rates				
	224	1994 Series A due 2029 Variable Interest Rates				
	224	Ohio Air Quality and Ohio Water Development				
	224	Authorities Pollution Control Revenue Bonds:				
	224	1988 Series				
	224	1989 Series				
	224	1993 Series				
	224	1994 Series A				
	224	1994 Series B				
	xx	xxxxxx				
		Total				
		Note: the amount outstanding for debt retired during the year is the outstanding amount as of the last month it was outstanding				



**Exec  
Summary**

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

**Reconciliation details**

1	April	Year 2	TO populates the formula with Year 1 data from FERC Form 1. \$38,019,689 Rev Req based on Year 1 data	Must run Appendix A to get this number (without any cap adds in line 21) of Appendix A
2	April	Year 2	TO estimates all transmission Cap Adds, Retirements, CWIP and associated depreciation for Year 2 based on Months expected to be in service and monthly CWIP balances in Year 2.	

	(A) Other Project PIS	(B) other retirements	(C) Project X CWIP	(D) Project X PIS	(E) Project X PIS retirements	(F) Brady PIS	(G) Brady PIS retirements	(H) Brady CWIP	(I)	(J)	(K)	(L)	(M)	Total
									Accumulated Balance	Project X CWIP	Project X PIS	Brady PIS	BRADY CWIP	
Dec									-	-	-	-	-	-
Jan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Feb	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mar	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Apr	-	-	-	-	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nov	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dec	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-

13 month avg of new plant additions = Col I + Col K + Col L      - goes to line 14 of the formula  
13 month avg of current year changes to CWIP = Col J + Col M      - goes to line 36 of the formula

	(N) = 1 Total Other Project PIS	(O) Composite Trans Deprec Rate	(P) = N * O Depreciation Expense	(Q) Accum Deprec	(R) = K Total Project X PIS	(S) Composite Trans Deprec Rate	(T) = R * S Depreciation Expense	(U) Accum Deprec	(V) = L Brady PIS	(W) Composite Trans Deprec Rate	(X) = V * W Depreciation Expense	(Y) Accum Deprec
DEC	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Jan	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Feb	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Mar	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Apr	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
May	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Jun	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Jul	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Aug	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Sep	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Oct	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Nov	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Dec	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

13 mo. Avg accumulated depreciation = Col Q + Col U + Col Y  
Depreciation Expense = Col P + Col T + Col X

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

3 April Year 2 TO adds 13 month average Cap Adds and retirements (line 14), CWIP (line 36) and associated depreciation (lines 23 and 77) to the Formula.  
Input to Formula Line 21

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.  
12/1/06

6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1.  
\$ - Rev Req based on Prior Year data Must run Appendix A to get this number (without any adjustments for cap adds) of Appendix A

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

	(A) Other Project PIS	(B) other retirements	(C) Project X CWIP	(D) Project X PIS	(E) Project X PIS retirements	(F) Brady PIS	(G) Brady PIS retirements	(H) Brady CWIP	(I) <b>Accumulated Balance</b>			(K) Brady PIS	(L) BRADY CWIP	(M) Total
									Other Project PIS	Project X CWIP	Project X PIS			
Dec	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Feb	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mar	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Apr	-	-	-	-	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nov	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dec	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-

13 month avg of new plant additions = Col I + Col K + Col L

End of year balance new plant additions Col A + Col C + Col H

13 month avg of current year changes to CWIP = Col J + Col U

-

-

	(N) = I Total Other Project PIS	(O) Composite Trans Deprec Rate	(P) = N*O Depreciation Expense	(Q) Accum Deprec	(R) = K Total Project X PIS	(S) Composite Trans Deprec Rate	(T) = R + S Depreciation Expense	(U) Accum Deprec	(V) Brady PIS	(W) Composite Trans Deprec Rate	(X) = V + W Depreciation Expense	(Y) Accum Deprec
DEC	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Jan	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Feb	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Mar	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Apr	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
May	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Jun	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Jul	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Aug	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Sep	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Oct	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Nov	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Dec	0	0.22%	-	-	-	0.22%	-	-	-	0.22%	-	-
Total			-	-			-	-			-	-

13 mo. Avg accumulated depreciation = Col Q + Col U + Col Y

- goes to line 23 of the formula

Depreciation Expense = Col P + Col T + Col X

- goes to line 77 of the formula

7 April Year 3

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

Results of Step 6	-
Results of Step 3	\$ -
True up w/o interest	\$ -
1st year	\$ -

Note: for 1st year, divide this amt by 12 and multiply by the number of months the rate was in effect

Divide this number by the number of months the rate was in effect

and place that number in the month that the rate went in effect in the interest calculation below

8      April 1      Year 3      Reconciliation - TO calculates interest and amortization associated with the true up calculated in Step 7 and applies that amount to line 164 of the formula (if the difference results in refund and a cash refund is made, then this step is not implemented).

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

Month	Yr	1/12 of Step 7	Interest 35.19a for and 35.19 b		Interest	Refunds Owed
			March	Current Yr		
Jun	Year 1	-	0.0000%		11.5	-
Jul	Year 1	-	0.0000%		10.5	-
Aug	Year 1	-	0.0000%		9.5	-
Sep	Year 1	-	0.0000%		8.5	-
Oct	Year 1	-	0.0000%		7.5	-
Nov	Year 1	-	0.0000%		6.5	-
Dec	Year 1	-	0.0000%		5.5	-
Jan	Year 2	-	0.0000%		4.5	-
Feb	Year 2	-	0.0000%		3.5	-
Mar	Year 2	-	0.0000%		2.5	-
Apr	Year 2	-	0.0000%		1.5	-
May	Year 2	-	0.0000%		0.5	-
Total		-				-
		Balance	Interest	Amort	Balance	
Jun	Year 2	-	0.0000%	-	-	
Jul	Year 2	-	0.0000%	-	-	
Aug	Year 2	-	0.0000%	-	-	
Sep	Year 2	-	0.0000%	-	-	
Oct	Year 2	-	0.0000%	-	-	
Nov	Year 2	-	0.0000%	-	-	
Dec	Year 2	-	0.0000%	-	-	
Jan	Year 3	-	0.0000%	-	-	
Feb	Year 3	-	0.0000%	-	-	
Mar	Year 3	-	0.0000%	-	-	
Apr	Year 3	-	0.0000%	-	-	
May	Year 3	-	0.0000%	-	-	
Total with interest		-			-	

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

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
	Other Project PIS	other retirements	Project X CWIP	Project X PIS	Project X PIS retirements	Brady PIS	Brady PIS retirements	Brady CWIP	Other Project PIS	Project X CWIP	Project X PIS	Brady PIS	BRADY CWIP
Dec													
Jan	-	-	-	-	-	-	-	-	-	-	-	-	-
Feb	-	-	-	-	-	-	-	-	-	-	-	-	-
Mar	-	-	-	-	-	-	-	-	-	-	-	-	-
Apr	-	-	-	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-	-	-	-	-	-
Oct	-	-	-	-	-	-	-	-	-	-	-	-	-
Nov	-	-	-	-	-	-	-	-	-	-	-	-	-
Dec	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-

13 month avg of new plant additions = Col I + Col K + Col L  
 13 month avg of current year changes to CWIP = Col J + Col M

- goes to line 14 of the formula  
 - goes to line 36 of the formula

(N = 1	(O)	(P) = N*O	(Q)	(R) = K	(S)	(T) = R*S	(U)	(V) = L	(W)	(X) = V*W	(Y)
Total Other	Composite Trans	Deprec	Accum Deprec	Total Project X	Composite	Deprec	Accum	Brady	Composite Trans	Deprec	Accum
Project PIS	Deprec Rate	Expense	Expense	PIS	Deprec Rate	Expense	Deprec	PIS	Deprec Rate	Expense	Deprec
DEC	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Jan	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Feb	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Mar	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Apr	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
May	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Jun	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Jul	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Aug	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Sep	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Oct	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Nov	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Dec	0	0.22%	-	-	0.22%	-	-	-	0.22%	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

13 mo. Avg accumulated depreciation = Col Q + Col U + Col Y  
 Depreciation Expense = Col P + Col T + Col X

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

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

Must run App A to get this # (with 13 mo. avg cap adds, CWIP, depreciation for Year 3 cap adds)

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

Post results of Step 3 on PJM web site.



line #	Formula Line			
1	165	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	\$	-
		=Incentive - Revenue Credit for the corresponding rate year		
		<b>Fixed Charge Rate (FCR) if not a CIAC</b>		
2	155	Net Plant Carrying Charge without Depreciation	%	
3	162	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	%	
4		Line B less Line A	%	
5	156	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	%	

Beginning = 13 month Plant CWIP or Incentive Plant balance

Deprec = 13 month avg Accumulated Depreciation (specific for Incentive Plant)

Ending = Beginning - Deprec

Amort = Annual Amortization Expense (specific for Abandoned Plant).

Revenue= FCR\* (Beginning + Ending)/2 + Amort (specific for Abandoned Plant).

Total = Sum of Revenue for Projects

Incentive = Total for "W Increased ROE" row

Revenue Credit = Total for "FCR W base ROE" row

Details	Project X PIS			Project X CWIP			Brady PIS			Brady CWIP			Project X Abandoned Plant							
	Schedule 12	Life	CIAC	Increased ROE (Basis	FCR W base ROE	FCR W increased ROE	Investment	Annual Depreciation Exp	Annual Amortization Exp.	13 monthly Avg	FCR W base ROE	FCR W increased ROE	Investment	Annual Depreciation Exp	Annual Amortization Exp.					
6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
7																				
8																				
9																				
10																				
11																				
12																				
13																				
14																				
15																				
16	Invest Yr	Beginning	Deprec	Ending	Revenue [(Beginning + Ending)/2* Line 11]	Beginning	Deprec	Ending	Revenue [(Beginning + Ending)/2* Line 11]	Beginning	Deprec	Ending	Revenue [(Beginning + Ending)/2* Line 11]	Beginning	Deprec	Ending	Revenue [(Beginning + Ending)/2* Line 11] + Amort	Total	Incentive	Rev Credit
17	FCR W base ROE	2006	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
18	W Increased ROE	2006	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
19	FCR W base ROE	2007	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
20	W Increased ROE	2007	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
21	FCR W base ROE	2008	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
22	W Increased ROE	2008	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
23	FCR W base ROE	2009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
24	W Increased ROE	2009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
25	FCR W base ROE	2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
26	W Increased ROE	2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
27	FCR W base ROE	2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
28	W Increased ROE	2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
29	FCR W base ROE	2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
30	W Increased ROE	2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
31	FCR W base ROE	2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
32	W Increased ROE	2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
33	FCR W base ROE	2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
34	W Increased ROE	2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
35	FCR W base ROE	2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
36	W Increased ROE	2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
37	FCR W base ROE	2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
38	W Increased ROE	2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
39	FCR W base ROE	2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
40	W Increased ROE	2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
41	FCR W base ROE	2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
42	W Increased ROE	2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
43	FCR W base ROE	2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
44	W Increased ROE	2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
45	FCR W base ROE	2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
46	W Increased ROE	2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
47	FCR W base ROE	2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
48	W Increased ROE	2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
49	FCR W base ROE	2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
50	W Increased ROE	2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
51	FCR W base ROE	2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

52	W Increased ROE	2023	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
59			...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
60			...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

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

\*\* For abandoned plant, line 14 (annual amortization expense) will be sourced from Attachment 5 - Abandoned Transmission Projects. Lines 10 & 11 (carrying charge) and line 15 (13 month average plant) will remain zero until the Commission accepts or approves the future recovery of unamortized Abandoned Plant. The Company will be required to submit a Section 205 filing to recover these costs.

(A)

(B)

(C)

(D)

Account Number	Depreciation Plant Base	Depreciation Rate	Depreciation Expense
<b>Transmission Plant</b>			
<u>351.1 – Computer Hardware</u>	-	<u>20</u>	-
<u>351.2 – Computer Software</u>	-	<u>20</u>	-
<u>351.3 – Communication Equipment</u>	-	<u>6.67</u>	-
352-Major Structures	-	3.01	-
352-Minor Structures	-	2.53	-
353	-	3.42	-
354	-	1.6	-
355	-	2.47	-
356	-	2.09	-
357	-	1.82	-
358	-	1.88	-
359	-	1.87	-
Subtotal	-	2.68	-
<b>General Plant</b>			
390	-	3.33	-
391	-	20	-
391.1	-	5	-
392	-	9.1	-
393	-	3.33	-
394	-	4	-
395	-	5	-
396	-	6.1	-
<u>397</u>	-	<u>6.67</u>	-
<u>397.1 – Computer Hardware</u>	-	<u>20</u>	-
<u>397.2 – Computer Software</u>	-	<u>20</u>	-
<u>397.3 – Communication Equipment</u>	-	<u>6.67</u>	-
398	-	5	-
Subtotal	-	3.73	-

**Duquesne Light Company**  
**Attachment H -17A**  
**Attachment 9.1 - Amortization of Deficient or (Excess) Accumulated Deferred Income Taxes**

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>Impacts on Total Income Taxes</b>	<b>Source</b>	<b>Deficient or (Excess) ADIT Amortization</b>	<b>Tax Gross-up Percentage</b>	<b>Impact on Income Tax Allowance</b>
1 TCJA 2017 Excess Deferred Income Taxes To Be Flowed Back To Transmission Customers	Attachment 9.2, Line 7	\$ -	x 140.63%	= \$ -
2 TCJA 2017 Deficient Deferred Income Taxes To Be Recovered From Transmission Customers	Attachment 9.2, Line 9	\$ -	x 140.63%	-
3 [Reserved for future tax rate changes]			x	-
4 Total Adjustments to Tax Expense (without Tax Gross-up)		\$ -		
<b>5 Total Impact on Tax Expense (with Tax Gross-up)</b>			\$ -	To Attach. 5

**Notes**

1 - Positive amounts in Column C are recorded in Account 410.1. Corresponding amounts in Column E reduce Account 182.3 and increase the income tax allowance and ATRR. The difference between the two amounts reduces Account 283. Negative amounts in Column C are recorded in Account 411.1. Corresponding amounts in Column E reduce Account 254 and decrease the income tax allowance and ATRR. The difference between the two amounts reduces Account 190.

The total for Column E is reported on Attachment 5.

2. - Attachment No. 9.1 reflects the amortization of both (excess) and deficient deferred income taxes. A negative amount in Column E reflects a net refund of (excess) deferred income taxes. A positive amount in Column E reflects a net collection of deficient deferred income taxes.

**3 - Tax gross-up calculation for TCJA 2017 amortization for the test period:**

Federal Income Tax Rate	21.00%
State Income Tax Rate or Composite	9.99%
Federal Income Tax Deductible for State Purposes	0.00%
T	28.89%
T / (1-T)	40.63%
<b>Tax Gross-up Percentage (1 / (1-T))</b>	<b>140.63%</b>

4 - [Reserved for future tax rate changes]

**Duquesne Light Company**  
**Attachment H -17A**  
**Attachment 9.2 - Unamortized Deficient or (Excess) Accumulated Deferred Income Taxes**

Category of Deficient or (Excess) Accumulated Deferred Income Taxes	Tax Law Change	Amortization Period	Deficient / (Excess) ADIT (Prior to Amortization and without Tax Gross-up)	Cumulative		Amortization of Excess / (Deficient) ADIT during Test Year	Deficient / (Excess) ADIT (without Tax Gross-up)	As of End of Test Year	Reference		
				(Deficient) ADIT Amortization through the Beginning of the Test Year	As of Beginning of Test Year						
				<u>Note A</u>	<u>Note B</u>	<u>Note C</u>	<u>Note D</u>	<u>Note E</u>	<u>Note F</u>	<u>Note G</u>	<u>Note H</u>
1 <b>ACCOUNT 254:</b>											
2 Protected Plant-related (Excess) ADIT	TCJA-2017	ARAM	\$ - \$ - \$ - \$ - \$ - \$ - \$ -								
3 Unprotected Plant-related (Excess) ADIT	TCJA-2017	ARAM	\$ - \$ - \$ - \$ - \$ - \$ - \$ -								
4 Total Plant-related (Excess) ADIT	TCJA-2017	ARAM	\$ - \$ - \$ - \$ - \$ - \$ - \$ -							Col. F to 1-ADIT, Line 12C, Col H to 1-ADIT, Line 12B	
5 Unprotected Non-plant-related (Excess) ADIT	TCJA-2017	3 Years	\$ - \$ - \$ - \$ - \$ - \$ - \$ -							Col. F to 1-ADIT, Line 18C, Col H to 1-ADIT, Line 18B	
6 [Reserved for future changes]											
7 <b>Total (Excess) ADIT (Account 254)</b>		TCJA-2017	\$ - \$ - \$ - \$ - \$ - \$ - \$ -								
8 <b>ACCOUNT 182.3:</b>											
9 Unprotected Non-plant-related Deficient ADIT	TCJA-2017	3 Years	\$ - \$ - \$ - \$ - \$ - \$ - \$ -							Col. F to 1-ADIT, Line 20C, Col H to 1-ADIT, Line 20B	
10 [Reserved for future changes]											
11 <b>Total (Excess) ADIT (Account 182.3)</b>		TCJA-2017	\$ - \$ - \$ - \$ - \$ - \$ - \$ -								
12 <b>Net Deficient / (Excess) Deferred Taxes</b>			\$ - \$ - \$ - \$ - \$ - \$ - \$ -								
				From Attach. 9.3				To Attachment 9.1			

**Notes**

**A.** Lists the categories of transmission-allocated deficient or (excess) accumulated deferred income taxes (ADIT) due to re-measurements resulting from changes in tax law. "Protected" means that normalization rules apply to the refund of excess deferred income taxes or the recovery of deficient deferred income taxes. For TCJA-2017, normalization rules apply to certain depreciation-related excess deferred taxes and provide that such amounts may not be returned to customers more rapidly or to a greater extent than the Average Rate Assumption Method (ARAM) over the remaining book depreciable lives of the associated property. Unprotected Deficient or (Excess) ADIT is not subject to normalization rules. Amounts in Column D based on the re-measurements on Attachment 9.3 or similar attachments for other changes in tax law. For TCJA-2017, amounts in Column D Lines 2, 3, 5, and 9 agree with amounts in Attachment 9.3 Lines 3-G, 3-H, 15-J, and 15-I, respectively.

**B.** Indicates the tax law change and the date of enactment. "TCJA-2017" refers to the Tax Cuts and Jobs Act (P.L. 115-97) enacted on December 22, 2017. Details of (excess) or deficient ADIT attributable to TCJA-2017 are reflected on Attachment 9.3. The impacts of future changes in federal, state or local income tax rates, if any, will result in additional attachments to support the computation of future deficient or (excess) ADIT amounts impacting customer rates.

**C.** Amortization related to TCJA amounts described as 3 Years is computed ratably. Amortization over the ARAM occurs over the remaining depreciable lives of the associated property.

**D.** Amounts in Column D are the deficient or (excess) ADIT for category of temporary differences as of the applicable remeasurement date, prior to any amortization (i.e., refund or recovery), before tax gross-up to the revenue requirement and reflecting subsequent provision-to-return true-up adjustments, amended returns and audit adjustments. The applicable remeasurement date for TCJA-2017 was December 31, 2017, and amounts were recorded during 2018 to account for differences between the estimates used in 2017 financial reporting and amounts reported on the 2017 federal income tax return filed in 2018. The TCJA amounts are computed on Attachment 9.3.

**E.** Positive amounts are the cumulative refund of excess ADIT prior to the test period (before gross-up to the revenue requirement). Negative amounts are the cumulative recovery of deficient ADIT prior to the test period (before gross-up to the revenue requirement).

**F.** Amounts in Column F are the deficient or (excess) ADIT for category of temporary differences as of the beginning of the test period, adjusted for cumulative refunds or recoveries before such date and before gross-up to the revenue requirement. The impact of these amounts on rate base is reflected on Attachment 1 - ADIT.

**G.** Positive amounts are the annual refund of excess ADIT during the test period (before gross-up to the revenue requirement). These amounts reduce Account 254 and are credited to Account 411.1. Negative amounts are the annual recovery of deficient ADIT during the test period (before gross-up to the revenue requirement). These amounts reduce Account 182.3 and are debited to Account 410.1. The impact of these amounts on the income tax allowance, including tax gross-up, is computed on Attachment 9.1 - Amortization of Deficient or (Excess) ADIT.

**H.** Amounts in Column H are the deficient or (excess) ADIT for category of temporary differences as of the end of the test period, adjusted for cumulative refunds or recoveries before such date and before gross-up to the revenue requirement. The impact of these amounts on rate base is reflected on Attachment 1 - ADIT.

**Duquesne Light Company**

**Attachment H -17A**

**Attachment 9.3 - TCJA Remeasurement of Deficient or (Excess) Accumulated Deferred Income Taxes as of December 31, 2017**

<b>Temporary Difference</b>	<b>Account 190, 281, 282 or 283</b>	<b>Cumulative Temporary Difference at Enactment of TCJA (Pre-tax)</b>	<b>ADIT Balance before TCJA Remeasurement</b>	<b>ADIT Balance after TCJA Remeasurement</b>	<b>Deficient or (Excess) ADIT Due to TCJA ( F = D - E )</b>	<b>Protected Deficient or (Excess) ADIT (Portion of F)</b>	<b>Unprotected Deficient or (Excess) ADIT (Portion of F)</b>	<b>Deficient ADIT Recorded to Account 182.3 (prior to tax gross-up)</b>	<b>Excess ADIT Recorded to Account 254 (prior to tax gross-up)</b>
								<b>Note A</b>	<b>Note B</b>
<b>Plant-related Items</b>									
1 Federal Method/Life									
2 Basis / Other Differences									
<b>3 Total Plant-related Excess Deferred Taxes</b>	<b>282</b>								
<b>Non-Plant Related Items:</b>									
4 Reg Asset - Pension	283	-	-	-	-	-	-	-	-
5 Reg Asset - Comp Absences	283	-	-	-	-	-	-	-	-
6 Amort on Reacquired Debt	283	-	-	-	-	-	-	-	-
7 Liability - Accrued Misc Reserves	190	-	-	-	-	-	-	-	-
8 Liability - Healthcare	190	-	-	-	-	-	-	-	-
9 Liability - Legal	190	-	-	-	-	-	-	-	-
10 Liability - OPEB	190	-	-	-	-	-	-	-	-
11 Liability - Injuries & Damages	190	-	-	-	-	-	-	-	-
12 Liability - Comp Absences	190	-	-	-	-	-	-	-	-
13 Liability - Accrued Vacation	190	-	-	-	-	-	-	-	-
14 Liability - Pension	190	-	-	-	-	-	-	-	-
<b>Total Non-Plant Related Deficient or Excess Deferred Taxes</b>									
<b>16 Total Deficient and (Excess) ADIT (prior to gross-up or amortization)</b>									
								<b>Col. G + Col. H</b> =	<b>Col. I + Col. J</b> =

**Notes**

- A.** Lists the transmission-related temporary differences as of the remeasurement date (December 31, 2017) for the TCJA reduction in corporate federal income tax rate.
- B.** Indicates the ADIT account for each temporary difference. Note that the plant-related temporary difference is separated between protected federal method and life depreciation differences and other basis differences, that are recorded as a single ADIT amount in account 282.
- C.** Amounts in Columns C-K are the transmission-related cumulative temporary differences between amounts reported for regulatory reporting purposes and amounts reported for tax reporting purposes as of the December 31, 2017, the effective date of the Tax Cuts and Jobs Act decrease in corporate federal income tax rate from 35 percent to 21 percent. The amounts reflect the provision-to-return true-up adjustments recorded during 2018 to account for differences between the estimates used in 2017 financial reporting and amounts reported on the 2017 federal income tax return filed in 2018. Plant-related transmission temporary differences specifically identified from underlying Company plant records. Non-plant related transmission temporary differences are allocated based on the final 2017 applicable wage and salary allocator or gross plant allocator.

**D.** Amounts in Column D are the deferred tax assets or liabilities (ADIT) for each temporary difference as of December 31, 2017, measured at the federal income tax rate in effect until such date (35 percent).

**E.** Amounts in Column E are the ADIT amounts for each temporary difference as of December 31, 2017, re-measured at the federal income tax rate in effect after such date (21 percent).

**F.** Amounts in Column F are the deficient or (excess) ADIT amounts for each temporary difference as of December 31, 2017, prior to gross-up to the revenue requirement. The deficient or (excess) ADIT amounts (prior to gross-up) attributable to Accounts 190, 281, 282 and 283 were recorded as a net debit to Account 190 and resulted in amounts recorded in Account 182.3 or Account 254 (as indicated in Columns I and J). The amount of ADIT affecting rate base reflects the remeasurements as the deficient ADIT is recovered or the (excess) ADIT is refunded (detailed on Attachment 1 - ADIT). The amounts in Column F, as classified in Columns G and H under the TCJA normalization rule and as classified in Columns I and J as deficient or excess, are reported on Attachment 9.2 for purposes of computing the unamortized deficient or (excess) ADIT and the rate base adjustment.

**G.** Amounts in Column G relate to deficient or (excess) ADIT computed in Column F that is subject to (i.e., protected by) the normalization requirement provided in the Tax Cuts and Jobs Act.

**H.** Amounts in Column H relate to deficient or (excess) ADIT computed in Column F that is not subject to (i.e., not protected by) the normalization requirement provided in the Tax Cuts and Jobs Act.

**I.** Deficient ADIT amounts due to remeasurements resulting from changes in tax law are recorded in Account 182.3. The company maintains separate deferred tax records for individual components of its plant-related temporary differences that reverse as depreciation-related differences and treats them as a single ADIT item and a single excess ADIT item. Remeasurements on Attachment 9.3 are prior to tax gross-up.

**J.** (Excess) ADIT amounts due to remeasurements resulting from changes in tax law are recorded in account 254. The company maintains separate deferred tax records for individual components of its plant-related temporary differences that reverse as depreciation-related differences and treats them as a single ADIT item and a single excess ADIT item. Remeasurements on Attachment 9.3 are prior to tax gross-up.